

REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

**TO THE SHAREHOLDERS AND BOARD OF DIRECTORS
BANK OF AYUDHYA PUBLIC COMPANY LIMITED**

We have audited the consolidated balance sheets of Bank of Ayudhya Public Company Limited and subsidiaries and the separate balance sheets of Bank of Ayudhya Public Company Limited as at December 31, 2009 and 2008 and the related consolidated and separate statements of income, changes in shareholders' equity and cash flows for the years then ended. These financial statements are the responsibility of the Bank's management as to their correctness and completeness of the presentation. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the aforementioned consolidated and separate financial statements present fairly, in all material respects, the financial position of Bank of Ayudhya Public Company Limited and subsidiaries and of Bank of Ayudhya Public Company Limited as at December 31, 2009 and 2008 and the results of operations and cash flows for the years then ended in conformity with generally accepted accounting principles.

Without qualifying our opinion, as discussed in Note 2.5 to the financial statements, the Bank and subsidiaries have adopted an accounting policy regarding deferred income tax for the first time. The comparative financial statements for the year ended December 31, 2008 thus have been retrospectively restated to be in accordance with the new accounting policy.

BANGKOK
February 11, 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 DECEMBER 31, 2009 AND 2008

BAHT

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2009	2008	2009	2008
		"Restated"		"Restated"
ASSETS				
CASH	20,090,301,220	20,419,454,554	20,080,481,318	20,416,524,467
INTERBANK AND MONEY MARKET ITEMS				
(Note 4.2)				
Domestic items				
Interest bearing	43,646,439,739	69,551,642,417	41,141,564,689	69,236,246,429
Non-interest bearing	6,324,081,956	6,111,102,132	4,984,942,711	5,695,119,897
Foreign items				
Interest bearing	2,068,922,128	2,658,865,362	2,068,922,128	2,658,865,362
Non-interest bearing	1,628,381,553	6,532,735,301	1,561,415,090	6,532,735,301
Total interbank and money market items	53,667,825,376	84,854,345,212	49,756,844,618	84,122,966,989
INVESTMENTS (Notes 3.2 and 4.3)				
Current investments, net	22,779,862,805	27,151,289,458	22,741,811,297	27,151,289,458
Long-term investments, net	44,640,302,562	28,945,951,304	44,402,356,334	28,686,537,314
Investments in subsidiaries and associated companies, net	642,683,414	1,025,688,823	37,699,959,145	28,139,558,435
Investments, net	68,062,848,781	57,122,929,585	104,844,126,776	83,977,385,207
LOANS AND ACCRUED INTEREST RECEIVABLE (Notes 3.3, 3.5 and 4.5)				
Loans	603,507,857,415	557,077,228,177	563,934,343,020	540,442,536,730
Accrued interest receivable	2,210,020,713	1,682,913,422	1,195,345,527	1,580,155,170
Total loans and accrued interest receivable	605,717,878,128	558,760,141,599	565,129,688,547	542,022,691,900
<u>Less</u> Allowance for doubtful accounts (Notes 3.4 and 4.6)	(38,270,889,402)	(31,410,157,897)	(24,255,898,175)	(22,828,653,598)
<u>Less</u> Revaluation allowance for debt restructuring (Notes 3.5 and 4.7)	(328,769,156)	(897,460,019)	(328,627,151)	(896,757,133)
Net loans and accrued interest receivable	567,118,219,570	526,452,523,683	540,545,163,221	518,297,281,169
PROPERTIES FORECLOSED, NET (Notes 3.6 and 4.8)	18,016,939,618	21,370,609,360	9,557,415,041	13,146,937,935
CUSTOMERS' LIABILITIES UNDER ACCEPTANCES	680,864,990	664,825,404	680,864,990	664,825,404
CUSTOMERS' LIABILITIES UNDER COLLATERAL PROPERTY, PREMISES AND EQUIPMENT, NET (Notes 3.7 and 4.9)	17,369,818,373	16,085,231,590	16,597,158,635	15,535,298,869
INTANGIBLE ASSETS, NET (Notes 3.8, 3.9 and 4.10)	12,608,518,002	11,030,032,039	1,141,222,949	1,150,089,360
DEFERRED TAX ASSETS (Notes 3.14 and 4.11)	7,087,903,185	4,147,781,695	2,792,127,709	2,496,036,091
OTHER ASSETS	8,339,135,600	5,736,956,823	7,539,935,761	4,910,203,387
TOTAL ASSETS	780,132,374,715	747,884,689,945	760,625,341,018	744,717,548,878

Notes to the consolidated and the separate financial statements form an integral part of these statements

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS (CONTINUED)

AS AT DECEMBER 31, 2009 AND 2008

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2009	2008	2009	2008
		"Restated"		"Restated"
LIABILITIES AND SHAREHOLDERS' EQUITY				
DEPOSITS (Note 4.12)				
Deposits in Baht	517,551,626,496	533,830,840,963	521,722,506,312	537,224,145,602
Deposits in foreign currencies	2,963,011,066	3,522,668,935	2,963,011,067	3,522,668,935
Total deposits	<u>520,514,637,562</u>	<u>537,353,509,898</u>	<u>524,685,517,379</u>	<u>540,746,814,537</u>
INTERBANK AND MONEY MARKET ITEMS (Note 4.13)				
Domestic items				
Interest bearing	45,056,809,675	17,924,881,487	41,176,612,235	17,098,829,237
Non-interest bearing	1,776,556,195	1,601,863,219	1,791,093,255	1,619,775,851
Foreign items				
Interest bearing	519,222,147	437,316,563	519,222,147	437,316,563
Non-interest bearing	62,480,673	39,286,847	62,480,673	39,286,847
Total interbank and money market items	<u>47,415,068,690</u>	<u>20,003,348,116</u>	<u>43,549,408,310</u>	<u>19,195,208,498</u>
LIABILITIES PAYABLE ON DEMAND	1,752,365,884	1,672,752,398	1,752,365,884	1,672,663,211
BORROWINGS (Notes 4.14 and 4.15)				
Short-term borrowings	39,090,300,000	9,013,752,277	39,090,300,000	9,013,752,277
Long-term borrowings	45,596,442,233	72,843,151,108	40,922,442,233	72,843,151,108
Total borrowings	<u>84,686,742,233</u>	<u>81,856,903,385</u>	<u>80,012,742,233</u>	<u>81,856,903,385</u>
BANK'S LIABILITIES UNDER ACCEPTANCES	680,864,990	664,825,404	680,864,990	664,825,404
LIABILITIES UNDER COLLATERAL DELIVER	7,090,000,000	-	7,090,000,000	-
PROVISION (Note 4.16)	287,129,762	388,908,346	287,129,762	388,908,346
DEFERRED TAX LIABILITIES (Note 4.17)	2,722,116,191	2,183,075,220	2,343,766,278	1,925,322,207
OTHER LIABILITIES	<u>22,398,195,199</u>	<u>17,446,950,269</u>	<u>12,083,172,984</u>	<u>12,223,402,948</u>
TOTAL LIABILITIES	<u>687,547,120,511</u>	<u>661,570,273,036</u>	<u>672,484,967,820</u>	<u>658,674,048,536</u>

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS (CONTINUED)

AS AT DECEMBER 31, 2009 AND 2008

BAHT

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2009	2008	2009	2008
		"Restated"		"Restated"
LIABILITIES AND SHAREHOLDERS' EQUITY				
(CONTINUED)				
SHAREHOLDERS' EQUITY				
SHARE CAPITAL (Note 4.18)				
Authorized share capital				
7,089,392,755 ordinary shares of				
Baht 10 each	<u>70,893,927,550</u>	<u>70,893,927,550</u>	<u>70,893,927,550</u>	<u>70,893,927,550</u>
Issued and paid-up share capital				
6,074,143,747 ordinary shares of				
Baht 10 each, fully paid	60,741,437,470	60,741,437,470	60,741,437,470	60,741,437,470
PREMIUM ON ORDINARY SHARE CAPITAL, NET	13,802,215,854	13,802,215,854	13,802,215,854	13,802,215,854
LAND REVALUATION SURPLUS	3,824,098,097	2,905,038,146	3,824,098,097	2,905,038,146
PREMISES REVALUATION SURPLUS	3,312,386,384	2,536,565,520	3,312,386,384	2,536,565,520
REVALUATION SURPLUS (DEFICIT) ON INVESTMENTS	127,945,524	(143,430,231)	135,603,115	(127,006,947)
DEFERRED TAX ON LAND REVALUATION SURPLUS	(1,147,229,429)	(871,511,444)	(1,147,229,429)	(871,511,444)
DEFERRED TAX ON PREMISES REVALUATION SURPLUS	(993,715,915)	(760,969,656)	(993,715,915)	(760,969,656)
DEFERRED TAX ON REVALUATION ON INVESTMENT	(46,193,401)	38,296,015	(46,848,317)	26,631,646
RETAINED EARNINGS				
Appropriated				
Statutory reserve (Note 4.19)	710,500,000	582,500,000	710,500,000	582,500,000
Unappropriated	<u>12,082,136,783</u>	<u>7,374,867,484</u>	<u>7,801,925,939</u>	<u>7,208,599,753</u>
Total	<u>92,413,581,367</u>	<u>86,205,009,158</u>	<u>88,140,373,198</u>	<u>86,043,500,342</u>
MINORITY INTEREST	<u>171,672,837</u>	<u>109,407,751</u>	<u>-</u>	<u>-</u>
TOTAL SHAREHOLDERS' EQUITY	<u>92,585,254,204</u>	<u>86,314,416,909</u>	<u>88,140,373,198</u>	<u>86,043,500,342</u>
TOTAL LIABILITIES AND				
SHAREHOLDERS' EQUITY	<u><u>780,132,374,715</u></u>	<u><u>747,884,689,945</u></u>	<u><u>760,625,341,018</u></u>	<u><u>744,717,548,878</u></u>

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS (CONTINUED)

AS AT DECEMBER 31, 2009 AND 2008

BAHT

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2009	2008	2009	2008
		"Restated"		"Restated"
OFF -BALANCE SHEET ITEMS				
– CONTINGENCIES (Note 4.22)				
 AVALS TO BILLS AND GUARANTEES				
OF LOANS	3,983,344,696	3,037,196,449	3,983,344,696	3,337,196,449
LIABILITY UNDER UNMATURED				
IMPORT BILLS	1,379,924,292	2,056,520,715	1,379,924,292	2,056,520,715
LETTERS OF CREDIT	5,382,508,494	3,690,630,685	5,415,315,342	3,833,652,655
OTHER CONTINGENCIES	255,084,600,468	243,919,764,114	255,592,949,313	243,932,357,959

Notes to the consolidated and the separate financial statements form an integral part of these 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 YEARS ENDED DECEMBER 31, 2009 AND 2008

BAHT

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2009	2008	2009	2008
		"Restated"		"Restated"
INTEREST AND DIVIDEND INCOME				
Interest on loans	24,367,369,098	25,901,355,989	26,348,159,903	28,585,457,455
Interest on interbank and money market items	844,282,970	2,381,856,105	961,255,435	2,377,826,038
Hire purchase and financial lease income	12,427,727,438	10,438,721,753	-	-
Investments	1,818,087,082	2,440,723,233	3,727,327,708	2,984,894,863
Total Interest and Dividend Income	39,457,466,588	41,162,657,080	31,036,743,046	33,948,178,356
INTEREST EXPENSES				
Interest on deposits	6,812,889,201	10,792,245,115	6,878,604,057	10,812,421,982
Interest on interbank and money market items	883,983,609	898,782,773	711,839,923	365,543,935
Interest on short-term borrowings	928,843,078	520,696,536	967,606,556	209,460,548
Interest on long-term borrowings	2,414,609,231	2,383,040,687	2,376,364,124	2,383,040,687
Total Interest Expenses	11,040,325,119	14,594,765,111	10,934,414,660	13,770,467,152
Interest and Dividend Income, net	28,417,141,469	26,567,891,969	20,102,328,386	20,177,711,204
BAD DEBT AND DOUBTFUL ACCOUNTS				
(Note 4.6)	9,128,849,770	7,152,786,158	4,629,085,073	4,062,237,645
LOSS ON DEBT RESTRUCTURING				
(Note 4.7)	1,087,462,431	637,615,396	1,100,914,927	637,762,355
Interest and Dividend Income after				
Bad Debt and Doubtful Accounts and Loss on				
Debt Restructuring, net	18,200,829,268	18,777,490,415	14,372,328,386	15,477,711,204
NON-INTEREST INCOME				
Loss on investments	(82,407,568)	(2,255,035,683)	(1,380,956,659)	(2,328,298,301)
Gain from equity interest in associated company	126,119,943	35,402,931	-	-
Fees and service income				
Acceptances, aval and guarantees	49,305,002	49,403,620	49,320,231	54,647,456
Others	9,360,343,567	7,438,034,895	5,670,831,217	5,127,956,319
Gain on exchange	730,493,815	860,218,219	743,561,522	860,142,683
Gain on sales of properties foreclosed	812,696,985	952,251,171	450,922,396	272,916,648
Income from investments in receivables	370,802,177	303,277,729	-	-
Excess of net fair value of acquired subsidiaries				
over purchase cost	1,005,302,591	-	-	-
Other income	1,351,409,113	584,494,323	95,833,544	231,123,416
Total Non-Interest Income	13,724,065,625	7,968,047,205	5,629,512,251	4,218,488,221
NON-INTEREST EXPENSES				
Personnel expenses	8,911,486,779	8,113,522,961	6,671,219,383	6,421,919,319
Premises and equipment expenses	4,282,714,691	4,173,923,862	3,337,407,427	3,415,777,890
Taxes and duties	1,164,506,848	1,308,872,241	1,043,348,916	1,241,031,004
Fees and service expenses	3,157,538,631	2,604,144,117	1,421,517,947	1,273,162,615
Directors' remuneration	29,775,628	34,591,428	26,068,600	25,954,800
Contributions to the Financial Institution				
Development Fund and Deposit Protection Agency	2,097,446,777	2,061,871,704	2,076,695,194	2,061,871,704
Other expenses	4,120,635,973	2,951,315,803	2,697,628,126	2,256,850,528
Total Non-Interest Expenses	23,764,105,327	21,248,242,116	17,273,885,593	16,696,567,860

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF INCOME (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2009	2008	2009	2008
		"Restated"		"Restated"
INCOME BEFORE INCOME TAX EXPENSES	8,160,789,566	5,497,295,504	2,727,955,044	2,999,631,565
INCOME TAX EXPENSES (Notes 3.14 and 4.21)	1,503,728,665	1,199,306,007	184,385,733	712,722,150
NET INCOME	<u>6,657,060,901</u>	<u>4,297,989,497</u>	<u>2,543,569,311</u>	<u>2,286,909,415</u>
ATTRIBUTABLE TO				
EQUITY HOLDERS OF THE BANK	6,659,287,228	4,299,477,946	2,543,569,311	2,286,909,415
MINORITY INTEREST	(2,226,327)	(1,488,449)	-	-
NET INCOME	<u>6,657,060,901</u>	<u>4,297,989,497</u>	<u>2,543,569,311</u>	<u>2,286,909,415</u>
BASIC EARNINGS PER SHARE				
(Notes 3.15)	1.10	0.73	0.42	0.39

Notes to the consolidated and the separate financial statements form an integral part of these 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 YEARS ENDED DECEMBER 31, 2009 AND 2008

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	CONSOLIDATED FINANCIAL STATEMENTS										
	Ordinary Share	Share subscriptions	Premium on	Asset Appraisal	Revaluation Surplus	Deferred tax on	Deferred tax on	Retained Earnings (Deficit)		Minority Interests	Total
	Capital	received in	Share Capital	Surplus	(Deficit) on	assets	revaluation on	Appropriated	Unappropriated		
		advance			Investments	appraisal surplus	Investments	Legal reserve			
"Restated"											
Balance as of December 31, 2007 as previously reported	57,477,468,400	177,475,392	13,149,422,040	5,611,977,911	(2,740,080)	-	-	435,500,000	1,005,208,408	212,586,676	78,066,898,747
Effects on changes in accounting policies (Note 2.5)	-	-	-	-	-	(1,683,593,373)	(6,340,612)	-	3,126,028,538	11,694,023	1,447,788,576
Balance as of December 31, 2007 as restated	57,477,468,400	177,475,392	13,149,422,040	5,611,977,911	(2,740,080)	(1,683,593,373)	(6,340,612)	435,500,000	4,131,236,946	224,280,699	79,514,687,323
Decrease in asset appraisal surplus	-	-	-	(170,374,245)	-	-	-	-	-	-	(170,374,245)
Increase in revaluation surplus on investments	-	-	-	-	(140,690,151)	-	-	-	-	6,945	(140,683,206)
Decrease in deferred tax	-	-	-	-		51,112,273	44,636,627	-	-	-	95,748,900
Income (expenses) recognized in shareholders' equity	-	-	-	(170,374,245)	(140,690,151)	51,112,273	44,636,627	-	-	6,945	(215,308,551)
Net income (loss)	-	-	-	-	-	-	-	-	4,299,477,946	(1,488,449)	4,297,989,497
Total income (expenses) recognized in the year	-	-	-	(170,374,245)	(140,690,151)	51,112,273	44,636,627	-	4,299,477,946	(1,481,504)	4,082,680,946
Dividend payment (Note 4.20)	-	-	-	-	-	-	-	-	(908,847,408)	(300)	(908,847,708)
Share subscriptions received in advance	-	3,739,287,492	-	-	-	-	-	-	-	-	3,739,287,492
Increase in share capital	3,263,969,070	(3,263,969,070)	-	-	-	-	-	-	-	-	-
Increase in premium on share capital	-	(652,793,814)	652,793,814	-	-	-	-	-	-	-	-
Increase in statutory reserve	-	-	-	-	-	-	-	147,000,000	(147,000,000)	-	-
Increase in shareholding in subsidiary company	-	-	-	-	-	-	-	-	-	(113,391,144)	(113,391,144)
Ending balance as of December 31, 2008	60,741,437,470	-	13,802,215,854	5,441,603,666	(143,430,231)	(1,632,481,100)	38,296,015	582,500,000	7,374,867,484	109,407,751	86,314,416,909

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

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	CONSOLIDATED FINANCIAL STATEMENTS										
	Ordinary Share	Share subscriptions	Premium on	Asset Appraisal	Revaluation Surplus	Deferred tax on	Deferred tax on	Retained Earnings (Deficit)		Minority Interests	Total
	Capital	received in	Share Capital	Surplus	(Deficit) on	assets	revaluation on	Appropriated	Unappropriated		
		advance			Investments	appraisal surplus	Investments	Legal reserve			
Balance as of December 31, 2008 as previously reported	60,741,437,470	-	13,802,215,854	5,441,603,666	(143,430,231)	-	-	582,500,000	4,845,393,467	97,708,421	85,367,428,647
Effects on changes in accounting policies (Note 2.5)	-	-	-		-	(1,632,481,100)	38,296,015	-	2,529,474,017	11,699,330	946,988,262
Balance as of December 31, 2008 as restated	60,741,437,470	-	13,802,215,854	5,441,603,666	(143,430,231)	(1,632,481,100)	38,296,015	582,500,000	7,374,867,484	109,407,751	86,314,416,909
Increase in asset appraisal surplus	-	-	-	1,694,880,815	-	-	-	-	-	-	1,694,880,815
Increase in revaluation surplus on investments	-	-	-	-	271,375,755	-	-	-	-	425,677	271,801,432
Increase in deferred tax	-	-	-	-	-	(508,464,244)	(84,489,416)	-	-	-	(592,953,660)
Income (expenses) recognized in shareholders' equity	-	-	-	1,694,880,815	271,375,755	(508,464,244)	(84,489,416)	-	-	425,677	1,373,728,587
Net income (loss)	-	-	-		-			-	6,659,287,228	(2,226,327)	6,657,060,901
Total income (expenses) recognized in the year	-	-	-	1,694,880,815	271,375,755	(508,464,244)	(84,489,416)	-	6,659,287,228	(1,800,650)	8,030,789,488
Dividend payment (Note 4.20)	-	-	-	-	-	-	-	-	(1,821,416,039)	(4,668)	(1,821,420,707)
Increase in preferred share	-	-	-	-	-	-	-	-	-	480	480
Increase in statutory reserve	-	-	-	-	-	-	-	128,000,000	(128,000,000)	-	-
Increase (decrease) in shareholding in subsidiary company	-	-	-	-	-	-	-	-	(2,601,890)	64,069,924	61,468,034
Ending balance as of December 31, 2009	60,741,437,470	-	13,802,215,854	7,136,484,481	127,945,524	(2,140,945,344)	(46,193,401)	710,500,000	12,082,136,783	171,672,837	92,585,254,204

Notes to the consolidated and the separate financial statements form an integral part of these statements

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	SEPARATE FINANCIAL STATEMENTS									Baht
	Ordinary Share Capital	Share subscriptions received in advance	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 (Deficit)		Total
								Appropriated Legal reserve	Unappropriated	
"Restated"										
Balance as of December 31, 2007 as previously reported	57,477,468,400	177,475,392	13,149,422,040	5,611,977,911	(385,094)	-	-	435,500,000	3,154,333,618	80,005,792,267
Effects on changes in accounting policies (Note 2.5)	-	-	-	-	-	(1,683,593,373)	(16,465,414)	-	2,818,263,833	1,118,205,046
Balance as of December 31, 2007 as restated	57,477,468,400	177,475,392	13,149,422,040	5,611,977,911	(385,094)	(1,683,593,373)	(16,465,414)	435,500,000	5,972,597,451	81,123,997,313
Decrease in asset appraisal surplus	-	-	-	(170,374,245)	-	-	-	-	-	(170,374,245)
Decrease in revaluation deficit on investments	-	-	-	-	(126,621,853)	-	-	-	-	(126,621,853)
Decrease in deferred tax	-	-	-	-	-	51,112,273	43,097,060	-	-	94,209,333
Income (expenses) recognized in shareholders' equity	-	-	-	(170,374,245)	(126,621,853)	51,112,273	43,097,060	-	-	(202,786,765)
Net Income	-	-	-	-	-	-	-	-	2,286,909,415	2,286,909,415
Total income (expenses) recognized in the year	-	-	-	(170,374,245)	(126,621,853)	51,112,273	43,097,060	-	2,286,909,415	2,084,122,650
Dividend payment (Note 4.20)	-	-	-	-	-	-	-	-	(903,907,113)	(903,907,113)
Increase in share subscriptions received in advance	-	3,739,287,492	-	-	-	-	-	-	-	3,739,287,492
Increase in share capital	3,263,969,070	(3,263,969,070)	-	-	-	-	-	-	-	-
Increase in premium on share capital	-	(652,793,814)	652,793,814	-	-	-	-	-	-	-
Increase in statutory reserve	-	-	-	-	-	-	-	147,000,000	(147,000,000)	-
Ending balance as of December 31, 2008	60,741,437,470	-	13,802,215,854	5,441,603,666	(127,006,947)	(1,632,481,100)	26,631,646	582,500,000	7,208,599,753	86,043,500,342

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	SEPARATE FINANCIAL STATEMENTS									Baht
	Ordinary Share Capital	Share subscriptions received in advance	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 (Deficit)		Total
								Appropriated Legal reserve	Unappropriated	
Balance as of December 31, 2008 as previously reported	60,741,437,470	-	13,802,215,854	5,441,603,666	(127,006,947)	-	-	582,500,000	5,032,036,415	85,472,786,458
Effects on changes in accounting policies (Note 2.5)	-	-	-	-	-	(1,632,481,100)	26,631,646	-	2,176,563,338	570,713,884
Balance as of December 31, 2008 as restated	60,741,437,470	-	13,802,215,854	5,441,603,666	(127,006,947)	(1,632,481,100)	26,631,646	582,500,000	7,208,599,753	86,043,500,342
Increase in asset appraisal surplus	-	-	-	1,694,880,815	-	-	-	-	-	1,694,880,815
Increase in revaluation surplus on investments	-	-	-	-	262,610,062	-	-	-	-	262,610,062
Decease in deferred tax	-	-	-	-	-	(508,464,244)	(73,479,963)	-	-	(581,944,207)
Income (expenses) recognized in shareholders' equity	-	-	-	1,694,880,815	262,610,062	(508,464,244)	(73,479,963)	-	-	1,375,546,670
Net Income	-	-	-	-	-	-	-	-	2,543,569,311	2,543,569,311
Total income (expenses) recognized in the year	-	-	-	1,694,880,815	262,610,062	(508,464,244)	(73,479,963)	-	2,543,569,311	3,919,115,981
Dividend payment (Note 4.20)	-	-	-	-	-	-	-	-	(1,822,243,125)	(1,822,243,125)
Increase in statutory reserve	-	-	-	-	-	-	-	128,000,000	(128,000,000)	-
Ending balance as of December 31, 2009	60,741,437,470	-	13,802,215,854	7,136,484,481	135,603,115	(2,140,945,344)	(46,848,317)	710,500,000	7,801,925,939	88,140,373,198

Notes to the consolidated and the separate financial statements form an integral part of these statements

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

BAHT

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2009	2008	2009	2008
		"Restated"		"Restated"
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before tax	8,160,789,566	5,497,295,504	2,727,955,044	2,999,631,565
Adjustments to reconcile income to net cash flows from operating activities:				
Depreciation and amortization	1,702,495,815	1,731,409,615	1,311,096,343	1,316,689,334
Bad debt and doubtful accounts	9,128,849,770	7,152,786,158	4,629,085,073	4,062,237,645
Loss on debt restructuring	1,087,462,431	637,615,396	1,100,914,927	637,762,355
(Gain) loss on translation of balances in foreign currencies	341,512,545	(1,170,602,552)	341,512,545	(1,170,602,552)
Loss on investments	82,407,568	2,255,035,683	1,380,956,659	2,328,298,301
Excess of net fair value of acquired subsidiaries over purchase cost	(1,005,302,591)	-	-	-
Discretion of discount on investments	(223,038,448)	(375,793,758)	(226,960,948)	(377,594,414)
Gain on reclassification from investments in receivable to loans	-	(919,248)	-	-
Gain on sales of properties foreclosed	(812,696,985)	(952,251,171)	(450,922,396)	(272,916,648)
(Gain) loss on sales of property, premises and equipment	(66,277,421)	(62,127,643)	(2,847,437)	(12,801,838)
Loss on impairment of properties foreclosed	539,263,753	533,552,020	625,902,348	438,724,042
Gain from equity interest in associated company	(126,119,943)	(35,402,931)	-	-
Interest and dividend income	(39,457,466,588)	(41,162,657,080)	(31,036,743,046)	(33,948,178,356)
Income tax refunded	182,979,740	286,025,768	78,344,710	237,438,856
Interest received	41,706,841,884	40,931,065,006	29,307,988,436	33,379,396,194
Dividend received	355,372,401	414,137,824	2,589,030,880	649,725,648
Interest expenses	11,040,325,119	14,594,765,111	10,934,414,660	13,770,467,152
Increase in other accrued expenses	1,081,125,869	616,325,449	91,325,657	491,373,596
Increase in other reserve	(21,678,350)	(47,303,371)	(21,678,350)	(47,403,371)
Interest paid	(11,818,857,065)	(14,792,209,280)	(11,718,603,649)	(14,193,145,587)
Income tax paid	(1,774,412,392)	(245,813,598)	(235,469,873)	(150,069,454)
Income from operations before changes in operating assets and liabilities	20,103,576,678	15,804,932,902	11,425,301,583	10,139,032,468
(Increase) decrease in operating assets				
Interbank and money market items	58,792,374,849	(50,862,913,294)	34,080,461,387	(50,461,234,029)
Securities purchased under resale agreements	-	76,000,000,000	-	76,000,000,000
Current investments - securities for trading	5,429,608,841	306,512,196	2,495,975,233	141,504,423
Loans	13,839,151,016	(41,585,908,296)	(29,117,064,671)	(105,814,342,882)
Properties foreclosed	4,054,258,822	1,846,549,545	3,727,086,526	2,721,648,563
Other assets	(151,675,443)	1,831,041,315	(3,726,704,271)	1,726,701,092
Increase (decrease) in operating liabilities				
Deposits	(35,982,500,114)	37,686,150,653	(15,895,037,267)	40,300,598,750
Interbank and money market items	(18,413,576,765)	(62,713,145,088)	24,421,218,119	4,491,831,221
Liabilities payable on demand	45,603,080	(468,194,341)	79,702,672	(468,283,528)
Other liabilities	(3,149,591,851)	488,912,452	2,122,208,714	(486,604,221)
Net cash provided by (used in) operating activities	44,567,229,113	(21,666,061,956)	29,613,148,025	(21,709,148,143)

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2009	2008	2009	2008
		"Restated"		"Restated"
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sales of investments - securities available-for-sale and other investments	227,646,869,159	86,779,790,731	227,098,729,208	86,684,369,676
Cash paid for purchases of investments - securities available-for-sale and other investments	(241,902,449,879)	(91,551,632,300)	(240,809,001,791)	(90,661,547,715)
Proceeds from sale of subsidiary	62,590,223	-	62,590,223	-
Proceeds from repatriation of subsidiary	517,439,778	-	517,439,778	-
Cash paid for purchases of subsidiaries	(11,308,964,010)	(15,455,867,087)	(11,346,813,378)	(16,280,432,500)
Cash paid for additional investment in subsidiary	-	-	-	(499,999,940)
Cash paid to minority shareholder for purchase of additional shares of subsidiary	(2,460,518)	(132,822,000)	(2,460,518)	(132,822,000)
Proceeds from sales of property, premises and equipment	665,572,410	120,075,538	38,404,915	40,793,378
Cash paid for purchases of property, premises and equipment	(1,598,774,717)	(1,508,997,547)	(1,593,897,942)	(1,256,851,373)
Cash paid for purchases of other assets	(1,993,172,346)	(496,594,825)	(401,384,611)	(394,666,845)
Net cash used in investing activities	<u>(27,913,349,900)</u>	<u>(22,246,047,490)</u>	<u>(26,436,394,116)</u>	<u>(22,501,157,319)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuance of senior securities notes	5,674,000,000	45,855,200,000	-	45,855,200,000
Proceeds from issuance of bills of exchange	22,358,300,000	16,814,600,000	23,358,300,000	16,814,600,000
Cash paid for redemption of short-term debentures	(693,038,955)	(1,000,000,000)	-	(1,000,000,000)
Cash paid for redemption of financial instruments	(5,103,971,712)	-	(5,103,971,712)	-
Cash paid for repayment of bill of exchange	(19,922,500,000)	(18,957,800,000)	(19,922,500,000)	(18,957,800,000)
Decrease in short-term borrowings	(3,999,000)	(492,724,101)	(3,999,000)	(196,001,000)
(Decrease) increase in long-term borrowings	(17,484,732,494)	42,414,711	(32,708,874)	38,415,711
Warrants converted to ordinary shares	-	3,739,287,492	-	3,739,287,492
Dividend payment	(1,821,416,039)	(908,848,744)	(1,822,243,125)	(903,907,113)
Net cash provided by (used in) financing activities	<u>(16,997,358,200)</u>	<u>45,092,129,358</u>	<u>(3,527,122,711)</u>	<u>45,389,795,090</u>
Total	<u>(343,478,987)</u>	<u>1,180,019,912</u>	<u>(350,368,802)</u>	<u>1,179,489,628</u>
Effect of exchange rate change on cash	<u>14,325,653</u>	<u>39,903,532</u>	<u>14,325,653</u>	<u>39,903,532</u>
Net increase (decrease) in cash and cash equivalents	(329,153,334)	1,219,923,444	(336,043,149)	1,219,393,160
Cash and cash equivalents as at January 1,	<u>20,419,454,554</u>	<u>19,199,531,110</u>	<u>20,416,524,467</u>	<u>19,197,131,307</u>
Cash and cash equivalents as at December 31,	<u>20,090,301,220</u>	<u>20,419,454,554</u>	<u>20,080,481,318</u>	<u>20,416,524,467</u>

Notes to the consolidated and the separate financial statements form an integral part of these statements

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

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BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

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. The Bank has 20 subsidiaries as follows:

- 1.1 Ayudhya Development Leasing Company Limited, incorporated in Thailand since July 25, 1991 and located at 65/182-185 Chamnanpenchat Business Center Building, Fl 22, Rama IX Road, Huey Khuang Subdistrict, Huey Khuang District, Bangkok. The subsidiary’s main business includes leasing and hire-purchase.
- 1.2 Ayudhya Auto Lease Public Company Limited, incorporated in Thailand since February 1, 1994 and located at 898 Ploenchit Tower Building, Fl 3, Ploenchit Road, Lumpini Subdistrict, Patumwan District, Bangkok. The subsidiary’s main business is auto leasing.

Currently, the subsidiary ceased writing new auto hire-purchase business and is servicing the portfolio run-off. Moreover, the subsidiary delisted its ordinary shares and warrants from The Stock Exchange of Thailand (“the SET”) when The Board of Governors of the SET approved the delisting of the Company’s ordinary shares and warrants on June 12, 2007.

- 1.3 Ayudhya Capital Lease Company Limited, incorporated in Thailand since December 27, 2006 and located at 898 Ploenchit Tower Building, Fl 16, Ploenchit Road, Lumpini Subdistrict, Patumwan District, Bangkok. The subsidiary’s main business is auto leasing service.

On December 5, 2008, the subsidiary transferred its entire business to Ayudhya Capital Auto Lease Public Company Limited (formerly GE Capital Auto Lease Public Company Limited) and an extraordinary shareholders’ meeting of the subsidiary approved a resolution to liquidate the subsidiary on December 17, 2008, with an effective date on December 26, 2008. Currently, the subsidiary is in the process of liquidation.

- 1.4 Ayudhya Hire Purchase Company Limited, incorporated in Thailand since January 24, 2008 and located at 550 Ploenchit Road, Lumpini Subdistrict, Patumwan District, Bangkok. The subsidiary’s main business is hire-purchase of used car for sale and lease back to individuals.

On December 5, 2008, the subsidiary transferred its entire business to Ayudhya Capital Auto Lease Public Company Limited (formerly GE Capital Auto Lease Public Company Limited) and an extraordinary shareholders’ meeting of the subsidiary approved a resolution to liquidate the subsidiary on December 17, 2008, with an effective date on December 26, 2008. Currently, the subsidiary registered the completion of liquidation on December 26, 2009.

- 1.5 Ayudhya Capital Auto Lease Public Company Limited (formerly GE Capital Auto Lease Public Company Limited), incorporated in Thailand since November 27, 1995 and located at 87/1, Fl 3, Capital Tower, and 87/2, Fl 30, CRC Tower, All Seasons Place, Wireless Road, Lumpini Subdistrict, Patumwan District, Bangkok. The subsidiary's main business is auto hire-purchase, leasing service and refinancing to individuals and corporate. The subsidiary became the Bank's subsidiary on February 14, 2008.

On September 24, 2008, a meeting of Board of Directors of the Bank approved a resolution on the entire business transfer of two subsidiaries, carrying out the similar business, to Ayudhya Capital Auto Lease Public Company Limited, the Bank's subsidiary. The transferor subsidiaries were Ayudhya Capital Lease Company Limited (see note 1.3) and Ayudhya Hire Purchase Company Limited (see note 1.4). The Bank of Thailand approved the entire business transfer on November 5, 2008 and this transaction was executed on December 5, 2008.

- 1.6 Ayudhya Total Solution Public Company Limited (formerly AIG Retail Bank Public Company Limited), incorporated in Thailand since May 9, 1994 to carry out the financial and security businesses. On December 7, 2006, the subsidiary was granted a banking license from the Bank of Thailand and it had changed its operation to be banking business since March 6, 2007. The registered office is located at 990 Abdulrahim Place, Fl 7 and Fl 10, Rama IV Road, Silom Subdistrict, Bangrak District, Bangkok. The subsidiary's main business is hire-purchase business. The subsidiary became the Bank's subsidiary on April 8, 2009.

On September 25, 2009, the subsidiary returned the banking license to the Bank of Thailand to be in compliance with the Bank of Thailand's regulations.

- 1.7 CFG Services Company Limited, incorporated in Thailand since October 24, 2006 and located at 52/53, 54, 59, 60 Pathumthani-samkok Road, Bangprok, Muang, Pathumtani. The subsidiary's main business is hire-purchase loan and secured personal loan for vehicles and motorcycles. The subsidiary became the Bank's subsidiary on September 9, 2009.
- 1.8 Ayudhya Card Services Company Limited (formerly AIG Card (Thailand) Company Limited), incorporated in Thailand since December 4, 1997 and located at 968 U Chu Liang Building, Fl 20, Rama IV Road, Silom Subdistrict, Bangrak District, Bangkok. The subsidiary's main business is credit card business including personal loans. The subsidiary became the Bank's subsidiary on April 8, 2009.
- 1.9 GE Capital (Thailand) Limited, incorporated in Thailand since November 9, 1994 and located at 87/1, Capital Tower, All Seasons Place, FL 1-6 and 8-11, Wireless Road, Lumpini Subdistrict, Pathumwan District, Bangkok. The subsidiary's main business is credit card business and personal loan. The subsidiary became the Bank's subsidiary on November 5, 2009.
- 1.10 General Card Services Limited, incorporated in Thailand since January 24, 1995 and located at 87/1, Capital Tower, All Seasons, Place FL 1-6 and 8, Wireless Road, Lumpini Subdistrict, Pathumwan District, Bangkok. The subsidiary's main business is credit card business and personal loan. The subsidiary became the Bank's subsidiary on November 5, 2009.
- 1.11 Krungsriayudhya Card Company Limited, which is owned by Bank of Ayudhya Public Company Limited and GE Capital (Thailand) Limited equally, with 49.99% shareholding each, incorporated in Thailand since August 29, 1996 and located at 87/1, Capital Tower, All Seasons Place, FL 1-6 and 8-11, Wireless Road, Lumpini Subdistrict, Pathumwan District, Bangkok. The subsidiary's main business is credit card business and personal loan. The Subsidiary changed its status from being an associated company to subsidiary resulting from indirectly holding via GE Capital (Thailand) Limited on November 5, 2009.

- 1.12 Siam Realty and Services Company Limited, incorporated in Thailand since June 20, 1988 and located at 550 Ploenchit Road, Lumpini Subdistrict, Patumwan District, Bangkok. The subsidiary's main business is car leasing and personnel services.
- 1.13 K. S. Law Office Company Limited, incorporated in Thailand since February 2, 1996 and located at 550 Ploenchit Road, Lumpini Subdistrict, Patumwan District, Bangkok. The subsidiary's main business is legal advisory services. The Company is currently in the process of liquidation.
- 1.14 Total Services Solutions Public Company Limited, incorporated as a public company limited in Thailand since May 19, 1997 and located at 87/1, Capital Tower, and 87/2, CRC Tower, All Seasons Place, Wireless Road, Lumpini Subdistrict, Pathumwan District, Bangkok. The subsidiary's main business is providing collection services. The subsidiary became the Bank's subsidiary on November 5, 2009.
- 1.15 Ayudhya Fund Management Company Limited, incorporated in Thailand since December 19, 1996 and located at 898 Ploenchit Tower Building, Fl 12, Ploenchit Road, Lumpini Subdistrict, Patumwan District, Bangkok. The subsidiary's main business is mutual fund and individual private fund management.
- 1.16 Ayudhya Asset Management Company Limited, incorporated in Thailand since August 18, 2000 and located at 1222 Rama III Road, Bang Pongphang Subdistrict, Yannawa District, Bangkok. The subsidiary's main business is to develop, manage and sell assets transferred from the financial institutions.
- 1.17 Ayudhya Securities Public Company Limited, incorporated in Thailand since April 16, 2004 and located at 999/9 The Offices at Central World Building, Fl 12, Rama I Road, Patumwan Subdistrict, Patumwan District, Bangkok. The subsidiary's main business is securities business.
- 1.18 Ayudhya Factoring Company Limited, incorporated in Thailand since February 1, 2007 and located at 550 Ploenchit Road, Lumpini Subdistrict, Patumwan District, Bangkok. The subsidiary's main business is factoring.
- 1.19 Ayudhya Derivatives Company Limited, which is 99.99% held by Ayudhya Securities Public Company Limited incorporated in Thailand since June 15, 2005 and located at 999/9 The Offices at Central World Building, Fl 12, Rama I Road, Patumwan Subdistrict, Patumwan District, Bangkok. The subsidiary's main business is the financial derivatives business and derivatives trading broker.

On December 1, 2008 the subsidiary transferred its derivatives business and employees to Ayudhya Securities Public Company Limited. After such business transfer, the subsidiary returned the derivatives business license to the Office of the Securities and Exchange Commission.

By the special resolution passed by the subsidiary's extraordinary shareholders' meeting on February 20, 2009, the subsidiary was authorized to decrease its share capital from Baht 120 million (1,200,000 ordinary shares of Baht 100 each) to Baht 30 million (300,000 ordinary shares of Baht 100 each). The decreased capital of Baht 90 million compensated the subsidiary's accumulated deficit of Baht 23 million with the residual to be refunded to the subsidiary's shareholders on April 30, 2009. The subsidiary registered with the Ministry of Commerce for the capital reduction on April 20, 2009.

By the special resolution of the Annual General Shareholders' Meeting of the subsidiary held on April 22, 2009, it resolved to dissolve the subsidiary. The subsidiary had registered with the Ministry of Commerce for the dissolution on May 19, 2009. Currently, the subsidiary is in process of liquidation.

- 1.20 PrimaVest Asset Management Company Limited, which is 99.99% held by Ayudhya Fund Management Company Limited, incorporated in Thailand since May 7, 1997 and located at 900 Tonson Tower , Fl 18, Ploenchit Road, Lumpini Subdistrict, Pathumwan District, Bangkok. The subsidiary's main business is fund management. The subsidiary became Ayudhya Fund Management Company Limited's subsidiary on September 18, 2009.

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

- 2.1 The consolidated and the separate financial statements are prepared in accordance with 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")'s 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" (previously No. 35).

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

The Bank prepares its statutory financial statements in the Thai language in conformity with Thai accounting standards and Notifications noted above. The accompanying financial statements and disclosures are prepared in accordance with accounting principles and practices generally accepted in Thailand. However, for the convenience of readers, the Bank also prepares its financial statements in English, by translating from the Thai version.

Renumbering of Thai accounting standards

The Federation of Accounting Professions has issued the Notification of Federation of Accounting Professions No. 12/2552 dated May 15, 2009 regarding the renumbering of Thai accounting standards (TASs) to be the same as the International Accounting Standards. Therefore, reference TASs in these financial statements have used the new numbers to be in accordance with such Notification.

Accounting standards announced but not yet effective

The Federation of Accounting Professions issued the Notification of Federation of Accounting Professions No. 16/2552 dated May 21, 2009 regarding the following accounting standards that were announced in the Royal Gazette, but not yet in effect in 2009:

Accounting Standards	Effective date
Accounting Framework (Revised 2007)	January 1, 2011
No. 20 Accounting for Government Grants and Disclosure of Government Assistance	January 1, 2012
No. 24 (Revised 2007)Related Party Disclosures (previously No. 47)	January 1, 2011
No. 40 Investment Property	January 1, 2011

The Bank's management has assessed the impact of these accounting standards, when they are effective for financial periods beginning on or after the TASs' effective dates, and does not expect them to have a material effect on the Bank's financial statements.

- 2.2 The consolidated financial statements included the accounts of 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:

Subsidiaries	Business Type	Percentage of Holdings As at December 31,	
		2009	2008
Ayudhya Development Leasing Company Limited	Leasing	99.99	99.99
Ayudhya Auto Lease Public Company Limited	Auto leasing	99.66	99.55
Ayudhya Capital Lease Company Limited ⁽¹⁾	Auto leasing	99.99	99.99
Ayudhya Hire Purchase Company Limited ⁽²⁾	Hire-purchase of used cars	-	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	99.76	-
CFG Services Company Limited	Hire-purchase	99.99	-
Ayudhya Card Services Company Limited (formerly AIG Card (Thailand) Company Limited)	Credit card including personal loans	99.99	-
GE capital (Thailand) Company Limited	Credit card and personal loans	99.99	-
General Card Services Company Limited	Credit card and personal loans	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	-
Ayudhya Fund Management Company Limited	Fund management	76.59	99.99
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 ⁽⁴⁾	Derivatives trading broker	86.33	86.33
PrimaVest Asset Management Company Limited ⁽⁵⁾	Fund management	76.59	-

⁽¹⁾ Subsidiary under the liquidation process

⁽²⁾ Subsidiary registered the completion of liquidation

⁽³⁾ Including indirectly holding via GE Capital (Thailand) Company Limited of 49.99%

⁽⁴⁾ Indirectly holding via Ayudhya Securities Public Company Limited of 99.99%

⁽⁵⁾ Indirectly holding via Ayudhya Fund Management Company Limited of 99.99%

As at December 31, 2009 and 2008, 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 years ended December 31, 2009 and 2008, including financial statements of certain subsidiaries and gain (loss) on equity of certain associated companies, prepared by subsidiaries and associated company's management which have not been audited by the auditors are as follows:

Subsidiaries	Unit: Million Baht
	Net Profit(loss)/ Gain(loss) on equity For the year ended December 31, 2009
1. K.S. Law Office Company Limited	(1)
2. Ayudhya Capital Lease Company Limited	15
	<u>14</u>

Unit: Million Baht
Net Profit(loss)/ Gain (loss) on equity
For the year ended December 31, 2008

Subsidiaries

1. K.S. Law Office Company Limited

-

Associated company

1. Krungsriyudhya Card Company Limited

(8)

(8)

2.4 Change in estimates

Effective from January 1, 2009, a subsidiary operating a hire-purchase business changed its estimates for calculating allowance for doubtful accounts on hire-purchase receivables from a collateralized approach to a collective approach by classifying a group of loans having similar credit risk characteristics based on the historical loss experience of each loan category. As a result from this change in estimate, the subsidiary's income before income tax for the year ended December 31, 2009, increased by Baht 378 million.

2.5 Change in Accounting Policy

Deferred Tax

The Bank and subsidiaries have 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 International Accounting Standard No.12 "Income Taxes" (revised 2008) which the content is not different from draft Thai Accounting Standard No.12 "Income Taxes" (2009). The 2008 financial statements have been retrospectively restated accordingly as follows :

	CONSOLIDATED		Unit : Million Baht	
	FINANCIAL STATEMENTS		SEPARATE	
	2009	2008	2009	2008
<u>Investments in subsidiaries and associated companies, net</u>				
Balance at 1 January before change in accounting policy	777	785	-	-
Increase	<u>249</u>	<u>205</u>	<u>-</u>	<u>-</u>
Balance at 1 January after change in accounting policy	<u>1,026</u>	<u>990</u>	<u>-</u>	<u>-</u>
<u>Deferred tax assets</u>				
Balance at 1 January before change in accounting policy	1,266	-	-	-
Increase	<u>2,882</u>	<u>3,288</u>	<u>2,496</u>	<u>2,993</u>
Balance at 1 January after change in accounting policy	<u>4,148</u>	<u>3,288</u>	<u>2,496</u>	<u>2,993</u>
<u>Deferred tax liabilities</u>				
Balance at 1 January before change in accounting policy	-	-	-	-
Increase	<u>2,183</u>	<u>2,045</u>	<u>1,925</u>	<u>1,875</u>
Balance at 1 January after change in accounting policy	<u>2,183</u>	<u>2,045</u>	<u>1,925</u>	<u>1,875</u>

	CONSOLIDATED		Unit : Million Baht	
	FINANCIAL STATEMENTS		SEPARATE	
	2009	2008	2009	2008
<u>Deferred tax on land revaluation surplus</u>				
Balance at 1 January before change in accounting policy	-	-	-	-
Increase of deferred tax liabilities	(872)	(872)	(872)	(872)
Balance at 1 January after change in accounting policy	<u>(872)</u>	<u>(872)</u>	<u>(872)</u>	<u>(872)</u>
<u>Deferred tax on premises revaluation surplus</u>				
Balance at 1 January before change in accounting policy	-	-	-	-
Increase of deferred tax liabilities	(761)	(812)	(761)	(812)
Balance at 1 January after change in accounting policy	<u>(761)</u>	<u>(812)</u>	<u>(761)</u>	<u>(812)</u>
<u>Deferred tax on revaluation of investment</u>				
Balance at 1 January before change in accounting policy	-	-	-	-
(Increase) decrease in deferred tax liabilities	38	(6)	27	(16)
Balance at 1 January after change in accounting policy	<u>38</u>	<u>(6)</u>	<u>27</u>	<u>(16)</u>
<u>Retained earnings - Unappropriated</u>				
Balance at 1 January before change in accounting policy	4,845	1,005	5,032	3,154
Increase of deferred tax assets	3,026	3,557	2,328	2,993
Decrease of deferred tax liabilities	(496)	(431)	(152)	(175)
Balance at 1 January after change in accounting policy	<u>7,375</u>	<u>4,131</u>	<u>7,208</u>	<u>5,972</u>
<u>Gain from equity interest in associated company</u>				
Gain (loss) from equity interest in associated company for the year before change in accounting policy	115	(8)	-	-
Increase (decrease) of income tax	(11)	43	-	-
Gain from equity interest in associated company for the year after change in accounting policy	<u>126</u>	<u>35</u>	<u>-</u>	<u>-</u>
<u>Net Income</u>				
Net Income for the years before change in accounting policy	6,420	4,895	2,084	2,929
Increase (decrease) of income tax	(237)	597	(460)	642
Net Income (Loss) for the years after change in accounting policy	<u>6,657</u>	<u>4,298</u>	<u>2,544</u>	<u>2,287</u>
<u>Increase (decrease) of Earning Per Share ("EPS")</u>				
<u>Basic EPS:</u>				
EPS before change in accounting policy	1.06	0.83	0.34	0.50
Increase (decrease) of income tax	(0.04)	0.10	(0.08)	0.11
EPS after change in accounting policy	<u>1.10</u>	<u>0.73</u>	<u>0.42</u>	<u>0.39</u>

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Cash and cash equivalents

For the Bank, cash and cash equivalents consist of cash on hand and cash on collection.

For the subsidiary companies, cash and cash equivalents represent cash on hand and deposits at financial institutions excluding negotiable certificate of deposits, in accordance with the Notification of the BOT. In the statements of cash flows, cash and deposits at financial institutions used as collateral are not included in cash and cash equivalents but are included in other assets.

3.2 Investments

The Bank and subsidiaries' investments which consist of debt securities and equity securities are classified as either trading securities, available-for-sale securities, held-to-maturity securities or general investments.

In addition, the Bank complies with the BOT's Notification dated August 3, 2008 regarding the Preparation and Announcement of Financial Statements of Commercial Banks and Holding Companies of Financial Industry, requiring commercial banks to present the investments as current investments-net, long-term investments-net and investments in subsidiaries and associated companies-net.

Trading securities which represent securities acquired with the intent to hold as short-term are current investments and management acquires those securities with the intent to hold them for a short period of time in order to take advantage of anticipated changes in market values. Trading securities are carried at fair value. Realized gains and losses from the sales of trading securities and unrealized gain and loss on the changes in fair value are recognized as non-interest income. Interest earned and dividend on trading securities is recognized using the accrual basis of accounting as interest and dividend income.

Debt securities which the Bank and subsidiaries have the intent and ability to hold until maturity are classified as held-to-maturity and carried at the amortized cost, net of valuation allowances for impairment, if any, and are presented as long-term investments except for those with maturities less than one year. Valuation allowances are established by recognizing an unrealized loss when the impairment is identified by management. In addition, the Bank classifies the rights of the Bank over the receivable and unreceived non-negotiable promissory notes, which are availed by the Financial Institutions Development Fund (FIDF) issued by the Thai Asset Management Corporation (TAMC) under the Asset Transfer Agreement for transfer of sub-quality assets, as long-term investment in the category of debt securities held-to-maturity.

Debt and equity securities with readily determinable market values that are not classified as either trading securities or held-to-maturity securities are classified as available-for-sale securities and are presented as short-term or long-term investments depending on the intent of management and carried at fair value. The unrealized gains or losses related to available-for-sale securities are reported as a component of shareholders' equity until realized. Gain or loss on available-for-sale securities are recognized in the statements of income upon the sale or disposition of such securities.

Non-marketable equity securities and marketable equity securities acquired from troubled debt restructuring are classified as general investments and presented as long-term investment, carried at cost, net of valuation allowances for impairment, if applicable. Valuation allowances are established by recognizing an unrealized loss in the statements of income when the impairment of a security is determined by management.

Foreign sector debt securities include investments in Collateralized Debt Obligations and Structured Deposits which are classified as securities for trading and carried at fair value. Gain and loss on the changes in fair value are recognized as non-interest income.

Premiums and discounts are amortized and accreted into income as adjustments to interest income using the effective interest rate method.

In the consolidated financial statements, investments in associated companies are accounted for by the equity method. In the separate financial statements, investments in subsidiaries and associated companies are accounted for by the cost method.

When an investment is assessed as being impaired, the amount of impairment is recognized as expense in the statements of income.

Fair value or market value of securities is calculated on the following basis:

1. For Government bonds and state enterprise bonds, the fair values of these securities were estimated by using the BOT formula, based on The Thai Bond Market Association's Yield Curve on the last business day of the year.
2. For private sector debt and equity securities which are listed securities and securities in The Thai Bond Market Association, market values are estimated using the bidding prices at The Stock Exchange of Thailand and The Thai Bond Market Association on the last business day of the year.
3. For private sector debt securities which are non-listed securities, the last closing prices of The Thai Bond Market Association are used to estimate fair value. In the absence of such prices, fair value is estimated by applying the aforementioned risk adjusted yield curve, in accordance with the criteria established by the BOT.
4. Foreign sector debt securities, market values are estimated using the average prices calculated by arrangers.

Equity securities which are non-listed securities are stated at cost, except in the case where a permanent decline in value is deemed to have occurred with the loss charged to the statements of income.

Cost of securities sold during the year is computed by using the weighted average method. Realized gain and loss from sales of debt and equity securities are included in non-interest income.

3.3 Loans

Overdrafts are stated at the drawn amounts including interest. Other loans are stated at the principal amounts.

Unearned discounts on notes receivable are presented as a reduction from loans.

3.4 Allowance for doubtful accounts

Allowance for doubtful accounts is determined through methods in accordance with the Bank of Thailand's regulations. The Bank and its subsidiaries categorize their loan portfolio into six categories and determined allowance for doubtful accounts subject to different levels of provisioning. Allowance for doubtful accounts for loans classified as normal and special mention are calculated based on the minimum percentage in accordance with BOT guidelines by using the value of collateral for calculation of reserve. For loans classified as substandard, doubtful and doubtful of loss, the allowance rate is 100 percent of the difference between the outstanding loan value and present value of expected cash flow from proceeds of collateralized asset which is excluded collateral in the form of machinery. With exception of a subsidiary that carried out leasing business, reserve calculation is provided by including the value of machinery as collateral. In addition, the Bank and subsidiaries estimate additional allowance for doubtful debts over the minimum percentage in accordance with BOT guidelines (See Note 3.19.2).

Subsidiaries carried out hire-purchase business, which their portfolios are qualified as per BOT regulation, calculate allowance for doubtful accounts by using the collective approach by classifying a group of loans having similar credit risk characteristics based on the historical loss experience of each loan category.

Subsidiaries carried out securities business provide an allowance for doubtful debts based on a review of debtor's ability to make repayment, taking into consideration recovery risk and the value of the collateral. Such debt classifications and provisions are made in accordance with the guidelines of the Securities and Exchange Commission regarding "Accounting policies on Securities Companies' Substandard Account Receivable", and consideration of other relevant factors.

Loans are written-off in the year that they are determined to be irrecoverable. Bad debts recovered are recorded as income in the statements of income when received.

Bad debts written-off during the year are recorded as a deduction from the allowance for doubtful accounts.

Bad debt and doubtful accounts are shown as an expense in the statements of income.

A significant factor in the determination of the allowance for doubtful accounts is the value of collateral. Collateral pledged as support for loans typically consists of land, buildings, and buildings under construction. Value of such collateral is based on independent and/or internally performed appraisals.

3.5 Troubled debt restructuring

Losses on troubled debt restructurings resulting from the reduction of principal and accrued interest and other restructuring methodology including modification of terms, asset transfers, equity securities transfers, etc. are recognized as expenses in the statements of income.

For troubled debt restructurings with a modification of terms, the Bank has applied the BOT's criteria requiring the Bank to choose between the collateral method by which a loss amount is to be estimated or the net present value method which represents expected cash flow in the future applying the discounted market interest rates on the restructuring date. Losses from such debt restructurings are recognized in the statements of income.

The Bank has recalculated the fair value of restructured debts based on the aforementioned discount interest rate as of the date of the quarterly financial statements and adjusted the valuation on debt restructured, if appropriate, in accordance with the BOT's criteria. The adjustment of valuation on restructured debt shall not cause the book value of restructured debt to exceed the investment value on restructured debt.

Restructured debt with assets or equity securities transferred for debt repayment either in whole or in part are recorded at the fair value, net of estimated selling expenses, not to exceed the investment value on such debt and the right-to-claim interest income.

For investments in receivables subsequently restructured, the Bank has calculated the fair value of restructured debt as of the restructuring date and recognized the difference between book value and fair value on that date as gain or loss in the statements of income for the period and classified investments in receivables as loans in accordance with the BOT's criteria.

3.6 Properties foreclosed

Properties foreclosed consist of immovable and movable properties which are recorded at the lower of net investment in the loan plus accrued interest (including previously unrecognized contractual interest) or fair value of the property as of the date of foreclosure.

Gain or loss on such properties is realized upon disposition of the underlying asset and is included in non-interest income in the statements of income.

3.7 Property, premises and equipment

Land is stated at the appraised value. Premises are stated at the appraised value less accumulated depreciation. Equipment is stated at cost less accumulated depreciation.

Revaluation of assets

Land and premises have been revalued by independent appraisers based on market value for land and depreciated replacement cost for premises. For the portion of land and premises which have been revalued, the increments above the previous appraisal are recorded in land revaluation surplus and premises revaluation surplus accounts. In case of revaluation decrease, the decline in value is deducted from such revaluation surplus to the extent that the new value is above original cost and recognized in the statements of income for the decrease in value below original cost.

Suite units in condominiums used as branch offices have been revalued by independent appraisers in accordance with the BOT guidelines using depreciated replacement cost. The Bank has recorded the increment per appraisal of premises as revaluation surplus. Any revaluation decrease in excess of the original cost is recorded by deducting from the revaluation surplus.

Depreciation

Depreciation of premises and equipment is calculated on the straight-line method, based on the estimated useful lives of the assets as follows:

Premises	20 - 50	years
Equipment	3 - 5	years

3.8 Goodwill in a business combination

Goodwill in a business combination represents the excess of the cost of acquisition over the Bank's interest in the fair value of the identifiable net assets acquired as at the date of acquisition.

Negative goodwill arising on acquisition represents the excess of the fair value of the net asset acquired over the cost of acquisition.

Other costs directly attributable to the business combination are recorded as acquisition costs.

In the consolidated financial statements, the Bank recognizes goodwill in a business combination as an asset recorded as of the acquisition date. Negative goodwill is recognized as income in the statements of income.

Goodwill is stated at cost less allowance for impairment (if any).

3.9 Intangible assets

Intangible assets with indefinite useful lives are stated at cost less allowance for impairment (if any). Intangible assets with finite useful lives are stated at cost less accumulated amortization and allowance for impairment.

Amortization

Software amortization is calculated by the straight-line method over the expected future economic benefit period between 5 - 10 years.

Amortization incurred is recognized as non-interest expense in the statements of income.

3.10 Recognition of income

The Bank and its subsidiaries are required by the BOT to stop accruing interest income for debtors more than three months past due and reverse this accrued interest income from interest income. Thereafter, interest income from these debtors shall be recognized on cash basis.

The asset management subsidiary recognizes interest income from investment in receivable and loans by using the market interest rate plus a risk premium that represent the discounted rate in calculating present value of future cash flows expected to be collected from receivables, except for certain receivables being doubtful of collection, the subsidiary recognizes interest income from such investments in receivable and loans on a cash basis.

The hire-purchase business subsidiaries recognize income for new finance leases and hire-purchase contracts since January 1, 2008, by the effective interest rate method whereas, for contracts originated before January 1, 2008, income is recognized on the sum-of-the-digits method, except for a subsidiary which income has been recognized by the effective interest rate method from the beginning.

Income from operating leases are recognized on the straight-line method over the lease term.

Interest and dividend income on investment are recognized on an accrual basis.

Gain and loss on the sales of debt and equity securities are computed by the weighted-average method and are included in non-interest income in the statements of income.

3.11 Recognition of expenses

Expense is recognized on an accrual basis.

3.12 Provident fund and pension fund

The contributions to the provident fund made by the Bank are recorded as expense in the statements of income.

The Bank has recorded accrued pension costs in addition to the provident fund for employees who have been in service before January 1, 1998, and their length of service exceeds 10 years as expense in the statements of income.

3.13 Contributions to the Financial Institutions Development Fund and Deposit Protection Agency

Contributions to the Financial Institutions Development Fund and Deposit Protection Agency are recognized on accrual basis as expense in the statements of income.

3.14 Taxation

Income tax expenses (income) represent the sum of the tax currently payable and deferred tax.

3.14.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Bank's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the balance sheet date.

3.14.2 Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit (tax base). Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for temporary differences to the extent that it is probable that taxable profits will be available against which those temporary differences can be utilized. The Bank and subsidiaries do not recognize deferred tax assets and liabilities for the initial goodwill or the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates that have been enacted or substantively enacted at the balance sheet date.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off the recognized amounts and the Bank and subsidiaries intend to settle on a net basis or to realize the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Bank and subsidiaries intend to settle its current tax assets and liabilities on a net basis or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Income tax expenses (income) related to profit or loss from normal activities are presented in the statement of income except for current and deferred taxes of related to items recognized directly in the shareholders' equity in the same or different period.

3.15 Earnings per share

Basic earnings per share

Basic earnings per share are calculated by dividing net income by the number of weighted-average ordinary shares outstanding during the year.

3.16 Foreign currency transactions

Transactions during the year denominated in foreign currencies are translated into Baht at the rates of exchange on the transaction dates. Monetary assets and liabilities at the end of the year denominated in foreign currencies are translated into Baht at the exchange rates announced by Bank of Thailand on that date.

All foreign exchange gains or losses are recognized as income or expenses in non-interest income in the statements of income.

3.17 Derivatives

The Bank has recognized derivatives transactions as follows:

1. Derivatives for trading are recorded at fair value and profit or loss from the price appraisal is recognized as income or expense in statements of income.
2. Derivatives for hedging of transactions are recognized on the accrual basis and recorded as off-balance sheet item with the income or expense recognized based on the accrual basis in line with the underlying transaction.

Subsidiaries have recognized derivatives for hedging of transactions at fair value and profit or loss from the price appraisal is recognized as income or expense in statements of income.

Hybrid Instruments

Hybrid instruments are recorded following the Bank of Thailand's notifications No. Sor Nor Sor. 09/2551 and Sor Nor Sor. 13/2551 dated August 3, 2008 for Structured Products and Collateralized Debt Obligation Instruments which mandate that the Bank should early adopt International Accounting Standard No.39 (IAS 39) to record an embedded derivative separately from the host contract and carry the embedded derivative at fair value, if and only if:

1. The economic characteristics and risks of the host contract and the embedded derivative are not closely related;
2. A separate instrument with the same terms as the embedded derivative would meet the definition of a derivative and;

3. The hybrid instruments are not recognized at fair value through the statements of income.

The hybrid instrument shall be recorded by including the embedded derivative in case that it is not in compliance with the aforementioned condition. However, in case the reliable fair value of embedded derivative is not determined, the hybrid instrument will be recorded as a financial instrument by using fair value through profit and loss.

3.18 Translation of the financial statements of the foreign branches

The financial statements of foreign branches are translated into Baht using the reference exchange rates established by the BOT at the end of the period for the translation of foreign monetary items, the historical exchange rates for the translation of foreign non-monetary items and the average exchange rates for the translation of transactions in the statements of income. Differences in exchange rates from the translation of the financial statements of foreign branches are recognized as a gain or loss on foreign exchange in the statements of income.

3.19 Critical accounting judgments and key sources of estimation uncertainty

Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions in certain circumstances, affecting reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. The significant areas requiring management to make judgments and estimates that affect reported amounts and disclosures are as follows:

3.19.1 Fair value

The management has to use judgment in reporting the estimated fair value of the investment in Collateralized Debt Obligations and Structured Deposits since February, 2009. The estimation was determined by using the price calculated by the arranger. In 2008, the estimation was determined by using the price calculated by the arranger and the rating company's financial model.

For a business acquisition, the Bank's management estimated the fair value of assets, liabilities and other contingent liabilities of the acquiree's identifiable assets and liabilities at the acquisition date and any adjustments of the initial provision will be finalized within 12 months after the acquisition date.

3.19.2 Allowance for doubtful accounts

The Bank and subsidiaries estimated the minimum allowance for doubtful accounts in accordance with the BOT's and The office of the Securities and Exchange Commission's guidelines (see Note 3.4). In addition, the Bank and subsidiaries estimated an additional allowance which the management has considered from the uncollectible loss from past experience, current economic conditions and ability of repayment of loans and accrued interest receivable. The Bank and subsidiaries considered the value of collateral where the source of repayment comes from the selling of the collateral.

3.19.3 Allowance for properties foreclosed

The Bank provided the allowance for impairment of properties foreclosed when there is a decline in net realizable value, based on the appraised value together with other factors which can affect the realizable value such as related selling expenses, holding costs and future discount expenses.

3.19.4 Goodwill

Goodwill is tested for impairment using a fair value method of discounted cash flows on a semi-annual basis.

3.19.5 Impairment

The carrying amounts of the Bank's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

3.19.6 Provisions

Provisions are recognized as liabilities in the balance sheet when it is probable that an obligation has been incurred as a result of a past event, it is possible that an outflow of economic benefits will be required to settle the obligation and the amount of the obligation can be reasonably estimated.

3.19.7 Loss from the impaired assets transferred to the Thai Asset Management Corporation

The probable loss arising from the impaired assets transferred to the Thai Asset Management Corporation is estimated from expected loss based on actual experience to date.

3.19.8 Provision for off-balance sheet obligations

The Bank provided a provision for off-balance sheet obligations with high credit risk such as loan guarantees, avals, etc, at the same rate as that provided for those debtors on the balance sheet.

4. ADDITIONAL INFORMATION

4.1 Supplementary disclosures of cash flow information

4.1.1 Non-cash transactions for the years ended December 31, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		Unit : Million Baht SEPARATE FINANCIAL STATEMENTS	
	2009	2008	2009	2008
Revaluation deficit on investments presented as item in shareholders' equity (increase) decrease	271	(140)	263	(127)
Accumulated depreciation of premises for appraisal deducted from premises revaluation surplus	206	170	206	170
Properties foreclosed acquired from debt repayment	139	283	139	155
Property and premises transferred to be properties foreclosed	-	59	-	59
Properties foreclosed transferred to be property and premises	30	-	30	-

- 4.1.2 Non-cash transactions of property, premises and equipment for the years ended December 31, are as follows:

	CONSOLIDATED		Unit : Million Baht	
	FINANCIAL STATEMENTS		SEPARATE	
	2009	2008	2009	2008
Property, premises and equipment payable at the beginning of the years	433	15	617	11
Purchases of property, premises and equipment	1,271	1,927	1,081	1,863
<u>Less</u> Cash payment	<u>(1,599)</u>	<u>(1,509)</u>	<u>(1,593)</u>	<u>(1,257)</u>
Property, premises and equipment payable at the end of the years	<u>105</u>	<u>433</u>	<u>105</u>	<u>617</u>

- 4.1.3 Non-cash transactions of computer software for the years ended December 31, are as follows:

	CONSOLIDATED		Unit : Million Baht	
	FINANCIAL STATEMENTS		SEPARATE	
	2009	2008	2009	2008
Computer software payable at the beginning of the years	58	4	58	-
Purchases of computer software	368	488	358	396
<u>Less</u> Cash payment	<u>(412)</u>	<u>(434)</u>	<u>(402)</u>	<u>(338)</u>
Computer software payable at the end of the years	<u>14</u>	<u>58</u>	<u>14</u>	<u>58</u>

- 4.1.4 Acquisition of investments in subsidiaries

The Bank acquired investments in subsidiaries during the years ended December 31, 2009 and 2008 as follows:

- 4.1.4.1 On February 14, 2008, the Bank acquired Ayudhya Capital Auto Lease Public Company Limited (formerly GE Capital Auto Lease Public Company Limited) for a total purchase price amounting to Baht 16,180 million in the share sale agreement. The Bank made a payment for this purchase of subsidiary as follows:

Consolidated financial statements

	Unit : Million Baht
Cash payment to acquire shares	16,180
<u>Add</u> additional related cost	<u>100</u>
<u>Less</u> cash of subsidiary	<u>(824)</u>
Net cash payment	<u>15,456</u>

4.1.4.2 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	(130)
Net cash payment	<u>1,399</u>

Fair value of assets, liabilities and identified contingent liabilities of subsidiaries and book value of each item is 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	<u>2,239</u>	<u>2,447</u>
	<u>47,083</u>	<u>46,919</u>
Liabilities		
Deposits	19,197	19,437
Borrowings	20,940	20,940
Others	<u>4,160</u>	<u>4,228</u>
	<u>44,297</u>	<u>44,605</u>
Net assets	<u>2,786</u>	2,314
Other related costs		(42)
Excess of net fair value of acquired subsidiary over purchase cost		<u>(785)</u>
Cash payment to acquire shares		<u>1,487</u>

4.1.4.3 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	416	226
	<u>2,151</u>	<u>1,898</u>
Liabilities		
Borrowings	1,570	1,570
Others	87	92
	<u>1,657</u>	<u>1,662</u>
Net assets	<u>494</u>	236
Other related costs		(9)
Excess of net fair value of acquired subsidiary over purchase cost		<u>(209)</u>
Cash payment to acquire shares		<u>18</u>

- 4.1.4.4 On November 5, 2009, the Bank acquired GE Money's businesses in Thailand which included GE Capital (Thailand) Limited, General Card Services 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	101
Net cash payment	<u>9,888</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	33,666	33,666
Others	4,853	4,870
	<u>40,347</u>	<u>40,364</u>
Liabilities		
Borrowings	28,397	28,397
Others	2,252	2,307
	<u>30,649</u>	<u>30,704</u>
Net assets	<u>9,698</u>	9,660
Other related costs		(101)
Purchase price adjustment		(1,217)
Goodwill		1,445
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 December 31, 2009. At the date of finalization of these financial statements, the necessary market valuations and other calculations had not been finalized and goodwill noted above has therefore only been provisionally determined based on the best estimate of the likely values.

The net profit (loss) of acquired companies before elimination entries for the year ended December 31, 2009 are as follows:

	Unit : Million Baht
Ayudhya Total Solutions Public Company Limited (formerly AIG Retail Bank Public Company Limited)	246
Ayudhya Card Services Company Limited (formerly AIG Card (Thailand) Company Limited)	60
CFG Services Company Limited	(8)
GE Capital (Thailand) Company Limited	78
Total Services Solutions Public Company Limited	45
General Card Services Company Limited	30
Total	451

Had these business combinations been effected at January 1, 2009, the revenue and net profit (loss) of acquiree companies for the year ended December 31, 2009 would be as follows:

	Unit : Million Baht	
	Revenue	Profit (loss)
Ayudhya Total Solutions Public Company Limited (formerly AIG Retail Bank Public Company Limited)	1,373	(246)
Ayudhya Card Services Company Limited (formerly AIG Card (Thailand) Company Limited)	1,526	88
CFG Services Company Limited	516	(30)
GE Capital (Thailand) Company Limited	9,433	721
Total Services Solutions Public Company Limited	1,397	324
General Card Services Company Limited	2,825	132
Total	17,070	989

- 4.1.4.5 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	3
Total	104
<u>Less</u> Cash paid to the Bank	(10)
Net cash payment	94

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>	75
Goodwill		29
Cash paid to acquire shares		104
<u>Less</u> Cash paid to the Bank		<u>(10)</u>
Net cash payment		<u>94</u>

The net loss of acquired company for the year ended December 31, 2009 of Baht 34 million was recorded in the consolidated financial statements.

Had this business combination been effected at January 1, 2009, the revenue and net loss of acquired company for the year ended December 31, 2009 of Baht 54 million and Baht 50 million, respectively would be recorded in the consolidated financial statements.

4.1.4.6 Realized and unrealized gain (loss) on foreign exchange

In the preparation of cash flows statements, realized gain (loss) on exchange is based on cash basis which specific business tax had already been paid. 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.

4.2 Interbank and money market items

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS						
	2009			2008		
	At Call	Time	Total	At Call	Time	Total
Domestic items						
Bank of Thailand and Financial						
Institution Development Fund	4,930	40,500	45,430	5,638	64,387	70,025
Commercial banks	3,945	21	3,966	784	2,500	3,284
Other banks	-	-	-	2	-	2
Finance companies,						
securities companies and						
credit foncier companies	-	630	630	-	350	350
Other financial institutions	-	1	1	-	2,007	2,007
Total domestic items	8,875	41,152	50,027	6,424	69,244	75,668
<u>Add</u> Accrued interest receivables	-	14	14	2	44	46
<u>Less</u> Allowance for doubtful accounts	-	(3)	(3)	-	(52)	(52)
Total	8,875	41,163	50,038	6,426	69,236	75,662
Foreign items						
US Dollar	708	2,134	2,842	5,226	2,710	7,936
Yen	145	-	145	280	-	280
Euro	147	-	147	393	-	393
Other currencies	432	63	495	566	10	576
Total foreign items	1,432	2,197	3,629	6,465	2,720	9,185
<u>Add</u> Accrued interest receivables	1	-	1	2	5	7
Total	1,433	2,197	3,630	6,467	2,725	9,192
Total domestic and foreign items	10,308	43,360	53,668	12,893	71,961	84,854

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS						
	2009			2008		
	At Call	Time	Total	At Call	Time	Total
Domestic items						
Bank of Thailand and Financial						
Institution Development Fund	4,930	40,500	45,430	5,638	64,387	70,025
Commercial banks	55	-	55	57	2,500	2,557
Finance companies,						
securities companies and						
credit foncier companies	-	630	630	-	350	350
Other financial institutions	-	1	1	-	2,007	2,007
Total domestic items	4,985	41,131	46,116	5,695	69,244	74,939
<u>Add</u> Accrued interest receivables	-	14	14	-	44	44
<u>Less</u> Allowance for doubtful accounts	-	(3)	(3)	-	(52)	(52)
Total	4,985	41,142	46,127	5,695	69,236	74,931
Foreign items						
US Dollar	708	2,134	2,842	5,226	2,710	7,936
Yen	145	-	145	280	-	280
Euro	147	-	147	393	-	393
Other currencies	432	63	495	566	10	576
Total foreign items	1,432	2,197	3,629	6,465	2,720	9,185
<u>Add</u> Accrued interest receivables	1	-	1	2	5	7
Total	1,433	2,197	3,630	6,467	2,725	9,192
Total domestic and foreign items	6,418	43,339	49,757	12,162	71,961	84,123

4.3 Investments

4.3.1 Current investments

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS								
	2009				2008			
	Cost/Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value	Cost/Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities for Trading								
Government and state								
enterprise securities	639	2	(3)	638	3,482	23	(23)	3,482
Private sector's debt securities	-	-	-	-	73	1	-	74
Foreign sector's debt securities	2,836	-	(2,420)	416	2,969	-	(2,762)	207
Domestic marketable equity								
securities	413	9	(2)	420	281	-	(191)	90
	3,888	11	(2,425)	1,474	6,805	24	(2,976)	3,853
<u>Less</u> Revaluation allowance	(2,414)			-	(2,952)			-
<u>Less</u> Allowance for impairment	(416)			(416)	(207)			(207)
Total	1,058			1,058	3,646			3,646
Securities Available-for-Sale								
Government and state								
enterprise securities	19,644	18	-	19,662	19,978	153	(2)	20,129
Private sector's debt securities	745	6	-	751	1,150	6	-	1,156
Foreign sector's debt securities	-	-	-	-	1,570	-	(18)	1,552
Others	71	-	(2)	69	-	-	-	-
	20,460	24	(2)	20,482	22,698	159	(20)	22,837
<u>Add</u> Revaluation allowance	22			-	139			-
<u>Less</u> Allowance for impairment	(378)			(378)	(279)			(279)
Total	20,104			20,104	22,558			22,558
Securities Held-to-Maturity								
Government and state								
enterprise securities	1,204	16	-	1,220	-			-
Private sector's debt securities	57	-	-	57	50			50
Total	1,261	16	-	1,277	50			50
<u>Less</u> Allowance for impairment	(50)			(50)	(50)			(50)
Total	1,211			1,227	-			-
Securities for General Investments								
Investment in accounts receivable	831			831	947			947
<u>Less</u> Allowance for impairment	(424)			(424)	-			-
Total	407			407	947			947
Total Current Investments, net	22,780			22,796	27,151			27,151

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS

	2009				2008			
	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	639	2	(3)	638	3,482	23	(23)	3,482
Private sector's debt securities	-	-	-	-	73	1	-	74
Foreign sector's debt securities	2,836	-	(2,420)	416	2,969	-	(2,762)	207
Domestic marketable equity								
securities	413	9	(2)	420	281	-	(191)	90
	<u>3,888</u>	<u>11</u>	<u>(2,425)</u>	1,474	<u>6,805</u>	<u>24</u>	<u>(2,976)</u>	3,853
<u>Less</u> Revaluation allowance	(2,414)			-	(2,952)			-
<u>Less</u> Allowance for impairment	<u>(416)</u>			416	<u>(207)</u>			<u>(207)</u>
Total	<u>1,058</u>			<u>1,058</u>	<u>3,646</u>			<u>3,646</u>
Securities Available-for-Sale								
Government and state								
enterprise securities	19,644	18	-	19,662	19,978	153	(2)	20,129
Private sector's debt securities	398	6	-	404	871	6	-	877
Foreign sector's debt								
securities	-	-	-	-	1,570	-	(18)	1,552
	<u>20,042</u>	<u>24</u>	<u>-</u>	20,066	<u>22,419</u>	<u>159</u>	<u>(20)</u>	22,558
<u>Add</u> Revaluation allowance	<u>24</u>			-	<u>139</u>			-
Total	<u>20,066</u>			<u>20,066</u>	<u>22,558</u>			<u>22,558</u>
Securities Held-to-Maturity								
Government and state								
enterprise securities	1,204	16	-	1,220	-			-
Private sector's debt securities	<u>57</u>	<u>-</u>	<u>-</u>	<u>57</u>	<u>50</u>			<u>50</u>
	1,261	<u>16</u>	<u>-</u>	1,277	50			50
<u>Less</u> Allowance for impairment	<u>(50)</u>			<u>(50)</u>	<u>(50)</u>			<u>(50)</u>
Total	<u>1,211</u>			<u>1,227</u>	<u>-</u>			<u>-</u>
Securities for General Investments								
Investment in accounts receivable	831			831	947			947
<u>Less</u> Allowance for impairment	<u>(424)</u>			<u>(424)</u>	<u>-</u>			<u>-</u>
Total	<u>407</u>			<u>407</u>	<u>947</u>			<u>947</u>
Total Current Investments, net	<u>22,742</u>			<u>22,758</u>	<u>27,151</u>			<u>27,151</u>

4.3.2 Long-term investments

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS								
	2009				2008			
	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	26,279	98	(149)	26,228	8,987	242	(2)	9,227
Private sector's debt securities	5,168	46	(8)	5,206	3,591	25	(7)	3,609
Foreign sector's debt securities	848	43	-	891	1,348	71	-	1,419
Domestic marketable equity								
securities	3,216	117	(22)	3,311	3,364	1	(565)	2,800
Others	-	-	-	-	170	-	(10)	160
	<u>35,511</u>	<u>304</u>	<u>(179)</u>	<u>35,636</u>	<u>17,460</u>	<u>339</u>	<u>(584)</u>	<u>17,215</u>
<u>Add (less) Revaluation allowance</u>	125			-	(245)			-
<u>Less Allowance for impairment</u>	(241)			(241)	(455)			(455)
Total	<u>35,395</u>			<u>35,395</u>	<u>16,760</u>			<u>16,760</u>
Securities Held-to-Maturity								
Government and state								
enterprise securities	4,482	17	-	4,499	5,750	58	-	5,808
Private sector's debt securities	-	-	-	-	16	-	-	16
Total	<u>4,482</u>	<u>17</u>	<u>-</u>	<u>4,499</u>	<u>5,766</u>	<u>58</u>	<u>-</u>	<u>5,824</u>
Securities for General								
Investments								
Domestic non-marketable								
equity securities	3,711			3,499	4,579			4,114
Foreign non-marketable								
equity securities	27			21	28			19
Investment in accounts receivable	<u>1,315</u>			<u>1,315</u>	<u>2,108</u>			<u>2,108</u>
Total	5,053			4,835	6,715			6,241
<u>Less Allowance for impairment</u>	(290)			-	(295)			-
Total	<u>4,763</u>			<u>4,835</u>	<u>6,420</u>			<u>6,241</u>
Total Long-term Investments, net	<u>44,640</u>			<u>44,729</u>	<u>28,946</u>			<u>28,825</u>

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS

	2009				2008			
	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	26,279	98	(149)	26,228	8,987	242	(2)	9,227
Private sector's debt securities	5,168	46	(8)	5,206	3,523	25	(7)	3,541
Foreign sector's debt securities	848	43	-	891	1,348	71	-	1,419
Domestic marketable equity securities	<u>3,109</u>	<u>104</u>	<u>(2)</u>	<u>3,211</u>	<u>3,258</u>	<u>1</u>	<u>(558)</u>	<u>2,701</u>
	<u>35,404</u>	<u>291</u>	<u>(159)</u>	<u>35,536</u>	<u>17,116</u>	<u>339</u>	<u>(567)</u>	<u>16,888</u>
 <u>Add (less) Revaluation allowance</u>	 132			 -	 (228)			 -
<u>Less Allowance for impairment</u>	<u>(241)</u>			<u>(241)</u>	<u>(387)</u>			<u>(387)</u>
Total	<u>35,295</u>			<u>35,295</u>	<u>16,501</u>			<u>16,501</u>
 Securities Held-to-Maturity								
Government and state								
enterprise securities	4,363	17	-	4,380	5,750	58	-	5,808
Private sector's debt securities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16</u>	<u>-</u>	<u>-</u>	<u>16</u>
Total	<u>4,363</u>	<u>17</u>	<u>-</u>	<u>4,380</u>	<u>5,766</u>	<u>58</u>	<u>-</u>	<u>5,824</u>
 Securities for General								
Investments								
Domestic non-marketable								
equity securities	3,676			3,481	4,563			4,098
Foreign non-marketable								
equity securities	27			21	28			19
Investment in accounts receivable	<u>1,315</u>			<u>1,315</u>	<u>2,108</u>			<u>2,108</u>
Total	<u>5,018</u>			<u>4,817</u>	<u>6,699</u>			<u>6,225</u>
<u>Less Allowance for impairment</u>	<u>(274)</u>			<u>-</u>	<u>(279)</u>			<u>-</u>
Total	<u>4,744</u>			<u>4,817</u>	<u>6,420</u>			<u>6,225</u>
Total Long-term Investments, net	<u>44,402</u>			<u>44,492</u>	<u>28,687</u>			<u>28,550</u>

As at December 31, 2009 and 2008, 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 Financial Institutions Development Fund in the consolidated financial statements and separate financial statements of Baht 3,822 million and Baht 4,023 million, respectively, issued by the Thai Asset Management Corporation (TAMC) for asset transfer to TAMC. During the years 2009 and 2008, TAMC redeemed promissory notes of the Bank of Baht 201 million and Baht 354 million, respectively.

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 since December 31, 2008.

The Bank's Collateralized Debt Obligations (CDO) are Managed Synthetic IG Corporate CDO, in which the underlying assets are the reference entities' debt. They are diversified across more than 20 industries in the U.S., Europe and Emerging Markets. The total amount of the CDO investment is USD 85 million. Maturity dates are between December 30, 2012 and September 20, 2013. CDO tranche ratings, which are rated by Standard & Poor's as of December 31, 2009 and 2008, were "CCC-" and "D", and "BB+", "B-" and "CCC-", respectively.

For the years ended December 31, 2009 and 2008, gain (loss) on investments in the statements of income consists of the following:

	CONSOLIDATED		Unit : Million Baht	
	FINANCIAL STATEMENTS		SEPARATE	
	2009	2008	2009	2008
Gain (loss) on sale of securities				
- Securities for trading	(386)	(333)	(463)	(372)
- Securities available-for-sale	196	19	196	20
- Investment in general Investments	145	376	176	340
- Investment in subsidiaries and associated companies	69	-	69	-
	24	62	(22)	(12)
Loss on impairment of investment in securities	(76)	(210)	(1,326)	(210)
Loss on impairment of investment in loan	(424)	-	(424)	-
Unrealized gain (loss) on securities for trading	190	(74)	187	(72)
Unrealized gain (loss) on hybrid instruments	204	(2,034)	204	(2,034)
Gain on reclassification from investments in receivables to loans	-	1	-	-
Gain (loss) on investments	<u>(82)</u>	<u>(2,255)</u>	<u>(1,381)</u>	<u>(2,328)</u>

For the years ended December 31, 2009 and 2008, revaluation surplus (deficit) on investments presented in shareholders' equity consists of the following:

	CONSOLIDATED		Unit : Million Baht	
	FINANCIAL STATEMENTS		SEPARATE	
	2009	2008	2009	2008
Beginning balance	(143)	(3)	(127)	-
(Increase) decrease during the year	271	(140)	263	(127)
Ending balance	<u>128</u>	<u>(143)</u>	<u>136</u>	<u>(127)</u>

4.3.3 The remaining maturities of debt securities

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS								
	2009				2008			
	Due within				Due within			
	1 Year	Greater than 1 Year-5 Years	Greater than 5 Years	Total	1 Year	Greater than 1 Year-5 Years	Greater than 5 Years	Total
Securities Available-for-Sale								
Government and state enterprise securities	19,114	24,258	2,020	45,392	19,978	8,987	-	28,965
Private sector's debt securities	775	5,123	45	5,943	1,150	3,516	75	4,741
Foreign sector's debt securities	500	848	-	1,348	1,570	1,348	-	2,918
Others	71	-	-	71	-	170	-	170
Total	20,460	30,229	2,065	52,754	22,698	14,021	75	36,794
<u>Add (less)</u> Revaluation allowances	22	13	18	53	139	321	(2)	458
<u>Less</u> Allowances for impairment	(378)	-	-	(378)	(279)	(68)	-	(347)
Total	20,104	30,242	2,083	52,429	22,558	14,274	73	36,905
Securities Held-to-Maturity								
Government and state enterprise securities	1,204	4,436	46	5,686	-	1,727	4,023	5,750
Private sector's debt securities	57	-	-	57	50	16	-	66
Total	1,261	4,436	46	5,743	50	1,743	4,023	5,816
<u>Less</u> Allowances for impairment	(50)	-	-	(50)	(50)	-	-	(50)
Total	1,211	4,436	46	5,693	-	1,743	4,023	5,766
Total Debt Securities	21,315	34,678	2,129	58,122	22,558	16,017	4,096	42,671

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS								
	2009				2008			
	Due within				Due within			
	1 Year	Greater than 1 Year-5 Years	Greater than 5 Years	Total	1 Year	Greater than 1 Year-5 Years	Greater than 5 Years	Total
Securities Available-for-Sale								
Government and state enterprise securities	19,114	24,258	2,020	45,392	19,978	8,987	-	28,965
Private sector's debt securities	428	5,123	45	5,596	871	3,448	75	4,394
Foreign sector's debt securities	500	848	-	1,348	1,570	1,348	-	2,918
Total	20,042	30,229	2,065	52,336	22,419	13,783	75	36,277
<u>Add (less)</u> revaluation allowances	24	13	18	55	139	331	(2)	468
Total	20,066	30,242	2,083	52,391	22,558	14,114	73	36,745
Securities Held-to-Maturity								
Government and state enterprise securities	1,204	4,317	46	5,567	-	1,727	4,023	5,750
Private sector's debt securities	57	-	-	57	50	16	-	66
Total	1,261	4,317	46	5,624	50	1,743	4,023	5,816
<u>Less</u> Allowances for impairment	(50)	-	-	(50)	(50)	-	-	(50)
Total	1,211	4,317	46	5,574	-	1,743	4,023	5,766
Total Debt Securities	21,277	34,559	2,129	57,965	22,558	15,857	4,096	42,511

4.3.4 Investment 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:

CONSOLIDATED FINANCIAL STATEMENTS							Unit : Million Baht
Company Name	Business Type	Securities	Ownership	2009		2008	
		Investment Type	%	Investment	Investment	Investment	Investment
				(Cost)	(Equity Method)	(Cost)	(Equity Method)
Associated companies							
Krungrsriayudhya Card Company Limited	Credit card and personal loan	Common stock	49.99	-	-	550	1,026
Tesco Card Services Company Limited ⁽¹⁾	Credit card and personal loan	Common stock	49.00	382	598	-	-
Tesco Life Assurance Broker Company Limited ⁽²⁾	Life assurance broker	Common stock	49.00	-	7	-	-
Tesco General Insurance Broker Company Limited ⁽²⁾	General Insurance broker	Common stock	49.00	-	27	-	-
Quality Life Assurance Broker Company Limited ⁽¹⁾	Life assurance broker	Common stock	24.99	1	7	-	-
Quality General Insurance Broker Company Limited ⁽¹⁾	General Insurance broker	Common stock	24.99	1	4	-	-
Investments in associated companies, net				384	643	550	1,026

(1) Hold indirectly via GE Capital (Thailand) Limited

(2) Hold indirectly via Tesco Card Service Limited

Unit : Million Baht				
SEPARATE FINANCIAL STATEMENTS				
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 }	99.66	2,233 500 12
Ayudhya Capital Lease Company Limited	Auto leasing	Common stock	99.99	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 Service Company Limited	Hire-purchase	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
GE Capital (Thailand) Company Limited	Credit card and personal loan	Common stock	99.99	6,443
General Card Services Company Limited	Credit card and personal loan	Common stock	99.99	806
Krungsriayudhya Card Company Limited ⁽¹⁾	Credit card	Common stock	49.99	550
Siam Realty and Services Company Limited	Car rent and personnel services	Common stock	99.99	100
K.S. Law Office Company Limited	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
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⁾ Hold indirectly via GE capital (Thailand) Limited 49.99%				

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS

2008

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 }	99.55	2,230 500 12
Ayudhya Capital Lease Company Limited	Auto leasing	Common stock	99.99	3,000
Ayudhya Hire Purchase Company Limited	Hire-purchase of used cars	Common stock	99.99	500
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
Siam Realty and Services Company Limited	Car rent and personnel services	Common stock	99.99	100
K.S. Law Office Company Limited	Legal advisory services	Common stock	99.99	32
Ayudhya Fund Management Company Limited	Fund management	Common stock	99.99	267
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				
Krungsriayudhya Card Company Limited	Credit card	Common stock	49.99	550
Investments in subsidiaries and associated companies				31,138
<u>Less</u> Allowance for impairment				(2,998)
Investments in subsidiaries and associated companies, net				<u>28,140</u>

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

AYUDHYA ASSET MANAGEMENT COMPANY LIMITED
CONDENSED BALANCE SHEETS
AS AT DECEMBER 31,

Unit : Million Baht

	2009	2008
ASSETS		
Cash and deposit at financial institution	36	338
Investments, net	1	-
Investments in receivables, net	7,670	8,002
Loans, and accrued interest receivable, net	996	1,358
Properties foreclosed, net	7,974	7,407
Equipment, net	6	3
Amounts due from parent company	398	576
Cash advance	207	220
Other assets	56	42
TOTAL ASSETS	<u>17,344</u>	<u>17,946</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Borrowings	15,019	15,918
Other liabilities	173	200
Shareholders' equity	2,152	1,828
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>17,344</u>	<u>17,946</u>

AYUDHYA ASSET MANAGEMENT COMPANY LIMITED
CONDENSED STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31,

Unit : Million Baht

	2009	2008
Interest and dividend income	328	428
Interest expenses	264	381
Net interest and dividend income	64	47
Bad debt and doubtful accounts	79	246
Loss on debt restructuring (reversal)	(1)	-
Net interest and dividend income after bad debt and doubtful accounts and loss on debt restructuring	(14)	(199)
Non-interest income	606	583
Non-interest expenses	268	231
Net income	<u>324</u>	<u>153</u>
Basic earnings per share (Baht)	0.54	0.25

AYUDHYA ASSET MANAGEMENT COMPANY LIMITED
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,

	Unit : Million Baht	
	2009	2008
Cash flows from operating activities		
Income before income tax	324	153
Adjustments to reconcile income to cash provided by (used in) operating activities		
Depreciation and amortization	2	2
Bad debt and doubtful accounts	79	246
Loss on debt restructuring (reversal)	(1)	-
Gain on reclassification from investment in receivable to loans	-	(1)
Gain on sales of properties foreclosed	(193)	(229)
Interest income from assets acquired from debt payment	-	(4)
Other income	-	(5)
Loss on written off fixed assets	1	-
Loss on impairment of properties foreclosed	35	-
Interest expenses	264	381
Decrease in accrued non-interest payable	(38)	(132)
Cash paid for interest expense	(263)	(384)
Cash paid for income tax	(14)	(17)
Income from operations before change in operating assets and liabilities	196	10
(Increase) decrease in operating assets		
General investment	-	1
Investment in receivables	253	147
Loans and receivable	362	231
Properties foreclosed	(409)	2,502
Amounts due from parent company	178	269
Cash advance	13	(76)
Other assets	(1)	222
Increase (decrease) in operating liabilities		
Amounts due to parent company	(2)	(8)
Deposits for purchasing of properties foreclosed	14	4
Other liabilities	(3)	1
Net cash provided by operating activities	601	3,303
Cash flows from investing activities		
Cash paid for purchase of equipment	(4)	(1)
Net cash used in investing activities	(4)	(1)
Cash flows from financing activities		
Decrease in borrowings	(899)	(3,134)
Net cash used in financing activities	(899)	(3,134)
Net increase (decrease) in cash and cash equivalents	(302)	168
Cash and cash equivalents as at January 1,	338	170
Cash and cash equivalents as at December 31,	36	338

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 SEPRATE FINANCIAL STATEMENTS	
	2009	2008
Manufacturing	21	29
Banking and finance	-	11
Total	<u>21</u>	<u>40</u>

In the consolidated financial statements and the separate financial statement as at December 31, 2009 and 2008, the Bank and its subsidiary had investments in available-for-sale securities and general investments of 2 companies subject to be delisted from SET, with costs of Baht 13 million and market price of Baht 0.

4.4 Securities used as collateral

Government and state enterprise securities with face values of Baht 17,088 million and Baht 176 million were used as collateral for other commitments with government departments and state enterprises as at December 31, 2009 and 2008, respectively.

4.5 Loans and accrued interest receivables

(1) Classified by products

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2009	2008	2009	2008
Overdrafts	44,743	46,767	41,565	43,400
Loan against contract	247,128	266,610	361,839	367,414
Trade bill	161,120	129,938	160,023	129,045
Hire-purchase receivable	130,893	120,891	-	-
Lease contract receivable	11,765	10,579	-	-
Factoring receivable	1,090	998	-	-
Credit card receivable	27,229	-	-	-
Others	1,176	1,145	564	654
Total	625,144	576,928	563,971	540,513
<u>Less</u> Unearned income	(22,684)	(20,852)	(37)	(70)
<u>Add</u> Deferred brokerage fee, net	1,048	1,001	-	-
Total	603,508	557,077	563,934	540,443
<u>Add</u> Accrued interest receivables	2,210	1,683	1,196	1,580
<u>Less</u> Allowance for doubtful accounts	(38,271)	(31,410)	(24,256)	(22,829)
Revaluation allowance for debt restructuring	(329)	(897)	(329)	(897)
Total	<u>567,118</u>	<u>526,453</u>	<u>540,545</u>	<u>518,297</u>

(2) Classified by remaining maturity

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2009	2008	2009	2008
Not over 1 year*	360,824	228,366	245,314	203,164
Over 1 year	264,320	348,562	318,657	337,349
Total	625,144	576,928	563,971	540,513
<u>Less</u> Unearned income	(22,684)	(20,852)	(37)	(70)
<u>Add</u> Deferred brokerage fee, net	1,048	1,001	-	-
Total	603,508	557,077	563,934	540,443
<u>Add</u> Accrued interest receivables	2,210	1,683	1,196	1,580
Total	605,718	558,760	565,130	542,023

* Included those without agreements and past due agreements

(3) Classified by currency and residence of debtors

	CONSOLIDATED FINANCIAL STATEMENTS					
	2009			2008		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	602,262	905	603,167	568,073	536	568,609
US Dollar	7,052	281	7,333	7,197	300	7,497
Other currencies	13,837	807	14,644	441	381	822
Total	623,151	1,993	625,144	575,711	1,217	576,928
<u>Less</u> Unearned income			(22,684)			(20,852)
<u>Add</u> Deferred brokerage fee, net			1,048			1,001
Total			603,508			557,077
<u>Add</u> Accrued interest receivables			2,210			1,683
Total			605,718			558,760

	SEPARATE FINANCIAL STATEMENTS					
	2009			2008		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	554,547	905	555,452	531,658	536	532,194
US Dollar	7,051	281	7,332	7,197	300	7,497
Other currencies	380	807	1,187	441	381	822
Total	561,978	1,993	563,971	539,296	1,217	540,513
<u>Less</u> Unearned income			(37)			(70)
Total			563,934			540,443
<u>Add</u> Accrued interest receivables			1,196			1,580
Total			565,130			542,023

(4) Classified by business type and classification

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS

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	544,932	27,683	7,521	7,965	37,043	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						605,718

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS

2008

	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	6,193	343	310	213	1,618	8,677
Manufacturing and trading	162,499	5,334	4,309	4,515	19,143	195,800
Real estate and construction	38,561	2,131	1,068	2,223	6,359	50,342
Public utilities and services	81,313	5,442	1,085	1,154	4,201	93,195
Housing loans	58,241	1,494	896	907	3,179	64,717
Others	148,997	10,720	1,869	1,270	1,341	164,197
Total	495,804	25,464	9,537	10,282	35,841	576,928
<u>Less</u> Unearned income						(20,852)
<u>Add</u> Deferred brokerage fee, net						1,001
Total						557,077
<u>Add</u> Accrued interest receivables						1,683
Total						558,760

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS

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>

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS

2008

	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	6,189	253	296	213	853	7,804
Manufacturing and trading	159,909	5,222	3,992	4,420	12,563	186,106
Real estate and construction	37,604	1,901	964	2,205	3,686	46,360
Public utilities and services	80,894	5,430	1,082	1,134	2,739	91,279
Housing loans	58,180	1,437	859	886	1,093	62,455
Others	144,096	1,172	275	222	744	146,509
Total	486,872	15,415	7,468	9,080	21,678	540,513
<u>Less</u> Unearned income						(70)
Total						540,443
<u>Add</u> Accrued interest receivables						1,580
Total						<u>542,023</u>

(5) Classified by type of classification

Unit : Million Baht				
CONSOLIDATED FINANCIAL STATEMENTS				
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*
				<u>38,271</u>

Unit : Million Baht				
CONSOLIDATED FINANCIAL STATEMENTS				
2008				
	Loans and Accrued Interest Receivable	Outstanding Balance after Deduction of Collateral	% Set up	Minimum Allowance per BOT Guideline
Normal - Securities Business receivable	131	131	-	-
Normal	478,459	213,455	1	2,732
Special mention	23,479	13,414	2	517
Substandard	9,256	3,671	100	3,594
Doubtful	10,207	5,219	100	5,238
Doubtful of loss	36,227	13,038	100	13,352
Total	557,759	248,928		25,433**
Add Deferred brokerage fee, net	1,001			
Total	558,760			
Surplus Reserve				5,977*
				<u>31,410</u>

(* Including allowance for doubtful accounts of loans granted to subsidiaries as at December 31, 2009 and 2008, at the rate of 1% of Baht 151,427 million and Baht 109,924 million equal to Baht 1,514 million and Baht 1,099 million, respectively which are eliminated from loans classified as normal in the consolidated financial statements.)

(**Excluding revaluation allowance for debt restructuring as at December 31, 2009 and 2008, of Baht 329 million and Baht 897 million, respectively and excluding allowance for doubtful accounts for interbank and money market items as at December 31, 2009 and 2008, of Baht 4 million and Baht 52 million, respectively but including allowance for doubtful accounts on a collective approach for hire-purchase loan as at December 31, 2009 of Baht 3,247 million.)

(*** % 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

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>

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS AND AYUDHYA
ASSET MANAGEMENT COMPANY LIMITED

2008

	Loans and Accrued Interest Receivable	Outstanding Balance after Deduction of Collateral	% Set up	Minimum Allowance per BOT Guideline
Normal	471,736	227,118	1	2,868
Special mention	15,999	5,817	2	365
Substandard	7,722	2,500	100	2,423
Doubtful	9,224	4,323	100	4,383
Doubtful of loss	35,860	12,812	100	13,084
Total	<u>540,541</u>	<u>252,570</u>		23,123
Surplus Reserve				4,783*
				<u>27,906</u>

(* Including allowance for doubtful accounts of loans granted to Ayudhya Asset Management Company Limited as at December 31, 2009 and 2008, at the rate of 1% of Baht 15,019 million and Baht 15,918 million equal to Baht 150 million and Baht 159 million, respectively which are eliminated from loans classified as normal in the consolidated financial statements.)

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS

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

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS

2008

	Loans and Accrued Interest Receivable	Outstanding Balance after Deduction of Collateral	% Set up	Minimum Allowance per BOT Guideline
Normal	487,551	243,021	1	3,027
Special mention	15,884	5,811	2	365
Substandard	7,497	2,446	100	2,370
Doubtful	9,140	4,301	100	4,361
Doubtful of loss	21,951	9,385	100	9,657
Total	542,023	264,964		19,780**
Surplus Reserve				3,049*
				22,829

(* Including allowance for doubtful accounts of loans granted to subsidiaries as at December 31, 2009 and 2008, at the rate of 1% of Baht 151,427 million and Baht 109,924 million, equal to Baht 1,514 million and Baht 1,099 million, respectively.)

(** Excluding revaluation allowance for debt restructuring as at December 31, 2009 and 2008, of Baht 329 million and Baht 897 million, respectively and excluding allowance for doubtful accounts for interbank and money market items as at December 31, 2009 and 2008, of Baht 4 million and Baht 52 million, respectively.)

For the year ended December 31, 2009, the Bank entered into an agreement to sell non-performing loan (NPLs) with net book value of Baht 1,107 million and book value of Baht 4,512 million to a subsidiary for Baht 1,107 million. The amount has been received.

For the year ended December 31, 2008, the Bank entered into an agreement to sell non-performing loan (NPLs) with book value of Baht 8,977 million and net book value of Baht 3,488 million to a third party for Baht 3,488 million. The amount had been received. Moreover, the Bank entered into an agreement to sell non-performing loans (NPLs) with book value of Baht 6,035 million and net book value of Baht 2,122 million to a related company for Baht 2,122 million. The amount had been received.

In addition, the Bank entered into an agreement to sell non-performing loans (NPLs) with book value of Baht 189 million and net book value of Baht 41 million to a subsidiary for Baht 41 million. The amount had been received.

Non-performing loans (NPLs) represent loans classified as substandard, doubtful, doubtful of loss and loss in accordance to BOT's Notification Re: Rule of debt Classification and Provision for Losses of Commercial Bank.

As at December 31, 2009 and 2008, 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			
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

Unit : Million Baht			
2008			
	Bank only	AMC	The Bank and AMC
Non-performing loans	38,226	14,040	52,266
Percentage of total loans	6.26	98.46	8.37
Non-performing loans, net	21,838	10,537	32,375
Percentage of total loans, net	3.68	97.96	5.36

As at December 31, 2009 and 2008, the Bank and its subsidiaries' non-performing loans are Baht 52,080 million and Baht 55,137 million, respectively.

In determining an allowance for doubtful accounts, a major factor which the Bank takes into consideration is the value of collateral. Collateral supporting either certain significant loans or a portion of classified loans were reappraised by either internal appraisers of the Bank and/or independent appraisers approved by the BOT. According to the BOT's guideline dated August 3, 2008, banks are required to calculate present value of cash flows expected from the sale of collateral to be deducted from the debtor's balance before determining the allowance of immovable assets, leasehold rights of machines, and vehicles. For collateral against substandard assets, doubtful assets, and doubtful of loss assets, its value has to be reappraised every 3 years in order to be used as a deduction from the debtor's balance before determining the allowance.

(6) Troubled debt restructuring

Consolidated financial statements

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	Land and building	26
Various forms of restructuring (including modification of terms)	347	4,856		
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 trouble 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:

CONSOLIDATED FINANCIAL STATEMENTS				
Method	Average Aging (Year)	Number	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 outstanding debts 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 outstanding debt of Baht 61,861 million, including debts restructured during the year of Baht 9,272 million. For the year ended December 31, 2009, the Bank and its subsidiaries recognized interest received from debt restructured of Baht 1,675 million and loss on debt restructured of Baht 1,088 million, in the statements of income.

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

For the year ended December 31, 2008, 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, 2008	1,940	20,413
Total debtors as at December 31, 2008	846,852	558,760

Details of restructured debts of the Bank and its subsidiaries for the year ended December 31, 2008, are as follows:

CONSOLIDATED FINANCIAL STATEMENTS				
Form of Restructuring	Number	Amount of Debt before Restructuring (Million Baht)	Type of Assets Acquired	Fair Value (Million Baht)
Transfer of assets	5	177	Land, building and condominium	204
Conversion to equity	1	5		
Modification of terms	841	2,238		
Reduction of principal and interest	856	9,758		
Various forms of restructuring (including modification of terms)	237	8,235	Land and building	136
Total	1,940	20,413		340

For the year ended December 31, 2008, the Bank and its subsidiaries calculated the net realizable value for the trouble 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:

CONSOLIDATED FINANCIAL STATEMENTS				
Method	Average Aging (Year)	Number	Amount of Debt before Restructuring (Million Baht)	Amount of Debt after Restructuring (Million Baht)
Present value of future cash flows	0.57	398	746	98
Fair value of collateral	6.42	443	1,492	1,280

As at December 31, 2008, the Bank and its subsidiaries had outstanding debts of Baht 6,251 million which had been restructured by modification of repayment terms.

As at December 31, 2008, the Bank and its subsidiaries had restructured outstanding debt of Baht 54,514 million, including debts restructured during the year of Baht 10,366 million. For the year ended December 31, 2008, the Bank and its subsidiaries recognized interest received from debt restructured of Baht 2,018 million and loss on debt restructured of Baht 638 million in the statements of income.

As at December 31, 2008, the balance of such debt restructured included NPLs of Baht 21,112 million.

Separate financial statements

For the year ended December 31, 2009, the Bank has 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:

SEPARATE FINANCIAL STATEMENTS				
Form of Restructuring	Number	Amount of Debt before Restructuring (Million Baht)	Type of Assets Acquired	Fair Value (Million Baht)
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	SEPARATE FINANCIAL STATEMENTS			
	Average Aging (Year)	Number	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 received 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.

For the year ended December 31, 2008, 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, 2008	1,567	19,665
Total debtors as at December 31, 2008	191,966	542,023

Details of restructured debts of the Bank for the year ended December 31, 2008, are as follows:

Form of Restructuring	Number	SEPARATE FINANCIAL STATEMENTS		
		Amount of Debt before Restructuring (Million Baht)	Type of Assets Acquired	Fair Value (Million Baht)
Transfer of assets	2	44	Land, building and condominium	38
Conversion to equity	1	5		
Modification of terms	471	1,623		
Reduction of principal and interest	856	9,758		
Various forms of restructuring (including modification of terms)	237	8,235	Land and building	136
Total	<u>1,567</u>	<u>19,665</u>		<u>174</u>

For the year ended December 31, 2008, 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	5.80	28	131	97
Fair value of collateral	6.42	443	1,492	1,280

As at December 31, 2008, the Bank had outstanding debts of Baht 6,250 million which had been restructured by modification of repayment terms.

As at December 31, 2008, the Bank had the restructured outstanding debts of Baht 52,667 million, including debts restructured during the year of Baht 10,365 million. For the year ended December 31, 2008, the Bank recognized interest received from debt restructured of Baht 1,957 million, and loss on debt restructured of Baht 638 million in the statements of income.

As at December 31, 2008, the balance of such debt restructured included NPLs of Baht 19,457 million.

4.6 Allowance for doubtful accounts

	Unit : Million Baht						
	CONSOLIDATED FINANCIAL STATEMENTS						
	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

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS

	2008						Total
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Surplus Reserve	
Beginning balance	1,301	292	4,578	4,940	17,488	5,381	33,980
Beginning balance of subsidiaries							
as of investment date	603	268	1,198	774	36	79	2,958
Doubtful accounts	863	(29)	(2,119)	(160)	6,027	516	5,098*
Bad debts written off	-	-	-	-	(1,229)	-	(1,229)
Bad debts reversal	-	-	-	-	153	-	153
Bad debts written off from							
sales of NPLs	(35)	(14)	(63)	(316)	(9,123)	-	(9,551)
Other	-	-	-	-	-	1	1
Ending balance	2,732	517	3,594	5,238	13,352	5,977	31,410

(* Including adjustment of the fair value of loans and receivable of Ayudhya Capital Auto Lease Public Company Limited (formerly GE Capital Auto Lease Public Company Limited) at acquisition date.)

As at December 31, 2009, the consolidated financial statements included the allowance for doubtful account of hire-purchase loans applied a collective approach basis in the amount of Baht 3,247 million.

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS

	2009						Total
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Surplus Reserve	
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	5,004	727	880	2,796	9,156	5,693	24,256

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS

	2008						Total
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Surplus Reserve	
Beginning balance	1,618	271	4,401	4,773	13,337	3,871	28,271
Doubtful accounts	1,443	108	(1,968)	(96)	5,386	(823)	4,050
Bad debts written off	-	-	-	-	(96)	-	(96)
Bad debts reversal	-	-	-	-	153	-	153
Bad debts written off from							
sales of NPLs	(34)	(14)	(63)	(316)	(9,123)	-	(9,550)
Other	-	-	-	-	-	1	1
Ending balance	3,027	365	2,370	4,361	9,657	3,049	22,829

As at December 31, 2009 and 2008, the Bank estimated the minimum total allowance* under BOT Guidelines of Baht 27,079 million and Baht 26,380 million, respectively for the consolidated financial statements and Baht 18,895 million and Baht 20,726 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	
	2009	2008
Consolidated financial statements	38,603	32,359
The Bank and Ayudhya Asset Management Company Limited	29,538	28,855
The Separate financial statements	24,588	23,777

As at December 31, 2009 and 2008, 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 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				
	2009			
	Number	Outstanding Balance	Appraisal Value of Collateral	Allowance for Doubtful Accounts
Companies subject to be delisted by SET	<u>3</u>	<u>374</u>	<u>175</u>	<u>226</u>
Total	<u>3</u>	<u>374</u>	<u>175</u>	<u>226</u>

Unit : Million Baht				
CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
	2008			
	Number	Outstanding Balance	Appraisal Value of Collateral	Allowance for Doubtful Accounts
Companies subject to be delisted by SET	<u>4</u>	<u>307</u>	<u>1,510</u>	<u>1</u>
Total	<u>4</u>	<u>307</u>	<u>1,510</u>	<u>1</u>

4.7 Revaluation allowance for debt restructuring

	Unit : Million Baht	
	CONSOLIDATED FINANCIAL STATEMENTS	
	2009	2008
Beginning Balance	897	1,239
Increase during the year	1,088	638
Amount written off	(1,656)	(980)
Ending Balance	<u>329</u>	<u>897</u>

	Unit : Million Baht	
	SEPARATE FINANCIAL STATEMENTS	
	2009	2008
Beginning Balance	897	1,238
Increase during the year	1,101	638
Amount written off	(1,669)	(979)
Ending Balance	<u>329</u>	<u>897</u>

4.8 Properties foreclosed, net

	Unit : Million Baht				
	CONSOLIDATED FINANCIAL STATEMENTS				
Type of Properties Foreclosed	Balance as at January 1, 2009	Balance of Subsidiary as at Purchase Date	Acquisition	Disposition	Balance as at December 31, 2009
1. Assets acquired from debt repayment					
1.1 Immovable	22,787	56	2,807	(5,876)	19,774
1.2 Movable	<u>571</u>	<u>52</u>	<u>5,171</u>	<u>(5,467)</u>	<u>327</u>
Total	<u>23,358</u>	<u>108</u>	<u>7,978</u>	<u>(11,343)</u>	<u>20,101</u>
2. Others	<u>162</u>	<u>-</u>	<u>-</u>	<u>(52)</u>	<u>110</u>
Total properties foreclosed	<u>23,520</u>	<u>108</u>	<u>7,978</u>	<u>(11,395)</u>	<u>20,211</u>
Less Provision for impairment	<u>(2,149)</u>	<u>(13)</u>	<u>(2,173)</u>	<u>2,141</u>	<u>(2,194)</u>
Total properties foreclosed	<u>21,371</u>	<u>95</u>	<u>5,805</u>	<u>(9,254)</u>	<u>18,017</u>

	Unit : Million Baht				
	CONSOLIDATED FINANCIAL STATEMENTS				
Type of Properties Foreclosed	Balance as at January 1, 2008	Balance of Subsidiary as at Purchase Date	Acquisition	Disposition	Balance as at December 31, 2008
1. Assets acquired from debt repayment					
1.1 Immovable	24,929	-	2,672	(4,814)	22,787
1.2 Movable	<u>51</u>	<u>331</u>	<u>4,771</u>	<u>(4,582)</u>	<u>571</u>
Total	<u>24,980</u>	<u>331</u>	<u>7,443</u>	<u>(9,396)</u>	<u>23,358</u>
2. Others	<u>83</u>	<u>-</u>	<u>81</u>	<u>(2)</u>	<u>162</u>
Total properties foreclosed	<u>25,063</u>	<u>331</u>	<u>7,524</u>	<u>(9,398)</u>	<u>23,520</u>
Less Provision for impairment	<u>(1,540)</u>	<u>(127)</u>	<u>(3,494)</u>	<u>3,012</u>	<u>(2,149)</u>
Total properties foreclosed	<u>23,523</u>	<u>204</u>	<u>4,030</u>	<u>(6,386)</u>	<u>21,371</u>

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS

Type of Properties Foreclosed	Balance as at January 1, 2009	Acquisition	Disposition	Balance as at December 31, 2009
1. Assets acquired from debt repayment				
1.1 Immovable	14,498	833	(4,209)	11,122
1.2 Movable	<u>13</u>	<u>-</u>	<u>-</u>	<u>13</u>
Total	14,511	833	(4,209)	11,135
2. Others	<u>154</u>	<u>-</u>	<u>(50)</u>	<u>104</u>
Total properties foreclosed	14,665	833	(4,259)	11,239
Less Provision for impairment	<u>(1,518)</u>	<u>(774)</u>	<u>610</u>	<u>(1,682)</u>
Total properties foreclosed	<u>13,147</u>	<u>59</u>	<u>(3,649)</u>	<u>9,557</u>

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS

Type of Properties Foreclosed	Balance as at January 1, 2008	Acquisition	Disposition	Balance as at December 31, 2008
1. Assets acquired from debt repayment				
1.1 Immovable	16,315	1,212	(3,029)	14,498
1.2 Movable	<u>13</u>	<u>-</u>	<u>-</u>	<u>13</u>
Total	16,328	1,212	(3,029)	14,511
2. Others	<u>84</u>	<u>72</u>	<u>(2)</u>	<u>154</u>
Total properties foreclosed	16,412	1,284	(3,031)	14,665
Less Provision for impairment	<u>(1,175)</u>	<u>(451)</u>	<u>108</u>	<u>(1,518)</u>
Total properties foreclosed	<u>15,237</u>	<u>833</u>	<u>(2,923)</u>	<u>13,147</u>

For the year ended December 31, 2009 and 2008, the Bank entered into an agreement to sell the sub-quality assets and the right obligations to Ayudhya Asset Management Company Limited, a subsidiary, by selling immovable properties foreclosed having the book value of Baht 1,141 million and Baht 33 million, respectively. The Bank had already collected such amount in full.

4.9 Property, premises and equipment, net

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS						
	Balance as at January 1, 2009	Balance of Subsidiary as at Purchase Date	Increase	Decrease	Others	Balance as at December 31, 2009
Land						
Cost	3,620	1	4	(2)	168	3,791
Appraisal increase	2,905	-	-	-	919	3,824
Appraisal decrease	(212)	-	-	-	19	(193)
Premises						
Cost	5,603	4	54	-	372	6,033
Appraisal increase	4,699	-	-	-	1,423	6,122
Appraisal decrease	(73)	-	-	-	3	(70)
Equipment	9,919	1,215	685	(960)	54	10,913
Leasehold improvement	871	610	50	(44)	24	1,511
Total	27,332	1,830	793	(1,006)	2,982	31,931
<u>Less</u> Accumulated depreciation						
Premises						
- Cost	(2,292)	(3)	(191)	-	(3)	(2,489)
- Appraisal increase	(2,149)	-	-	-	(645)	(2,794)
Equipment	(7,122)	(1,049)	(1,155)	898	60	(8,368)
Leasehold improvement	(551)	(557)	(106)	20	39	(1,155)
Total	(12,114)	(1,609)	(1,452)	918	(549)	(14,806)
Construction in progress	867	-	478	(24)	(1,076)	245
Property, premises and equipment, net	16,085					17,370

Unit : Million Baht						
CONSOLIDATED FINANCIAL STATEMENTS						
	Balance as at January 1, 2008	Balance of Subsidiary as at Purchase Date	Increase	Decrease	Others	Balance as at December 31, 2008
Land						
Cost	3,665	-	-	(40)	(5)	3,620
Appraisal increase	2,905	-	-	-	-	2,905
Appraisal decrease	(225)	-	-	-	13	(212)
Premises						
Cost	5,488	-	48	(36)	103	5,603
Appraisal increase	4,714	-	-	(2)	(13)	4,699
Appraisal decrease	(86)	-	-	-	13	(73)
Equipment	9,304	142	816	(395)	52	9,919
Leasehold improvement	522	194	88	(2)	69	871
Total	26,287	336	952	(475)	232	27,332
<u>Less</u> Accumulated depreciation						
Premises						
- Cost	(2,123)	-	(184)	9	6	(2,292)
- Appraisal increase	(1,982)	-	-	-	(167)	(2,149)
Equipment	(6,251)	(117)	(1,151)	370	27	(7,122)
Leasehold improvement	(224)	(166)	(164)	-	3	(551)
Total	(10,580)	(283)	(1,499)	379	(131)	(12,114)
Construction in progress	186	-	975	-	(294)	867
Property, premises and equipment, net	15,893					16,085
Unit : Million Baht						
	2009	2008				
Depreciation for the years	1,452	1,499				

As at December 31, 2009 and 2008, the Bank and its subsidiaries had premises and equipment which were fully depreciated but still in use, at the original costs amounting to Baht 5,982 million and Baht 4,424 million, respectively.

Unit : Million Baht

	SEPARATE FINANCIAL STATEMENTS				
	Balance as at January 1, 2009	Increase	Decrease	Others	Balance as at December 31, 2009
Land					
Cost	3,732	5	(3)	45	3,779
Appraisal increase	2,905	-	-	919	3,824
Appraisal decrease	(212)	-	-	19	(193)
Premises					
Cost	5,664	54	-	282	6,000
Appraisal increase	4,699	-	-	1,423	6,122
Appraisal decrease	(73)	-	-	3	(70)
Equipment	8,009	510	(433)	73	8,159
Leasehold improvement	569	34	-	22	625
Total	25,293	603	(436)	2,786	28,246
<u>Less</u> Accumulated depreciation					
Premises					
- Cost	(2,274)	(189)	-	(4)	(2,467)
- Appraisal increase	(2,149)	-	-	(645)	(2,794)
Equipment	(5,869)	(852)	423	52	(6,246)
Leasehold improvement	(347)	(79)	-	39	(387)
Total	(10,639)	(1,120)	423	(558)	(11,894)
Construction in progress	881	478	(24)	(1,090)	245
Property, premises and equipment, net	15,535				16,597

Unit : Million Baht					
SEPARATE FINANCIAL STATEMENTS					
	Balance as at January 1, 2008	Increase	Decrease	Others	Balance as at December 31, 2008
Land					
Cost	3,654	123	-	(45)	3,732
Appraisal increase	2,905	-	-	-	2,905
Appraisal decrease	(225)	-	-	13	(212)
Premises					
Cost	5,463	134	(36)	103	5,664
Appraisal increase	4,714	-	(2)	(13)	4,699
Appraisal decrease	(86)	-	-	13	(73)
Equipment	7,530	592	(214)	101	8,009
Leasehold improvement	489	26	(2)	56	569
Total	24,444	875	(254)	228	25,293
<u>Less</u> Accumulated depreciation					
Premises					
- Cost	(2,107)	(182)	9	6	(2,274)
- Appraisal increase	(1,982)	-	-	(167)	(2,149)
Equipment	(5,276)	(805)	212	-	(5,869)
Leasehold improvement	(212)	(137)	2	-	(347)
Total	(9,577)	(1,124)	223	(161)	(10,639)
Construction in progress	187	988	-	(294)	881
Property, premises and equipment, net	15,054				15,535

Unit : Million Baht		
	2009	2008
Depreciation for the years	1,120	1,124

As at December 31, 2009 and 2008, the Bank had premises and equipment which were fully depreciated but still in use, at the original costs amounting to Baht 4,078 million and Baht 3,969 million, respectively.

During the year 2008, the Bank purchased the properties which used to be the Bank's branches from Ayudhya Asset Management Company Limited, a subsidiary, in the amount of Baht 226 million for use as branch office and asset center.

4.10 Intangible assets, net

Unit : Million Baht						
CONSOLIDATED FINANCIAL STATEMENTS						
	Balance as at January 1, 2009	Balance of Subsidiary as at Purchase Date	Increase	Decrease	Others	Balance as at December 31, 2009
Cost						
Goodwill	8,397	-	1,499	-	-	9,896
Software	2,478	255	368	(1)	(276)	2,824
Other intangible assets	1,363	76	69	-	-	1,508
Total	12,238	331	1,936	(1)	(276)	14,228
Accumulated amortization						
Software	(1,202)	(202)	(212)	-	56	(1,560)
Other intangible assets	(6)	(54)	-	-	-	(60)
Total	(1,208)	(256)	(212)	-	56	(1,620)
Intangible assets, net	11,030					12,608

Unit : Million Baht						
CONSOLIDATED FINANCIAL STATEMENTS						
	Balance as at January 1, 2008	Balance of Subsidiary as at Purchase Date	Increase	Decrease	Others	Balance as at December 31, 2008
Cost						
Goodwill	-	-	8,397	-	-	8,397
Software	2,012	43	488	(68)	3	2,478
Other intangible assets	1,363	-	5	(5)	-	1,363
Total	3,375	43	8,890	(73)	3	12,238
Accumulated amortization						
Software	(1,050)	(36)	(178)	62	-	(1,202)
Other intangible assets	(6)	-	-	-	-	(6)
Total	(1,056)	(36)	(178)	62	-	(1,208)
Intangible assets, net	2,319					11,030

Unit : Million Baht		
	2009	2008
Amortization for the years	212	178

As at December 31, 2009 and 2008, Bank and its subsidiaries had intangible assets which were fully amortized but still in use, at the original costs amounting to Baht 582 million and Baht 407 million, respectively.

Unit : Million Baht					
SEPARATE FINANCIAL STATEMENTS					
	Balance as at January 1, 2009	Increase	Decrease	Others	Balance as at December 31, 2009
Cost					
Software	2,212	358	-	(207)	2,363
Other intangible assets	<u>7</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7</u>
Total	<u>2,219</u>	<u>358</u>	<u>-</u>	<u>(207)</u>	<u>2,370</u>
Accumulated amortization					
Software	(1,064)	(162)	-	2	(1,224)
Other intangible assets	<u>(5)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5)</u>
Total	<u>(1,069)</u>	<u>(162)</u>	<u>-</u>	<u>2</u>	<u>(1,229)</u>
Intangible assets, net	<u>1,150</u>				<u>1,141</u>

Unit : Million Baht					
SEPARATE FINANCIAL STATEMENTS					
	Balance as at January 1, 2008	Increase	Decrease	Others	Balance as at December 31, 2008
Cost					
Software	1,871	396	(58)	3	2,212
Other intangible assets	<u>7</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7</u>
Total	<u>1,878</u>	<u>396</u>	<u>(58)</u>	<u>3</u>	<u>2,219</u>
Accumulated amortization					
Software	(983)	(139)	58	-	(1,064)
Other intangible assets	<u>(5)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5)</u>
Total	<u>(988)</u>	<u>(139)</u>	<u>58</u>	<u>-</u>	<u>(1,069)</u>
Intangible assets, net	<u>890</u>				<u>1,150</u>

Unit : Million Baht		
	2009	2008
Amortization for the years	<u>162</u>	<u>139</u>

As at December 31, 2009 and 2008, the Bank had intangible assets which were fully amortized but still in use, at the original costs amounting to Baht 373 million and Baht 363 million, respectively.

4.11 Deferred tax assets

Deferred tax assets as at December 31, 2009 and 2008 are as follows:

	Unit : Million Baht			
	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2009	2008	2009	2008
Deferred tax assets	7,088	4,148	2,792	2,496

Movements in deferred tax assets during the year were as follows:

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS						
	Balance of	Items	Items as	Items as		
As at	Subsidiary as	arising from	recognized	recognized	As at	
January 1,	at Purchase	Business	into	Shareholders'	December 31,	
2009	Date	Combination	of Income	Equity	2009	
Temporary differences						
Impairment of assets	1,260	252	-	455	-	1,967
Allowance for doubtful debt	1,338	1,903	-	84	-	3,325
Unrealized loss on investment	362	-	-	66	-	428
Other	1,188	74	236	44	(174)	1,368
Balance at the ending of the year	4,148	2,229	236	649	(174)	7,088

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS						
	Balance of	Items	Items as	Items as		
As at	Subsidiary as	arising from	recognized	recognized	As at	
January 1,	at Purchase	business	into	Into	December 31,	
2008	Date	combination	of Income	Shareholders' Equity	2008	
Temporary differences						
Impairment of assets	1,214	-	-	46	-	1,260
Allowance for doubtful debt	108	770	259	201	-	1,338
Unrealized loss on investment	362	-	-	-	-	362
Other	1,604	-	-	(585)	169	1,188
Balance at the ending of the year	3,288	770	259	(338)	169	4,148

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS				
As at	Items as	Items as	As at	
January 1,	recognised into	recognised into	December 31,	
2009	Statement of Income	Shareholders' Equity	2009	
Temporary differences				
Impairment of assets	1,107	580	-	1,687
Unrealized loss on investment	360	60	-	420
Other	1,029	(117)	(167)	685
Balance at the ending of the year	2,496	463	(167)	2,792

Unit : Million Baht

	SEPARATE FINANCIAL STATEMENTS			
	As at	Items as	Items as	As at
	January 1,	recognised into	recognised Into	December 31,
	2008	Statement of Income	Shareholders' Equity	2008
Temporary differences				
Impairment of assets	1,084	23	-	1,107
Unrealized loss on investment	360	-	-	360
Other	1,549	(687)	167	1,029
Balance at the ending of the year	2,993	(664)	167	2,496

The deferred tax assets which have not been recognized in the balance sheet as at the December 31, 2009 and 2008 are as follows :

	CONSOLIDATED		Unit : Million Baht	
	FINANCIAL STATEMENTS		SEPARATE	
	2009	2008	2009	2008
Unused tax losses	1,255	1,279	-	-
Impairment of assets	126	127	-	-
Total	<u>1,381</u>	<u>1,406</u>	<u>-</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
3. Ayudhya Derivatives Company Limited

4.12 Deposits

(1) Classified by product

	CONSOLIDATED		Unit : Million Baht	
	FINANCIAL STATEMENTS		SEPARATE	
	2009	2008	2009	2008
Current deposit	14,907	17,772	16,115	18,173
Savings deposit	184,405	161,401	187,299	164,393
Time deposit				
- Less than 6 months	90,404	101,748	103,382	101,748
- 6 months to 1 year	114,425	163,080	103,939	163,080
- over 1 year	<u>116,374</u>	<u>93,353</u>	<u>113,951</u>	<u>93,353</u>
Total	<u>520,515</u>	<u>537,354</u>	<u>524,686</u>	<u>540,747</u>

(2) Classified by remaining maturity

	CONSOLIDATED		Unit : Million Baht	
	FINANCIAL STATEMENTS		SEPARATE	
	2009	2008	2009	2008
Not over 1 year*	486,177	508,687	490,348	512,080
Over 1 year	<u>34,338</u>	<u>28,667</u>	<u>34,338</u>	<u>28,667</u>
Total	<u>520,515</u>	<u>537,354</u>	<u>524,686</u>	<u>540,747</u>

* Including matured time deposits

(3) Classified by currency and residence of depositors

Unit : Million Baht						
CONSOLIDATED FINANCIAL STATEMENTS						
	2009			2008		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	517,145	407	517,552	533,666	165	533,831
US Dollar	1,193	1,073	2,266	1,825	1,121	2,946
Other currencies	205	492	697	202	375	577
Total	<u>518,543</u>	<u>1,972</u>	<u>520,515</u>	<u>535,693</u>	<u>1,661</u>	<u>537,354</u>

Unit : Million Baht						
SEPARATE FINANCIAL STATEMENTS						
	2009			2008		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	521,316	407	521,723	537,059	165	537,224
US Dollar	1,193	1,073	2,266	1,825	1,121	2,946
Other currencies	205	492	697	202	375	577
Total	<u>522,714</u>	<u>1,972</u>	<u>524,686</u>	<u>539,086</u>	<u>1,661</u>	<u>540,747</u>

4.13 Interbank and money market items

Unit : Million Baht						
CONSOLIDATED FINANCIAL STATEMENTS						
	2009			2008		
	At Call	Time	Total	At Call	Time	Total
Domestic items						
Bank of Thailand and Financial Institution						
Development Fund	-	686	686	130	1,014	1,144
Commercial banks	1,279	3,955	5,234	716	1,079	1,795
Other banks	43	8,449	8,492	29	10,913	10,942
Finance companies, securities companies and credit foncier companies	2,437	3,428	5,865	2,062	2,960	5,022
Other financial institutions	-	26,553	26,553	622	-	622
Total	<u>3,759</u>	<u>43,071</u>	<u>46,830</u>	<u>3,559</u>	<u>15,966</u>	<u>19,525</u>
Add Accrued interest receivables	-	3	3	-	1	1
Total domestic items	<u>3,759</u>	<u>43,074</u>	<u>46,833</u>	<u>3,559</u>	<u>15,967</u>	<u>19,526</u>
Foreign items						
US Dollar	514	-	514	438	-	438
Yen	-	-	-	-	-	-
Euro	6	-	6	-	-	-
Other currencies	62	-	62	39	-	39
Total foreign items	<u>582</u>	<u>-</u>	<u>582</u>	<u>477</u>	<u>-</u>	<u>477</u>
Total domestic and foreign items	<u>4,341</u>	<u>43,074</u>	<u>47,415</u>	<u>4,036</u>	<u>15,967</u>	<u>20,003</u>

Unit : Million Baht						
SEPARATE FINANCIAL STATEMENTS						
	2009			2008		
	At Call	Time	Total	At Call	Time	Total
Domestic items						
Bank of Thailand and Financial Institution Development Fund	-	687	687	130	1,014	1,144
Commercial banks	1,310	60	1,370	928	60	988
Other banks	43	8,449	8,492	29	10,913	10,942
Finance companies, securities companies and credit foncier companies	2,437	3,428	5,865	2,062	2,960	5,022
Other financial institutions	-	26,553	26,553	622	-	622
Total domestic items	<u>3,790</u>	<u>39,177</u>	<u>42,967</u>	<u>3,771</u>	<u>14,947</u>	<u>18,718</u>
Foreign items						
US Dollar	514	-	514	438	-	438
Yen	-	-	-	-	-	-
Euro	6	-	6	-	-	-
Other currencies	62	-	62	39	-	39
Total foreign items	<u>582</u>	<u>-</u>	<u>582</u>	<u>477</u>	<u>-</u>	<u>477</u>
Total domestic and foreign items	<u>4,372</u>	<u>39,177</u>	<u>43,549</u>	<u>4,248</u>	<u>14,947</u>	<u>19,195</u>

On August 11, 2006 and September 5, 2006, the Bank acquired Baht 600 million of borrowings under promissory notes with embedded derivatives (Structured Borrowings). The maturities are on August 11, 2011 and September 5, 2011 and the interest is payable semi-annually to be determined by reference interest rates in the future.

As of December 31, 2009 and 2008, such borrowings are carried at fair value derived from a counterparty or a calculation agent. The Bank has tested the fair value calculation by using a well-known technique of valuation appraisal with no significant difference from the price taken from the aforesaid counterparty. The change in fair value of borrowings is recognized as a mark-to-market loss in the statements of income for Baht 49 million and Baht 61 million, respectively which equals the mark-to-market gain on the hedging instruments.

4.14 Short-term borrowings

Unit : Million Baht						
CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS						
	2009			2008		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Senior securities	33,087	-	33,087	-	-	-
Senior securities floating rate notes (US\$ 150.0 million)	-	-	-	-	5,243	5,243
Bills of exchange	6,000	-	6,000	3,767	-	3,767
Other borrowings	3	-	3	4	-	4
Total short-term borrowings	<u>39,090</u>	<u>-</u>	<u>39,090</u>	<u>3,771</u>	<u>5,243</u>	<u>9,014</u>

Short-term borrowings consist of the following:

- 4.14.1 On April 29, 2003, the Bank acquired Baht 3 million of borrowings with maturity on June 27, 2010 with no interest bearing.
- 4.14.2 On October 18, 2006, the Bank acquired Baht 4 million of borrowings with maturity on December 31, 2009, at the fixed interest rate of 0.50% per annum. The Bank had already made repayment.
- 4.14.3 On November 14, 2006, the Bank issued senior securities floating rate notes in the amount of USD 150 million with a maturity in November 14, 2009 and carrying an interest rate of LIBOR-6 month plus 0.24% per annum, payable semi-annually in May and November of each year. The Bank has already made full payment.
- 4.14.4 On October 26, 2007, the Bank issued uncollateralized senior securities in the amount of Baht 6,899 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.
- 4.14.5 On March 18, 2008 and June 5, 2008 the Bank issued uncollateralized senior securities in the amount of Baht 9,924 million and Baht 16,265 million with maturities on March 18, 2010 and June 5, 2010, at the fixed interest rates of 3.85% and 4.25% per annum, payable quarterly in March, June, September and December.
- 4.14.6 During April 25, 2008 to December 9, 2008, the Bank issued Baht 3,767 million of bills of exchange with maturities during January 5, 2009 to September 14, 2009, at the fixed interest rates of 3.00%-4.10% per annum and the Bank had already made full repayment.
- 4.14.7 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.
- 4.14.8 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 as at December 31, 2009.
- 4.14.9 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 2.9% per annum.
- 4.14.10 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 June 30, 2010, at the fixed interest rates of 1.0%-1.5% per annum and the Bank had made partial repayment in the amount of Baht 9,340 million.
- 4.14.11 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.

4.15 Long-term borrowings

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS						
	2009			2008		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Subordinated Debentures #5	12,000	-	12,000	12,000	-	12,000
Senior securities	29,974	-	29,974	57,387	-	57,387
Bill of exchange	3,402	-	3,402	3,200	-	3,200
Other borrowings	220	-	220	256	-	256
Total long-term borrowings	45,596	-	45,596	72,843	-	72,843

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS						
	2009			2008		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Subordinated Debentures #5	12,000	-	12,000	12,000	-	12,000
Senior securities	24,300	-	24,300	57,387	-	57,387
Bill of exchange	4,402	-	4,402	3,200	-	3,200
Other borrowings	220	-	220	256	-	256
Total long-term borrowings	40,922	-	40,922	72,843	-	72,843

Long-term borrowings consist of the following :

- 4.15.1 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 rates 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.
- 4.15.2 During November 1, 2004 to September 30, 2009, the Bank acquired 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 76 million.
- 4.15.3 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%	6,899
2	Oct. 26, 2011	4.50%	4,633

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

- 4.15.4 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%	5,157
3	Mar. 18, 2012	4.25%	3,665

Tranche 1 senior securities, with maturity on March 18, 2010 were reclassified to short-term borrowing.

- 4.15.5 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.

- 4.15.6 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.

- 4.15.7 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%	3,933

Tranche 1 senior securities, with maturity on June 5, 2010 were reclassified to short-term borrowing.

- 4.15.8 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%	6,912

- 4.15.9 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 and June 16, 2011, at the fixed interest rates of 1.80% - 2.30% per annum.

- 4.15.10 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%	4,836
2	Oct. 21, 2013	4.40%	838

4.16 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 notifications No.Sor Nor Sor. 31/2551 Re: Guidelines on Provisioning for Off-Balance Sheet Items dated August 3, 2008 and Thai Accounting Standard No. 53 "Provisions, Contingent Liabilities and Contingent Assets" which were presented as part of other liabilities in the balance sheets as follows:

Unit : Million Baht		
CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS		
	2009	2008
Beginning balance of the years	389	612
Decrease during the years	(102)	(223)
Ending balance as at of the years	<u>287</u>	<u>389</u>

4.17 Deferred tax liabilities

Deferred tax liabilities as at December 31, 2009 and 2008 are as follows:

Unit : Million Baht			
	CONSOLIDATED		SEPARATE
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS
	2009	2008	2009 2008
Deferred tax liabilities	<u>2,722</u>	<u>2,183</u>	<u>2,344 1,925</u>

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

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

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS

	As at January 1, 2008	Balance of Subsidiary as at Purchase Date	Items as recognized into Statement of Income	Items as recognized into Shareholders' Equity	As at December 31, 2008
Temporary differences					
Asset appraisal surplus	1,684	-	-	(52)	1,632
Other	361	-	65	125	551
Balance at the ending of the year	2,045	-	65	73	2,183

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	2,141
Other	293	4	(94)	203
Balance at the ending of the year	1,925	4	415	2,344

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS

	As at January 1, 2008	Items as recognised into Statement of Income	Items as recognised into Shareholders' Equity	As at December 31, 2008
Temporary differences				
Assets appraisal surplus	1,684	-	(52)	1,632
Other	191	(23)	125	293
Balance at the ending of the year	1,875	(23)	73	1,925

4.18 Share capital

	Unit : Million Baht	
	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	2009	2008
Authorized share capital	70,894	70,894
Issued and paid-up share capital	60,741	60,741

4.18.1 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 and 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.

4.18.2 Capital funds

The Bank is subject to various capital and regulatory requirements administered by the Bank of Thailand. Under these capital adequacy guidelines and the regulatory framework for prompt corrective action, the Bank must satisfy specific capital guidelines that involve quantitative measures of its assets, liabilities and certain off-balance sheet items as calculated in accordance with regulatory accounting practices. In addition, the Bank's capital amounts and classification are also subject to qualitative judgment by the Bank of Thailand in regard to components, risk weightings, and other factors. As at December 31, 2009 and 2008, the Bank's management met all capital adequacy requirements. However, these capital and regulatory requirements are subject to change, as considered necessary by the Bank of Thailand.

The Bank maintains its capital funds in accordance with the criteria, methodologies and conditions prescribed by the Bank of Thailand. The Bank changed the method of capital fund calculation from Basel I to Basel II starting from December 31, 2008 as required by the Bank of Thailand. As at December 31, 2009 and 2008, the Bank's total capital funds can be categorized as follows:

	Unit : Million Baht	
	2009	2008
Tier 1 capital		
Issued and paid-up share capital	60,741	60,741
Premium on share capital	13,802	13,802
Statutory reserve	583	436
Net profit after appropriations	4,139	4,018
<u>Less Deferred tax assets</u>	<u>(2,792)</u>	<u>(2,329)</u>
Total Tier 1 capital	<u>76,473</u>	<u>76,668</u>

	Unit : Million Baht	
	2009	2008
Tier 2 capital		
Assets revaluation surplus	4,333	3,302
Subordinated unsecured floating rate notes	7,200	9,600
Investment revaluation surplus (net) in securities available-for-sale	46	-
Reserve for normal assets	5,693	4,219
Total Tier 2 capital	17,272	17,121
Total capital before deductions	93,745	93,789
<u>Less</u> Investment revaluation deficit (net) in securities available-for-sale	-	(557)
Total capital fund	93,745	93,232

	Percentage	
	2009	2008
Total capital / Total risk assets (minimum 8.50%)	14.15	14.58
Total tier 1 capital / Total risk assets (minimum 4.25%)	11.55	11.99

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	within April 2010
Information as of	December 31, 2009

4.18.3 Warrants

In August 2003, the Bank offered to sell new ordinary shares to institutional investors or specific investors according to the Notification of the Securities and Exchange Commission together with the right to be allocated warrants to exercise for ordinary shares of the Bank at the offered price of Baht 0 per unit at the ratio of two new capital increase ordinary shares to one unit of warrant which amounted to 500 million units of warrants. In addition, the Bank offered to sell the warrants to exercise for ordinary shares of the Bank in the amount of 739.07 million units to the existing shareholders at the ratio of five existing shares to two units of warrants at the offered price of Baht 0 per unit. Total offered warrants were 1,239.07 million units.

The significant details of warrants are summarized as follows:

Exercise ratio	: One unit of warrant will be entitled to the purchase of one ordinary share
Number of ordinary shares issued to accommodate the warrants	: 1,239.07 million shares
Exercise price	: Baht 12 per share
Term of warrant	: 5 years
Exercise period	: 4 times per year, on the last business day of March, June, September and December of each year throughout the warrant's term. The first exercise date was on March 31, 2004

For the nine-month period ended September 30, 2008, the final exercise period, there were 311,607,291 units of warrants exercised for ordinary shares amounting to Baht 3,739 million in proceeds. The proceeds from exercised warrants of 258,210,874 units amounting to Baht 3,099 million were registered as an increase issued and paid-up share capital with the Ministry of Commerce on September 9, 2008.

4.19 Statutory reserve

Pursuant to the Public Limited Companies Act, the Bank must allocate to a reserve fund from the annual net profit, not less than five percent of the annual net profit deducted by the total accumulated loss brought forward (if any) until the reserve fund reaches an amount not less than ten percent of the registered capital.

4.20 Dividend payment

The Board of Directors' Meeting No. 8/2008 dated August 27, 2008, had approved a resolution authorizing a dividend payment for the first half year ended June 30, 2008 to the shareholders of 6,026,047,417 ordinary shares at Baht 0.15 per share which totaled Baht 904 million, with payment made on September 26, 2008.

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.

4.21 Income tax

	CONSOLIDATED		Unit : Million Baht	
	FINANCIAL STATEMENTS		SEPARATE	
	2009	2008	2009	2008
Current tax for the year	2,069	1,055	644	71
Deferred tax	(565)	144	(460)	642
Total income tax expense	<u>1,504</u>	<u>1,199</u>	<u>184</u>	<u>713</u>

Reconciliation of effective tax rate

	CONSOLIDATED FINANCIAL STATEMENTS				SEPARATE FINANCIAL STATEMENTS			
	2009		2008		2009		2008	
	(in million Baht)	Rate (%)	(in million Baht)	Rate (%)	(in million Baht)	Rate (%)	(in million Baht)	Rate (%)
Profit before tax	8,161		5,497		2,728		3,000	
Income tax at the domestic tax rate	2,448	30.00	1,649	30.00	818	30.00	900	30.00
Add Tax effect of income and expense that are not exempt for tax purposes	204	2.50	379	6.89	51	1.86	103	3.43
Less Tax effect of income and expense that are exempt for tax purposes	(1,148)	(14.07)	(829)	(15.08)	(685)	(25.11)	(290)	(9.67)
Total	1,504	18.43	1,199	21.81	184	6.75	713	23.76

According to the Royal Decree No.475 B.E.2551 issued under the Revenue Code regarding the corporate income tax rate deduction effective on August 7, 2008, the corporate income tax for listed companies in The Stock Exchange of Thailand has been reduced from 30% to 25% for net profit portion not exceeding Baht 300 million. This will remain in effect for three consecutive accounting periods beginning on or after January 1, 2008. Therefore, the Bank has used a tax rate of 25% for the corporate income tax calculations for the year ended December 31, 2009 and 2008, to conform to such tax rate change.

The subsidiaries have used a tax rate of 30% for calculation of the income tax for the years ended December 31, 2009 and 2008.

The Bank and subsidiaries used a tax rate of 30% for calculation of deferred tax.

4.22 Contingencies

	Unit : Million Baht					
	CONSOLIDATED FINANCIAL STATEMENTS					
	2009			2008		
	Baht	Foreign Currencies	Total	Baht	Foreign Currencies	Total
Avals to bills	3,623	-	3,623	2,557	-	2,557
Guarantees of loans	11	350	361	2	478	480
Other guarantees	35,156	1,099	36,255	33,208	851	34,059
Letters of credit	131	5,251	5,382	365	3,326	3,691
Exchange rate contracts						
Bought	-	67,509	67,509	-	56,895	56,895
Sold	-	74,747	74,747	-	62,316	62,316
Currency swap contracts						
Bought	6,435	1,766	8,201	10,686	2,077	12,763
Sold	635	7,344	7,979	682	11,688	12,370
Interest rate swap						
Bought	13,820	3,623	17,443	12,600	4,141	16,741
Sold	600	2,652	3,252	600	3,093	3,693
Unused overdraft limit	38,590	-	38,590	44,996	-	44,996
Others	70	2,418	2,488	39	2,104	2,143
Total	99,071	166,759	265,830	105,735	146,969	252,704

Unit : Million Baht						
SEPARATE FINANCIAL STATEMENTS						
	2009			2008		
	Baht	Foreign Currencies	Total	Baht	Foreign Currencies	Total
Avals to bills	3,623	-	3,623	2,857	-	2,857
Guarantees of loans	11	350	361	2	478	480
Other guarantees	35,167	1,767	36,934	33,220	851	34,071
Letters of credit	130	5,285	5,415	365	3,469	3,834
Exchange rate contracts						
Bought	-	67,509	67,509	-	56,895	56,895
Sold	-	74,747	74,747	-	62,316	62,316
Currency swap contracts						
Bought	6,435	1,766	8,201	10,686	2,077	12,763
Sold	635	7,344	7,979	682	11,688	12,370
Interest rate swap						
Bought	13,520	3,623	17,143	12,600	4,141	16,741
Sold	600	2,652	3,252	600	3,093	3,693
Unused overdraft limit	38,720	-	38,720	44,996	-	44,996
Others	70	2,418	2,488	39	2,104	2,143
Total	98,911	167,461	266,372	106,047	147,112	253,159

As at December 31, 2009 and 2008, the Bank has commitments for information technology in the amount of Baht 250 million and Baht 306 million, respectively.

4.23 Long-term Leases

As at December 31, 2009

Unit : Million Baht			
TYPE OF LEASE	PERIOD	TOTAL RENTAL EXPENSES	
		CONSOLIDATED	SEPARATE
		FINANCIAL STATEMENTS	FINANCIAL STATEMENTS
Land and/or premises and equipment	Jan. 1, 2010 - Dec. 31, 2010	303	192
	Jan. 1, 2011 - Dec. 31, 2011	194	138
	Jan. 1, 2012 - Dec. 31, 2012	78	62
	Jan. 1, 2013 - Dec. 31, 2013	22	19
	Jan. 1, 2014 - Dec. 31, 2014	15	15
	Jan. 1, 2015 - Dec. 31, 2015	15	15
	Jan. 1, 2016 - Aug. 31, 2035	145	145
		<u>772</u>	<u>586</u>

As at December 31, 2008

Unit : Million Baht

TYPE OF LEASE	PERIOD	TOTAL RENTAL EXPENSES	
		CONSOLIDATED FINANCIAL STATEMENTS	SEPARATE FINANCIAL STATEMENTS
Land and/or premises	Jan. 1, 2009 - Dec. 31, 2009	221	164
and equipment	Jan. 1, 2010 - Dec. 31, 2010	150	116
	Jan. 1, 2011 - Dec. 31, 2011	68	65
	Jan. 1, 2012 - Dec. 31, 2012	20	19
	Jan. 1, 2013 - Dec. 31, 2013	17	17
	Jan. 1, 2014 - Dec. 31, 2014	13	13
	Jan. 1, 2015 - Aug. 31, 2035	180	180
		<u>669</u>	<u>574</u>

4.24 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. 66/2551 regarding the Guideline on Consolidated Supervision dated August 3, 2008, 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 transactions 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:

- 4.24.1 Loans to, commitments and deposits with certain officers from the levels of departmental chief upward 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:

As at December 31,	Unit : Million Baht SEPARATE FINANCIAL STATEMENTS	
	2009	2008
Loans	158,143	121,021
Allowance for doubtful accounts	1,581	1,210
Commitments	714	456
Deposits	4,730	3,062

Certain information related to the aforementioned loans and commitments as at December 31, 2009 and 2008, are as follows:

December 31, 2009

	Total Amount (Million Baht)	Maturity Date	Outstanding Balance	
			Secured (Million Baht)	Unsecured (Million Baht)
Loans	158,143	Jan. 4, 2010 to Aug. 5, 2032	46	158,811
Commitments	714	Jan 31, 2010 to May 27, 2010		

As at December 31, 2009, the Bank charges interest rates at 1.00% - 5.93% p.a. on loans to these related parties.

December 31, 2008

	Total Amount (Million Baht)	Maturity Date	Outstanding Balance	
			Secured (Million Baht)	Unsecured (Million Baht)
Loans	121,021	Jan. 5, 2009 to Jun. 30, 2034	47	121,430
Commitments	456	Oct. 31, 2008 to Apr. 4, 2010		

As at December 31, 2008, the Bank charges interest rates at 1.63% - 8.50% p.a. on loans to these related parties.

4.24.2 In addition to Note 4.24.1 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 and indirect.

Unit : Million Baht		
SEPARATE		
FINANCIAL STATEMENTS		
As at December 31,	2009	2008
Loans	381	8,202
Allowance for doubtful accounts	3	80
Commitments	353	342
Deposits	8,714	7,489

Certain information related to the aforementioned loans and commitments as at December 31, 2009 and 2008, are as follows:

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		

December 31, 2008

	Total Amount (Million Baht)	Maturity Date	Outstanding Balance	
			Secured (Million Baht)	Unsecured (Million Baht)
Loans	8,202	Jan. 16, 2009 to Jun. 18, 2013	216	8,328
Commitments	342	Jun. 30, 2008 to May. 22, 2017		

Interest rates on loans as at December 31, 2009 and 2008, are equal to 5.25% - 6.00% p.a. and 4.46% - 6.00% p.a., respectively.

4.24.3 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

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 Company Limited	Credit card and personal loan	780	49.00	382	598	-
Tesco Life Assurance Broker Company Limited	Life insurance broker	77	49.00	-	7	-
Tesco General Insurance Broker Company Limited	General insurance broker	2	49.00	-	27	-
Quality Life Assurance Broker Company Limited	Life insurance broker	2	24.99	1	7	-
Quality General Insurance Broker Company Limited	General insurance broker	2	24.99	1	4	-
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	10
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>10</u>

December 31, 2008

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS						
	Business Type	Registered Share Capital	Ownership (%)	Investment Cost	Book value	Dividend Amount
Associated company						
Krungsriayudhya Card Company Limited	Credit card	1,100	49.99	550	1,026	-
Investment in associated company, net				<u>550</u>	<u>1,026</u>	<u>-</u>
Related companies						
(10%-20% holding)						
Ayudhya Insurance Public Company Limited	Insurance	250	10.92	419	419	38
Asian Trade and Leasing Company Limited	Service	150	10.00	- 0 -	-	-
PrimaVest Asset Management Company Limited	Fund management	250	10.00	11	11	-
P.P. Parawood Company Limited	Manufacturing	95	10.00	9	8	-
Investments in related companies, net				<u>439</u>	<u>438</u>	<u>38</u>

Separate financial statements

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	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	120	99.76	1,529	-
CFG Services Company Limited	Hire-purchase	514	99.99	27	-
Ayudhya Card Services Company Limited (Formerly AIG Card (Thailand) Company Limited)	Credit card and personal loan	7	99.99	4	-
GE Capital (Thailand) Company Limited	Credit card and personal loan	125	99.99	6,443	-
General Card Services Company Limited	Credit card and personal loan	758	99.99	806	-
Krungsriayudhya Card ⁽¹⁾ 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	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	-
				41,924	1,923
Less Allowance for impairment				(4,224)	-
Investments in subsidiaries and associated company, net				37,700	1,923
Related companies					
(10%-20% holding)					
Ayudhya Insurance Public Company Limited	Insurance	250	10.92	412	10
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	10

⁽¹⁾ Including indirect holding via GE Capital (Thailand) Company Limited of 49.99%

December 31, 2008

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	35
Ayudhya Auto Lease Public Company Limited	Auto leasing	2,850	99.55	2,742	-
Ayudhya Capital Lease Company Limited	Auto leasing	3,000	99.99	3,000	-
Ayudhya Hire Purchase Company Limited	Hire-purchase of used cars	500	99.99	500	203
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	314
Siam Realty and Services Company Limited	Car rent and personnel services	100	99.99	100	-
K.S.Law Office Company Limited	Legal advisory services	32	99.99	32	-
Ayudhya Fund Management Company Limited	Fund management	350	99.99	267	-
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					
Krungsriayudhya Card Company Limited	Credit card	1,100	49.99	120	-
				31,138	552
<u>Less</u> Allowance for impairment				(2,998)	-
Investments in subsidiaries and associated company, net				28,240	552
Related companies					
(10%-20% holding)					
Ayudhya Insurance Public Company Limited	Insurance	250	10.92	419	38
Asian Trade and Leasing Company Limited	Service	150	10.00	- 0 -	-
Primavest Asset Management Company Limited	Fund management	250	10.00	11	-
P.P. Parawood Company Limited	Manufacturing	95	10.00	8	-
Investments in related companies, net				438	38

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

	CONSOLIDATED		Unit : Million Baht	
	FINANCIAL STATEMENTS		SEPARATE	
	2009	2008	2009	2008
Subsidiaries				
Ayudhya Development Leasing Company Limited	-	-	3,245	3,071
Ayudhya Auto Lease Public Company Limited	-	-	1,190	3,144
Ayudhya Capital Auto Lease Public Company Limited (Formerly GE Capital Auto Lease Public Company Limited)	-	-	77,280	86,717
Ayudhya Total Solutions Public Company Limited (Formerly AIG Retail Bank Public Company Limited)	-	-	5,400	-
CFG Services Company Limited	-	-	1,630	-
Ayudhya Card Services Company Limited (Formerly AIG Card (Thailand) Company Limited)	-	-	6,400	-
GE Capital (Thailand) Company Limited	-	-	16,338	-
General Card Services Company Limited	-	-	11,448	-
Siam Realty and Services Company Limited	-	-	150	175
Ayudhya Fund Management Company Limited	-	-	20	50
Ayudhya Asset Management Company Limited	-	-	15,019	15,918
Ayudhya Factoring Company Limited	-	-	983	899
Total	-	-	139,103	109,974
<u>Less</u> Allowance for doubtful accounts	-	-	(1,391)	(1,100)
Total	-	-	137,712	108,874
Associated company				
Tesco Card Services Company Limited	6,648	-	6,648	-
Krungsriayudhya Card Company Limited	-	11,000	12,344	11,000
<u>Less</u> Allowance for doubtful accounts	(66)	(110)	(190)	(110)
Total	6,582	10,890	18,802	10,890
Related companies having joint major shareholders or directors				
Conwood Company Limited	60	212	60	212
Media of Medias public Company Limited	321	-	321	-
Siam City Cement Public Company Limited	-	2,400	-	2,400
Tesco Card Services Company Limited	-	1,000	-	1,000
General Card Services Company Limited	-	773	-	773
GE Capital (Thailand) Company Limited	-	3,283	-	3,283
CKS Holding Company Limited	-	10	-	10
BAC International Bank Inc.	-	524	-	524
Total	381	8,202	381	8,202
<u>Less</u> Allowance for doubtful accounts	-	(80)	-	(80)
Total	381	8,122	381	8,122

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

As at December 31, 2009 and 2008, the allowance for doubtful accounts of loans granted to subsidiaries of Baht 1,391 million and Baht 1,100 million, respectively, are not eliminated but treated as surplus reserve in consolidated financial statements.

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.

As at December 31, 2008, the Bank granted loans to Ayudhya Asset Management Company Limited for 10-year term loan and 5-year term loan of Baht 15,082 million and Baht 806 million, respectively. The interest rates were the minimum of fixed deposit interest rate (3 month) but not over 4% per annum.

In addition, as at December 31, 2008, the Bank granted loans to Ayudhya Asset Management Company Limited as short-term promissory notes of Baht 30 million. The interest rate was the minimum of fixed deposit interest rate (3-month) but not over 4% per annum.

- 4.24.4 Other significant account balances and transactions between the Bank and its subsidiaries, associated and related companies in the balance sheets as at December 31, 2009 and 2008, and in the statements of income for the year ended December 31, 2009 and 2008, are as follows:

	CONSOLIDATED		Unit : Million Baht	
	FINANCIAL STATEMENTS		SEPARATE	
	2009	2008	2009	2008
Balance Sheets				
Subsidiaries				
Cash advance	-	-	-	17
Other assets	-	-	198	137
Deposit	-	-	4,111	3,393
Interbank and money market items (liabilities)	-	-	297	222
Borrowing	-	-	1,000	-
Other liabilities	-	-	447	586
Contingencies	-	-	714	456
Associated companies				
Other assets	-	79	-	79
Deposit	99	273	99	273
Related companies				
Other liabilities	3	23	-	-

	CONSOLIDATED FINANCIAL STATEMENTS		Unit : Million Baht SEPARATE FINANCIAL STATEMENTS	
	2009	2008	2009	2008
Statements of Income				
Subsidiaries				
Interest and dividend income	-	-	4,340	3,524
Interest expenses	-	-	39	25
Non-interest income	-	-	161	84
Non-interest expenses	-	-	540	575
Associated company				
Interest and dividend income	29	282	29	282
Interest expenses	-	2	-	2
Non-interest income	-	73	-	73

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

- 4.24.5 For the year ended December 31, 2009 and 2008, the Bank entered into an Asset Transfer Agreement with Ayudhya Asset Management Company Limited, a subsidiary, in order to transfer sub-quality assets including collateral rights of which its net book value at the date of transfer was Baht 1,107 million and Baht 41 million, respectively. The Bank has already collected such amount in full.

For the year ended December 31, 2009 and 2008, the Bank entered into an agreement to sell the sub-quality assets and the right obligations to Ayudhya Asset Management Company Limited, a subsidiary, by selling immovable properties foreclosed having the book value of Baht 1,141 million and Baht 33 million, respectively. The Bank has already collected such amount in full.

The Bank sold these sub-quality assets to its subsidiary without any obligation to refund or buy back or transfer back.

- 4.24.6 For the year ended December 31, 2008, the Bank purchased properties previously used as bank branches from Ayudhya Asset Management Company Limited, a subsidiary, in the amount of Baht 226 million to be used as branch offices and asset centers.
- 4.24.7 On December 26, 2007, the approval to purchase Ayudhya Capital Auto Lease Public Company Limited (formerly GE Capital Auto Lease Public Company Limited) from General Electric Capital Asia Investments, Inc. ("GECAI") was granted by the BOT and the Bank executed the Share Sale Agreement with GECAI in the amount of Baht 16,180 million on January 31, 2008, with the transaction completed on February 14, 2008. As at the transaction completion date, Ayudhya Capital Auto Lease Public Company Limited transferred the rights of sales and leaseback receivables in the amount of Baht 7,869 million to Ayudhya Hire Purchase Company Limited.

- 4.24.8 On September 24, 2008, a meeting of Board of Directors of the Bank approved a resolution on the entire business transfer of two subsidiaries, carrying out the similar business, to Ayudhya Capital Auto Lease Public Company Limited, the Bank's subsidiary. The transferor subsidiaries were Ayudhya Capital Lease Company Limited operating the new car, inventory financing and leasing business and Ayudhya Hire Purchase Company Limited operating the refinancing business. The transaction was completed on December 4, 2008 with the purchase and sale agreement of the business and total assets of Baht 31,843 million and Baht 9,205 million, respectively. The Bank of Thailand approved the entire business transfer on November 5, 2008 and this transaction was executed on December 5, 2008.
- 4.24.9 On September 18, 2007, a meeting of Board of directors of Ayudhya Derivatives Company Limited, Ayudhya Securities Public Company Limited's subsidiary, was approved to transfer the derivatives business and employees to Ayudhya Securities Public Company Limited. The business and employees transfer were also approved by the resolution of the Board of Directors' meeting of the Ayudhya Securities Public Company Limited on September 20, 2007. Such business transfer was subject to the membership transfer regulation to be established by Thailand Future Exchange Public Company Limited and Thailand Clearing House Company Limited and the approval of the Securities and Exchange Commission. Subsequently, the business transfer was approved by a resolution passed by the Board of Directors' meeting of the Bank on May 28, 2008. The subsidiary was approved by the Securities and Exchange Commission to terminate the derivatives business operation to be effective when the subsidiary completes the business transfer.

On September 29, 2008, the extraordinary meeting of the subsidiary's shareholders approved the business transfer by selling assets, liabilities and transferring commitment related to derivatives business to Ayudhya Securities Public Company Limited. The selling price of fixed assets, intangible assets and others assets was Baht 5.9 million. The subsidiary had transferred this business on December 1, 2008.

By the special resolution passed by the subsidiary's extraordinary shareholders' meeting on February 20, 2009, the subsidiary was authorized to decrease its share capital from Baht 120 million (1,200,000 ordinary shares of Baht 100 each) to Baht 30 million (300,000 ordinary shares of Baht 100 each). The decrease in capital of Baht 90 million would compensate the subsidiary's accumulated deficit of Baht 23 million with the residual to be refunded to the subsidiary's shareholders on April 30, 2009. The subsidiary registered with the Ministry of Commerce for the capital reduction on April 20, 2009.

By the special resolution of the Annual General Shareholders' Meeting of the subsidiary held on April 22, 2009, it resolved to dissolve the subsidiary. The subsidiary had registered with the Ministry of Commerce for the dissolution on May 19, 2009. Currently, the subsidiary is in process of liquidation.

4.24.10 On April 8, 2009, the Bank purchased the 99.5% shares of Ayudhya Total Solutions Public Company Limited (formerly AIG Retail Bank Public Company Limited), operating a retail banking business, and 100% shares of Ayudhya Card Services Company Limited (formerly AIG Credit Card (Thailand) Company Limited), operating a credit card and personal loan business under the supervision of the Bank of Thailand, from AIG Consumer Finance ("AIG CFG") and subsidiaries, as approved by the Bank's Board of Directors' meeting on February 5, 2009, in the total amount of Baht 1,487 million. Such purchases were subject to the criteria and requirements as approved by the Bank of Thailand on March 30, 2009. At the acquisition date, the Bank recognized total assets and total liabilities of Baht 47,083 million and Baht 44,297 million, respectively, fair value adjustment of Baht 472 million and excess of net fair value of acquired subsidiaries over purchase cost of Baht 785 million as income in the statement of income.

Any adjustments to the initial provision will be finalized within 12 months after the acquisition date in accordance with Thai Financial Reporting Standard No. 3 (Revised 2007) Business Combination (previously Thai Accounting Standard No. 43).

4.24.11 On June 24, 2009, the Board of Directors of the Bank approved the following matters:

1. To approve Ayudhya Fund Management Company Limited (AYF) to purchase all shares of Primavest Asset Management Company Limited (PMV) from Ayudhya Allianz C.P. Life Public Company Limited (AACP) and BBTV Equity Company Limited (BBTV) at the total price of Baht 101 million.
2. To approve the Bank to sell 2,500,000 shares of PMV (10% of PMV total shares) to AYF at the price of Baht 10 million.
3. To approve the Bank to sell 359,604 shares of AYF (10.3% of AYF total shares) to AACP and to sell 459,747 shares of AYF (13.1% of AYF total shares) to BBTV at the total price of Baht 91 million.
4. To approve the transfer or business amalgamation between AYF and PMV.

The execution of these transaction was subject to conditions to be agreed by the parties including obtaining necessary approvals and waivers from the Bank of Thailand, the Office of Securities and Exchange Commission and other relevant agencies.

The transaction was approved by the Bank of Thailand on September 3, 2009 and the Office of Securities and Exchange Commission on July 28, 2009 and was completed on September 18, 2009, for No. 1 - 3 except the business amalgamation between AYF and PMV.

4.24.12 On July 9, 2009, the Extraordinary Board of Directors' Meeting of the Bank approved the bank to enter into the transaction of business acquisition and share acquisition of GE Money's businesses in Thailand as follows:

1. To purchase the business by acquiring 50% of the total shares sold of Krungsriayudhya Card Company Limited (KCC) operating credit card and personal loan business from GE Capital (Thailand) Limited (GECT).
2. To purchase 49% of the total shares sold of Tesco Card Services Limited (TCS) operating credit card and personal loan business from GECT with an option to purchase additional 1% of TCS's total shares sold.
3. To purchase the business by acquiring 100% of the total shares sold of GECT operating personal loan and credit card business from General Electric Capital Corporation (GECC).

4. To purchase the business by acquiring 100% of the total shares sold of Total Services Solutions Public Company Limited (TSS) providing collection service from GE Capital International Holding Corporation (GECIH).
5. To purchase the business by acquiring 100% of the total shares sold of General Card Services Limited (GCS) operating credit card and personal loan business from GECIH.
6. To indirectly hold 20,000 shares of Tesco Life Assurance Broker Company Limited (TLAB) and 770,000 shares of Tesco General Insurance Broker Company Limited (TGIB) through TCS respectively; and
7. To indirectly hold 5,000 shares of Quality Life Assurance Broker Company Limited (QLAB) and 5,000 shares of Quality General Insurance Broker Company Limited (QGIB) through GECT respectively.

Furthermore, the Board of Directors of the Bank approved the Bank to execute the service agreement and financing agreement to the companies above.

The transactions were approved by the Extraordinary Shareholders' Meeting No. 2/2009 on August 27, 2009 and the Bank of Thailand on October 9, 2009. These transactions were completed on November 5, 2009 and represented an investment of Baht 9,787 million which may be adjusted of Baht 1,217 million. At the acquisition date, the Bank recognized total assets and total liabilities of Baht 40,347 million and Baht 30,649 million, respectively, fair value adjustment of Baht 38 million and goodwill of Baht 1,445 million.

The Extraordinary Board of Directors' Meeting of the Bank also approved the Bank to execute the purchase or accept the business transfer of CFG Services Company Limited (CFGS) operating hire purchase business for the car owners having car register book as collateral and Sale and Lease Back business by acquiring 100% shares of the total shares sold from AIG Consumer Finance Group Inc., at the total value of considerations of Baht 18 million. The transaction was completed on September 9, 2009 after the approvals from the Extraordinary Shareholders' Meeting No. 2/2009 on August 27, 2009 and the Bank of Thailand on September 4, 2009. At the acquisition date, the Bank recognized total assets and total liabilities of Baht 2,151 million and Baht 1,657 million, respectively, fair value adjustment of Baht 258 million and excess of net fair value of acquired subsidiary over purchase cost of Baht 209 million as income in the statement of income.

- 4.24.13 The Extraordinary Board of Directors' Meeting of the Bank on July 20, 2009 approved the Bank to accept the entire business transfer of Ayudhya Card Services Company Limited (formerly AIG Card (Thailand) Company Limited), operating credit card and personal loan and the Bank held 100% of total shares sold. The transaction was approved by the Extraordinary Shareholders' Meeting No. 2/2009 on August 27, 2009. However, this transaction has not been executed.

4.24.14 For the years ended December 31, 2009 and 2008, the Bank has the expenses in the amounts of Baht 419 million and Baht 422 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.

4.24.15 For the year ended December 31, 2009, related party transactions among subsidiaries include collection services and other services of Baht 105 million and rental and facilities service of Baht 2 million.

4.24.16 For the years ended December 31, 2009 and 2008, subsidiaries have related party transactions from the licenses relevant to technology and software for Baht 46 million and Baht 174 million, respectively.

4.24.17 For the year ended December 31, 2009, the Bank entered into an agreement to transfer deposits and cashier cheques from Ayudhya Total Solutions Public Company Limited (formerly AIG Retail Bank Public Company Limited), a subsidiary, in the amount of Baht 9,156 million, which its net book value at the date of transfer was Baht 9,029 million. The Bank has already paid such amount in full.

4.24.18 For the year ended December 31, 2009, two subsidiary companies entered into an agreement to sell and buy the sub-quality assets and properties foreclosed between them, having the net book value at the date of transfer of Baht 169 million and Baht 56 million, respectively. Such amounts have been settled in full.

4.25 Benefits given to the Directors and Executive Officers

The Bank has no special benefits given to the directors and executive officers beyond the general benefits made as usual, i.e. remuneration, transportation, salary and bonus (if any).

The Bank did not sell, give or lease any properties to the directors, executive offices, or the related parties. The Bank has no purchase or leasing including contingency benefit from employment agreement, compensation and other benefit from those persons.

4.26 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

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	265,590	111	-	265,701

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS

2008

	Domestic	Foreign	Elimination	Total
Total assets	746,735	5,839	4,689	747,885
Interbank and money market items	83,642	1,212	-	84,854
Investments, net	57,123	-	-	57,123
Loans	555,860	1,217	-	557,077
Deposits	537,118	236	-	537,354
Interbank and money market items	20,003	-	-	20,003
Borrowings	76,614	5,243	-	81,857
Total commitments	252,444	260	-	252,704

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS

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

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS

2008

	Domestic	Foreign	Elimination	Total
Total assets	743,568	5,839	4,689	744,718
Interbank and money market items	82,911	1,212	-	84,123
Investments, net	83,977	-	-	83,977
Loans	539,226	1,217	-	540,443
Deposits	540,511	236	-	540,747
Interbank and money market items	19,195	-	-	19,195
Borrowings	76,614	5,243	-	81,857
Total commitments	252,899	260	-	253,159

(2) Results of operations classified by business segment

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS

2009

	Domestic	Foreign	Elimination	Total
Interest and dividend income	39,307	150	-	39,457
Interest expenses	10,941	99	-	11,040
Net interest income	28,366	51	-	28,417
Non-interest income	15,524	141	1,941	13,724
Non-interest expenses	35,741	180	1,941	33,980
Income before tax	8,149	12	-	8,161

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS

2008

	Domestic	Foreign	Elimination	Total
Interest and dividend income	40,907	256	-	41,163
Interest expenses	14,389	206	-	14,595
Net interest income	26,518	50	-	26,568
Non-interest income	12,529	(2,362)	2,199	7,968
Non-interest expenses	30,959	278	2,199	29,038
Income (loss) before tax	8,088	(2,590)	-	5,498

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS

2009

	Domestic	Foreign	Elimination	Total
Interest and dividend income	30,886	151	-	31,037
Interest expenses	10,835	99	-	10,934
Net interest income	20,051	52	-	20,103
Non-interest income	7,430	140	1,941	5,629
Non-interest expenses	24,765	180	1,941	23,004
Income before tax	2,716	12	-	2,728

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS

2008

	Domestic	Foreign	Elimination	Total
Interest and dividend income	33,692	256	-	33,948
Interest expenses	13,564	206	-	13,770
Net interest income	20,128	50	-	20,178
Non-interest income	8,779	(2,362)	2,199	4,218
Non-interest expenses	23,317	278	2,199	21,396
Income (loss) before tax	5,590	(2,590)	-	3,000

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.

4.27 Provident and Pension Funds

The Bank has both a staff leaving gratuities plan where employees receive a pension and a provident fund for its employees who are required to make contributions. The pension shall be paid to employees leaving after having completed at least 10 years of continuous service determined on the basis of length of service and the amount of the last pay received. The staff leaving gratuities plan shall be effective for employees who have been in service before January 1, 1998 only. As of December 31, 2005, the Bank had the reserve for pension under staff leaving gratuities plan transferred in amount of Baht 1,850 million to the provident fund which has already been registered.

On January 1, 1998, the Bank established the provident fund for its employees to replace the staff leaving gratuities plan. Every employee is required to make contributions at the rate of not less than 3% of salary but not more than the Bank's contribution. The Bank will contribute as follows:

Service periods	Contribute rate(%)
Less than 5 years	5
5 years but less than 10 years	6
10 years but less than 20 years	8
Over 20 years	10

The Bank's contributions are recorded as expenses in the statements of income. The fund is managed by financial institution who is an authorized fund manager.

After the establishment of the provident fund, the amount to be paid to a leaving employee shall first be disbursed from the provident fund. If the estimated contributions made by the Bank and interest thereon are less than the pension receivable under the staff leaving gratuities plan, the Bank shall make payment for the difference through disbursement from the pension fund.

4.28 Disclosure of Financial Instruments Information

The Bank is a party to financial instruments both on-balance sheet and off-balance sheet in the normal course of business to meet the financing needs of its customers for investment purposes and to reduce its own exposure to fluctuations in foreign exchange rates and interest rates. For off-balance sheet financial instruments, they include commitments to extend credit, standby letters of credit, financial guarantees, interest rate swap and forward foreign exchange contracts. Those instruments involve, to varying degrees, elements of credit, interest rate and foreign exchange risk in excess of the amount recognized in the financial statements. The contract or notional amounts of those instruments reflect the extent of the Bank's involvement in particular classes of financial instruments.

Off-balance sheet financial derivative transactions are performed in accordance with the policies and guidelines from the Board of Directors and approved by the assets and liabilities management committee. The reporting and operating processes are also provided for risk control.

Accounting policies

Details of significant accounting policies and methods adopted, including criteria of recognition, the basis of measurement and the basis on which revenues, expenses and off-balance sheets are recognized, in respect of each class of financial assets and financial liabilities are disclosed in Note 3.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Bank. The Bank has adopted the policy of dealing with counterparties and obtaining sufficient collateral or other security where appropriate, as a mean of mitigating the risk of financial losses from defaults.

In the case of recognized financial assets, the carrying amount of the assets recorded in the balance sheet, net of a portion of allowance for doubtful accounts (see Note 4.5), represents the Bank's maximum exposure to credit risk.

The Bank considers that there is no significant concentration of credit risk due to a large number of customers and counterparties in different industries.

Credit risk also arises from the possibility that the counterparty to off-balance-sheet financial instrument will not adhere to the terms of the contract with the Bank when settlement becomes due.

The Bank's exposure to credit loss in the event of non-performance by the other party to the off-balance-sheet financial instrument for commitments to extend credit, standby letters of credit, and financial guarantees written is represented by the contractual notional amount of those instruments. The Bank uses the same credit policies in making commitments and conditional obligations as it does for on-balance sheet instruments. For interest rate swap and forward foreign exchange contracts, the contract or notional amounts do not represent exposure to credit loss. The Bank controls the credit risk of its financial instruments through prudent credit approvals, limits, and strict monitoring procedures.

As at December 31, 2009 and 2008, the Bank has credit equivalent of off-balance sheet financial instruments which remained open as follows :

	Unit : Million Baht	
	2009	2008
Spot and forward foreign bought exchange contracts	157	1,192
Spot and forward foreign sold exchange contracts	462	298

Interest rate risk

Interest rate risk in the balance sheet arises from the potential for a change in interest rates to have an adverse effect on the net interest earnings of the Bank and shareholders' equity. Interest rate risk arises from the structure and characteristics of the Bank's assets, liabilities and off balance sheet items, and in the mismatch in repricing rates of its assets, liabilities and off balance sheet items.

Foreign exchange rate risk

The Bank serves primarily in foreign exchange transactions to its customers. For asset and liability management purposes, the Bank manages foreign exchange risk and interest rate risk by entering into forward foreign exchange contracts and currency and interest rate swap contracts.

The Bank enters into forward foreign exchange contracts as part of its risk management strategy of the market risk arising from the Bank underlying assets and liabilities and to offset risk created by its customers. The utilization of forward foreign exchange contracts for these purposes is governed by policies and guidelines approved by the Board of Directors and controlling procedures set by the relevant Departments and Committees.

The Bank and its subsidiaries have summarized financial assets and liabilities classified on maturity of interest repricing periods as at December 31, 2009 and 2008, as follows :

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS							
2009							
	0-3 Months	Greater than 3-12 Months	Greater than 1 – 5 Years	Greater than 5 Years	Non-Performing Loans	Non-Interest Bearing	Total
Financial assets							
Interbank and money market							
items	44,810	608	297	-	-	7,953	53,668
Investments, net	17,662	10,204	30,740	2,309	-	7,148	68,063
Loans	404,100	59,545	84,223	3,560	52,080	-	603,508
Financial liabilities							
Deposits	327,572	143,782	34,322	-	-	14,839	520,515
Interbank and money market							
items	29,671	5,715	10,123	67	-	1,839	47,415
Borrowings	13,654	25,433	45,581	-	-	19	84,687

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS							
2008							
	0-3 Months	Greater than 3-12 Months	Greater than 1 – 5 Years	Greater than 5 Years	Non-Performing Loans	Non-Interest Bearing	Total
Financial assets							
Interbank and money market							
items	70,777	1,433	-	-	-	12,644	84,854
Investments, net	11,446	18,527	18,471	677	-	8,002	57,123
Loans	358,312	33,787	104,870	4,971	55,137	-	557,077
Financial liabilities							
Deposits	387,718	103,199	28,665	-	-	17,772	537,354
Interbank and money market							
items	4,702	3,749	9,844	67	-	1,641	20,003
Borrowings	2,030	9,643	70,122	-	-	62	81,857

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS							
2009							
	0-3 Months	Greater than 3-12 Months	Greater than 1 – 5 Years	Greater than 5 Years	Non-Performing Loans	Non-Interest Bearing	Total
Financial assets							
Interbank and money market							
items	42,346	567	297	-	-	6,547	49,757
Investments, net	17,661	10,159	30,620	2,309	-	44,095	104,844
Loans	425,421	60,857	42,945	501	34,210	-	563,934
Financial liabilities							
Deposits	330,467	143,782	34,322	-	-	16,115	524,686
Interbank and money market							
items	27,995	5,438	8,195	67	-	1,854	43,549
Borrowings	13,654	25,433	40,907	-	-	19	80,013

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS

	2008						Total
	0-3 Months	Greater than 3-12 Months	Greater than 1 – 5 Years	Greater than 5 Years	Non-Performing Loans	Non-Interest Bearing	
Financial assets							
Interbank and money market							
items	70,462	1,433	-	-	-	12,228	84,123
Investments, net	11,446	18,527	18,471	677	-	34,856	83,977
Loans	378,023	54,366	67,310	2,518	38,226	-	540,443
Financial liabilities							
Deposits	390,709	103,199	28,665	-	-	18,174	540,747
Interbank and money market							
items	4,557	3,276	9,636	67	-	1,659	19,195
Borrowings	2,030	9,643	70,122	-	-	62	81,857

Interest bearing financial instruments

The following table presents the Bank's average balance and interest amount for the years ended December 31, 2009 and 2008, as follows:

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS

	2009			2008		
	Average Balance (12 months)	Interest Amount	Average Rate %	Average Balance (12 months)	Interest Amount	Average Rate %
Interest bearing financial assets						
Interbank and money market items	71,711	947	1.3	60,736	2,102	3.5
Securities purchased						
under resale agreement	-	-	-	9,408	296	3.1
Investments	51,174	1,479	2.9	57,946	2,016	3.5
Loans	510,400	35,253	6.9	503,966	34,478	6.8
Total	<u>633,285</u>	<u>37,679</u>		<u>632,056</u>	<u>38,892</u>	
Interest bearing financial liabilities						
Deposits	508,654	6,672	1.3	498,244	10,792	2.2
Interbank and money market items	18,738	814	4.3	53,221	899	1.7
Borrowings	84,456	3,396	4.0	61,901	2,904	4.7
Total	<u>611,848</u>	<u>10,882</u>		<u>613,366</u>	<u>14,595</u>	

Unit : Million Baht						
SEPARATE FINANCIAL STATEMENTS						
	2009			2008		
	Average	Interest	Average	Average	Interest	Average
	Balance	Amount	Rate	Balance	Amount	Rate
	(12 months)		%	(12 months)		%
Interest bearing financial assets						
Interbank and money market items	68,279	961	1.4	60,210	2,082	3.5
Securities purchased						
under resale agreement	-	-	-	9,408	296	3.1
Investments	50,945	1,454	2.9	57,904	2,014	3.5
Loans	532,036	26,144	4.9	503,220	28,227	5.6
Total	<u>651,260</u>	<u>28,559</u>		<u>630,742</u>	<u>32,619</u>	
Interest bearing financial liabilities						
Deposits	512,825	6,878	1.3	501,639	10,812	2.2
Interbank and money market items	23,868	712	3.0	15,814	366	2.3
Borrowings	84,036	3,344	4.0	61,890	2,592	4.2
Total	<u>620,729</u>	<u>10,934</u>		<u>579,343</u>	<u>13,770</u>	

Maturities of financial assets and liabilities

The following table presents the Bank and its subsidiaries' maturities of financial assets and liabilities as at December 31, 2009 and 2008, as follows:

Unit : Million Baht								
CONSOLIDATED FINANCIAL STATEMENTS								
2009								
	Call	0-3 Months	Greater than 3-12 Months	Greater than 1 – 5 Years	Greater than 5 Years	Non-Performing Loans	No Maturity	Total
Financial assets								
Interbank and money market								
items	10,308	42,326	608	297	-	-	129	53,668
Investments, net	-	11,356	10,952	36,282	2,324	-	7,149	68,063
Loans	25,263	146,456	87,638	164,374	127,697	52,080	-	603,508
Financial liabilities								
Deposits	199,312	143,099	143,766	34,338	-	-	-	520,515
Interbank and money market								
items	4,341	25,237	6,216	11,554	67	-	-	47,415
Borrowings	-	13,654	25,436	45,595	2	-	-	84,687

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS

2008

	Call	0-3 Months	Greater than 3-12 Months	Greater than 1 – 5 Years	Greater than 5 Years	Non-Performing Loans	No Maturity	Total
Financial assets								
Interbank and money market								
items	12,893	70,452	535	905	-	-	69	84,854
Investments, net	-	7,774	18,318	22,147	883	-	8,001	57,123
Loans	22,083	138,677	68,766	186,468	85,946	55,137	-	557,077
Financial liabilities								
Deposits	179,173	226,317	103,197	28,667	-	-	-	537,354
Interbank and money market								
items	4,036	1,762	1,111	13,027	67	-	-	20,003
Borrowings	-	2,030	6,984	72,841	2	-	-	81,857

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS

2009

	Call	0-3 Months	Greater than 3-12 Months	Greater than 1 – 5 Years	Greater than 5 Years	Non-Performing Loans	No Maturity	Total
Financial assets								
Interbank and money market								
items	6,418	42,346	567	297	-	-	129	49,757
Investments, net	-	11,356	10,907	36,163	2,323	-	44,095	104,844
Loans	38,745	141,475	100,486	124,379	124,639	34,210	-	563,934
Financial liabilities								
Deposits	203,414	143,168	143,766	34,338	-	-	-	524,686
Interbank and money market								
items	4,372	24,876	5,438	8,796	67	-	-	43,549
Borrowings	-	13,654	25,436	40,921	2	-	-	80,013

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS

2008

	Call	0-3 Months	Greater than 3-12 Months	Greater than 1 – 5 Years	Greater than 5 Years	Non-Performing Loans	No Maturity	Total
Financial assets								
Interbank and money market								
items	12,162	70,452	535	905	-	-	69	84,123
Investments, net	-	7,774	18,318	22,147	883	-	34,855	83,977
Loans	28,290	137,637	63,947	146,384	125,959	38,226	-	540,443
Financial liabilities								
Deposits	182,566	226,317	103,197	28,667	-	-	-	540,747
Interbank and money market								
items	4,248	1,368	576	12,936	67	-	-	19,195
Borrowings	-	2,030	6,984	72,841	2	-	-	81,857

Estimated fair value of financial instruments

The fair value of financial instruments has been estimated by using available market information and appropriate valuation methodologies for each type of financial instrument. A summary of carrying amounts and fair values of financial instruments as at December 31, 2009 and 2008, is as follows :

Unit : Million Baht				
CONSOLIDATED FINANCIAL STATEMENTS				
	2009		2008	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets :				
Cash, interbank and money market items	73,758	73,758	105,274	105,274
Current investments, net	22,780	22,796	27,151	27,151
Long-term investment, net	44,640	44,729	29,300	29,179
Loans and accrued interest receivable, net	567,050	567,050	526,453	526,416
Customers' liabilities under acceptances	681	681	665	665
Customer liabilities under collateral	7,090	7,090	-	-
Financial liabilities:				
Deposits	520,515	518,864	537,354	535,566
Interbank and money market items	47,415	49,095	20,003	20,168
Liabilities payable on demand	1,752	1,752	1,673	1,673
Borrowings	84,687	85,591	81,857	82,385
Bank's liabilities under acceptances	681	681	665	665
Liabilities under collateral deliver	7,090	7,090	-	-
Accrued interest payable	1,525	1,525	2,229	2,229

Unit : Million Baht				
SEPARATE FINANCIAL STATEMENTS				
	2009		2008	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets :				
Cash, interbank and money market items	69,837	69,837	104,539	104,539
Current investment, net	22,742	22,758	27,151	27,151
Long-term investment, net	44,402	44,492	28,687	28,550
Loans and accrued interest receivable, net	540,545	540,545	518,297	518,297
Customers' liabilities under acceptances	681	681	665	665
Customer liabilities under collateral	7,090	7,090	-	-
Financial liabilities:				
Deposits	524,686	523,035	540,747	538,959
Interbank and money market items	43,549	43,844	19,195	19,390
Liabilities payable on demand	1,752	1,752	1,673	1,673
Borrowings	80,013	80,719	81,857	82,385
Bank's liabilities under acceptances	681	681	665	665
Liabilities under collateral deliver	7,090	7,090	-	-
Accrued interest payable	1,441	1,441	2,226	2,226

Off-balance sheet financial instruments

Unit : Million Baht

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS						
2009						
	Notional	Market	Fair	Notional	Market	Fair
	< 1 year	Value	Value	> 1 year	Value	Value
Spot and Forward Bought Foreign						
Exchange Contracts	65,599	65,304	(295)	2	2	-
Spot and Forward Sold Foreign						
Exchange Contracts	72,147	72,502	355	-	-	-

Unit : Million Baht

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS						
2008						
	Notional	Market	Fair	Notional	Market	Fair
	< 1 year	Value	Value	> 1 year	Value	Value
Spot and Forward Bought Foreign						
Exchange Contracts	53,907	54,745	838	-	-	-
Spot and Forward Sold Foreign						
Exchange Contracts	58,719	59,641	922	3	3	-

The Bank and subsidiaries have estimated the fair value of the above instruments by estimating from notional amount less market value at the end of year.

Methods and assumptions in estimating fair value of financial instruments

The following methods and assumptions were used by estimating fair value of financial instruments as disclosed herein:

Cash, interbank and money market items

The carrying amounts of cash and interbank and money market items presented in the balance sheet approximate fair value.

Current investments, net

Fair value for current investments, net, is as disclosed in note 3.2 to the financial statements.

Long-term investments, net

The determination of fair value for long-term investments, net, is as disclosed in note 3.2 to the financial statements except for non-listed equity securities which are presented at net book value and listed equity securities acquired from troubled debt restructurings and having an obligation to hold such securities according to debt restructuring agreements which are presented at cost.

Loans and accrued interest receivables

The Bank's loans and accrued interest receivables include variable interest rate loans, fixed rate loans with relatively short maturities and non-performing loans. Most loans carry a floating interest rate. As at December 31, 2009 and 2008, the fair value is the outstanding balance of loans and accrued interest receivables less allowance for doubtful accounts per book.

Customers' liabilities under acceptances

The carrying amount of customers' liabilities under acceptances presented in the balance sheet approximates fair value.

Customers' liabilities under collateral

The carrying amount of customers' liabilities under collateral presented in the balance sheet approximates fair value of the collateral under the private purchase agreement and the customers use that securities to enter into another transaction.

Deposits

The carrying amount of deposits presented in the balance sheet approximates fair value, except for deposits with a term of more than 90 days where the fair value is calculated based on discounted cash flows.

Interbank and money market items (Liabilities)

The carrying amount of interbank and money market items (liabilities) presented in the balance sheet approximates fair value, except for floating rate certificates of deposit (FRCD) which fair values are based on quoted market prices.

Liabilities payable on demand

The carrying amount of liabilities payable on demand presented in the balance sheet approximates fair value.

Borrowings

The carrying amount of borrowings presented in the balance sheet approximates fair value, except for subordinated and senior securities floating rate notes which fair values are based on the actual market price.

Accrued interest payable

The carrying amount of accrued interest payable presented in the balance sheet approximates fair value due to its short term of maturity.

Bank's liabilities under collateral deliver

The carrying amount of the Bank' liabilities under collateral deliver presented in the balance sheet approximates fair value of the collateral under the private purchase agreement and the Bank uses that securities to enter into another transaction.

Derivative financial instruments

Derivative financial instruments mainly comprise forward foreign exchange contracts which derive their value from underlying interest rates and foreign exchange rates. The fair values of derivatives are determined using quoted market prices and exchange rate for instruments with similar characteristics and maturities.

4.29 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 and the Bank/subsidiary. The second portion of the profits will be allocated in full to the Bank/subsidiary. The two portions of the profits combined together shall not exceed the difference between the book value and the transfer price of the sub-quality assets transferred to TAMC. The residual amount of the profits after allocation of the second portion will be given to TAMC. In case when losses are realized, this will be shared between TAMC and 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 portions 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 December 31, 2009 and 2008, the provisions for possible losses were set up amounting to Baht 1,400 million and Baht 1,200 million, respectively, which were presented under other liabilities in the balance sheet.

4.30 Reclassifications

The reclassifications have been made in the subsidiaries' balance sheet as at December 31, 2008 and statements of income for the year ended December 31, 2008, to comply with the Bank's accounting treatment in the consolidated financial statements. The reclassifications in the separate financial statements have also been made to comply with the classifications used in the balance sheet as at December 31, 2009 and the statement of income for the year ended December 31, 2009 as follows:

	CONSOLIDATED		Unit : Million Baht SEPARATE	
	FINANCIAL STATEMENTS Previous classifications	Current classifications	FINANCIAL STATEMENTS Previous classifications	Current classifications
BALANCE SHEETS				
AS AT DECEMBER 31, 2008				
ASSETS				
Long-term investment, net	29,301	28,946	29,041	28,686
Intangible assets, net	11,340	11,030	1,460	1,150
Deferred tax assets	-	1,266	-	-
Other assets	7,060	5,737	4,600	4,910
LIABILITIES				
Other liabilities	18,169	17,447	12,578	12,223

	CONSOLIDATED		Unit : Million Baht SEPARATE	
	FINANCIAL STATEMENTS Previous classifications	Current classifications	FINANCIAL STATEMENTS Previous classifications	Current classifications
STATEMENT OF INCOME				
FOR THE YEAR ENDED DECEMBER 31, 2008				
Interest and Dividend Income				
Interest on loan	25,900	25,901	-	-
Hire-purchase and financial lease income	10,440	10,439	-	-
Interest expenses				
Short-term borrowings	689	521	378	209
Long-term borrowings	2,215	2,383	2,214	2,383
Bad debt and Doubtful Accounts	5,422	7,153	-	-
Non-Interest Income				
Gain (loss) on sales of properties foreclosed	(742)	952	-	-
Other income	524	585	292	231
Non-Interest Expenses				
Other expenses	2,927	2,951	2,317	2,257

4.31 Approval of Financial Statements

These financial statements were approved for issuance by the Bank's authorized directors and the Bank's Audit Committee on February 11, 2010.