Management Discussion and Analysis

For the quarter and the year ended December 31, 2009

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Management Discussion and Analysis (MD&A)

1. Summary of Financial Performance and Status

Statements of Income Consolidated	4Q/09	*3Q/09	*4Q/08	Change QoQ Baht mn	Change QoQ %	Change YoY Baht mn	Change YoY %
Interest and Dividend Income	10,818	9,515	10,770	1,303	13.7	48	0.4
Interest Expenses	2,486	2,250	3,921	236	10.5	(1,435)	(36.6)
Interest and Dividend Income, Net	8,332	7,265	6,849	1,067	14.7	1,483	21.7
Non-Interest Income	3,760	3,846	1,636	(86)	(2.2)	2,124	129.8
Non- Interest Expenses	7,145	5,692	5,704	1,453	25.5	1,441	25.3
Pre-Provision Operating Profit (PPOP)	4,947	5,419	2,781	(472)	(8.7)	2,166	77.9
Bad Debt and Doubtful Accounts	2,625	3,074	1,836	(449)	(14.6)	789	43.0
Loss (Gain) on Debt Restructuring	540	(537)	87	1,077	200.6	453	520.7
Income Tax Expenses	197	570	41	(373)	(65.4)	156	380.5
Net Income	1,585	2,312	817	(727)	(31.4)	768	94.0
Attributable To							
Equity Holders of the Bank	1,592	2,308	815	(716)	(31.0)	777	95.3
Minority Interest	(7)	4	2	(11)	(275.0)	(9)	(450.0)
Net Income	1,585	2,312	817	(727)	(31.4)	768	94.0
Earning Per Share [Baht]	0.26	0.38	0.13	(0.12)	(31.6)	0.13	100.00

* Restated number resulting from early adoption of income tax accounting standard by applying International Accounting Standard No.12 “Income Taxes” (revised 2008) which the content is not different from draft Thai Accounting Standard No.12 “Income Taxes” (2009)

Statements of Income Consolidated	YE 2009	*YE 2008	Change YoY Baht mn	%
Interest and Dividend Income	39,458	41,163	(1,705)	(4.1)
Interest Expenses	11,040	14,595	(3,555)	(24.4)
Interest and Dividend Income, Net	**28,418**	**26,568**	**1,850**	**7.0**
Non-Interest Income	13,724	7,968	5,756	72.2
Non- Interest Expenses	23,765	21,248	2,517	11.8
Pre-Provision Operating Profit (PPOP)	**18,377**	**13,288**	**5,089**	**38.3**
Bad Debt and Doubtful Accounts	9,129	7,153	1,976	27.6
Loss (Gain) on Debt Restructuring	1,087	638	449	70.4
Income Tax Expenses	1,504	1,199	305	25.4
Net Income	**6,657**	**4,298**	**2,359**	**54.9**
Attributable To				
Equity Holders of the Bank	6,659	4,299	2,360	54.9
Minority Interest	(2)	(1)	(1)	(100.0)
Net Income	**6,657**	**4,298**	**2,359**	**54.9**
Earning Per Share [Baht]	**1.10**	**0.73**	**0.37**	**50.68**

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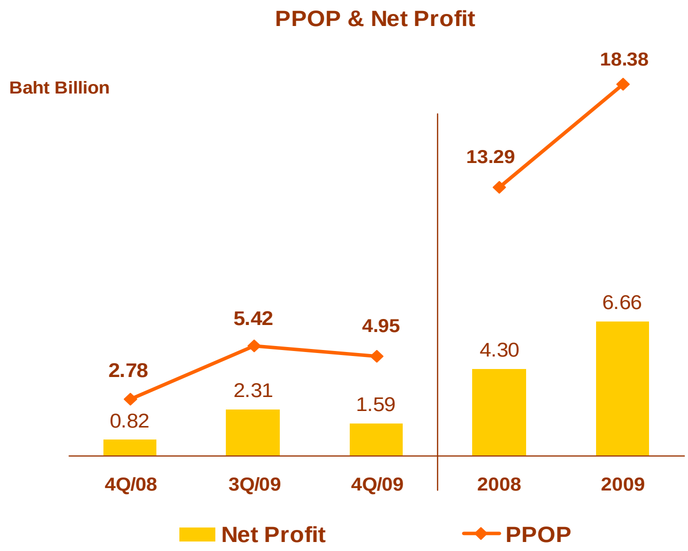


In 4Q/09 the Bank continued its inorganic growth plans by completing the acquisition of GE Money Thailand’s (GEMT) businesses, and their financial results have been consolidated into the Bank since

November 5, 2009. Total assets of GEMT were Baht 53,751 million (exclude Tesco Card Services Limited) with loan portfolio consisting of credit card, personal loans and sale finance in total of Baht 45,829 million (exclude Tesco Card Services Limited). GEMT includes 9 companies with the majority of assets in GE Capital (Thailand) Limited (GECT), Krungsri Ayudhya Card Company Limited (KCC), General Card Services Limited (GCS), Tesco Card Services Limited (TCS) and Total Services Solutions Public Company Limited (TSS), all of which the Bank purchased a 100% share with the exception of 50% of KCC (the remaining 50% was already owned by the Bank) and 50% in TCS.

For the fourth quarter period ended December 31, 2009

In the fourth quarter of 2009, although the economy improved slightly from 3Q/09, uncertainties still exist in the overall economy. The operating profit before provisioning for doubtful accounts and taxes was Baht 4,947 million representing a decrease of Baht 472 million or 8.7% as compared to 3Q/09. One major contributor was a slight decline in non-interest income resulting from a Baht 424 million reserve, representing 50% of the Bank's investment in a loan to Dubai World Group Finance Limited, which was established pending restructuring discussion. A second contributor was a 25.5% growth in non-interest expenses driven primarily by the expenses of acquired businesses. Net interest and dividend income increased by 14.7% as a result of a 13.7% growth in interest and dividend income. Provision for bad debts and doubtful accounts were posted totaling Baht 3,165 million in 4Q/09 resulting the consolidated loan loss coverage ratio increasing from 68% to 74% to facilitate additional NPL resolution in 2010 After provisions and tax expense of Baht 197 million, a net profit of Baht 1,585 million was posted in 4Q/09, 31.4% decrease when compared to 3Q/09.

The 4Q/09 operating profit before provisioning for doubtful accounts and taxes increased by Baht 2,166 million or 77.9% compared to 4Q/08 and net profit increased by Baht 768 million or 94%. These improvements were mainly due to an increase in net interest income and non-interest income of 21.7% and 129.8% respectively. A major contribution to an improvement in net interest income was a decrease in interest expenses of Baht 1,435 million or 36.6% as time deposits continued to mature and be re-priced to the current lower rates. Non-interest income improved driven by an increase in fees and services income resulting from Bank operations and the acquisition of GEMT while in 4Q/08 a CDO mark to market loss of Baht 580 million was realized.

For the year ended December 31, 2009

In 2009, Bank of Ayudhya Pcl and its subsidiaries recorded a strong operating performance. The operating profit before provisioning for doubtful accounts and taxes was Baht 18,377 million representing an increase of Baht 5,089 million or 38.3% when compared to 2008. Over the same period non-interest income increased by Baht 5,756 million or 72.2% resulting from an increase in fees and services income of Baht 1,923 million with additional of current year one-time gains on investment of Baht 1,005 million compared to last year's MTM loss on CDOs of Baht 2,294 million. Concurrently, non-interest expenses only grew by Baht 2,517 million or 11.8%, mainly from personnel expenses and expenses of acquired businesses. After setting aside a higher provision for bad debt and doubtful accounts of Baht 10,216 million, which improved the loan loss coverage ratio to 74.1% and tax expense of Baht 1,504 million, a net profit of Baht 6,657 million was posted representing a Baht 2,359 million or 54.9% increase year over year.

Consolidated	As at Dec. 31, 09	*As at Sep. 30, 09	*As at Dec. 31, 08	Change from Sep. 30, 09		Change Dec. 31, 08	
				Baht mn	%	Baht mn	%
Assets	780,132	754,036	747,885	26,096	3.5	32,247	4.3
Loans	603,508	557,553	557,077	45,955	8.2	46,431	8.3
Deposits	520,515	513,403	537,354	7,112	1.4	(16,839)	(3.1)
Liabilities	687,547	662,862	661,570	24,685	3.7	25,977	3.9
Shareholders' Equity	92,585	91,174	86,315	1,411	1.5	6,270	7.3

* Restated number resulting from early adoption of draft income tax accounting standard by applying International Accounting Standard No.12 "Income Taxes" (revised 2008) which the content is not different from draft Thai Accounting Standard No.12 "Income Taxes" (2009)

As of December 31, 2009, total assets were Baht 780,132 million, an increase of Baht 32,247 million or 4.3% from December 31, 2008. Key drivers were an increase in loans of Baht 46,431 million or 8.3%, mainly from the acquisition of three businesses from AIG and GEMT.

As of December 31, 2009, total liabilities were Baht 687,547 million, an increase of Baht 25,977 million or 3.9% from December 31, 2008. Major drivers included an increase in interbank and money market items of Baht 27,412 million or 137.0% and an increase in other liabilities of Baht 12,574 million while deposits decreased by Baht 16,839 million or 3.1% as a result of lower deposit interest rates in the market which led depositors to switch to alternative investment options.

Shareholders' equity was Baht 92,585 million, representing an increase of Baht 6,270 million or 7.3% from December 31, 2008. This increase was due primarily to a net income of Baht 6,657 million for the year offset by dividends paid of Baht 1,822 million, an increase in land and building revaluation and minority interest of Baht 1,695 million and Baht 62 million, respectively, and an increase of the revaluation on investments of Baht 271 million. During 4Q/09, the Bank early adopted income tax accounting standard by applying International Accounting Standard No.12 "Income Taxes" (revised 2008) which the content is not different from draft Thai Accounting Standard No.12 "Income Taxes" (2009) across the entire group resulting in a restatement of current and prior year financial statements with a net decrease in deferred tax balance on other comprehensive income under shareholders' equity of Baht 593 million.

2. Financial Performance

2.1 Net interest and dividend income

Consolidated	4Q/09	3Q/09	4Q/08	Change QoQ		Change YoY	
				Baht mn	%	Baht mn	%
INTEREST AND DIVIDEND INCOME							
Interest on loans	7,041	5,638	6,851	1,403	24.9	190	2.8
Interest on interbank and money market items	85	140	505	(55)	(39.3)	(420)	(83.2)
Hire purchase and financial lease income	3,250	3,205	2,898	45	1.4	352	12.1
Investments	442	532	516	(90)	(16.9)	(74)	(14.3)
Total Interest and Dividend Income	10,818	9,515	10,770	1,303	13.7	48	0.4
INTEREST EXPENSES							
Interest on deposits	1,348	1,208	2,981	140	11.6	(1,633)	(54.8)
Interest on interbank and money market items	314	196	127	118	60.2	187	147.2
Interest on short-term borrowings	320	333	61	(13)	(3.9)	259	424.6
Interest on long-term borrowings	504	513	752	(9)	(1.8)	(248)	(33.0)
Total Interest Expenses	2,486	2,250	3,921	236	10.5	(1,435)	(36.6)
Interest and Dividend Income, net	8,332	7,265	6,849	1,067	14.7	1,483	21.7
Net Interest Margin	4.71%	4.24%	4.07%				
Yield on Earning Assets	6.11%	5.55%	6.40%				
Cost of Funds	1.55%	1.45%	2.54%				

Consolidated	YE 2009	YE 2008	Change YoY Baht mn	Change YoY %
INTEREST AND DIVIDEND INCOME				
Interest on loans	24,367	25,901	(1,534)	(5.9)
Interest on interbank and money market items	844	2,382	(1,538)	(64.6)
Hire purchase and financial lease income	12,429	10,439	1,990	19.1
Investments	1,818	2,441	(623)	(25.5)
Total Interest and Dividend Income	39,458	41,163	(1,705)	(4.1)
INTEREST EXPENSES				
Interest on deposits	6,813	10,792	(3,979)	(36.9)
Interest on interbank and money market items	884	899	(15)	(1.7)
Interest on short-term borrowings	929	521	408	78.3
Interest on long-term borrowings	2,414	2,383	31	1.3
Total Interest Expenses	11,040	14,595	(3,555)	(24.4)
Interest and Dividend Income, net	28,418	26,568	1,850	7.0
Net Interest Margin	4.05%	4.11%		
Yield on Earning Assets	5.62%	6.36%		
Cost of Funds	1.71%	2.44%		

For the fourth quarter period ended December 31, 2009

Net interest and dividend income in 4Q/09 was Baht 8,332 million, an increase of Baht 1,483 million or 21.7% as compared to the same period last year, as a result of 8% net loan growth, an increase in higher yielding retail assets and a substantial reduction in interest expenses with a downward trend in interest rate since December 2008. On a quarter on quarter basis, net interest and dividend income increased by Baht 1,067 million or 14.7% due mainly to a 24.9% increase in interest on loans resulting primarily from the GEMT acquisition.

Details of interest and dividend income and interest expenses are:

Compared to 4Q/08, interest and dividend income for 4Q/09 was Baht 10,818 million, an increase of Baht 48 million or 0.4% year on year driven by:

- Interest on loans of Baht 7,041 million, increasing by Baht 190 million or 2.8% as a result of the GEMT acquisition net of lower interest rates.
- Interest on inter-bank and money market items of Baht 85 million, decreasing by Baht 420 million or 83.2%, mainly resulting from the lower average interest rates and lower outstanding balances.

- Hire purchase and financial lease income of Baht 3,250 million, increasing by Baht 352 million or 12.1% resulting primarily from the acquisitions of two businesses from AIG on April 8, 2009 and a third business from AIG on September 9, 2009.
- Income on investments of Baht 442 million, decreasing by Baht 74 million or 14.3% mainly resulting from lower average interest rates.

Interest expenses for 4Q/09 were Baht 2,486 million, a decrease of Baht 1,435 million or 36.6% from 4Q/08 driven by:

- Interest on deposits of Baht 1,348 million, decreasing by Baht 1,633 million or 54.8% mainly resulting from the decreased in the outstanding balance and lower interest rates.
- Interest on inter-bank and money market items of Baht 314 million, increasing by Baht 187 million or 147.2% resulting primarily from an increase in the outstanding balance of borrowing under private repo and debenture issued by Ayudhya Capital Auto Lease Public Company Limited (AYCAL) of net Baht 1,626 million during 4Q/09 and increasing in other outstanding balance.
- Interest on short-term borrowings of Baht 320 million, increasing by Baht 259 million or 424.6% resulting primarily from an increase in the current portion of debentures of Baht 33,087 million in March, June and December 2009 with long-term debentures shifting to short term.
- Interest on long-term borrowings of Baht 504 million, decreasing by Baht 248 million or 33% due mainly to debentures of Baht 33,087 million moving to short-term borrowings in March, June and December 2009

Compared to 3Q/09, interest and dividend income for 4Q/09 increased by Baht 1,303 million or 13.7% driven by:

- An increase in interest on loans of Baht 1,403 million or 24.9% resulting from an increase in the outstanding balance as a result of the GEMT acquisition.
- A decrease in interest on inter-bank and money market items of Baht 55 million or 33.0%, due mainly to the lower interest rates in the market and a decrease in the outstanding balance.
- An increase in hire purchase and financial lease income of Baht 45 million or 1.4% resulting from an increase the outstanding balance.
- A decrease in income on investments of Baht 90 million or 16.9% mainly resulting from a decrease in dividends from investments in the equity portfolio.

Interest expenses increased by Baht 236 million or 10.5% driven by:

- An increase in interest on deposits of Baht 140 million or 11.6% resulting from an increase in the outstanding balance.

- An increase in interest in inter-bank and money market items of Baht 118 million or 60.2% resulting from debentures issued by AYCAL during 4Q/09 of Baht 1,626 million and an increase in the outstanding balance.
- A decrease in interest on short-term borrowings of Baht 13 million or 3.9% resulting from a decrease in senior securities floating rate notes and bills of exchange which matured in 4Q/09 of Baht 7,200 million and while an increase in the current portion of debentures of Baht 6,899 million as of December 2009.
- A decrease in interest on long-term borrowings of Baht 9 million or 1.8% due mainly to current portion debentures of Baht 6,899 million moving to short-term borrowings in 4Q/09.

For the year ended December 31, 2009

Net interest and dividend income for the year ended December 31, 2009 was Baht 28,418 million, an increase of Baht 1,850 million or 7.0% as compared to the same period last year.

Interest and dividend income for the year ended December 31, 2009 was Baht 39,458 million, decreasing by Baht 1,705 million or 4.1% year on year driven by:

- Interest on loans of Baht 24,367 million, decreasing by Baht 1,534 million or 5.9%, resulting from lower average rates in the market despite a new increase of 8% in loans outstanding.
- Interest on inter-bank and money market items of Baht 844 million, decreasing by Baht 1,538 million or 64.6%, due mainly to the lower interest rates in the market and a lower outstanding balance.
- Hire purchase and financial lease income of Baht 12,429 million, increasing by Baht 1,990 million or 19.1% resulting primarily from two acquisitions from AIG on April 8, 2009 and a third acquisition from AIG on September 9, 2009.
- Income on investments of Baht 1,818 million, decreasing by Baht 623 million or 25.5% mainly resulting from lower average interest rates and a decrease in dividends received from the equity portfolio of listed companies.

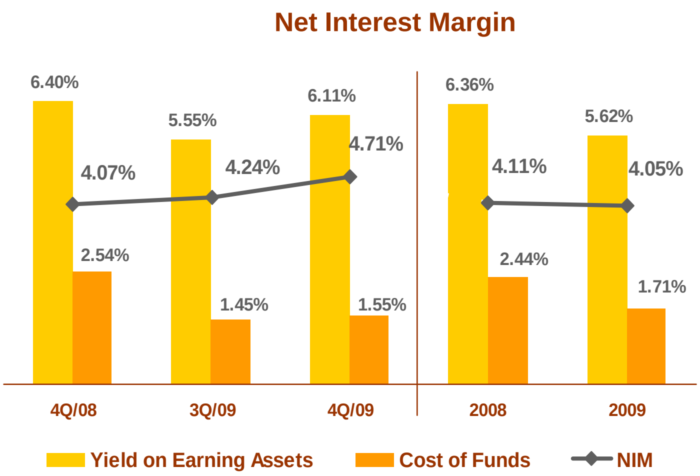
Interest expenses for the year ended December 31, 2009 was Baht 11,040 million, a decrease of Baht 3,555 million or 24.4% from year 2008 driven by:

- Interest on deposits of Baht 6,813 million, decreasing by Baht 3,979 million or 36.9% resulting from lower outstanding balance and lower interest rates.
- Interest on inter-bank and money market items of Baht 884 million, decreasing by Baht 15 million or 1.7% mainly resulting from lower average rate in the market.
- Interest on short-term borrowings of Baht 929 million, increasing by Baht 408 million or 78.3% resulting from an increase in the current portion of debentures of Baht 33,087 million in March, June and December 2009.
- Interest on long-term borrowings of Baht 2,414 million, increasing by Baht 31 million or 1.3% resulting from long-term debentures of Baht 19,667 million issued during March, June and December 2008, in which the interest were recoded for a full year 2009. In addition, debentures of Baht 5,674 million were issued by AYCAL during 4Q/09 and bills of exchange were issued in the amount of Baht 1,703 million

in 3Q/09 and 4Q/09. While debentures of Baht 33,087 million were moved to short-term borrowings in March, June and December 2009.

Net interest margin (NIM) for 4Q/09 was 4.71%, increasing significantly from 3Q09 and from last year. The improvement in NIM in 4Q/09 was mainly from the acquisition of GEMT and improvement in the cost of funds in the Bank.

Overall, NIM has shown an improving trend during the course of 2009. These movements were mainly attributed to sharp and successive reductions in interest rates in 4Q/08 and 1Q/09 which immediately and negatively affected the income from the floating rate loan portfolio with a lagging effect on the reduction of funding costs as the majority of deposits are fixed term deposits. These deposits matured and were re-priced at lower rates stating in 2Q/09 and continuing through 4Q/09.



	Dec-08	Jan-09	Mar-09	Jun-09	Sep-09	Dec-09
Policy Rate	2.75%	2.00%	1.50%	1.25%	1.25%	1.25%
BAY Lending Rate	7.00%	6.75%	6.50%	6.25%	6.25%	6.25%
Fixed Deposit rate						
3 - month deposits	1.625-2.625%	1.25-1.50%	1.00%	0.75%	0.75%	0.75%
6 - month deposits	1.75-2.75%	1.50%	1.00%	0.75%	0.75%	0.75%
12 - month deposits	2.00-3.00%	1.75%	1.25%	1.00-1.50%	1.00-1.50%	1.00%

2.2 Non-Interest Income

Consolidated	4Q/09	*3Q/09	*4Q/08	Change QoQ		Change YoY	
				Baht mn	%	Baht mn	%
Gain (loss) on investments	(374)	131	(670)	(505)	(385.5)	296	44.2
Income (loss) from equity interest in							
associated companies	34	(21)	(30)	55	261.9	64	213.3
Fees and service income							
- Acceptances, aval and guarantees	14	12	11	2	16.7	3	27.3
- Others	2,977	2,288	1,811	689	30.1	1,166	64.4
Gain on exchange	209	196	140	13	6.6	69	49.3
Gain on sales of properties foreclosed	304	308	70	(4)	(1.3)	234	334.3
Income from investments in receivables	70	156	74	(86)	(55.1)	(4)	(5.4)
Excess of net fair value of acquired							
subsidiary over purchase cost	10	253	0	(243)	(96.0)	10	100.0
Other income	516	523	230	(7)	(1.3)	286	124.3
Total Non-Interest Income	**3,760**	**3,846**	**1,636**	**(86)**	**(2.2)**	**2,124**	**129.8**

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Consolidated	YE 2009	*YE 2008	Change YoY Baht mn	Change YoY %
Gain (loss) on investments	(82)	(2,255)	2,173	96.4
Income (loss) from equity interest in associated companies	126	36	90	250.0
Fees and service income				
- Acceptances, aval and guarantees	49	49	0	0.0
- Others	9,361	7,438	1,923	25.9
Gain on exchange	730	860	(130)	(15.1)
Gain on sales of properties foreclosed	813	952	(139)	(14.6)
Income from investments in receivables	371	303	68	22.4
Excess of net fair value of acquired subsidiary over purchase cost	1,005	0	1,005	100.0
Other income	1,351	585	766	130.9
Total Non-Interest Income	13,724	7,968	5,756	72.2

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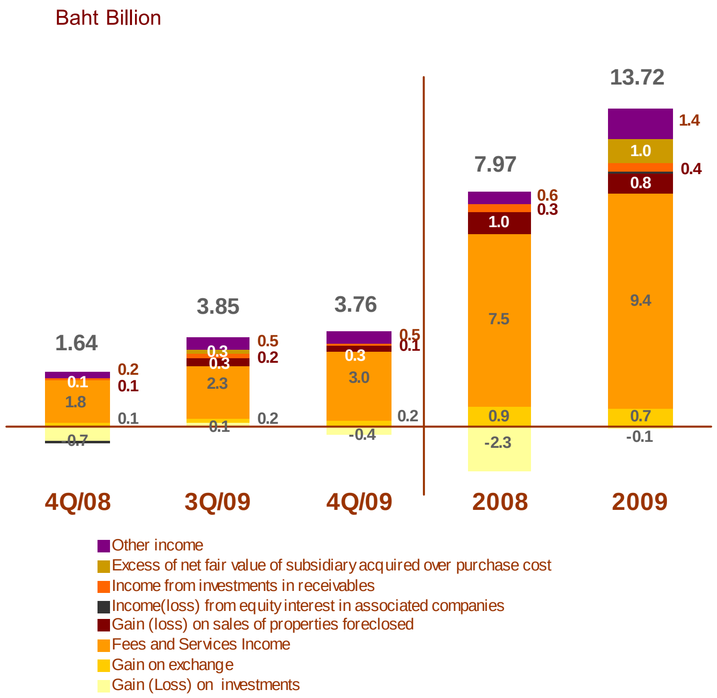
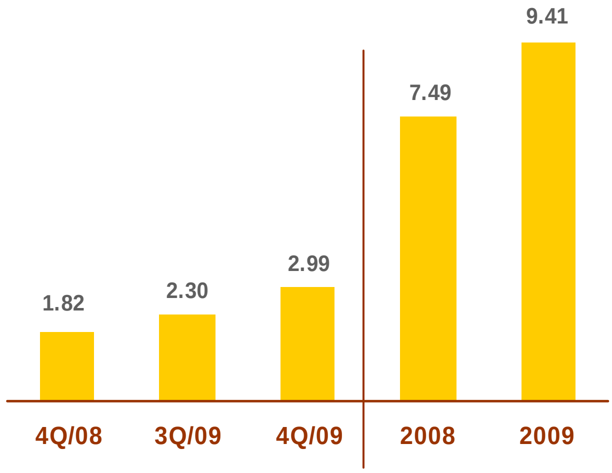
Non Interest Income



Fees & Service Income



For the fourth quarter period ended December 31, 2009

Compared with 4Q/08, non-interest income was Baht 3,760 million, an increase of Baht 2,124 million or 129.8% driven by:

- A loss on investments increasing by Baht 374 million in 4Q/09 driven by a reserve for the Dubai World Group Finance Limited investment in loan of Baht 424 million, offset by a MTM loss on CDOs of Baht 580 million and a loss from unwinding structured deposits of Baht 145 million booked in 4Q/08.

- Income from equity interest in associated companies increasing by Baht 64 million or 213.3% as a result of the GEMT acquisition.

- Excess of net fair value of acquired subsidiary over purchase cost increasing by Baht 10 million, driven by adjustments in the gain on investment in the three businesses purchased from AIG.

- Fees and service income increasing by Baht 1,169 million or 64.2%, driven by increases in credit card fees, bancassurance fees, collection fees and other service fees and brokerage fees of Baht 324 million, Baht 103 million, Baht 263 million and Baht 249 million, respectively. The increase was also partially resulting from fees earned by the GEMT acquisition in 4Q/09.

- Gain on sales of properties foreclosed increasing by Baht 234 million or 334.3%, driven by an increase in sales volume of properties foreclosed.

- Gain on exchange increasing by Baht 69 million or 49.3%.

- Other income increasing by Baht 286 million or 124.3% mainly driven by an increase in bad debt recoveries of Baht 284 million from GEMT

Compared with 3Q/09, non-interest income decreased by Baht 86 million or 2.2% driven by:

- Gain on investments decreasing by Baht 505 million or 385.5%, driven by a reserve for the Dubai World Group Finance Limited impairment loss on investment in loan of Baht 424 million booked in 4Q09.

- Income from equity interest in associated companies increasing by Baht 55 million or 261.9% as a result of the GEMT acquisition.

- Excess of net fair value of acquired subsidiary over purchase cost decreasing by Baht 243 million or 96.0%, driven by minor adjustments of the gain on investment in the three businesses acquired from AIG.

- Fees and service income increasing by Baht 691 million or 30.0%, driven by increases in credit card fees, bancassurance fees, collection fees and other service fees and brokerage fees of Baht 235 million, Baht 84 million, Baht 223 million and Baht 123 million, respectively. The increase was also partially resulting from fees earned by the GEMT acquisition in 4Q/09.

For the year ended December 31, 2009

Compared with the year ended December 31, 2008 non-interest income was Baht 13,724 million, increasing by Baht 5,756 million or 72.2% driven by:

- Gain on investments increasing by Baht 2,173 million or 96.4%, mainly due to gains on investments from acquisition made this year and a MTM loss on CDOs of Baht 2,294 million booked in 2008.

- Income from equity interest in associated companies increasing by Baht 90 million as a result of the GEMT.

- Excess of net fair value of acquired subsidiary over purchase cost increasing by Baht 1,005 million, driven by gains on investments in the three businesses acquired from AIG.

- Fees and service income increasing by Baht 1,923 million or 25.9% mainly driven by an increase in bancassurance fees, ATM fees, credit card fees, collection fees and fees from the hire purchase business of Baht 233 million, Baht 163 million, Baht 445 million, Baht 341 million and Baht 229 million, respectively.

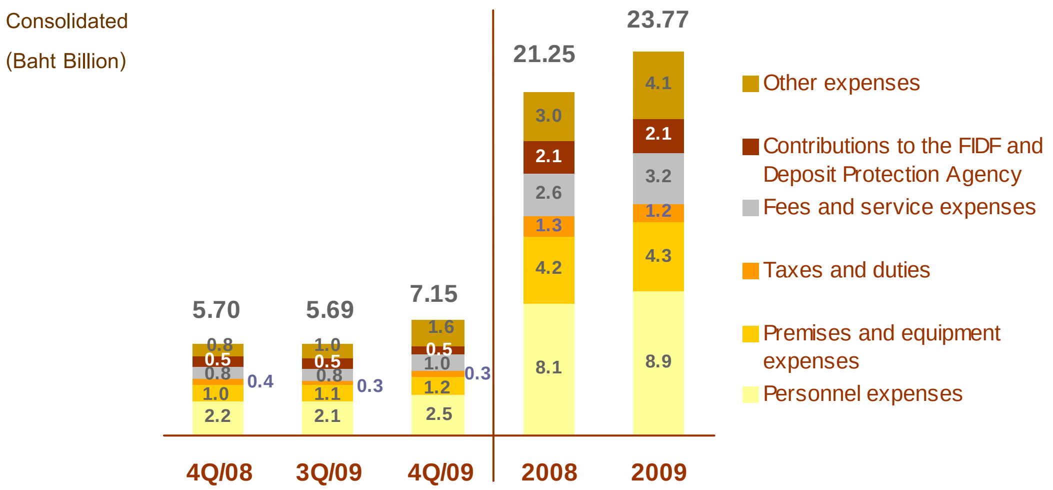
- Other income increasing by Baht 766 million or 130.9% primarily from an increase in bad debt recoveries, income from properties foreclosed and other service fees and commission fees of Baht 671 million, Baht 40 million and Baht 74 million, respectively.

2.3 Non-Interest Expenses

Consolidated	4Q/09	3Q/09	4Q/08	Change QoQ		Change YoY	
				Baht mn	%	Baht mn	%
Personnel expenses	2,498	2,094	2,172	404	19.3	326	15.0
Premises and equipment expenses	1,194	1,064	1,013	130	12.2	181	17.9
Taxes and duties	341	274	393	67	24.5	(52)	(13.2)
Fees and service expenses	983	768	760	215	28.0	223	29.3
Directors' remuneration	7	7	9	0	0.0	(2)	(22.2)
Contributions to the FIDF and							
Depositor Protection Fund	519	526	520	(7)	(1.3)	(1)	(0.2)
Other expenses	1,603	959	837	644	67.2	766	91.5
Total Non-Interest Expenses	**7,145**	**5,692**	**5,704**	**1,453**	**25.5**	**1,441**	**25.3**

Consolidated	YE 2009	YE 2008	Change YoY Baht mn	%
Personnel expenses	8,912	8,113	799	9.8
Premises and equipment expenses	4,283	4,174	109	2.6
Taxes and duties	1,165	1,309	(144)	(11.0)
Fees and service expenses	3,158	2,604	554	21.3
Directors' remuneration	30	35	(5)	(14.3)
Contributions to the FIDF and				
Depositor Protection Fund	2,097	2,062	35	1.7
Other expenses	4,120	2,951	1,169	39.6
Total Non-Interest Expenses	23,765	21,248	2,517	11.8

Non – Interest Expenses



For the fourth quarter period ended December 31, 2009

Compared to 4Q/08, non-interest expenses were Baht 7,145 million, an increase of Baht 1,441 million or 25.3% driven by:

- Personnel expenses increasing by Baht 326 million or 15.0% due mainly to the acquisition of three businesses from AIG and GEMT.

- Premises and equipment expenses increasing by Baht 181 million or 17.9%.

- Fee and service expenses increasing by Baht 223 million or 29.3% driven mainly by an increase in collection fees and ATM fees of Baht 91 million and Baht 15 million, respectively.

- Taxes and duties expense decreasing by Baht 52 million or 13.2%, driven mainly by a decrease in specific business tax of Baht 51 million.

- Other expenses increasing by Baht 766 million or 91.5%, mainly from an increase in advertising media and promotion expenses of Baht 385 million, reserve for off-balance sheet obligations of Baht 158 million, outsource expenses of Baht 105 million and loss on impaired assets transferred to TAMC of Baht 100 million.

Compared to 3Q/09, non-interest expenses increased by Baht 1,453 million or 25.5% driven by:

- Personal expenses increasing by Baht 404 million or 19.3% due mainly to the GEMT acquisition.

- Premises and equipment expenses increasing by Baht 130 million or 12.2%.

- Fees and service expenses increasing by Baht 215 million or 28.0% mainly driven by collection fees and professional service fees of Baht 32 million and Baht 45 million, respectively.

- Tax and duties increasing by Baht 67 million or 24.5% mainly driven by an increase in specific business tax of Baht 66 million.

- Other expenses increasing by Baht 644 million or 67.2%, mainly from an increase in promotion expenses and reserve for off-balance sheet obligations of Baht 262 million and Baht 183 million, respectively.

For the year ended December 31, 2009

Compared to the year ended December 31, 2008, non-interest expenses were Baht 23,765 million, an increase of Baht 2,517 million or 11.8% driven by:

- Personnel expenses increasing by Baht 799 million or 9.8% due mainly to the acquisition of three businesses from AIG and GEMT.

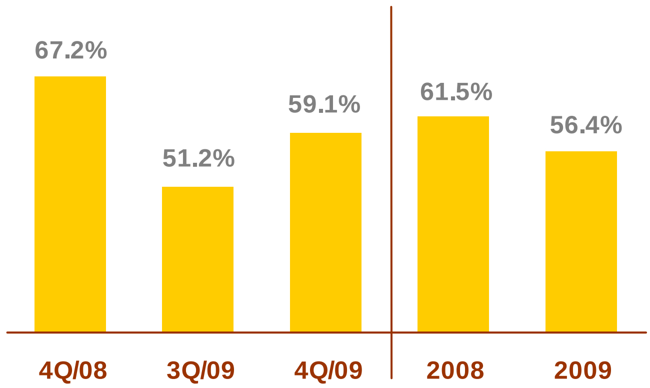
- Fees and service expenses increasing by Baht 554 million or 21.3% driven mainly by an increase in ATM Fees and collection fees of Baht 48 million and Baht 198 million, respectively.

- Premises and equipment expenses increasing by Baht 109 million or 2.6%.

- Taxes and duties expense decreasing by Baht 144 million or 11%, due to a decrease in specific business tax of Baht 120 million.

- Other expenses increasing by Baht 1,169 million or 39.6%, mainly from an increase in promotion expenses of Baht 268 million, loss on impaired assets transferred to TAMC of Baht 219 million, reserve for off-balance sheet obligations of Baht 121 million, properties foreclosed expenses of Baht 34 million, legal expenses of Baht 81 million and outsource expenses of Baht 366 million.

Cost-to-Income Ratio



In 4Q/09 the Bank's cost-to-income ratio significantly improved to 59.1% from 67.2% in the 4Q/08 with a noticeable improvement in revenue, both from interest and non-interest sources that outpaced the increase in expenses. However, compared to 3Q/09 the cost-to-income increased slightly due to a one-time investment gain from acquisitions in 3Q/09 and a reserve on investment in loan in 4Q/09.

2.4 Loan Loss Provision

Consolidated	4Q/09	3Q/09	4Q/08	Change QoQ		Change YoY	
				Baht mn	%	Baht mn	%
Bad Debt and Doubtful Accounts	2,625	3,074	1,836	(449)	(14.6)	789	43.0
Loss on Debt Restructuring	540	(537)	87	1,077	200.6	453	520.7
Total Provisioning	3,165	2,537	1,923	628	24.8	1,242	64.6

Consolidated	YE 2009	YE 2008	Change YoY	
			Baht mn	%
Bad Debt and Doubtful Accounts	9,129	7,153	1,976	27.6
Loss on Debt Restructuring	1,087	638	449	70.4
Total Provisioning	10,216	7,791	2,425	31.1

The bank and its subsidiaries recorded loan loss provisions in 4Q/09 totaling Baht 3,165 million, an increase of Baht 628 million or 24.8% and Baht 1,242 million or 64.6% from 3Q/09 and 4Q/08 respectively. The provision for 2009 totaled Baht 10,216 million, an increase of Baht 2,425 million or 31.1% from the year

2008. The provision increase on a year-over-year basis was to facilitate additional NPL resolution in 2010. The consolidated loan loss coverage ratio was thus strengthened to 74.1%, up from 68% and 58.7% in 3Q/09 and 4Q/08, respectively.

3. Financial Status

3.1 Balance Sheet

Consolidated	As at Dec. 31, 09	*As at Sep. 30, 09	*As at Dec. 31, 08	Change from Sep. 30, 09 Baht mn	%	Change from Dec. 31, 08 Baht mn	%
ASSETS							
Cash	20,090	16,878	20,419	3,212	19.0	(329)	(1.6)
Interbank and money market items, net	53,668	83,810	84,854	(30,142)	(36.0)	(31,186)	(36.8)
Investments, net	68,064	63,190	57,123	4,874	7.7	10,941	19.2
Loans	603,508	557,553	557,077	45,955	8.2	46,431	8.3
Accrued interest receivable	2,210	1,542	1,683	668	43.3	527	31.3
Allowance for doubtful accounts	(38,271)	(37,327)	(31,410)	(944)	(2.5)	(6,861)	(21.8)
Revaluation allowance for debt restructuring	(329)	(352)	(897)	23	6.5	568	63.3
Properties foreclosed, net	18,017	19,410	21,371	(1,393)	(7.2)	(3,354)	(15.7)
Others	53,175	49,332	37,665	3,843	7.8	15,510	41.2
TOTAL ASSETS	**780,132**	**754,036**	**747,885**	**26,096**	**3.5**	**32,247**	**4.3**
LIABILITIES AND SHAREHOLDERS' EQUITY							
Deposits	520,515	513,403	537,354	7,112	1.4	(16,839)	(3.1)
Interbank and money market items	47,415	31,203	20,003	16,212	52.0	27,412	137.0
Borrowings	84,687	84,770	81,857	(83)	(0.1)	2,830	3.5
Others	34,930	33,486	22,356	1,444	4.3	12,574	56.2
TOTAL LIABILITIES	**687,547**	**662,862**	**661,570**	**24,685**	**3.7**	**25,977**	**3.9**
Issued and paid-up share capital	60,741	60,741	60,741	-	-	-	-
Retained earning	12,793	11,429	7,957	1,364	11.9	4,836	60.8
Others	19,051	19,004	17,617	47	0.2	1,434	8.1
TOTAL SHAREHOLDERS' EQUITY	**92,585**	**91,174**	**86,315**	**1,411**	**1.5**	**6,270**	**7.3**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**780,132**	**754,036**	**747,885**	**26,096**	**3.5**	**32,247**	**4.3**

* Restated number resulting from early adoption of income tax accounting standard by applying International Accounting Standard No.12 "Income Taxes" (revised 2008) which the content is not different from draft Thai Accounting Standard No.12 "Income Taxes" (2009)

As of December 31, 2009, total assets were Baht 780,132 million, an increase of Baht 32,247 million or 4.3% from December 31, 2008. Key drivers were an increase in loans of Baht 46,431 million or 8.3%, mainly from the acquisition of three businesses from AIG and GEMT; an increase in investments of 10,941 million or 19.2%, mainly from an increase in investments in government bonds of Baht 12,000 million; and an increase in other assets of Baht 15,510 million or 41.2%, mainly from an increase in customer liability under collateral of Baht 7,090 million; an increase in property premise and equipment of Baht 1,285 million and the early adoption of income tax accounting standard by applying International Accounting Standard No.12 "Income Taxes" (revised 2008) which the content is not different from draft Thai Accounting Standard No.12 "Income Taxes" (2009) of 2,940 million. Meanwhile, interbank and money market items decreased by Baht 31,186 million or 36.8%, mainly from a decrease in the deposit facilities and bilateral facilities with Bank of Thailand of Baht 25,887 million.

Compared to September 30, 2009, total assets increased by Baht 26,096 million or 3.5%. This increase was mainly due to a Baht 45,955 million or 8.2% increase in loans resulting from the GEMT acquisition and organic growth. In addition, cash, investments and other assets also increased by Baht 3,212 million, Baht 4,874 million and Baht 3,843 million, respectively, while inter-bank and money market items decreased by Baht 30,142 million.

As of December 31, 2009, total liabilities were Baht 687,547 million, an increase of Baht 25,977 million or 3.9% from December 31, 2008. Major drivers included an increase in interbank and money market items of Baht 27,412 million or 137.0%, mainly from an increase in borrowings under private repo of Baht 23,760 million. In addition, an increase in other liabilities of Baht 12,574 million was mainly driven from an increase in liability under collateral to deliver of Baht 7,090 million; an increase in the early adoption of income tax accounting standard by applying International Accounting Standard No.12 "Income Taxes" (revised 2008) which the content is not different from draft Thai Accounting Standard No.12 "Income Taxes" (2009) of Baht 539 million and an increase in accrued expense of Baht 2,120 million, while deposits decreased by Baht 16,839 million or 3.1% as a result of lower deposit interest rates in the market which led depositors to switch to alternative investment options.

Compared to September 30, 2009, total liabilities increased by Baht 24,685 million or 3.7%. Major drivers were an increase in deposits, interbank and money market items and other liabilities of Baht 7,112 million, Baht 16,212 million and Baht 1,444 million, respectively, while borrowings decreased by Baht 83 million. The increase in deposit in 4Q/09 was primarily from various time deposit schemes launched during the period.

Shareholders' equity was Baht 92,585 million, representing an increase of Baht 6,270 million or 7.3% from December 31, 2008. This increase was due primarily to a net income of Baht 6,657 million for the year offset by dividends paid of Baht 1,822 million, an increase in land and building revaluation and minority interest of Baht 1,695 million and Baht 62 million, respectively, and an increase of the revaluation on investments of Baht 271 million. During 4Q/09, the Bank early adoption of income tax accounting standard by applying International Accounting Standard No.12 "Income Taxes" (revised 2008) which the content is not different from draft Thai Accounting Standard No.12 "Income Taxes" (2009) across the entire group resulting in a restatement of current and prior year financial statements with a net decrease in deferred tax balance on other comprehensive income under shareholders' equity of Baht 593 million.

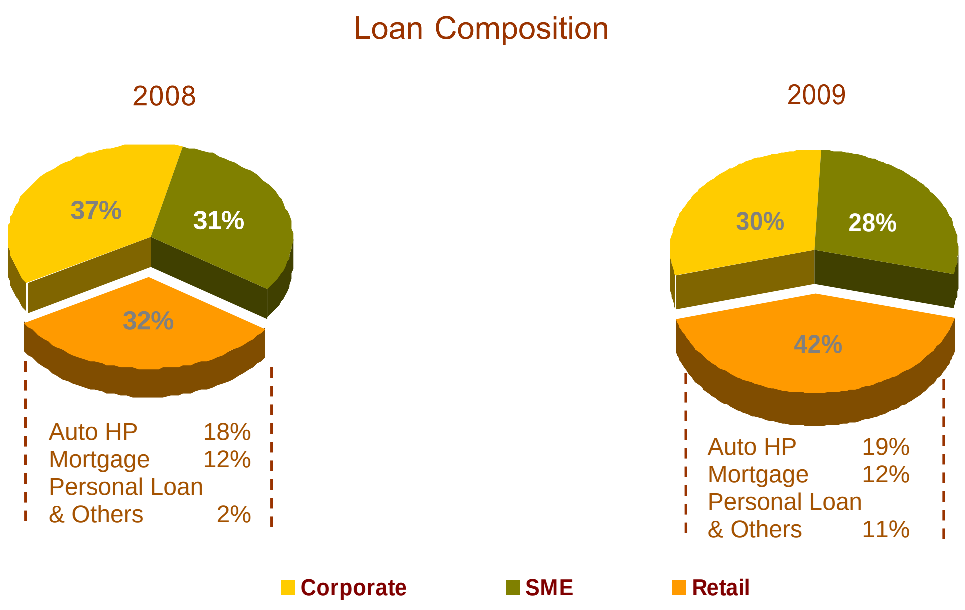
3.2 Detail on loans

3.2.1 Loans by segment

Consolidated	Dec. 31, 09	Sep. 30, 09	Dec. 31, 08	Change from Sep. 30, 2009		Change from Dec. 31, 2008	
				Baht mn	%	Baht mn	%
Corporate	181,526	192,475	203,395	(10,949)	(5.7)	(21,869)	(10.8)
SMEs (M+S)	169,701	165,483	172,764	4,218	2.5	(3,063)	(1.8)
Retail	252,281	199,595	180,918	52,686	26.4	71,363	39.4
-Hire purchases	111,794	111,332	102,616	462	0.4	9,178	8.9
- Housing	73,619	71,124	68,087	2,495	3.5	5,532	8.1
- Personal & other	66,868	17,139	10,215	49,729	290.2	56,653	554.6
Total	603,508	557,553	557,077	45,955	8.2	46,431	8.3

Note : There was a shift in corporate loans to retail loans as a result of GE Money Thailand consolidation

Total loans increased by Baht 46,431 million or 8.3% from Baht 557,077 million as of December 31, 2008 to Baht 603,508 million as of December 31, 2009, mainly from the acquisitions of three businesses from AIG and GEMT, resulting in the retail loans portfolio increasing from 32% to 42% of the Bank's total loan portfolio. In 4Q/09, retail loans showed a significant increase with the GEMT portfolio of Baht 45,829 million together with an increase occurred in organic loans from September 2009.



3.2.2 Loans classification and Provision

Unit : Baht mn

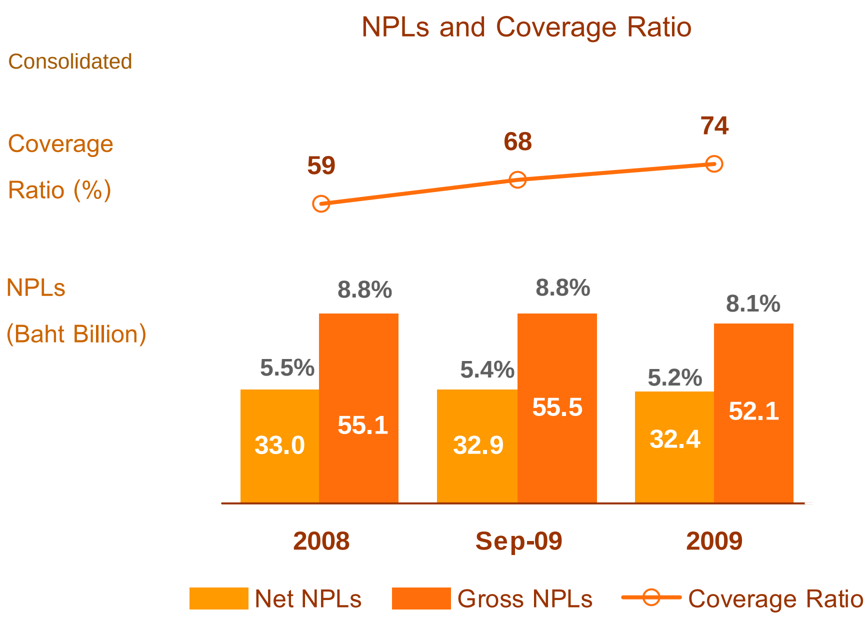
Consolidated	Dec. 31, 2009		Sep. 30, 2009		Dec. 31, 2008		Change from Sep. 30, 2009		Change from Dec. 31, 2008	
	Loans and Accrued Interest Receivable	Provision	Loans and Accrued Interest Receivable	Provision	Loans and Accrued Interest Receivable	Provision	Loans and Accrued Interest Receivable	Provision	Loans and Accrued Interest Receivable	Provision
Normal	525,101	5,376	479,889	4,042	478,590	2,732	45,212	1,334	46,511	2,644
Special mentioned	27,066	1,663	22,127	1,118	23,479	517	4,939	545	3,587	1,146
Substandard	7,298	3,369	7,035	2,837	9,256	3,594	263	532	(1,958)	(225)
Doubtful	7,886	3,442	8,500	3,518	10,207	5,238	(614)	(76)	(2,321)	(1,796)
Doubtful of loss	37,319	12,897	40,560	16,212	36,227	13,352	(3,241)	(3,315)	1,092	(455)
Total BOT Provision	604,670	26,747	558,111	27,727	557,759	25,433	46,559	(980)	46,911	1,314
Plus (less) deferred income / commision	1,048		985		1,001		63		47	
Surplus Reserve		11,524		9,599		5,977		1,925		5,547
Total	605,718	38,271	559,096	37,326	558,760	31,410	46,622	945	46,958	6,861

Non-performing loans

Unit : Baht mn

Consolidated	Dec. 31, 09	Sep. 30, 09	Dec. 31, 08	Change from Sep.30, 09 Baht mn	%	Change from Dec. 31, 08 Baht mn	%
Non-Performing Loans (Net)	32,370	32,871	32,954	(501)	(1.5)	(584)	(1.8)
Non-Performing Loans (Gross)	52,080	55,504	55,137	(3,424)	(6.2)	(3,057)	(5.5)
Loans loss reserves (LLR)	38,603	37,756	32,359	847	2.2	6,244	19.3
Coverage	74.1%	68.0%	58.7%	6.1%	9.0	15.4%	26.3
BOT Requirement	27,079	28,155	26,380	(1,076)	(3.8)	699	2.6
Actual / Required LLR	142.6%	134.1%	122.7%	8.5%	6.3	19.9%	16.2

Despite a slight decline in the overall economy in 2009, asset quality remained tightly controlled resulting in a decrease in NPL. As of December 31, 2009, gross non-performing loans decreased by Baht 3,057 million or 5.5% and by Baht 3,424 million or 6.2% from December 31, 2008 and September 30, 2009 respectively, while the surplus reserve increased to Baht 11,524 million from Baht 5,977 million. Correspondingly, the coverage ratio increased significantly to 74.1% from 58.7% and the actual provision to BOT requirement ratio increased to 142.6% from 122.7% as of December 31, 2008.



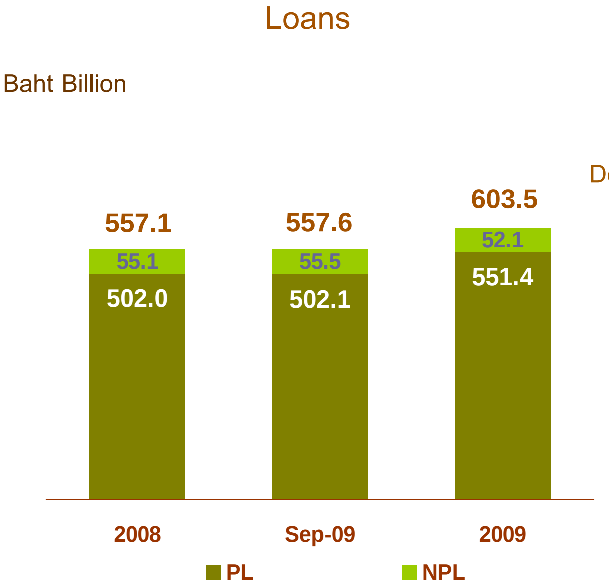
3.3 Details of deposits

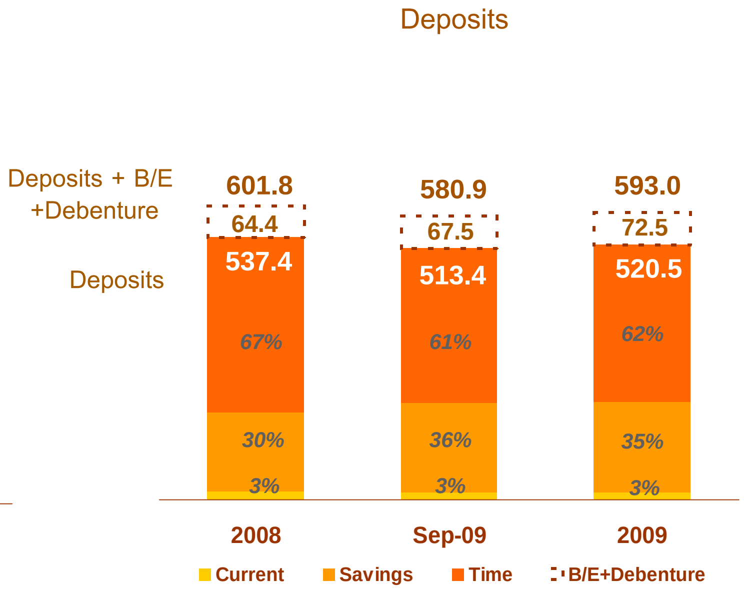
Consolidated	Dec. 31, 09 (Baht mn.)	Sep. 30, 09 (Baht mn.)	Dec. 31, 08 (Baht mn.)	Change from Sep. 30, 09		Change from Dec. 31, 08	
				Baht mn	%	Baht mn	%
Current	14,907	15,557	17,772	(650)	(4.2)	(2,865)	(16.1)
Savings	184,405	182,581	161,401	1,824	1.0	23,004	14.3
Time	321,203	315,265	358,181	5,938	1.9	(36,978)	(10.3)
< 6 months	90,404	104,682	101,748	(14,278)	(13.6)	(11,344)	(11.1)
6 M - 1 Year	114,437	91,824	163,080	22,613	24.6	(48,643)	(29.8)
> 1 Year	116,362	118,759	93,353	(2,397)	(2.0)	23,009	24.6
Total	520,515	513,403	537,354	7,112	1.4	(16,839)	(3.1)

Consolidated	Deposit Structure		
	Dec. 31, 09	Sep. 30, 09	Dec. 31, 08
Current	2.86	3.03	3.31
Savings	35.43	35.57	30.04
Time	61.71	61.40	66.65
< 6 months	17.37	20.39	18.94
6 M - 1 Year	21.99	17.89	30.34
> 1 Year	22.35	23.12	17.37
Total	100.00	100.00	100.00

As of December 31, 2009, deposits totaled Baht 520,515 million, a decrease of Baht 16,839 million or 3.1% from December 31, 2008. The decrease was due primarily to a reduction in time deposits of Baht 36,978 million or 10.3% driven by time deposits in the 6 months to 1 year category decreasing by Baht 48,643 million or 29.8% and time deposits with tenor less than 6 months decreased by Baht 11,344 million or 11.1% while time deposits with tenors more than 1 year increased by Baht 23,009 million or 24.6%. At the same time, current deposits decreased by Baht 2,865 million or 16.1% while savings increased by Baht 23,004 million or 14.3%. These movements resulted in a shift in the overall deposit mix with the fixed term deposit portion decreasing from 66.7% to 61.7%.

Compared to September 30, 2009, deposits increased by Baht 7,112 million or 1.4% driven by time deposit in the 6 months to 1 year category increasing by Baht 22,613 million or 24.6% with time deposit schemes launched in 4Q/09 while time deposits with tenor less than 6 months decreased by Baht 14,278 million or 13.6%.





L/D	104%	109%	116%
L/D+B/E+Debenture	93%	96%	102%

3.4 Off balance sheet items

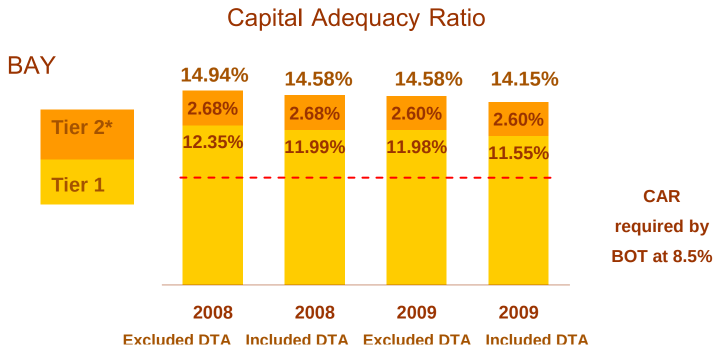
Consolidated	Dec.31, 09	Sep.30, 09	Dec. 31, 08	Change from Sep. 30, 09 Baht mn	%	Change from Dec. 31, 08 Baht mn	%
Off-Balance Sheet Items - Contingencies							
Avals to bills and Guarantees of loans	3,983	3,187	3,037	796	25.0	946	31.1
Liability under unmatured import bills	1,380	1,426	2,056	(46)	(3.2)	(676)	(32.9)
Letters of credit	5,382	5,580	3,691	(198)	(3.5)	1,691	45.8
Other contingencies	255,085	261,960	243,920	(6,875)	(2.6)	11,165	4.6
Total	265,830	272,153	252,704	(6,323)	(2.3)	13,126	5.2

The Bank and subsidiaries' off balance sheet items as of December 31, 2009 totaled Baht 265,830 million, an increase of Baht 13,126 million or 5.2% as compared to December 31, 2008. This was due mainly to an increase in other contingencies by Baht 11,165 million as a result of an increase in the level of FX transactions of Baht 14,075 million partially offset by a decrease in the unused overdraft limit of Baht 6,406 million.

3.5 Statutory Capital

The Bank changed the method of capital calculation from Basel I to Basel II effective as of December 31, 2008 as required by the Bank of Thailand.

As of December 31, 2009, the Bank's capital totaled Baht 93,745 million, equivalent to 14.15% of risk-weighted assets with 11.55% in Tier 1 capital. The Bank's capital base remained at a healthy level, thus supporting further potential inorganic growth activities in the Bank.



THB bn.	2008 (Exclude DTA)	2008 (Include DTA)	2009 (Exclude DTA)	2009 (Include DTA)
Tier 1	79.00	76.67	79.26	76.47
Tier 2 *	17.12	17.12	17.27	17.27
Total Capital	95.56	93.23	96.54	93.74

Note: * Capital before reduction of investment revaluation discretion (net) in securities available for sale

DTA : Deferred Tax Assets

4. Credit Ratings

The Bank's credit ratings by Moody's Investors Service, Standard & Poor's and Fitch Ratings as of December 31, 2009 are as follows:

<u>Moody's Investors Service</u>	
Bank Deposits	
- Long Term	Baa2
- Short Term	Prime-2
Debt	
- Long Term -Senior Debt	Baa2
- Long Term -Subordinated	Ba1
- Short Term	Prime-3
Debt and Deposit Rating Outlook	Stable
Bank Financial Strength Ratings	D
Outlook	Stable
<u>Standard and Poor's</u>	
Local Currency	
- Long Term	BBB-

- Short Term	A-3
Foreign Currency	
- Long Term - Senior Debt	BBB-
- Short Term	A-3
Bank Financial Strength Ratings	C
Outlook	Stable

<u>Fitch Ratings</u>

Foreign Currency Issuer Default	
- Long Term	BBB
- Subordinated Debt	BBB-
- Short Term	F3
- Individual Rating	C
- Support	3
- Support Rating Floor	BB+
- Outlook	Negative
National Ratings	
- Long Term –Senior Debt	AA- (tha)
- Subordinated Debt	A+ (tha)
- Short Term	F1+ (tha)
- Outlook	Stable