

REVIEW REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE BOARD OF DIRECTORS BANK OF AYUDHYA PUBLIC COMPANY LIMITED

We have reviewed the consolidated statement of financial position of Bank of Ayudhya Public Company Limited and its subsidiaries and the separate statement of financial position of Bank of Ayudhya Public Company Limited as at March 31, 2011, and the related consolidated and separate statements of comprehensive income, changes in equity and cash flows for the quarters ended March 31, 2011 and 2010. These financial statements are the responsibility of the Bank's management as to their correctness and completeness of the presentation. Our responsibility is to report on these financial statements based on our reviews.

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

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

We have previously audited, in accordance with generally accepted auditing standards, the consolidated and separate financial statements of the Bank for the year ended December 31, 2010 and expressed an unqualified opinion on those statements in our report dated February 14, 2011. The consolidated and separate statements of financial position of the Bank as at December 31, 2010, presented herein for comparison, have been derived from such consolidated and separate financial statements which we have audited and reported on. We have not performed any other audit procedures subsequent to such report date.

As discussed in Note 3 to the interim financial statements, since January 1, 2011, the Bank, its subsidiaries and associates adopted the new and revised Thai Financial Reporting Standards issued by the Federation of Accounting Professions, which are effective for the financial statements for the accounting periods beginning on or after January 1, 2011 onwards, in the preparation and presentation of these interim financial statements. The consolidated and separate financial statements for the quarter ended March 31, 2010 and the consolidated and separate statements of financial position as at December 31, 2010, presented herein for comparison, are presented in the new format to conform to the consolidated and separate financial statements for the quarter ended March 31, 2011.

BANGKOK

May 9, 2011

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
STATEMENTS OF FINANCIAL POSITION
AS AT MARCH 31, 2011 AND DECEMBER 31, 2010

BAHT: '000

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	"UNAUDITED"		"UNAUDITED"	
	As at	As at	As at	As at
	March 31, 2011	December 31, 2010	March 31, 2011	December 31, 2010
ASSETS				
CASH	19,367,123	22,460,979	19,346,042	22,447,133
INTERBANK AND MONEY MARKET ITEMS, NET	84,843,546	74,526,973	83,252,854	72,977,471
CLAIMS ON SECURITY	4,628,830	13,346,650	4,628,830	13,346,650
DERIVATIVES ASSETS	5,348,852	4,513,532	5,348,852	4,513,532
INVESTMENTS, NET (Note 5.2)	70,106,723	78,359,717	69,427,478	77,489,267
INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES, NET (Note 5.3)	735,039	728,930	36,726,499	36,726,499
LOANS TO CUSTOMERS AND ACCRUED INTEREST RECEIVABLES, NET (Note 5.4)				
Loans to customers	686,631,901	674,595,867	592,445,334	586,994,011
Accrued interest receivables	1,707,395	1,723,875	848,774	776,275
Total loans to customers and accrued interest receivables	688,339,296	676,319,742	593,294,108	587,770,286
Less Deferred revenue	(28,483,842)	(25,635,619)	(26,277)	(34,210)
Less Allowance for doubtful accounts (Note 5.5)	(33,001,341)	(33,409,960)	(19,705,982)	(20,154,188)
Less Revaluation allowance for debt restructuring (Note 5.6)	(507,220)	(543,388)	(20,872)	(34,633)
Net loans and accrued interest receivables	626,346,893	616,730,775	573,540,977	567,547,255
CUSTOMERS' LIABILITY UNDER ACCEPTANCE	980,827	752,286	980,827	752,286
PROPERTIES FOR SALE, NET	13,460,250	14,726,813	6,893,914	7,559,682
PREMISES AND EQUIPMENT, NET	17,334,775	17,551,952	16,409,011	16,666,916
GOODWILL AND OTHER INTANGIBLE ASSETS, NET	12,199,531	12,626,731	1,356,263	1,368,277
DEFERRED TAX ASSETS	8,104,309	7,585,900	3,530,287	3,190,297
OTHER ASSETS, NET	6,953,051	5,922,825	3,986,937	4,141,790
TOTAL ASSETS	870,409,749	869,834,063	825,428,771	828,727,055

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

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS AT MARCH 31, 2011 AND DECEMBER 31, 2010

BAHT: '000

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	"UNAUDITED"		"UNAUDITED"	
	As at	As at	As at	As at
	March 31, 2011	December 31, 2010	March 31, 2011	December 31, 2010
LIABILITIES AND EQUITY				
DEPOSITS	572,269,847	576,478,804	577,186,776	581,241,030
INTERBANK AND MONEY MARKET ITEMS, NET	33,707,734	43,762,352	26,050,499	37,787,099
LIABILITY PAYABLE ON DEMAND	2,762,299	1,517,426	2,762,299	1,517,426
LIABILITY TO DELIVER SECURITY	4,628,830	13,346,650	4,628,830	13,346,650
DERIVATIVES LIABILITIES	5,305,073	3,977,871	5,305,073	3,977,871
DEBT ISSUED AND BORROWINGS (Note 5.7)	117,853,826	99,364,926	101,453,826	82,864,926
BANK'S LIABILITY UNDER ACCEPTANCE	980,827	752,286	980,827	752,286
PROVISIONS (Note 5.17)	6,408,734	3,675,096	4,759,532	2,464,997
DEFERRED TAX LIABILITIES	3,895,770	4,039,255	2,208,497	2,319,255
OTHER LIABILITIES	22,661,012	23,815,349	8,930,763	10,567,674
TOTAL LIABILITIES	770,473,952	770,730,015	734,266,922	736,839,214
EQUITY				
SHARE CAPITAL (Note 5.8)				
Authorized share capital				
7,089,392,755 ordinary shares of				
Baht 10 each	70,893,928	70,893,928	70,893,928	70,893,928
Issued and paid-up share capital				
6,074,143,747 ordinary shares of				
Baht 10 each	60,741,437	60,741,437	60,741,437	60,741,437
PREMIUM ON ORDINARY SHARE CAPITAL, NET	13,802,216	13,802,216	13,802,216	13,802,216
OTHER RESERVES	4,889,765	5,146,733	4,893,533	5,150,689
RETAINED EARNINGS				
Appropriated				
Legal reserve	1,013,500	1,013,500	1,013,500	1,013,500
Unappropriated	19,292,486	18,211,479	10,711,163	11,179,999
Total Bank's equity	99,739,404	98,915,365	91,161,849	91,887,841
NON-CONTROLLING INTEREST	196,393	188,683	-	-
TOTAL EQUITY	99,935,797	99,104,048	91,161,849	91,887,841
TOTAL LIABILITIES AND EQUITY	870,409,749	869,834,063	825,428,771	828,727,055

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

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

(Mr. Pongpinit Tejagupta)
Director

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTERS ENDED MARCH 31, 2011 AND 2010
"UNAUDITED"

BAHT : '000

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2011	2010	2011	2010
INTEREST INCOME (Note 5.15)	12,876,327	11,447,383	8,113,993	6,992,393
INTEREST EXPENSES (Note 5.16)	3,685,490	2,970,610	3,474,747	2,881,841
INTEREST INCOME, NET	9,190,837	8,476,773	4,639,246	4,110,552
FEES AND SERVICE INCOME	3,340,495	3,217,182	1,614,954	1,574,496
FEES AND SERVICE EXPENSES	822,243	782,749	406,337	381,407
FEES AND SERVICE INCOME, NET	2,518,252	2,434,433	1,208,617	1,193,089
GAINS ON TRADINGS AND FOREIGN EXCHANGE				
TRANSACTIONS	265,645	169,173	257,336	163,181
GAINS ON INVESTMENTS	180,001	46,761	180,001	69,339
SHARE OF PROFIT FROM INVESTMENT FOR USING				
EQUITY METHOD	6,344	38,306	-	-
BAD DEBTS RECOVERIES	535,066	575,877	6,891	350
OTHER OPERATING INCOME	825,839	655,999	538,432	320,632
TOTAL OPERATING INCOME	13,521,984	12,397,322	6,830,523	5,857,143
OTHER OPERATING EXPENSES				
Employee's expenses	2,872,412	2,788,471	2,025,663	1,940,662
Directors' remuneration	7,567	6,346	6,814	5,874
Premises and equipment expenses	1,263,011	1,116,875	840,088	717,824
Taxes and duties	408,314	369,050	280,943	259,130
Others	2,335,703	1,971,243	992,306	1,117,347
Total other operating expenses	6,887,007	6,251,985	4,145,814	4,040,837
IMPAIRMENT LOSS OF LOANS AND DEBT SECURITIES	2,750,295	3,181,363	1,350,000	1,363,000
PROFIT FROM OPERATING BEFORE INCOME TAX EXPENSES	3,884,682	2,963,974	1,334,709	453,306
INCOME TAX EXPENSES	1,064,728	888,856	328,664	109,393
NET PROFIT	2,819,954	2,075,118	1,006,045	343,913
OTHER COMPREHENSIVE INCOME				
Gains (losses) on remeasuring available-for-sale investment	(308,135)	136,026	(308,323)	136,876
Income tax relating to components of other comprehensive income	111,233	(21,646)	111,233	(21,684)
Total other comprehensive income	(196,902)	114,380	(197,090)	115,192
TOTAL COMPREHENSIVE INCOME	2,623,052	2,189,498	808,955	459,105

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)
FOR THE QUARTERS ENDED MARCH 31, 2011 AND 2010
"UNAUDITED"

BAHT : '000

	CONSOLIDATED		SEPARATE		
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS		
	2011	2010	2011	2010	
NET PROFIT ATTRIBUTABLE					
Owners of the Bank	2,808,146	2,069,707	1,006,045	343,913	
Non-controlling interest	11,808	5,411	-	-	
	<u>2,819,954</u>	<u>2,075,118</u>	<u>1,006,045</u>	<u>343,913</u>	
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE					
Owners of the Bank	2,611,244	2,184,083	808,955	459,105	
Non-controlling interest	11,808	5,415	-	-	
	<u>2,623,052</u>	<u>2,189,498</u>	<u>808,955</u>	<u>459,105</u>	
EARNINGS PER SHARE OF OWNERS OF THE BANK					
BASIC EARNINGS PER SHARE	BAHT	0.46	0.34	0.17	0.06
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES	SHARES	6,074,143,747	6,074,143,747	6,074,143,747	6,074,143,747

Notes to the consolidated and separate financial statements form an integral part of these interim 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 EQUITY
FOR THE QUARTERS ENDED MARCH 31, 2011 AND 2010**

"UNAUDITED"

BAHT : '000

	CONSOLIDATED FINANCIAL STATEMENTS									
	Owners of the Bank							Non-Controlling Interest	Total	
	Issued and Paid-up Share Capital	Premium on Share Capital	Asset Appraisal Surplus	Revaluation Surplus (Deficit) on Investments	Deferred Tax Relating to Components of Other Comprehensive Income	Retained Earnings				Total
						Appropriated Legal Reserve	Unappropriated	Owners of the Bank		
Balance as of January 1, 2010	60,741,437	13,802,216	7,136,485	127,946	(2,187,138)	710,500	12,082,137	92,413,583	171,672	92,585,255
Change in revaluation surplus	-	-	(60,128)	-	-	-	-	(60,128)	-	(60,128)
Total comprehensive income	-	-	-	136,022	(21,646)	-	2,069,707	2,184,083	5,415	2,189,498
Change in shareholding in subsidiary company	-	-	-	-	-	-	-	-	1,296	1,296
Balance as of March 31, 2010	60,741,437	13,802,216	7,076,357	263,968	(2,208,784)	710,500	14,151,844	94,537,538	178,383	94,715,921
Balance as of January 1, 2011 as previously reported	60,741,437	13,802,216	6,824,842	531,550	(2,209,659)	1,013,500	18,211,479	98,915,365	188,683	99,104,048
Effects on changes in accounting policy (Note 3.2)	-	-	-	-	-	-	(1,787,205)	(1,787,205)	(4,098)	(1,791,303)
Balance as of January 1, 2011 as adjusted	60,741,437	13,802,216	6,824,842	531,550	(2,209,659)	1,013,500	16,424,274	97,128,160	184,585	97,312,745
Change in revaluation surplus	-	-	(60,066)	-	-	-	60,066	-	-	-
Total comprehensive income	-	-	-	(308,135)	111,233	-	2,808,146	2,611,244	11,808	2,623,052
Balance as of March 31, 2011	60,741,437	13,802,216	6,764,776	223,415	(2,098,426)	1,013,500	19,292,486	99,739,404	196,393	99,935,797

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

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY
FOR THE QUARTERS ENDED MARCH 31, 2011 AND 2010

"UNAUDITED"

BAHT : '000

	SEPARATE FINANCIAL STATEMENTS							Total
	Issued and Paid-up Share Capital	Premium on Share Capital	Asset Appraisal Surplus	Revaluation Surplus (Deficit) on Investments	Deferred Tax Relating to Components of Other Comprehensive Income	Retained Earnings		
						Appropriated Legal Reserve	Unappropriated	
Balance as of January 1, 2010	60,741,437	13,802,216	7,136,484	135,603	(2,187,793)	710,500	7,801,926	88,140,373
Change in revaluation surplus	-	-	(60,127)	-	-	-	-	(60,127)
Total comprehensive income	-	-	-	136,876	(21,684)	-	343,913	459,105
Balance as of March 31, 2010	60,741,437	13,802,216	7,076,357	272,479	(2,209,477)	710,500	8,145,839	88,539,351
Balance as of January 1, 2011 as previously reported	60,741,437	13,802,216	6,824,842	535,506	(2,209,659)	1,013,500	11,179,999	91,887,841
Effects on changes in accounting policy (Note 3.2)	-	-	-	-	-	-	(1,534,947)	(1,534,947)
Balance as of January 1, 2011 as adjusted	60,741,437	13,802,216	6,824,842	535,506	(2,209,659)	1,013,500	9,645,052	90,352,894
Change in revaluation surplus	-	-	(60,066)	-	-	-	60,066	-
Total comprehensive income	-	-	-	(308,323)	111,233	-	1,006,045	808,955
Balance as of March 31, 2011	60,741,437	13,802,216	6,764,776	227,183	(2,098,426)	1,013,500	10,711,163	91,161,849

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

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

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE QUARTERS ENDED MARCH 31, 2011 AND 2010
"UNAUDITED"

BAHT : '000

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2011	2010	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES				
Income from operating before income tax expenses	3,884,682	2,963,974	1,334,709	453,306
Adjustments to reconcile income to cash received (paid)				
from operating activities:				
Depreciation and amortization	960,999	442,357	396,127	329,018
Deferred interest expenses	1,266	-	1,266	-
Bad debt and doubtful accounts	2,736,700	3,350,875	1,316,409	1,291,840
Loss on debt restructuring (reversal)	13,595	(169,512)	33,591	71,160
(Gains) losses on translation in foreign currencies	(121,597)	323,268	(121,597)	463,888
Gains on investments	(180,001)	(46,761)	(180,001)	(69,339)
Increase (decrease) in discount on investments	(189,303)	12,389	(33,285)	(21,014)
(Gains) losses on sales of properties for sale	(173,987)	(299,138)	116,288	(139,869)
(Gains) losses on sales of premises and equipment	(24,394)	(22,989)	(474)	440
Losses on impairment of properties for sale	247,439	190,503	240,047	215,029
Share of profit from investment for using equity method	(6,344)	(38,306)	-	-
(Increase) decrease in other reserve	53,282	(12,430)	105,791	(12,460)
Interest income, net	(9,190,837)	(8,476,773)	(4,639,246)	(4,110,552)
Income tax refunded	-	2,444	-	-
Interest received	12,917,216	11,509,436	8,064,878	6,967,734
Interest paid	(4,041,321)	(2,374,810)	(3,830,579)	(2,348,297)
Dividend income	(130,292)	(120,425)	(310,292)	(120,425)
Dividend received	108,434	93,093	108,434	119,656
Increase (decrease) in other accrued expenses	(1,155,994)	253,183	(599,779)	212,177
Income tax paid	(1,351,744)	(773,009)	(44,746)	(46,526)
Income from operations before changes in operating assets and liabilities	4,357,799	6,807,369	1,957,541	3,255,766
(Increase) decrease in operating assets				
Interbank and money market items	(10,294,234)	(35,510,967)	(10,251,960)	(37,331,720)
Derivatives assets	(834,652)	(839,988)	(834,652)	(839,988)
Current investments - securities for trading	267,205	(28,903)	46,844	(436,022)
Loans to customers	(12,336,225)	(5,683,296)	(7,180,897)	7,056,676
Properties for sale	1,228,969	1,598,454	542,806	848,053
Other assets	628,101	1,680,124	(6,303)	1,326,374
Increase (decrease) in operating liabilities				
Deposits	(4,269,759)	13,633,044	(4,118,529)	14,927,687
Interbank and money market items	(10,053,274)	11,616,205	(11,735,256)	11,369,268
Liability payable on demand	1,244,872	(173,263)	1,244,872	(173,313)
Derivatives liabilities	1,326,548	519,222	1,326,548	521,290
Other liabilities	(443,953)	207,699	(579,639)	(45,567)
Net cash from operating activities	(29,178,603)	(6,174,300)	(29,588,625)	478,504

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE QUARTERS ENDED MARCH 31, 2011 AND 2010
"UNAUDITED"

BAHT : '000

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2011	2010	2011	2010
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash paid for purchases of premises and equipment	(389,293)	(136,346)	(253,449)	(76,267)
Proceeds from sales of premises and equipment	460,578	20,102	570	237
Cash paid for purchases of other assets	(183,327)	(30,739)	(47,329)	(15,319)
Cash paid for purchases of investments - securities available-for-sale	(206,519,193)	(107,610,293)	(206,519,193)	(107,610,293)
Cash paid to minority shareholder for purchase of additional shares of subsidiary	(3,000)	(1,216)	-	(1,216)
Proceeds from sales of investments - securities available-for-sale	214,130,231	110,501,983	214,438,184	110,791,450
Dividend income from subsidiaries	-	-	180,000	-
Net cash from investing activities	<u>7,495,996</u>	<u>2,743,491</u>	<u>7,798,783</u>	<u>3,088,592</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from debt issued and borrowing	67,414,469	15,377,307	67,514,469	8,942,300
Cash paid for repayment of issued and borrowing	(48,925,569)	(13,675,479)	(48,925,569)	(14,251,879)
Cash paid for liabilities under finance lease agreements	71,078	-	71,078	-
Net cash from financing activities	<u>18,559,978</u>	<u>1,701,828</u>	<u>18,659,978</u>	<u>(5,309,579)</u>
Total	<u>(3,122,629)</u>	<u>(1,728,981)</u>	<u>(3,129,864)</u>	<u>(1,742,483)</u>
Effect of exchange rate change on cash	<u>28,773</u>	<u>(47,256)</u>	<u>28,773</u>	<u>(47,256)</u>
Net decrease in cash and cash equivalents	(3,093,856)	(1,776,237)	(3,101,091)	(1,789,739)
Cash and cash equivalents as at January 1,	<u>22,460,979</u>	<u>20,090,301</u>	<u>22,447,133</u>	<u>20,080,481</u>
Cash and cash equivalents as at March 31,	<u><u>19,367,123</u></u>	<u><u>18,314,064</u></u>	<u><u>19,346,042</u></u>	<u><u>18,290,742</u></u>

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

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

(Mr. Pongpinit Tejagupta)
Director

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTERS ENDED MARCH 31, 2011 AND 2010
“UNAUDITED”

NOTE	CONTENT	PAGE
1.	General information	1
2.	Basis for preparation of the consolidated and separate financial statements	1
3.	Adoption of new and revised Thai Financial Reporting Standards	3
4.	Significant accounting policies	5
5.	Additional information	
5.1	Additional information of cash flows	5
5.2	Investments, net	7
5.3	Investments in subsidiaries and associates, net	9
5.4	Loans to customers and accrued interest receivables, net	12
5.5	Allowance for doubtful accounts	20
5.6	Revaluation allowance for debt restructuring	22
5.7	Debt issued and borrowings	22
5.8	Share capital	23
5.9	Assets with obligations and restrictions	25
5.10	Contingencies	25
5.11	Transfer of sub-quality assets to Thai Asset Management Corporation	26
5.12	Related party transactions	26
5.13	Management compensations	32
5.14	Position and results of operations classified by domestic and foreign business	32
5.15	Interest income	35
5.16	Interest expenses	35
5.17	Post - employment benefits obligation	35
5.18	Reclassifications	36
5.19	Event after the reporting period	37
5.20	Approval of interim financial statements	37

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTERS ENDED MARCH 31, 2011 AND 2010
“UNAUDITED”

1. GENERAL INFORMATION

Bank of Ayudhya Public Company Limited (“the Bank”) is a public company registered in the Kingdom of Thailand with its head office located at 1222 Rama III Road, Bang Phongphang Subdistrict, Yannawa District, Bangkok. The Bank’s main business is commercial banking and the Bank conducts its business through a network of branches throughout Thailand and other countries. As at March 31, 2011 and December 31, 2010, the Bank has 18 subsidiaries, with significant changes in general information during the quarter ended March 31, 2011 as follows:

- 1.1 As at March 1, 2011, Ayudhya Capital Services Company Limited (“AYCAP”), the Bank’s subsidiary, has additionally invested in Tesco Card Services Limited (“TCS”) by 1% of total shares of TCS. AYCAPP now hold 50% in TCS.

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

- 2.1 The interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (Revised 2009) “Interim Financial Reporting” and practices generally accepted in Thailand and the regulation of The Stock Exchange of Thailand dated January 22, 2001, regarding the Preparation and Filing of Financial Statements and Reports on Financial Status and Results of Operations of Listed Companies, B.E. 2544, where the form of financial statements is based on Thai Account Standard No. 1 (Revised 2009) “Presentation of Financial Statements”, including the Procedures, Policies and Presentation in accordance with the Bank of Thailand (“BOT”) Notification regarding the Preparation and Announcement of Financial Statements of Commercial Banks and Holding Companies of Financial Industry dated December 3, 2010. The financial statements for the quarter ended March 31, 2010 and for the year ended December 31, 2010, presented for comparison, have been reclassified accordingly (see Note 5.18).

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

Certain financial information which is normally included in the financial statements prepared in accordance with generally accepted accounting principles, but which is not required for interim reporting purposes, has been omitted. In addition, interim financial statements should be read in conjunction with the financial statements and notes thereto included in the audited financial statements for the year ended December 31, 2010.

The consolidated and separate statements of financial position as at December 31, 2010, presented herein for comparison, have been derived from the consolidated and separate financial statements for the year then ended which have been audited.

The results of operations for the quarter ended March 31, 2011 are not necessarily indicative of the operating results anticipated for the full year.

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

Accounting Standards and Financial Reporting Standards announced but not effective in 2011

The Federation of Accounting Professions has issued the Notifications regarding the Thai Accounting Standards, which are effective for the accounting periods beginning on or after January 1, 2013 onwards. The Thai Accounting Standards which are related to the Bank and subsidiaries are as follows:

TAS

TAS 12 (Revised 2009) Income Taxes

TAS 21 (Revised 2009) The Effects of Changes in Foreign Exchange Rates

The Bank and subsidiaries' managements anticipate that the Bank and subsidiaries will adopt the above Thai Accounting Standard relevant to the Bank and subsidiaries in the preparation of the Bank and subsidiaries' financial statements when they become effective except for TAS 12 Income Taxes, which the Bank and subsidiaries had early adopted in 2009. The Bank and subsidiaries' managements are still evaluating the first-year impact to the financial statements.

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

Subsidiaries	Business Type	Percentage of Holdings As at	
		March 31, 2011	December 31, 2010
Ayudhya Development Leasing Company Limited	Leasing and hire-purchase	99.99	99.99
Ayudhya Auto Lease Public Company Limited	Auto leasing	99.79	99.79
Ayudhya Capital Lease Company Limited ⁽¹⁾	Auto leasing	99.99	99.99
Ayudhya Capital Auto Lease Public Company Limited	Hire-purchase and auto leasing	99.99	99.99
Ayudhya Total Solutions Public Company Limited	Hire-purchase	99.81	99.81
CFG Services Company Limited	Hire-purchase and motorcycle loans	99.99	99.99
Ayudhya Card Services Company Limited	Credit cards and personal loans	99.99	99.99
Ayudhya Capital Services Company Limited (formerly GE capital (Thailand) Company Limited)	Credit cards and personal loans	99.99	99.99
General Card Services Limited	Credit cards and personal loans	99.99	99.99
Krungsriayudhya Card Company Limited	Credit cards and personal loans	99.99	99.99
Siam Realty and Services Company Limited	Car leasing and personnel services	99.99	99.99
Total Service Solutions Public Company Limited	Collection services	99.99	99.99
Ayudhya Fund Management Company Limited	Fund management	76.59	76.59
Ayudhya Asset Management Company Limited	Asset management	99.99	99.99
Ayudhya Securities Public Company Limited	Securities	86.33	86.33
Ayudhya Factoring Company Limited	Factoring	99.99	99.99
Quality Life Assurance Broker Company Limited ⁽²⁾	Life assurance broker	99.99	99.99
Quality General Insurance Broker Company Limited ⁽²⁾	General insurance broker	99.99	99.99

⁽¹⁾ Subsidiaries are under the liquidation process

⁽²⁾ Indirectly holding via Ayudhya Capital Services Company Limited of 99.99%

All material intercompany transactions and balances have been eliminated.

- 2.3 The consolidated financial statements for the quarters ended March 31, 2011 and 2010, including financial statements of certain subsidiaries, prepared by subsidiaries' managements which have not been reviewed by the auditors as follows:

	Unit: Million Baht	
	Net Profit	
	For the quarters ended March 31, 2011	2010
1. K.S. Law Office Company Limited*	-	-
2. Ayudhya Capital Lease Company Limited	3	3
	<u>3</u>	<u>3</u>

* Subsidiary registered the completion of liquidation on December 14, 2010.

3. ADOPTION OF NEW AND REVISED THAI FINANCIAL REPORTING STANDARDS

Since January 1, 2011, the Bank and its subsidiaries have adopted the new and revised Thai Financial Reporting Standards (TFRS) issued by the Federation of Accounting Professions, which are effective for the financial statements for the accounting periods beginning on or after January 1, 2011 onwards, in the preparation of interim financial statements. Such TFRS have no significant impact to the Bank, its subsidiaries and associates' financial statements except for the following TFRS:

3.1 TAS 1 (Revised 2009) "Presentation of Financial Statements"

TAS 1 (Revised 2009) "Presentation of Financial Statements" changed requirements about the presentation in the financial statements. Therefore, it affected the reclassifications in the consolidated and separate financial statements for the quarter ended March 31, 2010 and the consolidated and separate statements of financial position as at December 31, 2010, presented for comparison (see Note 2.1).

3.2 TAS 19 "Employee Benefits"

The accounting policy of the following employment benefits has been changed in order to comply with TAS 19.

1. Post employment benefit obligations

- Pension plan

The employees who are hired prior to January 1, 1998 are eligible to receive a pension payment when they leave the bank having completed at least 10 continuous service years. On January 1, 1998, the Bank established the provident fund for its employees to replace the pension plan. After the establishment of the provident fund, the amount due a departing 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 pension plan, the Bank pay the difference by disbursing from the pension fund.

- Legal severance payment plan

This represents the benefit retiring employees will receive as determined by the Labor Protection Act.

The obligations of these plans are considered unfunded defined benefit obligations and are separately measured by an actuary using the projected unit credit cost method to determine the present value of employee benefit cash flows to be paid in the future. Under this method, the obligation is based on an actuarial calculation including the employee's expected salary, business turnover rate, salary increase rate, mortality rate, discount rate, years of services and other factors.

The expenses for the defined benefit plan are recognized as personnel expenses in the statement of comprehensive income.

Actuarial gains and losses are recognized in other comprehensive income.

The Bank and its subsidiaries elected to recognize past service costs by adjusting the retained earnings as at January 1, 2011, in compliance with the transitional provision of accounting standard.

2. Benefit from carried forward leave

The benefit from cumulative carried forward leave is recognized as a liability in the statement of financial position and personnel expenses in the statement of comprehensive income when the employees render the service. The Bank adjusted cumulative benefit with the retained earnings as at January 1, 2011.

Effects of the changes in accounting policy to the financial statements as at January 1, 2011 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS 2011	Unit : Million Baht SEPARATE FINANCIAL STATEMENTS 2011
Retained earnings - Unappropriated		
Balance as at January 1 before change in accounting policy	18,211	11,180
Increase in investment in associates	1	-
Increase in deferred tax assets	758	658
Decrease in non-controlling interest	4	-
Increase in provision	(2,550)	(2,193)
Balance as at January 1 after change in accounting policy	<u>16,424</u>	<u>9,645</u>
Investment in associates		
Balance as at January 1 before change in accounting policy	729	-
Increase in investment in associates	1	-
Balance as at January 1 after change in accounting policy	<u>730</u>	<u>-</u>
Deferred tax assets		
Balance as at January 1 before change in accounting policy	7,586	3,190
Increase in deferred tax assets	758	658
Balance as at January 1 after change in accounting policy	<u>8,344</u>	<u>3,848</u>

	CONSOLIDATED FINANCIAL STATEMENTS 2011	Unit : Million Baht SEPARATE FINANCIAL STATEMENTS 2011
Provision		
Balance as at January 1 before change in accounting policy	-	-
Increase in provision	2,550	2,193
Balance as at January 1 after change in accounting policy	<u>2,550</u>	<u>2,193</u>
Non-controlling interest		
Balance as at January 1 before change in accounting policy	189	-
Decrease in non-controlling interest	(4)	-
Balance as at January 1 after change in accounting policy	<u>185</u>	<u>-</u>

3.3 TAS 16 “Property, Plant and Equipment”

The Bank had adopted TAS 16 “Property, Plant and Equipment” for the depreciation of premises revaluation surplus from gradually recognizing in the statement of comprehensive income to recognizing directly to retained earnings. As a result, the Bank’s operating income before income tax for the quarter ended March 31, 2011 decreased by Baht 60 million.

4. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements have been prepared based on the basis, accounting policies and method of computation consistent with those used in the annual financial statements for the year ended December 31, 2010, except for the changes in accounting policies as described in Note 3.

5. ADDITIONAL INFORMATION

5.1 Additional information of cash flows

5.1.1 Non-cash transactions related to other comprehensive income for the quarters ended March 31, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		Unit : Million Baht SEPARATE FINANCIAL STATEMENTS	
	2011	2010	2011	2010
Increase (decrease) in revaluation surplus on investments	(308)	136	(308)	137
Accumulated depreciation of premises appraisal deducted from premises revaluation surplus	60	60	60	60

5.1.2 Non-cash transactions of premises and equipment for the quarters ended March 31, are as follows:

	CONSOLIDATED		Unit : Million Baht SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2011	2010	2011	2010
Premises and equipment payable				
at the beginning of the periods	493	105	493	105
Purchases of premises and equipment	549	143	413	82
<u>Less Cash payment</u>	<u>(389)</u>	<u>(136)</u>	<u>(253)</u>	<u>(76)</u>
Premises and equipment payable				
at the end of the periods	<u>653</u>	<u>112</u>	<u>653</u>	<u>111</u>

5.1.3 Non-cash transactions of computer software for the quarters ended March 31, are as follows:

	CONSOLIDATED		Unit : Million Baht SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2011	2010	2011	2010
Computer software payable				
at the beginning of the periods	5	14	5	14
Purchases of computer software	82	165	43	150
<u>Less Cash payment</u>	<u>(86)</u>	<u>(31)</u>	<u>(47)</u>	<u>(15)</u>
Computer software payable				
at the end of the periods	<u>1</u>	<u>148</u>	<u>1</u>	<u>149</u>

5.1.4 Realized and unrealized gains (losses) on foreign exchange

In the preparation of cash flows statements, realized gains (losses) on exchange is based on cash basis. Unrealized gains (losses) on foreign exchange is based on the translation of debt and assets in foreign currencies recorded in each account and assets in foreign currencies as recorded in each category at the end of the period.

5.2 Investment, net

Investments as at March 31, 2011 and December 31, 2010 consisted of the following:

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS								
	March 31, 2011				December 31, 2010			
	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	3,221	3	(1)	3,223	3,089	3	(20)	3,072
Private sector's debt securities	29	-	-	29	476	-	-	476
Domestic marketable equity	255	3	(1)	257	8	-	-	8
	3,505	6	(2)	3,509	3,573	3	(20)	3,556
<u>Add (Less) Revaluation allowance</u>	4			-	(17)			-
Total	3,509			3,509	3,556			3,556
Securities Available-for-Sale								
Government and state								
enterprise securities	45,543	25	(174)	45,394	52,213	143	(133)	52,223
Private sector's debt securities	9,362	30	(46)	9,346	10,138	78	(35)	10,181
Domestic marketable equity	3,344	399	(8)	3,735	3,427	496	(13)	3,910
Others	-	-	-	-	31	-	-	31
	58,249	454	(228)	58,475	65,809	717	(181)	66,345
<u>Add Revaluation allowance</u>	226			-	536			-
<u>Less Allowance for impairment</u>	(376)			(376)	(459)			(459)
Total	58,099			58,099	65,886			65,886
Securities Held-to-Maturity								
Government and state								
enterprise securities	3,768				3,943			
Private sector's debt securities	50				50			
Investment in accounts receivable	1,549				1,775			
	5,367				5,768			
<u>Less Allowance for impairment</u>	(474)				(474)			
Total	4,893				5,294			
Securities for General Investments								
Domestic non-marketable equity								
securities	3,869				3,887			
Foreign non-marketable								
equity securities	27				27			
	3,896				3,914			
<u>Less Allowance for impairment</u>	(290)				(290)			
Total	3,606				3,624			
Total Investments, Net	<u>70,107</u>				<u>78,360</u>			

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS

	March 31, 2011				December 31, 2010			
	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	3,221	3	(1)	3,223	3,089	3	(20)	3,072
Private sector's debt securities	29	-	-	29	476	-	-	476
Domestic marketable equity	255	3	(1)	257	8	-	-	8
	<u>3,505</u>	<u>6</u>	<u>(2)</u>	<u>3,509</u>	<u>3,573</u>	<u>3</u>	<u>(20)</u>	<u>3,556</u>
<u>Add (Less) Revaluation allowance</u>	<u>4</u>			<u>-</u>	<u>(17)</u>			<u>-</u>
Total	<u>3,509</u>			<u>3,509</u>	<u>3,556</u>			<u>3,556</u>
Securities Available-for-Sale								
Government and state								
enterprise securities	45,543	25	(174)	45,394	52,213	143	(133)	52,223
Private sector's debt securities	9,015	30	(46)	8,999	9,791	78	(35)	9,834
Domestic marketable equity								
Securities	<u>3,339</u>	<u>399</u>	<u>(4)</u>	<u>3,734</u>	<u>3,422</u>	<u>496</u>	<u>(9)</u>	<u>3,909</u>
	<u>57,897</u>	<u>454</u>	<u>(224)</u>	<u>58,127</u>	<u>65,426</u>	<u>717</u>	<u>(177)</u>	<u>65,966</u>
<u>Add Revaluation allowance</u>	<u>230</u>			<u>-</u>	<u>540</u>			<u>-</u>
<u>Less Allowance for impairment</u>	<u>(30)</u>			<u>(30)</u>	<u>(81)</u>			<u>(81)</u>
Total	<u>58,097</u>			<u>58,097</u>	<u>65,885</u>			<u>65,885</u>
Securities Held-to-Maturity								
Government and state								
enterprise securities	3,650				3,825			
Private sector's debt securities	50				50			
Investment in accounts receivable	<u>1,008</u>				<u>1,043</u>			
	<u>4,708</u>				<u>4,918</u>			
<u>Less Allowance for impairment</u>	<u>(474)</u>				<u>(474)</u>			
Total	<u>4,234</u>				<u>4,444</u>			
Securities for General Investments								
Domestic non-marketable equity								
securities	3,834				3,852			
Foreign non-marketable								
equity securities	<u>27</u>				<u>26</u>			
	<u>3,861</u>				<u>3,878</u>			
<u>Less Allowance for impairment</u>	<u>(274)</u>				<u>(274)</u>			
Total	<u>3,587</u>				<u>3,604</u>			
Total Investments, Net	<u>69,427</u>				<u>77,489</u>			

As at March 31, 2011 and December 31, 2010, investments classified as held-to-maturity debt securities (government and state enterprise securities) included the 10 year-term non-negotiable promissory notes availed by the Financial Institutions Development Fund in the consolidated financial statements and separate financial statements of Baht 3,098 million and Baht 3,274 million, respectively, issued by the Thai Asset Management Corporation (TAMC) for asset transfer to TAMC. During the quarter ended March 31, 2011, TAMC redeemed promissory notes of the Bank of Baht 177 million, and during the year 2010, TAMC redeemed promissory notes of the Bank of Baht 544 million.

5.3 Investments in subsidiaries and associates, net

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

Unit : Million Baht							
CONSOLIDATED FINANCIAL STATEMENTS							
March 31, 2011							
Company Name	Business Type	Securities Investment Type	Registered Share Capital	Ownership %	Investment (Cost)	Investment (Equity Method)	Dividend
Associates							
Tesco Card Services Limited ⁽¹⁾	Credit cards and personal loans	Common stock	780	50.00	382	691	-
Tesco Life Assurance Broker Limited ⁽²⁾	Life assurance broker	Common stock	2	50.00	-	34	-
Tesco General Insurance Broker Limited ⁽²⁾	General insurance broker	Common stock	77	50.00	-	10	-
Metro Designee Company Limited ⁽³⁾	Special purpose vehicle	Common stock	-	21.90	-	-	-
Investments in associates, net					<u>382</u>	<u>735</u>	<u>-</u>

Unit : Million Baht							
CONSOLIDATED FINANCIAL STATEMENTS							
December 31, 2010							
Company Name	Business Type	Securities Investment Type	Registered Share Capital	Ownership %	Investment (Cost)	Investment (Equity Method)	Dividend
Associates							
Tesco Card Services Limited ⁽¹⁾	Credit cards and personal loans	Common stock	780	49.00	382	681	-
Tesco Life Assurance Broker Limited ⁽²⁾	Life assurance broker	Common stock	2	49.00	-	10	-
Tesco General Insurance Broker Limited ⁽²⁾	General insurance broker	Common stock	77	49.00	-	38	-
Metro Designee Company Limited ⁽³⁾	Special purpose vehicle	Common stock	-	21.90	-	-	-
Investments in associates, net					<u>382</u>	<u>729</u>	<u>-</u>

⁽¹⁾ Indirect holding via Ayudhya Capital Services Company Limited

⁽²⁾ Indirect holding via Tesco Card Services Limited

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

Unit : Million Baht								
SEPARATE FINANCIAL STATEMENTS								
					March 31, 2011		December 31, 2010	
Company Name	Business Type	Securities	Registered	Ownership	Investment	Dividend	Investment	Dividend
		Investment Type	Share Capital	%	(Cost)		(Cost)	
Subsidiaries								
Ayudhya Development Leasing Company Limited	Leasing and hire- purchase	Common stock	705	99.99	929	-	929	70
Ayudhya Auto Lease Public Company Limited	Auto leasing	Common stock	2,850	99.79	2,236	-	2,236	-
		Preferred stock			500	-	500	-
Ayudhya Capital Lease Company Limited	Auto leasing	Common stock	3,000	99.99	3,000	-	3,000	-
Ayudhya Capital Auto Lease Public Company Limited	Hire-purchase and auto leasing	Common stock	1,045	99.99	16,281	-	16,281	1,523
Ayudhya Total Solutions Public Company Limited	Hire-purchase	Common stock	1,197	99.81	1,530	-	1,530	334
CFG Services Company Limited	Hire-purchase and motorcycle loans	Common stock	514	99.99	26	-	26	-
		Preferred stock			1	-	1	-
Ayudhya Card Services Company Limited	Credit cards and personal loans	Common stock	180	99.99	4	180	4	-
Ayudhya Capital Services Company Limited	Credit cards and personal loans	Common stock	125	99.99	5,968	-	5,968	1,553
General Card Services Limited	Credit cards and personal loans	Common stock	758	99.99	817	-	817	30
Krungsriayudhya Card Company Limited	Credit cards and personal loans	Common stock	1,100	99.99	1,304	-	1,304	630
Siam Realty and Services Company Limited	Car leasing and personnel services	Common stock	100	99.99	100	-	100	60
Total Services Solutions Public Company Limited	Collection services	Common stock	1,326	99.99	1,631	-	1,631	170
		Preferred stock			215	-	215	-
Ayudhya Fund Management Company Limited	Fund management	Common stock	350	76.59	204	-	204	-
Ayudhya Asset Management Company Limited	Asset management	Common stock	6,000	99.99	6,000	-	6,000	-
Ayudhya Securities Public Company Limited	Securities	Common stock	600	86.33	637	-	637	-
Ayudhya Factoring Company Limited	Factoring	Common stock	100	99.99	100	-	100	-
Associated Company								
Metro Designee Company Limited ⁽¹⁾	Special purpose vehicle	Common stock	-	21.90	-	-	-	-
Investments in subsidiaries and associated company					41,483	180	41,483	4,370
Less Allowance for impairment					(4,757)	-	(4,757)	-
Investments in subsidiaries and associated company, net					36,726	180	36,726	4,370

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

AYUDHYA ASSET MANAGEMENT COMPANY LIMITED
STATEMENTS OF CASH FLOWS
FOR THE QUARTERS ENDED MARCH 31, 2011 AND 2010
“UNAUDITED”

Unit : Million Baht

	2011	2010
Cash flows from operating activities		
Profit from operations before income tax	152	225
Adjustments to reconcile net income to cash received (paid)		
from operating activities		
Depreciation and amortization	1	1
Bad debt and doubtful accounts	40	3
Gain on sales of properties for sale	(46)	(111)
Loss on impairment of properties for sale	2	13
Interest expenses	76	82
Increase in provision	3	1
Increase (decrease) in accrued non-interest payable	(5)	10
Cash paid for interest expense	(76)	(83)
Cash paid for income tax	(5)	(8)
Profit from operations before changes in		
operating assets and liabilities	142	133
(Increase) decrease in operating assets		
Investment in receivables	106	308
Loans and receivable	(6)	54
Properties for sale	398	557
Amounts due from parent company	67	28
Cash advance	(11)	35
Increase (decrease) in operating liabilities		
Amounts due to parent company	-	(2)
Deposit for purchase of properties for sale	8	(19)
Deferred income from disposal collateral	(4)	(15)
Other liabilities	(1)	5
Net cash from operating activities	699	1,084
Cash flows from financing activities		
Decrease in borrowing	(676)	(1,073)
Net cash from financing activities	(676)	(1,073)
Net increase in cash and cash equivalents	23	11
Cash and cash equivalents as at January 1,	12	36
Cash and cash equivalents as at March 31,	35	47

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

	Unit : Million Baht	
	CONSOLIDATED AND SEPERATE	
	FINANCIAL STATEMENTS	
	March 31,	December 31,
	2011	2010
Manufacturing	21	21
Total	<u>21</u>	<u>21</u>

In the consolidated and separate financial statements as at March 31, 2011 and December 31, 2010, the Bank and its subsidiary had investments in available-for-sale securities and general investments of 2 companies subject to be delisted from the SET, with costs of Baht 13 million and market price of Baht 0.

5.4 Loans to customers and accrued interest receivables, net

(1) Classified by products

	Unit : Million Baht	
	CONSOLIDATED	
	FINANCIAL STATEMENTS	
	March 31,	December 31,
	2011	2010
Overdrafts	44,227	45,036
Loan against contract	278,934	271,354
Trade bill	158,342	163,815
Hire-purchase receivable	157,921	146,484
Lease contract receivable	17,182	15,555
Credit card receivable	26,847	29,918
Others	1,844	1,169
Total	685,297	673,331
Add Deferred brokerage fee	1,335	1,265
Total	686,632	674,596
Less Deferred revenue	(28,484)	(25,636)
Loans to customers after deferred revenue, net	658,148	648,960
Add Accrued interest receivables	1,707	1,724
Loans to customers and accrued interest receivable after deferred revenue, net	659,855	650,684
Less Allowance for doubtful accounts		
1) BOT requirement :		
Individual approach	(17,404)	(18,379)
Collective approach	(2,503)	(2,365)
2) Surplus reserve	(13,094)	(12,666)
Less Revaluation allowance for debt restructuring	(507)	(543)
Total loans to customers, net	<u>626,347</u>	<u>616,731</u>

(2) Classified by currency and residence of debtors

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	March 31, 2011			December 31, 2010		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	643,404	1,057	644,461	634,384	1,014	635,398
US Dollar	11,854	1,355	13,209	11,711	1,392	13,103
Other currencies	326	152	478	308	151	459
Total *	655,584	2,564	658,148	646,403	2,557	648,960

* Loans to customers after deferred revenue, net.

Unit : Million Baht

	SEPARATE FINANCIAL STATEMENTS					
	March 31, 2011			December 31, 2010		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	577,675	1,057	578,732	572,384	1,014	573,398
US Dollar	11,854	1,355	13,209	11,711	1,392	13,103
Other currencies	326	152	478	308	151	459
Total*	589,855	2,564	592,419	584,403	2,557	586,960

* Loans to customers after deferred revenue, net.

(3) Classified by business type and classification

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	March 31, 2011					Total
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	
Agriculture and mining	4,885	108	209	120	1,025	6,347
Manufacturing and trading	163,315	6,866	3,810	1,694	9,144	184,829
Real estate and construction	40,535	1,084	153	1,327	4,581	47,680
Public utilities and services	87,935	6,178	2,710	416	2,844	100,083
Housing loans	81,137	1,380	603	773	2,550	86,443
Others	218,980	9,576	2,242	1,051	917	232,766
Total *	596,787	25,192	9,727	5,381	21,061	658,148

* Loans to customers after deferred revenue, net.

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2010

	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	5,660	150	252	56	1,070	7,188
Manufacturing and trading	159,593	6,198	3,950	1,435	10,884	182,060
Real estate and construction	42,384	960	692	1,132	4,779	49,947
Public utilities and services	92,289	6,082	2,187	708	2,509	103,775
Housing loans	80,416	1,828	643	719	2,826	86,432
Others	204,867	10,377	2,585	993	736	219,558
Total *	585,209	25,595	10,309	5,043	22,804	648,960

* Loans to customers after deferred revenue, net.

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS

March 31, 2011

	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	4,449	108	110	120	325	5,112
Manufacturing and trading	159,644	6,141	3,792	1,691	3,997	175,265
Real estate and construction	39,286	1,023	146	1,281	2,500	44,236
Public utilities and services	87,250	6,126	2,710	416	1,535	98,037
Housing loans	81,137	1,380	603	773	1,171	85,064
Others	183,752	287	172	216	278	184,705
Total *	555,518	15,065	7,533	4,497	9,806	592,419

* Loans to customers after deferred revenue, net.

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS

December 31, 2010

	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	5,660	139	175	56	329	6,359
Manufacturing and trading	156,362	5,962	3,942	1,435	5,635	173,336
Real estate and construction	41,267	936	659	1,056	2,797	46,715
Public utilities and services	91,717	6,079	2,187	708	1,181	101,872
Housing loans	77,264	1,415	594	698	1,107	81,078
Others	176,698	286	169	168	279	177,600
Total *	548,968	14,817	7,726	4,121	11,328	586,960

* Loans to customers after deferred revenue, net.

(4) Classified by type of classification

Unit : Million Baht				
CONSOLIDATED FINANCIAL STATEMENTS				
March 31, 2011				
	Loans to Customers and Accrued Interest Receivables	Outstanding Balance Use for Calculation Allowance	% Use for Calculation Allowance ⁽³⁾	Allowance for Doubtful Accounts
1. Minimum allowance per BOT guideline				
Normal	596,699	318,210	1	5,455
Special mention	25,372	10,804	2	1,228
Substandard	9,726	6,412	100	5,881
Doubtful	5,381	1,730	100	1,319
Doubtful of loss	21,468	5,905	100	6,024
Total	658,646	343,061		19,907
Add Deferred brokerage fee, net**	1,209	-		
Total*	659,855	343,061		
2. Surplus Reserve				13,094 ⁽¹⁾
Total				33,001⁽²⁾

* Loans to customers and accrued interest receivables after deferred revenue, net.

** Deferred brokerage fee net by deferred subsidy income.

Unit : Million Baht				
CONSOLIDATED FINANCIAL STATEMENTS				
December 31, 2010				
	Loans to Customers and Accrued Interest Receivables	Outstanding Balance Use for Calculation Allowance	% Use for Calculation Allowance ⁽³⁾	Allowance for Doubtful Accounts
1. Minimum allowance per BOT guideline				
Normal	586,356	309,481	1	5,257
Special mention	24,864	10,544	2	1,170
Substandard	10,104	6,086	100	5,564
Doubtful	4,897	1,629	100	1,268
Doubtful of loss	23,269	7,484	100	7,485
Total	649,490	335,224		20,744
Add Deferred brokerage fee, net**	1,194	-		
Total*	650,684	335,224		
2. Surplus Reserve				12,666 ⁽¹⁾
Total				33,410⁽²⁾

* Loans to customers and accrued interest receivables after deferred revenue, net.

** Deferred brokerage fee net by deferred subsidy income.

⁽¹⁾ Including allowance for doubtful accounts of loans granted to subsidiaries as at March 31, 2011 and December 31, 2010, at the rate of 1% of Baht 150,202 million and Baht 146,696 million equal to Baht 1,502 million and Baht 1,467 million, respectively, which are not eliminated but treated as surplus reserve in the consolidated financial statements.

⁽²⁾ Excluding revaluation allowance for debt restructuring as at March 31, 2011 and December 31, 2010, of Baht 507 million and Baht 543 million, respectively, and excluding allowance for doubtful accounts for interbank and money market items as at March 31, 2011 and December 31, 2010, of Baht 43 million and Baht 35 million, respectively, but including allowance for doubtful accounts on a collective approach for hire-purchase loans as at March 31, 2011 and December 31, 2010 of Baht 4,745 million and Baht 4,680 million, respectively.

⁽³⁾ % set up is the minimum rate required by the Bank of Thailand for loans to customers prior to reflecting the collective approach valuation.

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS

March 31, 2011

	Loan to Customers and Accrued Interest Receivables	Outstanding Balance Use for Calculation Allowance	% Use for Calculation Allowance	Allowance for Doubtful Accounts
1. Minimum allowance per BOT guideline				
Normal	556,230	287,721	1	5,175
Special mention	15,202	1,570	2	555
Substandard	7,533	4,369	100	4,370
Doubtful	4,497	974	100	974
Doubtful of loss	9,806	2,818	100	2,937
Total*	<u>593,268</u>	<u>297,452</u>		<u>14,011</u>
2. Surplus Reserve				<u>5,695⁽¹⁾</u>
Total				<u>19,706⁽²⁾</u>

* Loans to customers and accrued interest receivables after deferred revenue, net.

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS

December 31, 2010

	Loan to Customers and Accrued Interest Receivables	Outstanding Balance Use for Calculation Allowance	% Use for Calculation Allowance	Allowance for Doubtful Accounts
1. Minimum allowance per BOT guideline				
Normal	549,614	285,795	1	4,994
Special mention	14,947	696	2	528
Substandard	7,726	3,946	100	3,946
Doubtful	4,121	962	100	962
Doubtful of loss	11,328	4,332	100	4,332
Total*	<u>587,736</u>	<u>295,731</u>		<u>14,762</u>
2. Surplus Reserve				<u>5,392⁽¹⁾</u>
Total				<u>20,154⁽²⁾</u>

* Loans to customers and accrued interest receivables after deferred revenue, net.

⁽¹⁾ Including allowance for doubtful accounts of loan granted to subsidiaries as at March 31, 2011 and December 31, 2010, at the rate of 1% of Baht 150,202 million and Baht 146,696 million, equal to Baht 1,502 million and Baht 1,467 million, respectively.

⁽²⁾ Excluding revaluation allowance for debt restructuring as at March 31, 2011 and December 31, 2010, of Baht 21 million and Baht 35 million, respectively and excluding allowance for doubtful accounts for interbank and money market items as at March 31, 2011 and December 31, 2010, of Baht 43 million and Baht 35 million, respectively.

As at March 31, 2011 and December 31, 2010, 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			
March 31, 2011			
	Bank only	AMC	The Bank and AMC
Non-performing loans	21,836	10,608	32,444
Percentage of total loans	3.29	100.00	4.81
Non-performing loans, net	13,552	8,023	21,575
Percentage of total loans, net	2.07	100.00	3.25

Unit : Million Baht			
December 31, 2010			
	Bank only	AMC	The Bank and AMC
Non-performing loans	23,175	10,795	33,970
Percentage of total loans	3.63	100.00	5.24
Non-performing loans, net	13,935	8,167	22,102
Percentage of total loans, net	2.22	100.00	3.47

As at March 31, 2011 and December 31, 2010, the Bank and its subsidiaries’ non-performing loans are Baht 36,457 million and Baht 38,149 million, respectively.

(5) Troubled debt restructuring

For the quarters ended March 31, 2011 and 2010, the Bank and its subsidiaries had restructured the following debts:

Unit : Million Baht								
CONSOLIDATED FINANCIAL STATEMENTS								
Form of Restructuring	Number	For the quarter ended March 31, 2011			For the quarter ended March 31, 2010			Fair Value
		Amount of Debt	Type of Assets	Fair Value	Amount of Debt	Type of Assets	Fair Value	
		before	Acquired		before	Acquired		
		Restructuring	Restructuring		Restructuring	Restructuring		
Modification of terms	36,264	1,133		-	45,515	1,212		-
Reduction of principal and interest	24,635	554		-	26,069	1,219		-
Various forms of restructuring	62	600		-	109	1,060	Land and building	11
Total	60,961	2,287		-	71,693	3,491		11

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS

Form of Restructuring	Number	For the quarter ended March 31, 2011			For the quarter ended March 31, 2010			Fair Value
		Amount of Debt before Restructuring	Type of Asset Acquired	Fair Value	Number	Amount of Debt before Restructuring	Type of Assets Acquired	
Modification of terms	288	880		-	487	764		-
Reduction of principal and interest	178	399		-	332	1,089		-
Various forms of restructuring	62	600		-	109	1,061	Land and building	11
Total	528	1,879		-	928	2,914		11

For the quarters ended March 31, 2011 and 2010, 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:

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS

Method	For the quarter ended				For the quarter ended			
	March 31, 2011				March 31, 2010			
	Average	Number	Amount of Debt		Average	Number	Amount of Debt	
	Aging		before	after	Aging		before	after
(Year)		Restructuring	Restructuring	(Year)		Restructuring	Restructuring	
Present value of future cash flows	0.50	35,941	223	25	0.02	44,937	408	69
Fair value of collateral	5.87	323	910	501	5.63	578	804	592

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS

Method	For the quarter ended				For the quarter ended			
	March 31, 2011				March 31, 2010			
	Average Aging (Year)	Number	Amount of Debt		Average Aging (Year)	Number	Amount of Debt	
			before Restructuring	after Restructuring			before Restructuring	after Restructuring
Present value of future cash flows	5.92	13	40	25	9.32	14	120	69
Fair value of collateral	6.87	275	840	500	7.50	473	644	592

For the quarters ended March 31, 2011 and 2010, the Bank and its subsidiaries recognized losses on debt restructured and interest received from debt restructured in the statements of comprehensive income and recorded balances of total debt restructured and debt restructured during the periods in the statements of financial position as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the quarters ended March 31,		For the quarters ended March 31,	
	2011	2010	2011	2010
Losses on debt restructured	14	396	33	341
Interest received from debt restructured	153	170	118	71

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	March 31,	December 31,	March 31,	December 31,
	2011	2010	2011	2010
Balances of total debt restructured	31,770	35,220	28,824	32,143
Balances of debt restructured during the periods/years	2,287	13,095	1,879	10,413

(6) Lease receivables (Included finance lease and hire-purchase receivables)

	CONSOLIDATED FINANCIAL STATEMENTS			
	March 31, 2011			
	Within 1 year	Amount due per agreements Over 1-5 Years	Over 5 Years	Total
Minimum lease payments	57,404	112,061	5,638	175,103
<u>Less</u> Unearned interest income				(28,328)
Present value of the minimum lease payments				146,775
<u>Add</u> Direct cost at the inception, net				1,209
<u>Less</u> Allowance for doubtful accounts				(5,766)
Total lease receivables, net				<u>142,218</u>

	CONSOLIDATED FINANCIAL STATEMENTS			
	December 31, 2010			
	Within 1 year	Amount due per agreements Over 1-5 Years	Over 5 Years	Total
Minimum Lease Payments	53,556	105,286	3,197	162,039
<u>Less</u> Unearned interest income				(25,526)
Present value of the minimum lease payments				136,513
<u>Add</u> Direct cost at the inception, net				1,194
<u>Less</u> Allowance for doubtful accounts				(5,736)
Total lease receivables, net				<u>131,971</u>

5.5 Allowance for doubtful accounts

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS							
March 31, 2011							
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Surplus Reserve	Total
Beginning balance	5,257	1,170	5,564	1,268	7,485	12,666	33,410
Doubtful accounts	198	58	1,123	51	578	77	2,085
Bad debts written off	-	-	(806)	-	(283)	-	(1,089)
Bad debts reversal	-	-	-	-	-	351	351
Bad debts written off from sales of NPLs	-	-	-	-	(1,756)	-	(1,756)
Ending balance	5,455	1,228	5,881	1,319	6,024	13,094	33,001

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS							
December 31, 2010							
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Surplus Reserve	Total
Beginning balance	5,376	1,663	3,369	3,442	12,897	11,524	38,271
Doubtful accounts	(115)	(492)	2,372	(586)	3,508	3,845	8,532
Bad debts written off	-	-	(118)	(173)	(3,393)	(4,236)	(7,920)
Bad debts reversal	-	-	-	-	-	1,534	1,534
Bad debts written off from sales of NPLs	(4)	(1)	(59)	(1,415)	(5,527)	-	(7,006)
Other	-	-	-	-	-	(1)	(1)
Ending balance	5,257	1,170	5,564	1,268	7,485	12,666	33,410

As at March 31, 2011 and December 31, 2010, the consolidated financial statements included the allowance for doubtful account of hire-purchase loans applying a collective approach basis in the amounts of Baht 4,745 million and Baht 4,680 million, respectively.

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS							
March 31, 2011							
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Surplus Reserve	Total
Beginning balance	4,994	528	3,946	962	4,332	5,392	20,154
Doubtful accounts	181	27	424	12	362	303	1,309
Bad debts written off	-	-	-	-	(1)	-	(1)
Bad debts written off from sales of NPLs	-	-	-	-	(1,756)	-	(1,756)
Ending balance	5,175	555	4,370	974	2,937	5,695	19,706

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS

December 31, 2010

	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Surplus Reserve	Total
Beginning balance	5,004	727	880	2,796	9,156	5,693	24,256
Doubtful accounts	(6)	(199)	3,210	(246)	2,077	(300)	4,536
Bad debts written off	-	-	(85)	(173)	(1,374)	-	(1,632)
Bad debts written off from sales of NPLs	(4)	-	(59)	(1,415)	(5,527)	-	(7,005)
Other	-	-	-	-	-	(1)	(1)
Ending balance	4,994	528	3,946	962	4,332	5,392	20,154

As at March 31, 2011 and December 31, 2010, the Bank estimated the minimum total allowance* under the BOT Guidelines of Baht 20,458 million and Baht 21,322 million, respectively for the consolidated financial statements and Baht 14,075 million and Baht 14,832 million, respectively for the separate financial statements.

* Such allowance for doubtful accounts consists of allowance for doubtful accounts for loans to customers and accrued interest receivables, 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

	March 31, 2011	December 31, 2010
Consolidated financial statements	33,552	33,989
The Bank and Ayudhya Asset Management Company Limited	24,164	24,668
The separate financial statements	19,770	20,224

As at March 31, 2011 and December 31, 2010, the Bank and its subsidiaries had loans to customers and accrued interest receivables to companies which have certain problems in financial position and result of operations as defined in the Guideline of the SET dated July 8, 1998 regarding the Quality of Assets and Transactions with Related Parties and the allowance for doubtful accounts for such loans as follows:

Unit : Million Baht

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

March 31, 2011

	Number	Outstanding Balance	Appraisal Value of Collateral	Allowance for Doubtful Accounts
Companies subject to be delisted by SET	4	352	258	213
Total	4	352	258	213

Unit : Million Baht				
CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
December 31, 2010				
	Number	Outstanding Balance	Appraisal Value of Collateral	Allowance for Doubtful Accounts
Companies subject to be delisted by SET	3	233	162	35
Total	3	233	162	35

5.6 Revaluation allowance for debt restructuring

Unit : Million Baht		
CONSOLIDATED FINANCIAL STATEMENTS		
	March 31, 2011	December 31, 2010
Beginning balance of the period / year	543	329
Increase during the period / year	14	966
Amount written off	(50)	(752)
Ending balance of the period / year	507	543

Unit : Million Baht		
SEPARATE FINANCIAL STATEMENTS		
	March 31, 2011	December 31, 2010
Beginning balance of the period / year	35	329
Increase during the period / year	33	997
Amount written off	(47)	(1,291)
Ending balance of the period / year	21	35

5.7 Debt issued and borrowings

Unit : Million Baht									
CONSOLIDATED FINANCIAL STATEMENTS									
				March 31, 2011			December 31, 2010		
	Currency	Interest rate (%)	Maturity	Domestic	Foreign	Total	Domestic	Foreign	Total
Subordinated									
Debenture	THB	4.35 – 5.50	2020	20,000	-	20,000	20,000	-	20,000
Senior securities	THB	3.33 – 5.10	2014	45,882	-	45,882	51,382	-	51,382
Bill of exchange	THB	0.92 – 3.80	2014	51,765	-	51,765	27,800	-	27,800
Other borrowings	THB	0.00 – 0.50	2011	207	-	207	183	-	183
				117,854	-	117,854	99,365	-	99,365

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS									
				March 31, 2011			December 31, 2010		
	Currency	Interest rate (%)	Maturity	Domestic	Foreign	Total	Domestic	Foreign	Total
Subordinated									
Debenture	THB	4.35 – 5.50	2020	20,000	-	20,000	20,000	-	20,000
Senior securities	THB	4.25 – 5.10	2012	26,582	-	26,582	32,082	-	32,082
Bill of exchange	THB	0.92 – 3.80	2014	54,665	-	54,665	30,600	-	30,600
Other borrowings	THB	0.00 – 0.50	2011	207	-	207	183	-	183
				101,454	-	101,454	82,865	-	82,865

Additional information on debts issued and borrowings is as follow:

- On June 23, 2010, the Bank issued subordinated debenture #1/2010 in the amount of Baht 20,000 million with a maturity in June 23, 2020 at the fixed interest rates of 4.35% per annum for the years 1-3, 4.75% per annum for the years 4-6 and 5.50% per annum for the years 7-10, payable quarterly on the 23 of March, June, September and December of each year. The Bank has the right to redeem debenture #1/2010 before the maturity date subject to the approval of the Bank of Thailand. The Bank may redeem the debentures prior to the fifth anniversary of the issue date, if the Bank is notified by the Bank of Thailand that the debentures shall not be treated as tier 2 capital or the debentures shall be treated as tier 2 capital less than 50% of tier 1 capital of the Bank.

5.8 Share capital

5.8.1 Capital management

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

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

5.8.2 Capital fund

The Bank maintains its capital funds in accordance with the criteria, methodologies, and conditions prescribed by the Bank of Thailand. As at March 31, 2011 and December 31, 2010, the Bank's total capital funds can be categorized as follows:

	Unit : Million Baht	
	March 31, 2011	December 31, 2010
Tier 1 capital		
Issued and paid-up share capital	60,741	60,741
Premium on share capital	13,802	13,802
Statutory reserve	711	711
Net profit after appropriations	6,302	7,837
<u>Less</u> Deferred tax assets	<u>(3,848)</u>	<u>(3,190)</u>
Total Tier 1 capital	<u>77,708</u>	<u>79,901</u>
Tier 2 capital		
Assets revaluation surplus	4,135	4,165
Subordinated unsecured floating rate notes	20,000	20,000
Investment revaluation surplus (net) in securities available-for-sale	219	219
Reserve for normal assets	<u>5,695</u>	<u>5,392</u>
Total Tier 2 capital	<u>30,049</u>	<u>29,776</u>
Total capital fund	<u>107,757</u>	<u>109,677</u>
	Percentage	
	March 31, 2011	December 31, 2010
Total capital / Total risk assets (minimum 8.50%)	16.79	15.84
Total tier 1 capital / Total risk assets (minimum 4.25%)	12.11	11.54

Disclosure of capital maintenance information for the Bank, and full consolidation, under the Notification of the Bank of Thailand No. SorNorSor. 6/2010 Re : Consolidated Supervision and No. SorNorSor. 25/2009 Re : Bank's Capital Funds Disclosure for Commercial Bank.

Location of disclosure	www.krungsri.com
Date of disclosure	April 29, 2011
Information as of	December 31, 2010

5.8.3 Dividend payment

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

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

5.9 Assets with obligations and restrictions

As at March 31, 2011 and December 31, 2010, government and state enterprise securities with a face value of Baht 7,758 million and Baht 14,676 million, respectively, were used as collateral for other commitments with government departments and state enterprises.

5.10 Contingencies

	CONSOLIDATED		Unit : Million Baht SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	March 31, 2011	December 31, 2010	March 31, 2011	December 31, 2010
Avals to bills	2,589	3,671	2,589	3,671
Guarantees of loans	259	258	259	258
Liability under unmatured import bills	1,257	1,202	1,257	1,202
Letters of credit	7,257	8,126	7,563	8,310
Other contingencies				
- Unused overdraft limit	52,863	50,596	53,033	50,766
- Other guarantees	36,954	35,874	37,596	36,514
- Others	312,154	300,695	312,325	300,849
Total	413,333	400,422	414,622	401,570

As at March 31, 2011 and December 31, 2010, the Bank has commitments for information technology in the amount of Baht 43 million and Baht 532 million, respectively.

5.11 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 portion will be absorbed by TAMC. The calculation of such profits and losses by TAMC is based on the fully repaid assets or the process of assets transfer has been completed in case of transfer of assets for repayment purposes. As at March 31, 2011 and December 31, 2010, the provisions for possible losses were set up amounting to Baht 1,996 million and Baht 1,996 million, respectively, which were presented under other liabilities in the statements of financial position.

5.12 Related party transactions

The Bank has business transactions with subsidiaries, associates 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 have the allowance for doubtful accounts policy and complied with the same BOT regulations as those granted to other debtors.

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

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

The inter-group transaction shall be the same conditions or criteria, including interest rate or 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:

- 5.12.1 Loans to, deposits, borrowing and contingencies with certain officers from the levels or Bank's Directors, Executive Vice Presidents and higher, and Vice Presidents/equivalent positions and higher in the Finance and Accounting Functions and the companies in which they and/or the Bank directors and/or their related parties and/or the Bank owned 10% or more of each company's paid-up capital the companies in which the directors and/or shareholders of the Bank having significant voting right either direct and indirect are as follows:

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS								
	March 31, 2011				December 31, 2010			
	Loans	Deposits	Borrowings	Contingencies	Loans	Deposits	Borrowings	Contingencies
Associates								
Tesco Card Services Limited	6,240	233	-	-	6,570	313	-	-
Tesco Life Assurance Broker Company Limited	-	13	-	-	-	10	-	-
Tesco General Insurance Broker Company Limited	-	171	-	-	-	147	-	-
<u>Less</u> Allowance for doubtful accounts	(62)	-	-	-	(67)	-	-	-
Total	6,178	417	-	-	6,503	470	-	-
Related companies having joint major shareholders or directors								
	238	17,124	-	1,539	255	13,402	-	1,722
<u>Less</u> Allowance for doubtful accounts	(3)	-	-	-	(3)	-	-	-
Total	235	17,124	-	1,539	252	13,402	-	1,722
Related companies from Troubled Debt Restructuring								
	-	-	-	2	-	-	-	-
<u>Less</u> Allowance for doubtful accounts	-	-	-	(2)	-	-	-	-
Total	-	-	-	-	-	-	-	-
Individual and related parties								
	126	345	-	-	108	317	-	-
Total	6,539	17,886	-	1,539	6,863	14,189	-	1,722

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS

	March 31, 2011				December 31, 2010			
	Loans	Deposits	Borrowings	Contingencies	Loans	Deposits	Borrowings	Contingencies
Subsidiaries								
Ayudhya Development Leasing Company Limited	5,038	36	-	476	4,242	20	-	339
Ayudhya Auto Lease Public Company Limited	-	251	2,000	-	170	324	1,900	-
Ayudhya Capital Lease Company Limited	-	1,764	-	-	-	1,758	-	-
Ayudhya Capital Auto Lease Public Company Limited	86,224	395	-	-	78,647	284	-	-
Ayudhya Total Solutions Public Company Limited	-	83	-	-	800	83	-	-
CFG Services Company Limited	2,870	149	-	-	2,720	176	-	-
Ayudhya Card Services Company Limited	3,650	187	-	-	4,500	232	-	-
Ayudhya Capital Services Company Limited (Formerly GE Capital (Thailand) Company Limited)	15,076	680	-	-	16,072	559	-	-
General Card Services Limited	10,419	412	-	-	11,169	182	-	-
Krungraiyudhya Card Company Limited	13,054	396	-	-	14,246	640	-	-
Siam Realty and Services Company Limited	355	26	-	-	295	57	-	-
Total Services Solutions Public Company Limited	-	387	900	-	-	370	900	-
Ayudhya Fund Management Company Limited	-	119	100	606	-	258	100	603
Ayudhya Asset Management Company Limited	10,416	35	-	38	11,092	12	-	38
Ayudhya Securities Public Company Limited	-	130	-	-	-	178	-	-
Ayudhya Factoring Company Limited	3,115	205	-	-	2,743	269	-	-
Quality Life Assurance Broker Company Limited	-	150	-	-	-	44	-	-
Quality General Insurance Broker Company Limited	-	152	-	-	-	119	-	-
Total	150,217	5,557	3,000	1,120	146,696	5,565	2,900	980
<u>Less</u> Allowance for doubtful accounts	(1,502)	-	-	-	(1,467)	-	-	-
Total	148,715	5,557	3,000	1,120	145,229	5,565	2,900	980
Associates								
Tesco Card Services Limited	6,240	233	-	-	6,570	313	-	-
Tesco Life Assurance Broker Company Limited	-	13	-	-	-	10	-	-
Tesco General Insurance Broker Company Limited	-	171	-	-	-	147	-	-
<u>Less</u> Allowance for doubtful accounts	(62)	-	-	-	(67)	-	-	-
Total	6,178	417	-	-	6,503	470	-	-
Related companies having joint major shareholders or directors	238	17,124	-	1,539	255	13,402	-	1,722
<u>Less</u> Allowance for doubtful accounts	(3)	-	-	-	(3)	-	-	-
Total	235	17,124	-	1,539	252	13,402	-	1,722
Related companies from Troubled Debt Restructuring	-	-	-	2	-	-	-	-
<u>Less</u> Allowance for doubtful accounts	-	-	-	(2)	-	-	-	-
Total	-	-	-	-	-	-	-	-
Individual and related parties	126	345	-	-	108	316	-	-
Total	155,254	23,443	3,000	2,659	152,092	19,753	2,900	2,702

As at March 31, 2011 and December 31, 2010, the Bank charges interest rates from the officer or related parties at 1.00% - 13.00% p.a. and 1.00% - 12.50%, respectively.

As at March 31, 2011 and December 31, 2010, the allowance for doubtful accounts of loans granted to subsidiaries of Baht 1,502 million and Baht 1,467 million, respectively, are not eliminated but treated as surplus reserve in consolidated financial statements.

As at March 31, 2011 and December 31, 2010, the Bank granted loans to Ayudhya Asset Management Company Limited as short-term promissory notes of Baht 10,416 million and Baht 11,092 million at the interest rates of 2.85% - 3.55% and 2.55% - 2.85% per annum, respectively.

5.12.2 The Bank has investments in subsidiaries and associates as disclosed in note 5.3 and has investments in related companies as follows:

Unit: Million Baht							
CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS							
				March 31, 2011		December 31, 2010	
	Business Type	Registered Share Capital	Ownership (%)	Investment Cost	Dividend Amount	Investment Cost	Dividend Amount
Related companies							
(10%-20% holding)							
Ayudhya Insurance							
Public Company Limited	Insurance	250	10.92	419	27	419	27
Asian Trade and Leasing							
Company Limited	Service	150	10.00	15	-	15	-
P.P. Parawood Company Limited	Manufacturing	95	10.00	10	-	10	-
				444	27	444	27
<u>Less</u> Allowance for doubtful accounts				(32)	-	(32)	-
Investment in related companies, net				412	27	412	27
Related companies from							
Troubled Debt Restructuring							
Wongpaitoon Public Company							
Limited	Manufacturing	8,683	37.30	93	-	93	-
<u>Less</u> Allowance for doubtful accounts				(93)	-	(93)	-
Investment in related companies							
from troubled debt restructuring, net				-	-	-	-

5.12.3 Income and expenses between the Bank and its subsidiaries, associates and related companies for the quarters ended March 31, 2011 and 2010 are as follows:

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS								
	For the quarter ended March 31, 2011				For the quarter ended March 31, 2010			
	Income		Expenses		Income		Expenses	
	Interest	Non-	Interest	Non-	Interest	Non-interest	Interest	Non-interest
	income	interest	expenses	interest	income	income	expenses	expenses
		income		expenses				
Associates								
Tesco Card Services Limited	53	1	-	-	43	-	-	-
Quality Life Assurance Broker Company Limited	-	-	-	-	130	34	-	-
Total	53	1	-	-	173	34	-	-
Related companies having joint major shareholders or directors	4	21	62	95	6	23	14	88
Total	4	21	62	95	6	23	14	88
Individual and related parties	1	-	1	-	-	-	-	-
Total	58	22	63	95	179	57	14	88

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS								
	For the quarter ended March 31, 2011				For the quarter ended March 31, 2010			
	Income		Expenses		Income		Expenses	
	Interest	Non-	Interest	Non-	Interest	Non-	Interest	Non-interest
	income	interest	expenses	interest	income	interest	expenses	expenses
		income		expenses		income		
Subsidiaries								
Ayudhya Development Leasing Company Limited	41	2	-	-	36	-	-	-
Ayudhya Auto Lease Public Company Limited	1	-	9	-	10	1	6	-
Ayudhya Capital Lease Company Limited	-	-	3	-	-	-	3	-
Ayudhya Capital Auto Lease Public Company Limited	735	1	1	-	748	1	-	4
Ayudhya Total Solutions Public Company Limited	3	1	-	-	24	3	-	-
CFG Services Company Limited	26	4	-	-	11	3	-	-
Ayudhya Card Services Company Limited	29	22	-	-	30	10	-	-
Ayudhya Capital Services Company Limited (Formerly GE Capital (Thailand) Company Limited)	138	19	-	5	95	-	-	-
General Card Services Limited	88	-	-	1	60	-	-	-
Krungsiyudhya Card Company Limited	107	15	-	-	93	36	-	-
Siam Realty and Services Company Limited	2	-	-	110	1	-	-	123
K.S.Law Office Company Limited	-	-	-	-	-	-	-	-
Total Services Solutions Public Company Limited	-	-	4	13	-	-	-	10
Ayudhya Fund Management Company Limited	-	16	-	2	-	12	-	-
Ayudhya Asset Management Company Limited	76	2	-	-	82	2	-	1
Ayudhya Securities Public Company Limited	-	4	2	1	-	1	1	1
Ayudhya Factoring Company Limited	19	1	-	-	5	1	-	-
Total	1,265	87	19	132	1,195	70	10	139

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS								
	For the quarter ended				For the quarter ended			
	March 31, 2011				March 31, 2010			
	Income		Expenses		Income		Expenses	
	Interest income	Non-interest income	Interest expenses	Non-interest expenses	Interest income	Non-interest income	Interest expenses	Non-interest expenses
Associates								
Tesco Card Services Limited	53	1	-	-	43	-	-	-
Quality Life Assurance Broker Company Limited	-	-	-	-	130	34	-	-
Total	53	1	-	-	173	34	-	-
Related companies having joint major shareholders or directors								
	4	21	62	95	6	23	14	88
Total	4	21	62	95	6	23	14	88
Individual and related parties								
	1	-	1	-	-	-	-	-
Total	1,323	109	82	227	1,374	127	24	227

5.12.4 For the quarters ended March 31, 2011 and 2010, the Bank has the expenses in the amount of Baht 72 million and Baht 83 million, respectively, paid to the General Electric company Group (“GE”) in connection with improvements in the effectiveness of management and operation of the Bank.

5.12.5 For the quarters ended March 31, 2011 and 2010, related party transactions between the Bank, subsidiaries and associates include collection services and other services of Baht 246 million and Baht 279 million and office and vehicle rental and facilities service of Baht 115 million and Baht 132 million, respectively.

5.12.6 For the quarters ended March 31, 2011 and 2010, subsidiaries have related party transactions from the licenses relevant to technology and software for Baht 18 million and Baht 10 million, respectively.

5.12.7 For the quarters ended March 31, 2011 and 2010, related party transactions between the Bank and subsidiaries companies from other services was Baht 295 million and Baht 223 million and incentive was Baht 15 million and Baht 36 million, respectively.

5.12.8 As at March 1, 2011, Ayudhya Capital Services Company Limited (“AYCAP”), the Bank’s subsidiary, has additionally invested in Tesco Card Services Limited (“TCS”) by 1%, resulting in total holding at 50%.

5.13 Management compensations

For the quarters ended March 31, 2011 and 2010, compensations paid to key management personnel under TAS 24 (Revised 2009) “Related Party Disclosures” are as follows.

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the quarters ended March 31,		For the quarters ended March 31,	
	2011	2010	2011	2010
Short-term employee benefits	227	205	158	134
Post-employment benefits*	5	-	3	-
Total	232	205	161	134

* Accounting policy of post-employment benefit has first-time adopted on January 1, 2011.

5.14 Position and results of operations classified by domestic and foreign business

(1) Position classified by type of business segment

	CONSOLIDATED FINANCIAL STATEMENTS			
	March 31, 2011			
	Domestic	Foreign	Elimination	Total
Total assets	869,872	4,473	(3,935)	870,410
Interbank and money market items, net (Assets)	84,343	500	-	84,843
Investments, net	69,831	276	-	70,107
Loans to customers and accrued interest receivable, net	623,810	2,537	-	626,347
Deposits	571,793	477	-	572,270
Interbank and money market items, net (Liabilities)	33,708	-	-	33,708
Debt issued and borrowings	117,854	-	-	117,854

	CONSOLIDATED FINANCIAL STATEMENTS			
	December 31, 2010			
	Domestic	Foreign	Elimination	Total
Total assets	868,759	3,429	(2,354)	869,834
Interbank and money market items, net (Assets)	73,591	936	-	74,527
Investments, net	78,051	309	-	78,360
Loans to customers and accrued interest receivable, net	614,201	2,530	-	616,731
Deposits	576,032	447	-	576,479
Interbank and money market items, net (Liabilities)	43,762	-	-	43,762
Debt issued and borrowings	99,365	-	-	99,365

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS

March 31, 2011

	Domestic	Foreign	Elimination	Total
Total assets	824,891	4,473	(3,935)	825,429
Interbank and money market items, net (Assets)	82,753	500	-	83,253
Investments, net	69,152	276	-	69,428
Loans to customers and accrued interest receivable, net	571,004	2,537	-	573,541
Deposits	576,710	477	-	577,187
Interbank and money market items, net (Liabilities)	26,050	-	-	26,050
Debt issued and borrowings	101,454	-	-	101,454

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS

December 31, 2010

	Domestic	Foreign	Elimination	Total
Total assets	827,652	3,429	(2,354)	828,727
Interbank and money market items, net (Assets)	72,041	936	-	72,977
Investments, net	77,180	309	-	77,489
Loans to customers and accrued interest receivable, net	565,017	2,530	-	567,547
Deposits	580,794	447	-	581,241
Interbank and money market items, net (Liabilities)	37,787	-	-	37,787
Debt issued and borrowings	82,865	-	-	82,865

(2) Results of operations classified by business segment

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE QUARTER ENDED MARCH 31, 2011

	Domestic	Foreign	Elimination	Total
Interest income	12,849	27	-	12,876
Interest expenses	3,684	1	-	3,685
Net interest income	9,165	26	-	9,191
Fees and service income, net	2,514	4	-	2,518
Other operating income	2,403	(13)	(577)	1,813
Other operating expenses	10,189	25	(577)	9,637
Profit (loss) from operating before tax	3,893	(8)	-	3,885

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE QUARTER ENDED MARCH 31, 2010

	Domestic	Foreign	Elimination	Total
Interest income	11,415	32	-	11,447
Interest expenses	2,970	1	-	2,971
Net interest income	8,445	31	-	8,476
Fee and service income, net	2,430	4		2,434
Other operating income	2,006	(15)	(505)	1,486
Other operating expenses	9,914	24	(505)	9,433
Profit (loss) from operating before tax	2,967	(4)	-	2,963

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS

FOR THE QUARTER ENDED MARCH 31, 2011

	Domestic	Foreign	Elimination	Total
Interest income	8,087	27	-	8,114
Interest expenses	3,474	1	-	3,475
Net interest income	4,613	26	-	4,639
Fee and service income, net	1,205	4		1,209
Other operating income	1,573	(13)	(577)	983
Other operating expenses	6,048	25	(577)	5,496
Profit (loss) from operating before tax	1,343	(8)	-	1,335

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS

FOR THE QUARTER ENDED MARCH 31, 2010

	Domestic	Foreign	Elimination	Total
Interest income	6,960	32	-	6,992
Interest expenses	2,881	1	-	2,882
Net interest income	4,079	31	-	4,110
Fee and service income, net	1,189	4		1,193
Other operating income	1,073	(15)	(505)	553
Other operating expenses	5,884	24	(505)	5,403
Profit (loss) from operating before tax	457	(4)	-	453

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.

5.15 Interest income

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	FOR THE QUARTERS ENDED MARCH 31,		FOR THE QUARTERS ENDED MARCH 31,	
	2011	2010	2011	2010
Interbank and money market items	543	183	539	182
Investment and trading transactions	26	18	25	18
Investment in debt securities	370	360	368	359
Interest on loans	8,372	7,712	7,182	6,433
Hire purchase and financial lease income	3,565	3,174	-	-
Total interest income	<u>12,876</u>	<u>11,447</u>	<u>8,114</u>	<u>6,992</u>

5.16 Interest expenses

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	FOR THE QUARTERS ENDED MARCH 31,		FOR THE QUARTERS ENDED MARCH 31,	
	2011	2010	2011	2010
Deposits	1,777	1,334	1,782	1,353
Interbank and money market items	358	124	308	108
Contributions to Deposit Protection Agency	575	520	575	520
Debt issued and borrowing				
- Subordinated debenture	215	141	215	141
- Other	759	851	595	760
Other	1	1	-	-
Total interest expenses	<u>3,685</u>	<u>2,971</u>	<u>3,475</u>	<u>2,882</u>

5.17 Post - employment benefits obligation

The Bank and its subsidiaries operate post-employment benefits plans under the Thai Labor Protection Act, which are considered as unfunded defined benefit plans. These plans are recognized as provision in the statement of financial position.

Movements in the present value of the defined benefits obligation are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the quarter ended March 31, 2011		For the quarter ended March 31, 2011	
Opening defined benefits obligation	11		-	
Add Adjustment due to change in accounting policies	2,333		2,022	
Opening defined benefit obligation - as adjusted	2,344		2,022	
Current service cost	50		34	
Interest cost	22		19	
Benefit paid	(6)		-	
Closing defined benefit obligation	<u>2,410</u>		<u>2,075</u>	

Amounts recognized in the statements of comprehensive income in respect of the defined benefit plans are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS For the quarter ended March 31, 2011	Unit : Million Baht SEPARATE FINANCIAL STATEMENTS For the quarter ended March 31, 2011
Current service cost	50	34
Interest on obligation	22	19
	<u>72</u>	<u>53</u>

The principle actuarial assumptions used to calculate the obligation under the defined benefit plans as at March 31, 2011 are as follows:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
Financial assumptions	
Discount rate as at March 31, 2011	4.1%
Expected rate of salary increase	6.0%
Retirement age	60 years

For the first-time adoption of TAS 19 “Employee Benefits”, the Bank and its subsidiaries elected to recognize past service costs by adjusting the retained earnings as at January 1, 2011.

5.18 Reclassifications

TAS 1 (Revised 2009) “Presentation of Financial Statements” changed requirements in the presentation of the financial statements. The reclassification in the consolidated and separate financial statements for the quarter ended March 31, 2010 and the consolidated and separate statements of financial position as at December 31, 2010, presented for comparison are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		Unit : Million Baht SEPARATE FINANCIAL STATEMENTS	
	Previous classifications	Current classifications	Previous classifications	Current classifications
STATEMENTS OF FINANCIAL POSITION				
AS AT DECEMBER 31, 2010				
Assets				
Derivatives assets	-	4,514	-	4,514
Loans to customers	648,960	674,596	586,960	586,994
Deferred revenue	-	(25,636)	-	(34)
Other assets, net	10,436	5,922	8,656	4,142
Liabilities				
Interbank and money market items, net	43,788	43,762	37,813	37,787
Derivatives liabilities	-	3,978	-	3,978
Provisions	407	3,675	407	2,465
Other liabilities	31,035	23,815	16,578	10,568

	CONSOLIDATED		Unit : Million Baht SEPARATE	
	FINANCIAL STATEMENTS Previous classifications	Current classifications	FINANCIAL STATEMENTS Previous classifications	Current classifications
STATEMENT OF COMPREHENSIVE INCOME				
FOR THE QUARTER ENDED MARCH 31, 2010				
Interest income	11,819	11,447	7,177	6,992
Interest expenses	2,451	2,971	2,362	2,882
Fees and service income	3,218	3,218	1,576	1,575
Fees and service expenses	1,082	783	439	381
Other operating income	1,383	1,486	448	553
Other operating expenses	6,742	6,252	4,583	4,041

5.19 Event after the reporting period

At the General Shareholders' meeting held on April 7, 2011, the shareholders approved a resolution authorizing a dividend payment for the second half year ended December 31, 2010 to the shareholders of 6,074,143,747 ordinary shares at Baht 0.35 per share which totaled Baht 2,126 million, with payment made on May 4, 2011.

5.20 Approval of interim financial statements

These interim financial statements have been approved for issue by the Bank's authorized directors and the Audit Committee on May 9, 2011.