REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION
BY 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 Bank's statement of financial position of Bank of Ayudhya Public Company Limited as at March 31, 2012, and the related consolidated and Bank's statements of comprehensive income, changes in equity and cash flows for the three-month periods ended March 31, 2012 and 2011, and the condensed notes to the financial statements. The Bank's management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our reviews.

Scope of Reviews

We conducted our reviews in accordance with Thai Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the aforementioned interim financial information has not been prepared, in all material respects, in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting".

Comparative statement of financial position as at December 31, 2011

We have previously audited, in accordance with Thai Standards on Auditing, the consolidated financial statements of Bank of Ayudhya Public Company Limited and its subsidiaries and the Bank's financial statements of Bank of Ayudhya Public Company Limited for the year ended December 31, 2011, and expressed an unqualified opinion in our report dated February 13, 2012. The consolidated and the Bank's statements of financial position as at December 31, 2011, presented herein for comparison, have been derived from such consolidated and Bank's financial statements. We have not performed any other audit procedures subsequent to such report date.

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

BANGKOK
May 8, 2012

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT MARCH 31, 2012 AND AS AT DECEMBER 31, 2011

BAHT: '000

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	"UNAUDITED"		"UNAUDITED"	
	As at March 31, 2012	As at December 31, 2011	As at March 31, 2012	As at December 31, 2011
ASSETS				
CASH	23,141,583	25,164,847	23,112,725	25,140,395
INTERBANK AND MONEY MARKET ITEMS, NET	65,782,445	81,817,705	64,712,805	80,518,686
CLAIMS ON SECURITY	5,706,411	3,845,662	5,706,411	3,845,662
DERIVATIVES ASSETS	2,956,597	4,833,556	2,957,014	4,833,556
INVESTMENTS, NET (Note 5.2)	101,516,547	81,203,947	100,878,742	80,681,625
INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES, NET (Note 5.3)	829,967	769,610	33,176,022	33,095,630
LOANS TO CUSTOMERS AND ACCRUED INTEREST RECEIVABLES, NET (Note 5.4)				
Loans to customers	775,188,391	751,404,973	658,171,566	641,269,203
Accrued interest receivables	1,867,856	1,858,966	1,206,263	1,105,855
Total loans to customers and accrued interest receivables	777,056,247	753,263,939	659,377,829	642,375,058
Less Deferred revenue	(33,187,539)	(31,898,355)	(29,709)	(26,010)
Less Allowance for doubtful accounts (Note 5.5)	(30,987,940)	(30,776,291)	(19,678,058)	(19,226,313)
Less Revaluation allowance for debt restructuring (Note 5.6)	(723,234)	(502,487)	(12,398)	(26,491)
Net loans and accrued interest receivables	712,157,534	690,086,806	639,657,664	623,096,244
CUSTOMERS' LIABILITY UNDER ACCEPTANCE	922,754	696,382	922,754	696,382
PROPERTIES FOR SALE, NET	11,225,917	11,737,334	5,686,874	5,937,172
PREMISES AND EQUIPMENT, NET	17,545,227	17,568,121	16,345,081	16,459,672
GOODWILL AND OTHER INTANGIBLE ASSETS, NET	15,992,386	12,053,632	2,945,856	1,647,653
DEFERRED TAX ASSETS	5,942,314	5,630,719	2,589,367	2,355,730
OTHER ASSETS, NET	12,384,481	12,389,026	8,587,155	8,514,498
TOTAL ASSETS	976,104,163	947,797,347	907,278,470	886,822,905

The condensed notes to the financial statements form an integral part of these interim statements

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT MARCH 31, 2012 AND AS AT DECEMBER 31, 2011

BAHT: '000

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	"UNAUDITED"		"UNAUDITED"	
	As at March 31, 2012	As at December 31, 2011	As at March 31, 2012	As at December 31, 2011
LIABILITIES AND EQUITY				
DEPOSITS	572,537,620	560,539,821	576,116,306	564,178,616
INTERBANK AND MONEY MARKET ITEMS, NET	32,055,375	23,740,707	31,890,884	23,646,431
LIABILITY PAYABLE ON DEMAND	2,319,914	1,650,740	2,319,914	1,650,740
LIABILITY TO DELIVER SECURITY	5,706,411	3,845,662	5,706,411	3,845,662
DERIVATIVES LIABILITIES	2,872,922	5,394,125	2,872,975	5,397,152
DEBT ISSUED AND BORROWINGS (Note 5.7)	205,328,452	208,262,710	175,574,337	172,044,802
BANK'S LIABILITY UNDER ACCEPTANCE	922,754	696,382	922,754	696,382
PROVISIONS (Note 5.8)	7,202,609	6,896,394	5,309,316	5,169,723
DEFERRED TAX LIABILITIES	2,296,253	2,275,923	1,517,439	1,452,086
OTHER LIABILITIES	38,671,093	31,799,288	11,268,737	16,189,802
TOTAL LIABILITIES	869,913,403	845,101,752	813,499,073	794,271,396
EQUITY				
SHARE CAPITAL (Note 5.9)				
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 SHARES	13,802,216	13,802,216	13,802,216	13,802,216
OTHER RESERVES	5,583,396	5,502,959	5,586,314	5,506,816
RETAINED EARNINGS				
Appropriated				
Legal reserve	1,316,500	1,316,500	1,316,500	1,316,500
Unappropriated	24,613,753	21,125,871	12,332,930	11,184,540
TOTAL BANK'S EQUITY	106,057,302	102,488,983	93,779,397	92,551,509
NON-CONTROLLING INTEREST	133,458	206,612	-	-
TOTAL EQUITY	106,190,760	102,695,595	93,779,397	92,551,509
TOTAL LIABILITIES AND EQUITY	976,104,163	947,797,347	907,278,470	886,822,905

The condensed notes to the 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 THREE-MONTH PERIODS ENDED MARCH 31, 2012 AND 2011

"UNAUDITED"

BAHT : '000

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2012	**2011**	**2012**	**2011**
INTEREST INCOME (Note 5.15)	15,362,024	12,876,327	10,450,245	8,113,993
INTEREST EXPENSES (Note 5.16)	5,982,047	3,685,490	5,676,362	3,474,747
INTEREST INCOME, NET	9,379,977	9,190,837	4,773,883	4,639,246
FEES AND SERVICE INCOME	3,736,291	3,340,495	1,721,855	1,614,954
FEES AND SERVICE EXPENSES	864,810	822,243	372,377	406,337
FEES AND SERVICE INCOME, NET	2,871,481	2,518,252	1,349,478	1,208,617
GAINS ON TRADINGS AND FOREIGN EXCHANGE TRANSACTIONS, NET	394,785	265,645	390,389	257,336
GAINS ON INVESTMENTS	66,567	180,001	66,567	180,001
SHARE OF PROFIT FROM INVESTMENT FOR USING EQUITY METHOD	60,357	6,344	-	-
DIVIDEND INCOME	162,552	130,292	236,627	310,292
BAD DEBTS RECOVERIES	788,123	535,066	125,190	6,891
OTHER OPERATING INCOME	457,217	695,547	148,133	228,140
TOTAL OPERATING INCOME	14,181,059	13,521,984	7,090,267	6,830,523
OTHER OPERATING EXPENSES				
Employee's expenses	3,207,191	2,872,412	2,098,166	2,025,663
Directors’ remuneration	7,859	7,567	7,306	6,814
Premises and equipment expenses	1,209,669	1,174,849	854,971	840,088
Taxes and duties	493,062	408,314	358,560	280,943
Others	2,089,181	2,423,865	979,598	992,306
Total other operating expenses	7,006,962	6,887,007	4,298,601	4,145,814
IMPAIRMENT LOSS OF LOANS AND DEBT SECURITIES	2,712,507	2,750,295	1,425,009	1,350,000
PROFIT FROM OPERATING BEFORE INCOME TAX EXPENSES	4,461,590	3,884,682	1,366,657	1,334,709
INCOME TAX EXPENSES	1,019,928	1,064,728	271,862	328,664
NET PROFIT	3,441,662	2,819,954	1,094,795	1,006,045
OTHER COMPREHENSIVE INCOME				
Gains (losses) on remeasuring available-for-sale investment	172,238	(308,135)	172,026	(308,323)
Income (losses) tax relating to components of other comprehensive income	(39,769)	111,233	(39,039)	111,233
Total other comprehensive income, net	132,469	(196,902)	132,987	(197,090)
TOTAL COMPREHENSIVE INCOME	3,574,131	2,623,052	1,227,782	808,955

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)

FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2012 AND 2011

"UNAUDITED"

BAHT : '000

		CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
		2012	**2011**	**2012**	**2011**
NET PROFIT ATTRIBUTABLE					
Owners of the Bank		3,430,082	2,808,146	1,094,795	1,006,045
Non-controlling interest		11,580	11,808	-	-
		3,441,662	2,819,954	1,094,795	1,006,045
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE					
Owners of the Bank		3,562,551	2,611,244	1,227,782	808,955
Non-controlling interest		11,580	11,808	-	-
		3,574,131	2,623,052	1,227,782	808,955
EARNINGS PER SHARE OF OWNERS OF THE BANK					
BASIC EARNINGS PER SHARE	**BAHT**	0.56	0.46	0.18	0.17
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES	**SHARES**	6,074,143,747	6,074,143,747	6,074,143,747	6,074,143,747

The condensed notes to the 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 THREE-MONTH PERIODS ENDED MARCH 31, 2012 AND 2011

"UNAUDITED"

BAHT : '000

	CONSOLIDATED FINANCIAL STATEMENTS									
	Owners of the Bank								Non-Controlling Interest	Total
	Issued and Paid-up Share Capital	Premium on Share Capital	Other reserves			Retained Earnings		Total Bank's Equity		
			Asset Appraisal Surplus	Revaluation Surplus (Deficit) on Investments	Deferred Tax Relating to Components of Other Comprehensive Income	Appropriated Legal Reserve	Unappropriated			
Balance as of January 1, 2011	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
Balance as of January 1, 2012	60,741,437	13,802,216	6,572,253	318,798	(1,388,092)	1,316,500	21,125,871	102,488,983	206,612	102,695,595
Change in revaluation surplus	-	-	(65,704)	-	13,672	-	53,596	1,564	-	1,564
Dividend payment	-	-	-	-	-	-	-	-	(138)	(138)
Total comprehensive income	-	-	-	172,238	(39,769)	-	3,430,082	3,562,551	11,580	3,574,131
Change in shareholding in subsidiary company	-	-	-	-	-	-	4,204	4,204	(84,596)	(80,392)
Balance as of March 31, 2012	60,741,437	13,802,216	6,506,549	491,036	(1,414,189)	1,316,500	24,613,753	106,057,302	133,458	106,190,760

The condensed notes to the financial statements form an integral part of these interim statements

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2012 AND 2011

"UNAUDITED"

BAHT : '000

THE BANK'S FINANCIAL STATEMENTS

	Issued and Paid-up Share Capital	Premium on Share Capital	Other reserves			Retained Earnings		Total
			Asset Appraisal Surplus	Revaluation Surplus (Deficit) on Investments	Deferred Tax Relating to Components of Other Comprehensive Income	Appropriated Legal Reserve	Unappropriated	
Balance as of January 1, 2011	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
Balance as of January 1, 2012	60,741,437	13,802,216	6,572,253	322,656	(1,388,093)	1,316,500	11,184,540	92,551,509
Change in revaluation surplus	-	-	(65,704)	-	12,215	-	53,595	106
Total comprehensive income	-	-	-	172,026	(39,039)	-	1,094,795	1,227,782
Balance as of March 31, 2012	60,741,437	13,802,216	6,506,549	494,682	(1,414,917)	1,316,500	12,332,930	93,779,397

The condensed notes to the 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 THREE-MONTH PERIODS ENDED MARCH 31, 2012 AND 2011

"UNAUDITED"

BAHT : '000

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2012	2011	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES				
Income from operating before income tax expenses	4,461,590	3,884,682	1,366,657	1,334,709
Adjustments to reconcile income to cash received (paid)				
from operating activities:				
Depreciation and amortization	644,129	960,999	395,959	396,127
Deferred interest expenses	-	1,266	-	1,266
Bad debt and doubtful accounts	2,591,012	2,736,700	1,432,224	1,316,409
Loss on debt restructuring (reversal)	121,495	13,595	(7,215)	33,591
(Gains) losses on translation in foreign currencies	693,396	(121,597)	693,396	(121,597)
Share of profit from investment for using equity method	(60,357)	(6,344)	-	-
Gains on investments	(66,567)	(180,001)	(66,567)	(180,001)
Increase (decrease) in discount on investments	71,611	(189,303)	(117,327)	(33,285)
(Gains) losses on sales of properties for sale	(167,238)	(173,987)	(61,569)	116,288
(Gains) losses on sales of premises and equipment	(6,892)	(24,394)	2,878	(474)
Losses on impairment of properties for sale	60,901	247,439	66,276	240,047
Losses on impairment of other assets	1,531	-	484	-
Decrease in other reserves	184,794	56,113	139,593	109,650
Interest income, net	(9,379,977)	(9,190,837)	(4,773,883)	(4,639,246)
Interest received	15,394,624	12,917,216	10,392,677	8,064,878
Interest paid	(6,119,956)	(4,041,321)	(6,100,807)	(3,830,579)
Dividend income	(162,552)	(130,292)	(236,627)	(310,292)
Dividend received	156,623	108,434	137,535	108,434
Decrease in other accrued expenses	(996,704)	(1,154,670)	(682,494)	(602,506)
Income tax paid	(85,064)	(1,351,744)	(51,684)	(44,746)
Income from operations before changes in operating assets and liabilities	7,336,399	4,361,954	2,529,506	1,958,673
(Increase) decrease in operating assets				
Interbank and money market items	15,482,940	(10,294,234)	15,511,043	(10,251,960)
Derivatives assets	1,876,561	(876,854)	1,876,145	(876,854)
Current investments - securities for trading	(4,950,847)	267,205	(4,950,836)	46,844
Loans to customers	(12,108,993)	(12,336,225)	(13,605,084)	(7,180,897)
Properties for sale	617,863	1,228,969	245,700	542,806
Other assets	225,962	670,303	3,698,523	35,899

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2012 AND 2011

"UNAUDITED"

BAHT : '000

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2012	**2011**	**2012**	**2011**
CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)				
Increase (decrease) in operating liabilities				
Deposits	9,766,579	(4,269,759)	9,706,466	(4,118,529)
Interbank and money market items	1,032,043	(10,053,274)	961,829	(11,735,256)
Liability payable on demand	669,175	1,244,872	669,175	1,244,872
Derivatives liabilities	(2,520,767)	1,375,262	(2,523,742)	1,375,262
Other liabilities	225,428	(496,822)	(3,168,659)	(629,485)
Net cash from operating activities	17,652,343	(29,178,603)	10,950,066	(29,588,625)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sales of investments - securities available-for-sale	240,225,447	214,130,231	240,225,447	214,438,184
Cash paid for purchases of investments - securities available-for-sale	(255,543,821)	(206,519,193)	(255,239,851)	(206,519,193)
Dividend income from subsidiaries	-	-	74,075	180,000
Cash paid for purchase of shares in subsidiaries	(80,392)	(3,000)	(80,392)	-
Proceeds from sales of premises and equipment	52,555	460,578	33,679	570
Cash paid for purchases of premises and equipment	(1,560,864)	(389,293)	(1,446,922)	(253,449)
Cash paid for purchases of other assets	(84,903)	(183,327)	(65,039)	(47,329)
Net cash from investing activities	(16,991,978)	7,495,996	(16,499,003)	7,798,783
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from debt issued and borrowing	118,072,244	67,414,469	124,536,037	67,514,469
Cash paid for repayment of debts issued and borrowing	(121,006,502)	(48,925,569)	(121,006,502)	(48,925,569)
Cash paid for liabilities under finance lease agreements	-	71,078	-	71,078
Dividend payment	(139)	-	-	-
Net cash from financing activities	(2,934,397)	18,559,978	3,529,535	18,659,978
Total	(2,274,032)	(3,122,629)	(2,019,402)	(3,129,864)
Effect of exchange rate change on cash	(8,267)	28,773	(8,268)	28,773
Net decrease in cash and cash equivalents	(2,282,299)	(3,093,856)	(2,027,670)	(3,101,091)
Cash and cash equivalents as at January 1,	26,102,863	22,460,979	25,140,395	22,447,133
Cash and cash equivalents as at March 31,	23,820,564	19,367,123	23,112,725	19,346,042

The condensed notes to the 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
THE CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2012 AND 2011
"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, 2012 and December 31, 2011, the Bank has 17 subsidiaries, with significant changes during the three-month period ended March 31, 2012 as follows:

1.1 On January 30, 2012, Ayudhya Factoring Company Limited has registered to change the Company name to Krungsri Factoring Company Limited.

2. BASIS FOR PREPARATION OF THE CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS

2.1 The interim financial statements are prepared in accordance with Thai Accounting Standard No.34 (Revised 2009) "Interim Financial Reporting" and the regulation of the Stock Exchange of Thailand dated January 22, 2001, regarding the Preparation and Filing of Financial Statements and Reports on Financial Status and Results of Operations of Listed Companies, B.E. 2544, including the Procedures, Policies and Presentation in accordance with the Bank of Thailand ("BOT")'s Notification regarding the Preparation and Announcement of Financial Statements of Commercial Banks and Holding Companies of Financial Industry dated December 3, 2010.

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, 2011.

The consolidated and the Bank's statements of financial position as at December 31, 2011, presented herein for comparison, have been derived from the consolidated and the Bank's financial statements for the year then ended which have been audited.

The results of operations for the three-month period ended March 31, 2012 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.

Financial Reporting Standards announced but not effective in 2012

The Federation of Accounting Professions has issued the Notifications regarding the Thai Financial Reporting Standards, which are effective for the accounting period beginning on or after January 1, 2013 onwards. The Thai Accounting Standards and Thai Financial Reporting 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
TFRS	
TFRS 8	Operating Segments
TFRI	
TFRI 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
TFRI 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

The Bank and subsidiaries had early adopted TAS 12 Income Taxes and relevant TFRI 21 and 25. For TAS 21 and TFRS 8, the Bank and subsidiaries' managements are still evaluating the first-year impact on 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 controlled or invested over 50% of their voting rights. These subsidiaries are as follows:

	Business Type	Percentage of Holdings As at March 31, 2012	Percentage of Holdings As at December 31, 2011
Subsidiaries			
Ayudhya Development Leasing Company Limited	Leasing and hire-purchase	99.99	99.99
Ayudhya Auto Lease Public Company Limited(1)	Hire-purchase	99.79	99.79
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	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
Krungsri Asset Management Company Limited (Formerly Ayudhya Fund Management Company Limited)	Fund management	76.59	76.59
Krungsri Ayudhya AMC Limited (Formerly Ayudhya Asset Management Company Limited)	Asset management	99.99	99.99

	Business Type	Percentage of Holdings As at	
		March 31, 2012	December 31, 2011
Subsidiaries (continue)			
Krungsri Securities Public Company Limited (Formerly Ayudhya Securities Public Company Limited)	Securities	98.71	88.13
Krungsri Factoring Company Limited (Formerly Ayudhya Factoring Company Limited)	Factoring	99.99	99.99
Krungsri Life Assurance Broker Limited(2) (Formerly Quality Life Assurance Broker Limited)	Life assurance broker	99.99	99.99
Krungsri General Insurance Broker Limited(2) (Formerly Quality General Insurance Broker Limited)	General insurance broker	99.99	99.99

(1) Subsidiary is 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 three-month periods ended March 31, 2012 and 2011, included 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 three-month period ended March 31, 2012	
Ayudhya Auto Lease Public Company Limited(1)	1
For the three-month period ended March 31, 2011	
Ayudhya Capital Lease Company Limited(2)	3

(1) Subsidiary is under the liquidation process.
(2) Subsidiary registered the completion of liquidation in December 2011.

3. 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, 2011.

4. CAPITAL FUND

Under the Bank of Thailand's regulation on supervision of capital fund, it requires the commercial bank to maintain the minimum capital requirement, to have the capital adequacy assessment process in place and to disclose of both quantitative and qualitative information relevant to capital maintenance. The minimum capital requirement ratio is 8.5% of total risk weighted assets with the condition that the Tier 1 capital shall not be less than 4.25% of total risk weighted assets. The Bank thus conducts the internal capital adequacy assessment process in accordance with the supervisory review process of the Bank of Thailand and monitors on a regular basis to ensure that the current and future capital requirements are aligned with the risk appetite in the Bank.

The Bank maintains its capital funds in accordance with the criteria, methodologies and conditions prescribed by the Bank of Thailand. As at March 31, 2012 and December 31, 2011, the Bank's total capital funds can be categorized as follows:

		Unit : Million Baht
	March 31, 2012	**December 31, 2011**
Tier 1 capital		
Issued and paid-up share capital	60,741	60,741
Premium on share capital	13,802	13,802
Statutory reserve	1,014	1,014
Unappropriated retained earning	7,642	7,642
Less Deferred tax assets	(2,356)	(2,356)
Total Tier 1 capital	80,843	80,843
Tier 2 capital	30,775	30,279
Total capital fund	111,618	111,122

	Percentage	
	March 31, 2012	**December 31, 2011**
Total capital / Total risk assets	16.04	16.29
Total tier 1 capital / Total risk assets	11.62	11.85

The Bank discloses the capital maintenance information under the Notification of the Bank of Thailand Re : Public Disclosure of Capital Maintenance for Commercial Bank as details as below.

Location of disclosure	www.krungsri.com
Date of disclosure	April 30, 2012
Information as of	December 31, 2011

5. ADDITIONAL INFORMATION

5.1 Additional information of cash flows

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

				Unit : Million Baht
	CONSOLIDATED FINANCIAL STATEMENTS		**THE BANK'S FINANCIAL STATEMENTS**	
	2012	**2011**	**2012**	**2011**
Increase (decrease) in revaluation surplus on investments	172	(308)	172	(308)
Accumulated depreciation of premises appraisal deducted from premises revaluation surplus	66	60	66	60

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

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2012	2011	2012	2011
Premises and equipment payable at the beginning of the periods	1,255	493	1,303	493
Purchases of premises and equipment	416	549	235	413
Less Cash payment	(1,561)	(389)	(1,447)	(253)
Premises and equipment payable at the end of the periods	110	653	91	653

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

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2012	2011	2012	2011
Computer software payable at the beginning of the periods	30	5	30	5
Purchases of computer software	79	82	59	43
Less Cash payment	(85)	(86)	(65)	(47)
Computer software payable at the end of the periods	24	1	24	1

5.1.4 The Extraordinary Meeting of Shareholders No. 1/2012 held on March 20, 2012 approved the Bank and/ or its subsidiaries' acquisition of the retail banking business in Thailand from the Hongkong and Shanghai Banking Corporation Limited, Bangkok Branch ("HSBC"), which operates credit card, personal loan and mortgage businesses and raising deposits and bills of exchange funding, under a foreign bank branch license and the Bank of Thailand's supervision. This acquisition was successfully completed on March 31, 2012.

Consolidated financial statements

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

Unit : Million Baht

	Book Value	Fair Value
Assets		
Receivable and loans	13,604	13,214
Others	7	21
	13,611	13,235
Liabilities		
Deposit and borrowings	9,596	9,596
Others	131	145
	9,727	9,741
Net assets	3,884	3,494
Other related costs		(144)
Goodwill		4,091
Unsettled price payable		7,441

The Bank and subsidiaries made the payment for such acquisition on April 2, 2012.

The initial accounting for the acquisition of HSBC's retail banking business has only been provisionally determined as at March 31, 2012. At the date of finalization of these financial statements, the necessary market valuations and other calculations has not been finalized and goodwill noted above has therefore only been provisionally determined based on the best estimate of the likely values.

The Bank and its subsidiaries are in the process of adjusting the necessary market valuations and other calculations which is still in the 12 month period from the purchase date.

5.1.5 Realized and unrealized gains (losses) on foreign exchange

In the preparation of cash flows statements, realized gains (losses) on foreign exchange are based on a cash basis. Unrealized gains (losses) on foreign exchange are based on the translation difference of assets and liabilities in foreign currencies as described in the accounting policies. It is presented as an adjustment to reconcile income before tax to cash received (paid) from operating activities.

5.2 Investments, net

Investments, net as at March 31, 2012 and December 31, 2011, consisted of the following:

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS							
	March 31, 2012				December 31, 2011			
	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	4,650	2	(1)	4,651	196	1	-	197
Private sector's debt securities	388	-	(2)	386	56	-	-	56
Domestic marketable equity	170	1	(4)	167	-	-	-	-
	5,208	3	(7)	5,204	252	1	-	253
Add (less) Revaluation allowance	(4)			-	1			-
Total	5,204			5,204	253			253
Securities Available-for-Sale								
Government and state enterprise securities	68,071	12	(153)	67,930	54,240	61	(105)	54,196
Private sector's debt securities	15,541	28	(99)	15,470	13,435	89	(31)	13,493
Domestic marketable equity	5,825	766	(63)	6,528	6,042	434	(128)	6,348
	89,437	806	(315)	89,928	73,717	584	(264)	74,037
Add Revaluation allowance	491			-	320			-
Less Allowance for impairment	(373)			(373)	(373)			(373)
Total	89,555			89,555	73,664			73,664
Securities Held-to-Maturity								
Government and state enterprise securities	761				1,033			
Private sector's debt securities	51				50			
Investment in accounts receivable	5,005				5,232			
	5,817				6,315			
Less Allowance for impairment	(50)				(50)			
Total	5,767				6,265			

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS							
	March 31, 2012				December 31, 2011			
	Cost/ Amortized Cost	**Unrealized Gains**	**Unrealized Losses**	**Fair Value**	**Cost/ Amortized Cost**	**Unrealized Gains**	**Unrealized Losses**	**Fair Value**
Securities for General Investments								
Domestic non-marketable equity securities	1,161				1,192			
Foreign non-marketable equity securities	28				28			
	1,189				1,220			
Less Allowance for impairment	(198)				(198)			
Total	991				1,022			
Total Investments, net	101,517				81,204			

Unit : Million Baht

	THE BANK'S FINANCIAL STATEMENTS							
	March 31, 2012				December 31, 2011			
	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	4,650	2	(1)	4,651	196	1	-	197
Private sector's debt securities	388	-	(2)	386	56	-	-	56
Domestic marketable equity	170	1	(4)	167	-	-	-	-
	5,208	3	(7)	5,204	252	1	-	253
Add (less) Revaluation allowance	(4)			-	1			-
Total	5,204			5,204	253			253
Securities Available-for-Sale								
Government and state enterprise securities	68,071	12	(153)	67,930	54,240	61	(105)	54,196
Private sector's debt securities	14,713	28	(99)	14,642	12,787	89	(31)	12,845
Domestic marketable equity Securities	5,820	766	(59)	6,527	6,037	434	(125)	6,346
	88,604	806	(311)	89,099	73,064	584	(261)	73,387
Add Revaluation allowance	495			-	323			-
Less Allowance for impairment	(26)			(26)	(26)			(26)
Total	89,073			89,073	73,361			73,361
Securities Held-to-Maturity								
Government and state enterprise securities	761				1,033			
Private sector's debt securities	50				50			
Investment in accounts receivable	4,869				5,031			
	5,680				6,114			
Less Allowance for impairment	(50)				(50)			
Total	5,630				6,064			
Securities for General Investments								
Domestic non-marketable equity securities	1,126				1,158			
Foreign non-marketable equity securities	28				28			
	1,154				1,186			
Less Allowance for impairment	(182)				(182)			
Total	972				1,004			
Total Investments, net	100,879				80,682			

As at March 31, 2012 and December 31, 2011, the investments classified as held-to-maturity debt securities (government and state enterprise securities) included the 10 year-term non-negotiable promissory notes avalled by the Financial Institution Development Fund in the consolidated financial statements and the Bank's financial statements of Baht 760 million and Baht 1,033 million, respectively, issued by the Thai Asset Management Corporation (TAMC) for assets transferred to TAMC. During the three-month period ended March 31, 2012, TAMC redeemed promissory notes of the Bank of Baht 272 million, and during the years 2011, TAMC redeemed promissory notes of the Bank of Baht 2,241 million.

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 THE BANK'S FINANCIAL STATEMENTS	
	March 31, 2012	**December 31, 2011**
Manufacturing	21	21
Total	21	21

In the consolidated and the Bank's financial statements as at March 31, 2012 and December 31, 2011, 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 cost of Baht 13 million and market price of Baht 0.

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 as at March 31, 2012 and December 31, 2011, are as follows:

Unit : Million Baht

					CONSOLIDATED FINANCIAL STATEMENTS					
					March 31, 2012			December 31, 2011		
Company Name	**Business Type**	**Securities Investment Type**	**Registered Share Capital**	**Ownership %**	**Investment (Cost)**	**Investment (Equity Method)**	**Dividend**	**Investment (Cost)**	**Investment (Equity Method)**	**Dividend**
Associates										
Tesco Card Services Limited [1]	Credit cards and personal loans	Common stock	780	50.00	390	787	-	390	726	-
Tesco Life Assurance Broker Limited [2]	Life assurance Broker	Common stock	2	50.00	-	13	-	-	12	-
Tesco General Insurance Broker Limited [2]	General insurance broker	Common stock	77	50.00	-	30	-	-	32	-
Metro Designee Company Limited[3]	Special Purpose vehicle	Common stock	-	21.90	-	-	-	-	-	-
Investments in associates, net					390	830	-	390	770	-

[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 Mass Rapid Transit Authority of Thailand (MRT) and Bangkok Metro Public Company Limited (BMCL) in case of BMCL breaches agreement with MRT or BMCL breaches the loan agreement with the creditor group.

Unit : Million Baht

THE BANK'S FINANCIAL STATEMENTS

March 31, 2012

Company Name	Business Type	Securities Investment Type	Registered Share Capital	Ownership %	Investment (Cost)	Dividend
Subsidiaries						
Ayudhya Development Leasing Company Limited	Leasing and hire- purchase	Common stock	705	99.99	929	-
Ayudhya Auto Lease Public Company Limited[1]	Hire-purchase	Common stock	713	99.79	813	-
		Preferred stock			197	-
Ayudhya Capital Auto Lease Public Company Limited	Hire-purchase and auto leasing	Common stock	1,045	99.99	16,281	-
Ayudhya Total Solutions Public Company Limited	Hire-purchase	Common stock	299	99.81	634	74
CFG Services Company Limited	Hire-purchase and motorcycle loans	Common stock	514	99.99	26	-
		Preferred stock			1	-
Ayudhya Card Services Company Limited	Credit cards and personal loans	Common stock	180	99.99	4	-
Ayudhya Capital Services Company Limited	Credit cards and personal loans	Common stock	125	99.99	6,141	-
General Card Services Limited	Credit cards and personal loans	Common stock	758	99.99	881	-
Krungsriayudhya Card Company Limited	Credit cards and personal loans	Common stock	1,100	99.99	1,304	-
Siam Realty and Services Company Limited	Car leasing and personnel services	Common stock	100	99.99	100	-
Total Services Solutions Public Company Limited	Collection services	Common stock	331	99.99	1,614	-
Krungsri Asset Management Company Limited (Formerly Ayudhya Fund Management Company Limited)	Fund management	Common stock	350	76.59	204	-
Krungsri Ayudhya AMC Limited (Formerly Ayudhya Asset Management Company Limited)	Asset management	Common stock	6,000	99.99	6,000	-
Krungsri Securities Public Company Limited (Formerly Ayudhya Securities Public Company Limited)	Securities	Common stock	600	98.71	731	-
Krungsri Factoring Company Limited (Formerly Ayudhya Factoring Company Limited)	Factoring	Common stock	300	99.99	300	-
Associated Company						
Metro Designee Company Limited [2]	Special purpose vehicle	Common stock	-	21.90	-	-
Investments in subsidiaries and associated company					36,160	74
Less Allowance for impairment					(2,984)	-
Investments in subsidiaries and associated company, net					33,176	74

(1) Subsidiary is under the liquidation process.

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

Unit : Million Baht

Company Name	Business Type	Securities Investment Type	Registered Share Capital	Ownership %	Investment (Cost)	Dividend
			THE BANK'S FINANCIAL STATEMENTS			
			December 31, 2011			
Subsidiaries						
Ayudhya Development Leasing Company Limited	Leasing and hire- purchase	Common stock	705	99.99	929	35
Ayudhya Auto Lease Public Company Limited[(1)]	Hire-purchase	Common stock	713	99.79	813	-
		Preferred stock			197	-
Ayudhya Capital Auto Lease Public Company Limited	Hire-purchase and auto leasing	Common stock	1,045	99.99	16,281	601
Ayudhya Total Solutions Public Company Limited	Hire-purchase	Common stock	299	99.81	634	215
CFG Services Company Limited	Hire-purchase and motorcycle loans	Common stock	514	99.99	26	-
		Preferred stock			1	-
Ayudhya Card Services Company Limited	Credit cards and personal loans	Common stock	180	99.99	4	180
Ayudhya Capital Services Company Limited	Credit cards and personal loans	Common stock	125	99.99	6,141	2,400
General Card Services Limited	Credit cards and personal loans	Common stock	758	99.99	881	-
Krungsriayudhya Card Company Limited	Credit cards and personal loans	Common stock	1,100	99.99	1,304	-
Siam Realty and Services Company Limited	Car leasing and personnel services	Common stock	100	99.99	100	-
Total Services Solutions Public Company Limited	Collection services	Common stock	331	99.99	1,614	72
Krungsri Asset Management Company Limited (Formerly Ayudhya Fund Management Company Limited)	Fund management	Common stock	350	76.59	204	-
Krungsri Ayudhya AMC Limited (Formerly Ayudhya Asset Management Company Limited)	Asset management	Common stock	6,000	99.99	6,000	-
Krungsri Securities Public Company Limited (Formerly Ayudhya Securities Public Company Limited)	Securities	Common stock	600	88.13	651	-
Krungsri Factoring Company Limited (Formerly Ayudhya Factoring Company Limited)	Factoring	Common stock	300	99.99	300	-
Associated Company						
Metro Designee Company Limited[(2)]	Special purpose vehicle	Common stock	-	21.90	-	-
Investments in subsidiaries and associated company					36,080	3,503
Less Allowance for impairment					(2,984)	
Investments in subsidiaries and associated company, net					33,096	3,503

(1) Subsidiary is under the liquidation process.

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

Disclosure of the statements of cash flows of Asset Management Company ("AMC")

KRUNGSRI AYUDHYA AMC LIMITED
(FORMERLY AYUDHYA ASSET MANAGEMENT COMPANY LIMITED)
STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2012 AND 2011
"UNAUDITED"

Unit : Million Baht

	2012	2011
Cash flows from operating activities		
Income before income tax	110	152
Adjustments to reconcile income to cash provided by (used in) operating activities		
Income from investment in receivable	(130)	(200)
Impairment loss of loans and debt securities	1	40
Loss on impairment of properties for sale	3	2
Gain on sales of properties for sale	(60)	(46)
Employment benefits expenses	3	3
Interest income, net	(3)	(3)
Proceeds from interest income	59	79
Cash paid for interest expenses	(56)	(76)
Cash paid for income tax	(3)	(5)
Income from operations before changes in operating assets and liabilities	(76)	(54)
(Increase) decrease in operating assets		
Investment in receivables	312	306
Loans to customers	31	(6)
Properties for sale	282	398
Other assets	(37)	56
Increase (decrease) in operating liabilities		
Other liabilities	(3)	(1)
Net cash from operating activities	509	699
Cash flows from investing activities		
Cash paid for purchase of equipment	(3)	-
Net cash used in investing activities	(3)	-
Cash flows from financing activities		
Proceeds from bill of exchange issued	7,771	13,185
Cash paid for repayment of bill of exchange	(8,316)	(13,861)
Net cash from financing activities	(545)	(676)
Net increase (decrease) in cash and cash equivalents	(39)	23
Cash and cash equivalents as at January 1,	93	12
Cash and cash equivalents as at March 31,	54	35

5.4 Loans to customers and accrued interest receivables, net

Loans to customers and accrued interest receivables, net as at March 31, 2012 and December 31, 2011, are as follows:

(1) Classified by products

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	March 31, 2012	**December 31, 2011**	**March 31, 2012**	**December 31, 2011**
Overdrafts	44,136	44,489	42,869	43,119
Loan against contract	332,796	319,653	474,993	452,170
Trade bill	140,400	145,998	140,064	145,606
Hire-purchase receivable	191,079	182,249	-	-
Lease contract receivable	23,937	22,441	-	-
Credit card receivable	35,829	28,683	-	-
Others	7,011	7,892	246	374
Total	775,188	751,405	658,172	641,269
Less Deferred revenue	(33,187)	(31,898)	(30)	(26)
Loans to customers after deferred revenue, net	742,001	719,507	658,142	641,243
Add Accrued interest receivables	1,868	1,859	1,206	1,106
Loans to customers and accrued interest receivable after deferred revenue, net	743,869	721,366	659,348	642,349
Less Allowance for doubtful accounts				
1) BOT requirement :				
Individual approach	(14,355)	(14,445)	(13,047)	(13,124)
Collective approach	(3,294)	(3,864)	-	-
2) Surplus reserve	(13,339)	(12,467)	(6,631)	(6,102)
Less Revaluation allowance for debt restructuring	(723)	(503)	(12)	(27)
Total loans to customers, net	712,158	690,087	639,658	623,096

(2) Classified by currency and residence of debtors

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS

	March 31, 2012			December 31, 2011		
	Domestic	**Foreign**	**Total**	**Domestic**	**Foreign**	**Total**
Baht	724,627	906	725,533	689,013	811	689,824
US Dollar	13,717	2,046	15,763	15,574	2,634	18,208
Other currencies	705	-	705	11,475	-	11,475
Total	739,049	2,952	742,001	716,062	3,445	719,507

Unit : Million Baht

THE BANK'S FINANCIAL STATEMENTS

	March 31, 2012			December 31, 2011		
	Domestic	**Foreign**	**Total**	**Domestic**	**Foreign**	**Total**
Baht	640,768	906	641,674	621,476	81	622,287
US Dollar	13,717	2,046	15,763	15,574	2,63	18,208
Other currencies	705	-	705	748	-	748
Total	655,190	2,952	658,142	637,798	3,44	641,243

(3) Classified by business type and classification

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2012

	Normal	**Special Mention**	**Substandard**	**Doubtful**	**Doubtful of Loss**	**Total**
Agriculture and mining	5,146	207	45	101	456	5,955
Manufacturing and trading	173,626	6,108	1,263	1,045	7,279	189,321
Real estate and construction	43,010	1,847	341	271	2,721	48,190
Public utilities and services	95,191	6,332	918	2,738	2,213	107,392
Housing loans	92,203	1,592	580	1,052	2,087	97,514
Others	277,269	11,457	2,511	1,500	892	293,629
Total	686,445	27,543	5,658	6,707	15,648	742,001

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2011

	Normal	**Special Mention**	**Substandard**	**Doubtful**	**Doubtful of Loss**	**Total**
Agriculture and mining	6,452	263	59	157	465	7,396
Manufacturing and trading	171,845	7,031	1,210	1,360	7,396	188,842
Real estate and construction	40,535	2,132	1,139	358	2,558	46,722
Public utilities and services	95,230	7,091	1,082	3,289	1,517	108,209
Housing loans	88,500	1,794	880	949	1,920	94,043
Others	256,216	12,998	2,890	1,419	772	274,295
Total	658,778	31,309	7,260	7,532	14,628	719,507

Unit : Million Baht

	THE BANK'S FINANCIAL STATEMENTS					
	March 31, 2012					
	Normal	**Special Mention**	**Substandard**	**Doubtful**	**Doubtful of Loss**	**Total**
Agriculture and mining	4,181	207	45	90	190	4,713
Manufacturing and trading	170,234	5,543	940	999	4,992	182,708
Real estate and construction	42,078	1,606	255	257	1,597	45,793
Public utilities and services	94,236	6,313	918	2,731	1,628	105,826
Housing loans	92,203	1,592	580	1,053	1,181	96,609
Others	221,262	512	231	297	191	222,493
Total	624,194	15,773	2,969	5,427	9,779	658,142

Unit : Million Baht

	THE BANK'S FINANCIAL STATEMENTS					
	December 31, 2011					
	Normal	**Special Mention**	**Substandard**	**Doubtful**	**Doubtful of Loss**	**Total**
Agriculture and mining	5,612	263	49	82	210	6,216
Manufacturing and trading	168,599	6,578	1,175	1,055	4,874	182,281
Real estate and construction	39,453	1,927	1,072	317	1,435	44,204
Public utilities and services	94,248	7,074	1,076	3,289	884	106,571
Housing loans	88,500	1,794	880	950	940	93,064
Others	207,878	386	199	293	151	208,907
Total	604,290	18,022	4,451	5,986	8,494	641,243

(4) Classified by type of classification

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS			
	March 31, 2012			
	Loans to Customers and Accrued Interest Receivables	**Outstanding Balance Use for Calculation Allowance**	**% Use for Calculation Allowance(3)**	**Allowance for Doubtful Accounts(4)**
1. Minimum allowance per BOT guideline				
Normal	688,057	387,148	1	5,283
Special mention	27,660	11,931	2 , 11	2,511
Substandard	5,658	2,951	44 , 100	2,107
Doubtful	6,707	2,981	44 , 100	2,401
Doubtful of loss	15,787	5,219	100	5,347
Total	743,869	410,230		17,649(1)
2. Surplus Reserve				13,339(2)
Total				30,988

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS			
	December 31, 2011			
	Loans to Customers and Accrued Interest Receivables	**Outstanding Balance Use for Calculation Allowance**	**% Use for Calculation Allowance[3]**	**Allowance for Doubtful Accounts[4]**
1. Minimum allowance per BOT guideline				
Normal	660,330	363,443	1	5,031
Special mention	31,444	13,855	2, 11	2,603
Substandard	7,260	3,998	49, 100	2,923
Doubtful	7,532	3,542	50, 100	3,089
Doubtful of loss	14,800	4,563	100	4,663
Total	721,366	389,401		18,309[1]
2. Surplus Reserve				12,467[2]
Total				30,776

[1] Including allowance for doubtful accounts on a collective approach for hire-purchase loans as at March 31, 2012 and December 31, 2011 of Baht 3,294 million and Baht 3,864 million, respectively.

[2] Including allowance for doubtful accounts of loans granted to subsidiaries as at March 31, 2012 and December 31, 2011, at the rate of 1% of Baht 174,788 million and Baht 164,433 million equal to Baht 1,748 million and Baht 1,644 million, respectively, which are not eliminated but treated as surplus reserve in the consolidated financial statements.

[3] % set up are the minimum rates required by the Bank of Thailand for loans to customers and the rates used for the collective approach valuation.

[4] Excluding revaluation allowance for debt restructuring as at March 31, 2012 and December 31, 2011, of Baht 723 million and Baht 503 million, respectively, and excluding allowance for doubtful accounts for interbank and money market items as at March 31, 2012 and December 31, 2011, of Baht 230 million and Baht 87 million, respectively.

Unit : Million Baht

	THE BANK'S FINANCIAL STATEMENTS			
	March 31, 2012			
	Loans to Customers and Accrued Interest Receivables	**Outstanding Balance Use for Calculation Allowance**	**% Use for Calculation Allowance**	**Allowance for Doubtful Accounts[2]**
1. Minimum allowance per BOT guideline				
Normal	625,331	339,815	1	4,828
Special mention	15,842	1,943	2	1,608
Substandard	2,969	619	100	619
Doubtful	5,427	1,882	100	1,882
Doubtful of loss	9,779	3,981	100	4,110
Total	659,348	348,240		13,047
2. Surplus Reserve				6,631[1]
Total				19,678

Unit : Million Baht

	THE BANK'S FINANCIAL STATEMENTS			
	December 31, 2011			
	Loans to Customers and Accrued Interest Receivables	Outstanding Balance Use for Calculation Allowance	% Use for Calculation Allowance	Allowance for Doubtful Accounts[(2)]
1. Minimum allowance per BOT guideline				
Normal	605,319	324,486	1	4,489
Special mention	18,099	2,106	2	1,509
Substandard	4,451	1,364	100	1,364
Doubtful	5,986	2,475	100	2,503
Doubtful of loss	8,494	3,159	100	3,259
Total	642,349	333,590		13,124
2. Surplus Reserve				6,102[(1)]
Total				19,226

(1) Including allowance for doubtful accounts of loan granted to subsidiaries as at March 31, 2012 and December 31, 2011, at the rate of 1% of Baht 174,788 million and Baht 164,433 million, equal to Baht 1,748 million and Baht 1,644 million, respectively.

(2) Excluding revaluation allowance for debt restructuring as at March 31, 2012 and December 31, 2011, of Baht 12 million and Baht 27 million, respectively and excluding allowance for doubtful accounts for interbank and money market items as at March 31, 2012 and December 31, 2011, of Baht 230 million and Baht 87 million, respectively.

As at March 31, 2012 and December 31, 2011, the Bank and Krungsri Ayudhaya AMC Limited (formerly Ayudhya Asset Management Company Limited) ("AMC") had non-performing loans which included interbank and money market items as follows:

Unit : Million Baht

	March 31, 2012		
	The Bank	AMC	The Bank and AMC
Non-performing loans	18,175	5,122	23,297
Percentage of total loans	2.58	100.00	3.28
Non-performing loans, net	11,564	4,232	15,796
Percentage of total loans, net	1.66	100.00	2.25

Unit : Million Baht

	December 31, 2011		
	The Bank	AMC	The Bank and AMC
Non-performing loans	18,931	5,479	24,410
Percentage of total loans	2.66	100.00	3.40
Non-performing loans, net	11,801	4,465	16,266
Percentage of total loans, net	1.67	100.00	2.29

As at March 31, 2012 and December 31, 2011, the Bank and its subsidiaries' non-performing loans are Baht 28,103 million and Baht 29,536 million, respectively.

(5) Troubled debt restructuring

For the three-month periods ended March 31, 2012 and 2011, the Bank and its subsidiaries had restructured the following debts:

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS

Form of Restructuring	For the three-month period ended March 31, 2012 Number of Debtors	Amount of Debt Before Restructuring	Type of Assets Acquired	Fair Value	For the three-month period ended March 31, 2011 Number of Debtors	Amount of Debt Before Restructuring	Type of Assets Acquired	Fair Value
Modification of terms	4,223	773		-	4,256	1,124		-
Reduction of principal and interest	1,439	477		-	1,507	450		-
Various forms of restructuring	80	478			62	600		-
Total	5,742	1,728		-	5,825	2,174		-

Unit : Million Baht

THE BANK'S FINANCIAL STATEMENTS

Form of Restructuring	For the three-month period ended March 31, 2012 Number of Debtors	Amount of Debt Before Restructuring	Type of Assets Acquired	Fair Value	For the three-month period ended March 31, 2011 Number of Debtors	Amount of Debt Before Restructuring	Type of Assets Acquired	Fair Value
Modification of terms	305	579		-	288	880		-
Reduction of principal and interest	127	426		-	178	399		-
Various forms of restructuring	80	478		-	62	600		-
Total	512	1,483		-	528	1,879		-

For the three-month periods ended March 31, 2012 and 2011, 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 three-month period ended March 31, 2012 Average Aging (Year)	Number	Amount of Debt Before Restructuring	Amount of Debt After Restructuring	For the three-month period ended March 31, 2011 Average Aging (Year)	Number	Amount of Debt Before Restructuring	Amount of Debt After Restructuring
Present value of future cash flows	0.52	3,889	197	194	0.51	3,933	214	25
Fair value of collateral	7.79	334	576	491	5.87	323	910	501

Unit : Million Baht

Method	THE BANK'S FINANCIAL STATEMENTS For the three-month period ended March 31, 2012 Average Aging (Year)	Number	Amount of Debt Before Restructuring	After Restructuring	For the three-month period ended March 31, 2011 Average Aging (Year)	Number	Amount of Debt Before Restructuring	After Restructuring
Present value of future cash flows	10.49	9	23	19	5.92	13	40	25
Fair value of collateral	8.74	296	556	491	6.87	275	840	500

For the three-month periods ended March 31, 2012 and 2011, the Bank and its subsidiaries recognized losses on debt restructured and interest received from debt restructured in the statements of comprehensive income as follows:

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS For the three-month periods ended March 31,		THE BANK'S FINANCIAL STATEMENTS For the three-month periods ended March 31,	
	2012	2011	2012	2011
Losses on debt restructured	121	14	(7)	33
Interest received from debt restructured	276	153	229	118

As at March 31, 2012 and December 31, 2011, the Bank and its subsidiaries recorded balances of total debt restructured and debt restructured during the three-month period ended March 31, 2012 and during the years ended December 31, 2011, in the statements of financial position as follows:

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011
Balances of total debt restructured	16,956	20,242	15,614	18,240
Balances of debt restructured during the periods / years	1,407	9,633	1,182	7,822

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

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS March 31, 2012 Amount due per agreements Within 1 year	Over 1-5 Years	Over 5 Years	Total
Minimum lease payments	69,532	137,654	7,830	215,016
Less Unearned interest income				(33,052)
Present value of the minimum lease payments				181,964
Less Allowance for doubtful accounts				(5,784)
Total lease receivables, net				176,180

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS			
	December 31,2011			
	Amount due per agreements			
	Within 1 year	Over 1-5 Years	Over 5 Years	Total
Minimum lease payments	65,791	129,770	9,129	204,690
Less Unearned interest income				(31,769)
Present value of the minimum lease payments				172,921
Less Allowance for doubtful accounts				(6,115)
Total lease receivables, net				166,806

5.5 Allowance for doubtful accounts

Allowance for doubtful accounts as at March 31, 2012 and December 31, 2011, are as follows:

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS						
	March 31, 2012						
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Surplus Reserve	Total
Beginning balance	5,03	2,603	2,923	3,089	4,663	12,467	30,776
Doubtful accounts	16	(96)	593	(688)	1,742	729	2,449
Bad debts written off	-	-	(1,612)	-	(1,058)	-	(2,670)
Other	8	4	203	-	-	143	433
Ending balance	5,28	2,511	2,107	2,401	5,347	13,339	30,988

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS						
	December 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	(22	1,434	(251)	3,547	7,124	(201)	11,428
Bad debts written off	-	-	(2,325)	(1,318)	(4,825)	-	(8,468)
Bad debts written off from sales of NPLs	(	(1)	(65)	(408)	(5,121)	-	(5,596)
Other	-	-	-	-	-	2	2
Ending balance	5,03	2,603	2,923	3,089	4,663	12,467	30,776

As at March 31, 2012 and December 31, 2011, the consolidated financial statements included the allowance for doubtful account of hire-purchase loans applying a collective approach basis in the amounts of Baht 3,294 million and Baht 3,864 million, respectively.

Unit : Million Baht

	THE BANK'S FINANCIAL STATEMENTS March 31, 2012						
	Normal	**Special Mention**	**Substandard**	**Doubtful**	**Doubtful of Loss**	**Surplus Reserve**	**Total**
Beginning balance	4,489	1,509	1,364	2,503	3,259	6,102	19,226
Doubtful accounts	339	99	93	(621)	982	398	1,290
Bad debts written off	-	-	(838)	-	(131)	-	(969)
Other	-	-	-	-	-	131	131
Ending balance	4,828	1,608	619	1,882	4,110	6,631	19,678

Unit : Million Baht

	THE BANK'S FINANCIAL STATEMENTS December 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	(504)	982	(2,362)	3,266	4,149	708	6,239
Bad debts written off	-	-	(155)	(1,318)	(101)	-	(1,574)
Bad debts written off from sales of NPLs	(1)	(1)	(65)	(407)	(5,121)	-	(5,595)
Other	-	-	-	-	-	2	2
Ending balance	4,489	1,509	1,364	2,503	3,259	6,102	19,226

As at March 31, 2012 and December 31, 2011, the Bank estimated the minimum total allowance* under the BOT Guidelines of Baht 18,602 million and Baht 18,899 million, respectively for the consolidated financial statements and Baht 13,289 million and Baht 13,238 million, respectively for the Bank's 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 the financial statements as follows:

Unit : Million Baht

	March 31, 2012	**December 31, 2011**
Consolidated financial statements	31,941	31,366
The Bank and Krungsri Ayudhya AMC Limited (formerly Ayudhya Asset Management Company Limited	21,945	21,514
The Bank's financial statements	19,920	19,340

As at March 31, 2012 and December 31, 2011, 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 THE BANK'S FINANCIAL STATEMENTS March 31, 2012			
	Number	**Outstanding Balance**	**Collateral**	**Allowance for Doubtful Accounts**
Companies subject to be delisted by SET	3	2,626	655	2,070
Total	3	2,626	655	2,070

Unit : Million Baht

	CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS December 31, 2011			
	Number	**Outstanding Balance**	**Collateral**	**Allowance for Doubtful Accounts**
Companies subject to be delisted by SET	3	70	53	20
Total	3	70	53	20

5.6 Revaluation allowance for debt restructuring

Revaluation allowance for debt restructuring as at March 31, 2012 and December 31, 2011, are as follows:

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS	
	March 31, 2012	**December 31, 2011**
Beginning balance	503	543
Increase during the periods / year	384	821
Amount written off	(164)	(861)
Ending balance	723	503

Unit : Million Baht

	THE BANK'S FINANCIAL STATEMENTS	
	March 31, 2012	**December 31, 2011**
Beginning balance	27	35
Increase(decrease) during the periods / year	(8)	117
Amount written off	(7)	(125)
Ending balance	12	27

5.7 Debt issued and borrowings

Debt issued and borrowings as at March 31, 2012 and December 31, 2011, are as follows:

Unit : Million Baht

				CONSOLIDATED FINANCIAL STATEMENTS					
				March 31, 2012			December 31, 2011		
	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	3.05 – 4.50	2015	70,804	-	70,804	26,300	-	26,300
Bill of exchange	THB	2.05 – 4.50	2014	114,127	-	114,127	155,785	-	155,785
Other borrowings	THB	0.00 – 2.97	2017	397	-	397	6,178	-	6,178
				205,328	-	205,328	208,263	-	208,263

Unit : Million Baht

				THE BANK'S FINANCIAL STATEMENTS					
				March 31, 2012			December 31, 2011		
	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	3.05 – 4.50	2015	48,510	-	48,510	4,000	-	4,000
Bill of exchange	THB	2.05 – 4.50	2014	106,667	-	106,667	141,867	-	141,867
Other borrowings	THB	0.00 – 2.97	2017	397	-	397	6,178	-	6,178
				175,574	-	175,574	172,045	-	172,045

Additional information on debts issued and borrowings is as follows:

- On June 23, 2010, the Bank issued subordinated debenture #1/2010 in the amount of Baht 20,000 million with maturity on 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 Provisions

Provisions as at March 31, 2012 and December 31, 2011, are as follows:

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	Balance at January 1, 2011	Adjustment due to change in accounting policies	Increase (Decrease)	Balance at December 31, 2011	Increase (Decrease)	Balance at March 31, 2012
Provision for post-employment benefits obligation	15	2,333	444	2,792	43	2,835
Provision for loss on impairment of assets transferred to the Thai Asset Management Corporation	2,057	-	49	2,106	-	2,106
Provision for customer loyalty program	1,156	-	88	1,244	182	1,426
Others	462	-	292	754	82	836
Total	3,690	2,333	873	6,896	307	7,203

Unit : Million Baht

	THE BANK'S FINANCIAL STATEMENTS					
	Balance at January 1, 2011	Adjustment due to change in accounting policies	Increase (Decrease)	Balance at December 31, 2011	Increase (Decrease)	Balance at March 31, 2012
Provision for post-employment benefits obligation	4	2,021	333	2,358	27	2,385
Provision for loss on impairment of assets transferred to the Thai Asset Management Corporation	1,996	-	74	2,070	-	2,070
Provision for customer loyalty program	7	-	14	21	2	23
Others	469	-	252	721	110	831
Total	2,476	2,021	673	5,170	139	5,309

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 avalled 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, 2012 and December 31, 2011, the provisions for possible losses were set up in the amounts of Baht 2,106 million for the consolidated financial statements and 2,071 million for the Bank's financial statements.

TAMC has been liquidated since June 9, 2011 and currently the Bank and its subsidiaries are in the process of filing the application to settle the obligation with the Liquidation Committee of TAMC, according to the Royal Decree on the Liquidation of Thai Asset Management Corporation.

On October 14, 2011, the Liquidation Committee of Thai Asset Management Corporation (TAMC) sent a letter to the Bank regarding the principles and guidelines for the redemption of maturing promissory notes following the wrap-up of the TAMC on June 9, 2011.

5.9 Share capital

5.9.1 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, or issue new shares or sell property in order to reduce debt obligation.

5.9.2 Dividend payment

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.

The Board of Directors' Meeting No. 8/2011 dated August 24, 2011, had approved a resolution authorizing a dividend payment for the first half year ended June 30, 2011 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 September 22, 2011.

5.10 Assets with obligations and restrictions

As at March 31, 2012 and December 31, 2011, government and state enterprise securities with book value of Baht 3,491 million and Baht 6,313 million, respectively, are used as collateral for other commitments with government departments and state enterprises.

5.11 Contingencies

Contingencies as at March 31, 2012 and December 31, 2011, are as follows:

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011
Avals to bills	1,300	1,585	1,300	1,585
Guarantees of loans	181	180	181	180
Liability under unmatured import bills	1,871	1,465	1,871	1,465
Letters of credit	7,487	8,293	7,487	8,293
Other contingencies				
- Unused overdraft limit	55,813	53,734	55,963	53,884
- Other guarantees	35,481	36,063	35,481	36,063
- Others	436,147	366,824	436,250	366,942
Total	538,280	468,144	538,533	468,412

The Bank and its subsidiaries have entered into a long-term information technology service agreement, which will be expired in 2019, with a local company. As of March 31, 2012, the Bank and its subsidiaries have a commitment to pay in the amount of Baht 4,566 million.

As at March 31, 2012 and December 31, 2011, the Bank has commitments to be paid regarding the information technology services in the amounts of Baht 40 million and Baht 35 million, respectively.

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 loans to related party have the allowance for doubtful accounts policy which 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 Transactions in the Financial Business Group Policy as follows:

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

   The inter-group transactions shall be the same conditions or criteria, including interest rate 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 of Bank's Directors, Executive Vice Presidents and higher, and Vice Presidents/equivalent positions and higher in the Finance and Accounting Functions and the companies in which they and/or the Bank directors and/or their related parties and/or the Bank owned and 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, 2012				December 31, 2011			
	Loans	**Deposits**	**Borrowings**	**Contingencies**	**Loans**	**Deposits**	**Borrowings**	**Contingencies**
Associates								
Tesco Card Services Limited	7,685	315	-	23	7,595	267	-	-
Tesco Life Assurance Broker Limited	-	21	-	-	-	18	-	-
Tesco General Insurance Broker Limited	-	180	-	-	-	186	-	-
Less Allowance for doubtful accounts	(77)	-	-	-	(76)	-	-	-
Total	7,608	516	-	23	7,519	471	-	-
Related companies having joint major shareholders or directors	804	8,492	1,200	163	619	9,032	353	169
Less Allowance for doubtful accounts	(8)	-	-	-	(6)	-	-	-
Total	796	8,492	1,200	163	613	9,032	353	169
Individual and related parties	182	397	118	-	178	284	127	-
Total	8,586	9,405	1,318	186	8,310	9,787	480	169

Unit : Million Baht

	THE BANK'S FINANCIAL STATEMENTS							
	March 31, 2012				December 31, 2011			
	Loans	**Deposits**	**Borrowings**	**Contingencies**	**Loans**	**Deposits**	**Borrowings**	**Contingencies**
Subsidiaries								
Ayudhya Development Leasing Company Limited	9,776	20	-	281	9,154	50	-	642
Ayudhya Auto Lease Public Company Limited	-	695	-	-	-	695	-	-
Ayudhya Capital Auto Lease Public Company Limited	106,873	317	-	-	94,019	345	-	-
Ayudhya Total Solutions Public Company Limited	-	35	1,196	-	-	151	751	-
CFG Services Company Limited	3,990	136	-	-	3,750	218	-	-
Ayudhya Card Services Company Limited	3,300	190	-	-	4,100	216	-	-
Ayudhya Capital Services Company Limited	17,795	457	-	3	18,100	471	-	3
General Card Services Limited	10,435	261	-	33	11,190	161	-	-
Krungsriayudhya Card Company Limited	13,763	444	-	62	14,748	342	-	1
Siam Realty and Services Company Limited	385	18	-	-	335	40	-	-
Total Services Solutions Public Company Limited	-	410	200	-	-	351	200	-
Krungsri Ayudhya Fund Management Company Limited (Formerly Ayudhya Fund Management Company Limited)	-	59	300	617	-	78	300	634
Krungsri Ayudhya AMC Limited (Formerly Ayudhya Asset Management Company Limited)	5,422	49	-	38	5,967	83	-	38
Krungsri Securities Public Company Limited (Formerly Ayudhya Securities Public Company Limited)	-	118	426	-	-	82	600	-
Krungsri Factoring Company Limited (Formerly Ayudhya Factoring Company Limited)	3,049	229	-	-	3,070	235	-	-
Krungsri Life Assurance Broker Company Limited (Formerly Quality Life Assurance Broker Company Limited)	-	103	-	-	-	90	-	-
Krungsri General Insurance Broker Company Limited (Formerly Quality General Insurance Broker Company Limited)	-	211	-	-	-	179	-	-
Total	174,788	3,752	2,122	1,034	164,433	3,787	1,851	1,318
Less Allowance for doubtful accounts	(1,748)	-	-	-	(1,644)	-	-	-
Total	173,040	3,752	2,122	1,034	162,789	3,787	1,851	1,318

Unit : Million Baht

	THE BANK'S FINANCIAL STATEMENTS							
	March 31, 2012				December 31, 2011			
	Loans	Deposits	Borrowings	Contingencies	Loans	Deposits	Borrowings	Contingencies
Associates								
Tesco Card Services Limited	7,685	315	-	23	7,595	267	-	-
Tesco Life Assurance Broker Limited	-	21	-	-	-	18	-	-
Tesco General Insurance Broker Limited	-	180	-	-	-	186	-	-
Less Allowance for doubtful accounts	(77)	-	-	-	(76)	-	-	-
Total	7,608	516	-	23	7,519	471	-	-
Related companies having joint major shareholders or directors	804	8,492	1,200	163	619	9,032	353	169
Less Allowance for doubtful accounts	(8)	-	-	-	(6)	-	-	-
Total	796	8,492	1,200	163	613	9,032	353	169
Individual and related parties	162	397	118	-	140	284	127	-
Total	181,606	13,157	3,440	1,220	171,061	13,574	2,331	1,487

As at March 31, 2012 and December 31, 2011, the Bank charges interest rates to the officer or related parties at 1.00% - 15.00% p.a. and 1.00% - 7.63%, respectively.

As at March 31, 2012 and December 31, 2011, the allowance for doubtful accounts of loans granted to subsidiaries of Baht 1,748 million and Baht 1,644 million, respectively, are not eliminated but treated as surplus reserve in the consolidated financial statements.

As at March 31, 2012 and December 31, 2011, the Bank granted loans to Krungsri Ayudhya AMC Company Limited (formerly Ayudhya Asset Management Company Limited) as short-term promissory notes of Baht 5,422 million and Baht 5,967 million at the interest rates of 3.77% - 4.05% and 4.01% - 4.05% per annum, respectively.

5.12.2 The Bank has investments in subsidiaries and associates as disclosed in note 5.2 and has investments in related companies as follows:

Unit: Million Baht

				CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS			
				March 31, 2012		December 31, 2011	
	Business Type	Registered Share Capital	Ownership (%)	Investment Cost	Dividend Amount	Investment Cost	Dividend Amount
Related companies							
Sriayudhya Capital Insurance Public Company Limited (Formerly Ayudhya Insurance Public Company Limited)	Insurance	250	10.92	419	14	419	33
Less Allowance for impairment				(7)	-	(7)	-
Investment in related companies, net				412	14	412	33

5.12.3 Income and expenses between the Bank and its subsidiaries, associates and related companies for the three-month periods ended March 31, 2012 and 2011, are as follows:

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS							
	For the three-month period ended March 31, 2012				For the three-month period ended March 31, 2011			
	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	83	2	-	-	53	1	-	-
Tesco General Insurance Broker Limited	-	2	1	-	-	-	-	-
Total	83	4	1	-	53	1	-	-
Related companies having joint major shareholders or directors	7	5	45	91	4	21	62	95
Total	7	5	45	91	4	21	62	95
Individual and related parties	1	-	3	-	1	-	1	-
Total	91	9	49	91	58	22	63	95

Unit : Million Baht

	THE BANK'S FINANCIAL STATEMENTS							
	For the three-month period ended March 31, 2012				For the three-month period ended March 31, 2011			
	Income		Expenses		Income		Expenses	
	Interest income	Non-interest income	Interest expenses	Non- interest expenses	Interest income	Non-interest income	Interest expenses	Non-interest expenses
Subsidiaries								
Ayudhya Development Leasing Company Limited	98	1	-	-	41	2	-	-
Ayudhya Auto Lease Public Company Limited	-	-	2	-	1	-	9	-
Ayudhya Capital Lease Company Limited	-	-	-	-	-	-	3	-
Ayudhya Capital Auto Lease Public Company Limited	995	14	1	-	735	1	1	-
Ayudhya Total Solutions Public Company Limited	-	1	8	-	3	1	-	-
CFG Services Company Limited	47	4	-	-	26	4	-	-
Ayudhya Card Services Company Limited	34	20	-	-	29	22	-	-
Ayudhya Capital Services Company Limited	185	27	-	1	138	19	-	5
General Card Services Limited	112	2	1	-	88	-	-	1
Krungsriayudhya Card Company Limited	141	4	1	-	107	15	-	-
Siam Realty and Services Company Limited	3	-	-	109	2	-	-	110
Total Services Solutions Public Company Limited	-	1	3	14	-	-	4	13
Krungsri Ayudhya Fund Management Company Limited (Formerly Ayudhya Fund Management Company Limited)	-	19	2	2	-	16	-	2
Krungsri Ayudhya AMC Limited (Formerly Ayudhya Asset Management Company Limited)	56	18	-	-	76	2	-	-
Krungsri Securities Public Company Limited (Formerly Ayudhya Securities Public Company Limited)	-	5	5	1	-	4	2	1
Krungsir Factoring Company Limited (Formerly Ayudhya Factoring Company Limited)	30	1	-	-	19	1	-	-
Total	1,701	117	23	127	1,265	87	19	132
Associates								
Tesco Card Services Limited	83	2	-	-	53	1	-	-
Tesco General Insurance Broker Limited	-	2	1	-	-	-	-	-
Total	83	4	1	-	53	1	-	-

Unit : Million Baht

	THE BANK'S FINANCIAL STATEMENTS							
	For the three-month period ended March 31, 2012				For the three-month period ended March 31, 2011			
	Income		Expenses		Income		Expenses	
	Interest income	Non-interest income	Interest expenses	Non- interest expenses	Interest income	Non-interest income	Interest expenses	Non-interest expenses
Related companies having joint								
major shareholders or directors	7	5	45	91	4	21	62	95
Total	7	5	45	91	4	21	62	95
Individual and related parties	1	-	3	-	1	-	1	-
Total	1,792	126	72	218	1,323	109	82	227

5.12.4 For the three-month periods ended March 31, 2012 and 2011, related party transactions among subsidiaries and associates include collection services and other services of Baht 252 million and Baht 246 million and office and vehicle rental and facilities service of Baht 5 million and Baht 6 million, respectively.

5.12.5 For the three-month periods ended March 31, 2012 and 2011, subsidiaries have related party transactions from the licenses relevant to technology and software for Baht 15 million and Baht 18 million, respectively.

5.12.6 For the three-month periods ended March 31, 2012 and 2011, related party transactions among subsidiaries from other services were Baht 254 million and Baht 295 million, respectively.

5.13 Management compensation

For the three-month periods ended March 31, 2012 and 2011, compensations paid to key management personnel under TAS 24 (Revised 2009) "Related Party Disclosures" are as follows.

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	For the three-month periods ended March 31,		For the three-month periods ended March 31,	
	2012	**2011**	**2012**	**2011**
Short-term employee benefits	373	227	252	158
Post-employment benefits	8	5	5	3
Total	381	232	257	161

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

(1) Position classified by type of business

Position classified by domestic and foreign business as at March 31, 2012 and December 31, 2011, are as follows:

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS			
	March 31, 2012			
	Domestic	Foreign	Elimination	Total
Total assets	977,459	5,078	(6,433)	976,104
Interbank and money market items, net (Assets)	65,300	483	-	65,783
Investments, net	100,891	626	-	101,517
Loans to customers and accrued interest receivable, net	709,247	2,910	-	712,157
Deposits	572,086	451	-	572,537
Interbank and money market items, net (Liabilities)	32,055	-	-	32,055
Debt issued and borrowings	205,328	-	-	205,328

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS			
	December 31, 2011			
	Domestic	Foreign	Elimination	Total
Total assets	948,558	5,695	(6,456)	947,797
Interbank and money market items, net (Assets)	81,222	596	-	81,818
Investments, net	80,525	679	-	81,204
Loans to customers and accrued interest receivable, net	686,683	3,404	-	690,087
Deposits	560,030	510	-	560,540
Interbank and money market items, net (Liabilities)	23,741	-	-	23,741
Debt issued and borrowings	208,263	-	-	208,263

Unit : Million Baht

	THE BANK’S FINANCIAL STATEMENTS			
	March 31, 2012			
	Domestic	Foreign	Elimination	Total
Total assets	908,634	5,078	(6,433)	907,279
Interbank and money market items, net (Assets)	64,230	483	-	64,713
Investments, net	100,253	626	-	100,879
Loans to customers and accrued interest receivable, net	636,748	2,910	-	639,658
Deposits	575,665	451	-	576,116
Interbank and money market items, net (Liabilities)	31,891	-	-	31,891
Debt issued and borrowings	175,574	-	-	175,574

Unit : Million Baht

	THE BANK'S FINANCIAL STATEMENTS			
	December 31, 2011			
	Domestic	Foreign	Elimination	Total
Total assets	887,584	5,695	(6,456)	886,823
Interbank and money market items, net (Assets)	79,923	596	-	80,519
Investments, net	80,003	679	-	80,682
Loans to customers and accrued interest receivable, net	619,692	3,404	-	623,096
Deposits	563,669	510	-	564,179
Interbank and money market items, net (Liabilities)	23,646	-	-	23,646
Debt issued and borrowings	172,045	-	-	172,045

(2) Results of operations classified by business

Results of operations classified by domestic and foreign business for the three-month periods ended March 31, 2012 and 2011, are as follows:

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS			
	For the three-month period ended March 31, 2012			
	Domestic	Foreign	Elimination	Total
Interest income	15,329	33	-	15,362
Interest expenses	5,981	1	-	5,982
Net interest income	9,348	32	-	9,380
Fees and service income, net	2,867	4	-	2,871
Other operating income	2,487	(15)	(542)	1,930
Other operating expenses	10,232	29	(542)	9,719
Profit (loss) from operating before tax	4,470	(8)	-	4,462

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS			
	For the three-month period 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

	THE BANK'S FINANCIAL STATEMENTS			
	For the three-month period ended March 31, 2012			
	Domestic	Foreign	Elimination	Total
Interest income	10,417	33	-	10,450
Interest expenses	5,675	1	-	5,676
Net interest income	4,742	32	-	4,774
Fees and service income, net	1,346	4	-	1,350
Other operating income	1,524	(15)	(542)	967
Other operating expenses	6,237	29	(542)	5,724
Profit (loss) from operating before tax	1,375	(8)	-	1,367

Unit : Million Baht

	THE BANK'S FINANCIAL STATEMENTS			
	For the three-month period 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
Fees 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

5.15 Interest income

Interest income for the three-month periods ended March 31, 2012 and 2011, are as follows:

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	For the three-month periods ended March 31,		For the three-month periods ended March 31,	
	2012	2011	2012	2011
Interbank and money market items	712	543	710	539
Investment and trading transactions	44	26	44	25
Investment in debt securities	641	370	635	368
Loans to customers	9,975	8,372	9,061	7,182
Hire purchase and financial lease	3,990	3,565	-	-
Total interest income	15,362	12,876	10,450	8,114

5.16 Interest expenses

Interest expenses for the three-month periods ended March 31, 2012 and 2011, are as follows:

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	For the three-month periods ended March 31,		For the three-month periods ended March 31,	
	2012	2011	2012	2011
Deposits	2,944	1,777	2,951	1,782
Interbank and money market items	333	358	329	308
Contributions to Deposit Protection Agency	688	575	688	575
Debt issued and borrowing				
- Subordinated debenture	225	215	225	215
- Other	1,789	759	1,483	595
Other	3	1	-	-
Total interest expenses	5,982	3,685	5,676	3,475

5.17 Income taxes

Income taxes for the three-month periods ended March 31, 2012 and 2011, are as follows:

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS For the three-month periods ended March 31,		THE BANK'S FINANCIAL STATEMENTS For the three-month periods ended March 31,	
	2012	2011	2012	2011
Current tax for the period	1,335	920	479	11
Deferred tax	(315)	145	(207)	318
Total income tax expense	1,020	1,065	272	329

According to the Royal Decree No.530 B.E.2554 issued under the Revenue Code regarding the corporate income tax rate reduction effective on December 22, 2011, the corporate income tax was reduced from 30% to 23% for an accounting period beginning on or after January 1, 2012 and 20% for two consecutive accounting period beginning on or after January 1, 2013.

Therefore, the Bank and subsidiaries used tax rate of 30% for the corporate income tax calculation for the three-month period ended March 31, 2011 and used tax rate of 23% for the corporate income tax calculation for the three-month period ended March 31, 2012 to conform to such tax rate changes.

The Bank and subsidiaries used the tax rate of 30% for the calculation of deferred tax for the three-month periods ended March 31, 2011 and 23% and 20% for the calculation of deferred tax for the three-month period ended March 31, 2012

5.18 Reclassifications

The reclassifications have been made in the consolidated and the Bank's statements of comprehensive income for the three-month period ended March 31, 2011, to comply with the classifications used in the consolidated and the Bank's statements of comprehensive income for the three-month period ended March 31, 2012 as follows:

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	Previous Classifications	Current classifications	Previous Classifications	Current classifications
STATEMENT OF COMPREHENSIVE INCOME FOR THE THREE-MONTH PERIOD MARCH 31, 2011				
Dividend income	-	130	-	310
Other operating income	826	696	538	228
Other operating expenses				
Premises and equipment expenses	1,263	1,175	-	-
Others	2,336	2,424	-	-

5.19 Events after the reporting period

5.19.1 At the General Shareholders' meeting held on April 24, 2012, the shareholders approved a resolution authorizing a dividend payment for the second half year ended December 31, 2011 to the shareholders of 6,074,143,747 ordinary shares at Baht 0.35 per share which totaled Baht 2,126 million. The payment of dividend is scheduled to be made on May 22, 2012.

5.19.2 On April 21, 2012, Ayudhya Total Solutions Public Company Limited (AYTS) has already completed the transfer of its entire business to Ayudhya Capital Auto Lease Public Company Limited (AYCAL) as approved by the extraordinary meeting of shareholders No. 1/2011 of AYTS as well as the annual general meeting of shareholders No. 51 of AYTS and the extraordinary meeting of shareholders No. 1/2011 of AYCAL.

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 8, 2012.