

Investor Update

October 2009



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Agenda

- **Updates and Recent Development in 2009**
- **Financial Performance for 3Q/09 and 9M/09**
- **Economic Outlook and Plans**



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Updates and Recent Development in 2009



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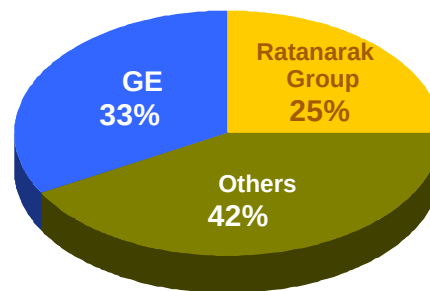
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BAY's Profile Update

Profile Ranking – 5th Largest bank in Thailand

Consolidated	Sep 09 (Baht bn)	Ranking
Assets	750.6	5
Deposits	513.3	5
Loans	557.6	5
Number		
Domestic Branches	573	
Overseas Branches	4	
ATMs	2,811	
Exchange Booth	64	
Employees	9,269	

Shareholding as of Sep 2009



- GE and Ratanarak Group remain as major shareholders

BAY Group Offers a Full Range of Financial Services

Group Companies

BAY's Shareholding

Acquisition of AIGRB & AIGCC	Auto Hire Purchase and Leasing Ayudhya Capital Auto Lease Plc. (AYCAL) Ayudhya Auto Lease Plc. (AYAL) AIG Retail Bank (AIGRB)		99.9%, 99.5%, 99.8%
	Credit Card Krungsriayudhya Card Co., Ltd. Ayudhya Card Services (AYCS)		49.9%, 99.9 %
Integration of AYF & PrimaVest	Fund Management Ayudhya Fund Management Co., Ltd. PrimaVest Asset Management Co., Ltd.		99.9%, 10.0 %
	Securities Ayudhya Securities Plc.		86.3%
	Leasing Ayudhya Development Leasing Co., Ltd.		99.9%
	Factoring Ayudhya Factoring Co., Ltd.		99.9%
	Non-life Insurance The Ayudhya Insurance Plc.		10.9%
	Life Insurance Ayudhya Allianz C.P. Life Plc.		8.5%

- BAY group offers a full range of financial services. Structure of group companies has been strengthened with recent acquisition and integration plan and merger.

Recent Development and Performance Highlights in 2009

Progress in Inorganic Growth Plan

- Acquisition of AIGRB and AIGCC* in April 2009.
- Plan to acquire consumer finance businesses of GE Money Thailand, announced on July 9, 2009.
- Plan to acquire AIG's CFG Services Co.,Ltd., announced on July 9, 2009.



Streamline Structure of Group Companies

- Merger of fund management businesses: AYF and PrimaVest.
- Integration is expected to complete within 3Q/09.



Pick Up in Loan Growth

- Flat net loan growth for 9M/09.
- Organically, loan grew 0.3% in 3Q/09 versus a 4% contraction in the first half.

Improvement in Margin

- NIM continued to increase from 3.53% in 1Q/09, to 3.98% in 2Q/09, and 4.24% in 3Q/09.

Improvement in Non-Interest Income

- Fee & services income increased 15% YoY mainly from services fee such as card related and electronic banking with additional of fee from loan.
- Capital gain with negative goodwill from AIG's businesses booked in 3Q 09.

Higher Coverage Ratio

- Coverage ratio was raised further to 68% in light of an uncertain economic outlook.

* AIG Credit Card Co., Ltd. was renamed to Ayudhya Card Services (AYCS) on 25 May 09.



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Acquisition of AIGRB + AIGCC and Change in Loan Mix

Acquisition Structure for AIGRB and AIGCC *

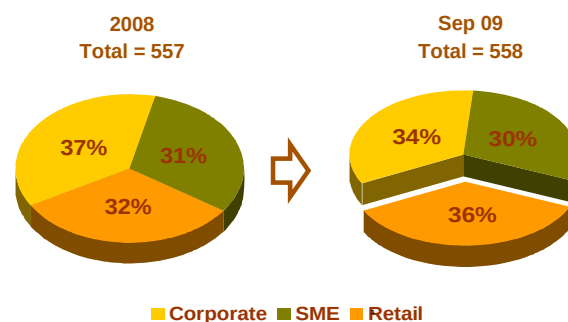


* AIG Credit Card Co., Ltd. was renamed to Ayudhya Card Services (AYCS) on 25 May 09.

- In April 09, loan portfolio of Baht 21.9 billion, deposit of Baht 18.6 billion, and approximately 222,000 credit cards were transferred
- Cost of funding saved by lower cost of funding of BAY
- Capital gained with negative goodwill booked in the amount of Baht 638 million
- Integration has progressed as planned and is expected to complete in 3Q/09

Loan Mix Moving Towards the Target : Retail of 50%

Consolidated
(Baht Billion)



	2008		Sep 09		% chg
	Bn	%	Bn	%	
Corporate	203.4	37	192.5	34	-5
SME	172.8	31	165.5	30	-4
Retail	180.9	32	199.6	36	10
- Auto HP	102.6	18	111.3	20	8
- Mortgage	68.1	12	71.1	13	4
- P loan & Others	10.2	2	17.1	3	68
Total	557.1	100	557.6	100	0.1

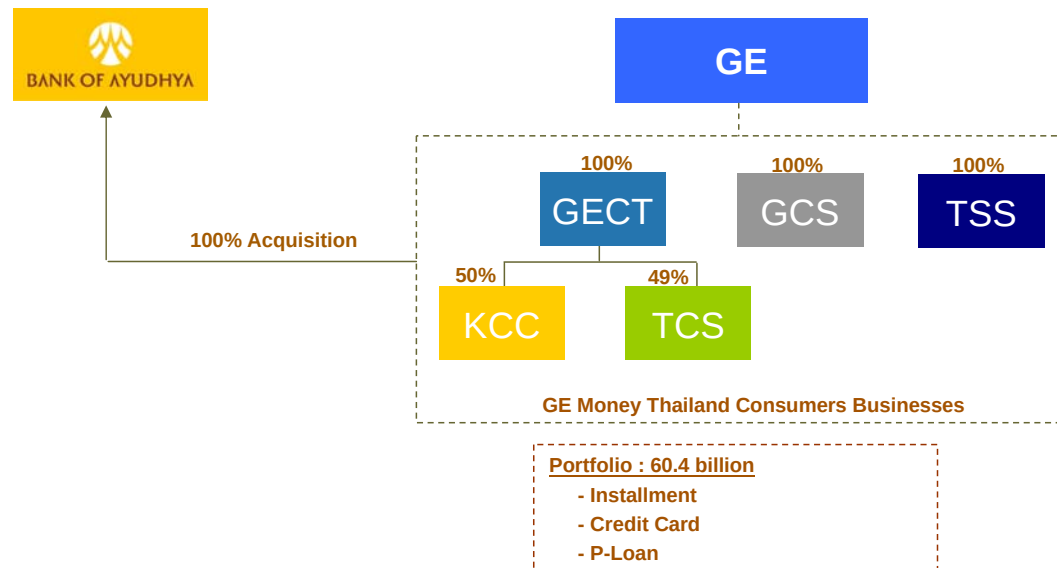
Breakdown of Auto HP Portfolio

- New cars	42%
- Used cars	32%
- Refinancing	21%
- Motorcycle	3%
- Others	2%



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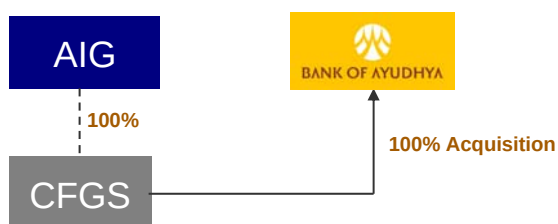
Plan to Acquire GEMT's Consumer Finance Businesses in Thailand



- Transaction is subject to shareholders and BOT approvals.
- Extraordinary shareholders meeting to be held on 27 August 2009.
- Original funding in the amount of up to Baht 60 billion to be refinanced by BAY.
- Synergy benefits from lower funding cost and efficiency to be obtained via economies of scale are expected.

Acquisition CFGS from AIG

Acquisition Structure



Micro Finance Portfolio (as of Dec 08) : Baht 1.47 bn

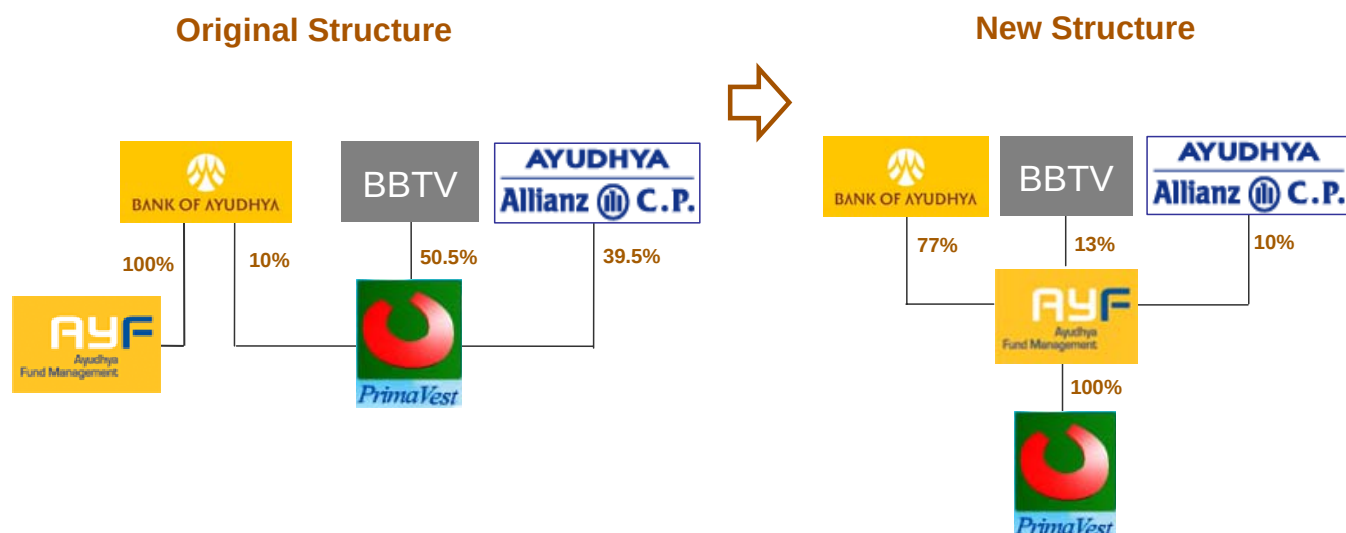
- Sedan + Pick up (HP)
- Sedan + Pick up (Loan)
- Truck + Others (HP)
- Truck + Others (Loan)
- Motorcycle

Customer accounts : 41,500 (Upcountry Segment)

Number of branches : 163 (Covered 71 provinces)

- Agreement signed on 9 July 2009
- Opportunity for BAY to explore a new customer segment
- Opportunity to access a micro financing platform and expansion into this business
- Potential benefits from the followings ;
 - BAY's funding support
 - Wide banking network
 - Economies of scale and technology transfer

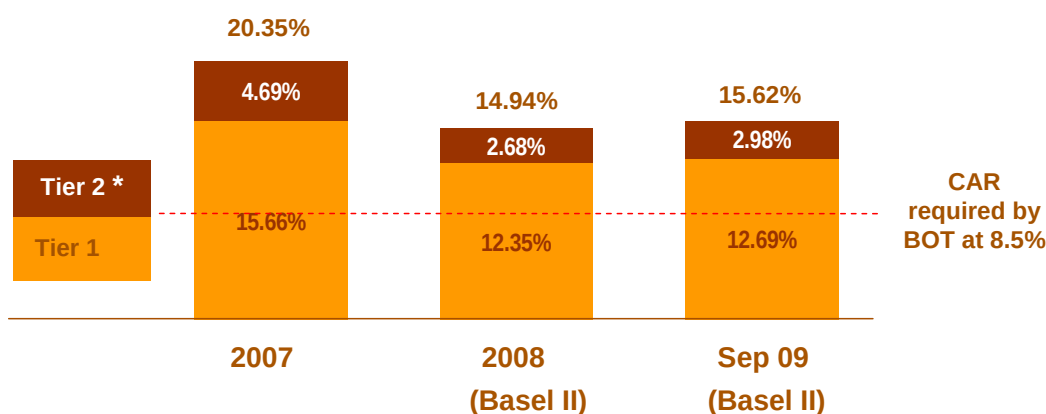
Merger of Fund Management Businesses : Integration of AYF and PrimaVest



- The integration will streamline the asset management business to a higher level of efficiency with economies of scale.
- Integration expected to be completed in September 2009 with approvals from BOT and SEC required
- Combined asset under management is Bath 59 billion approximately.

Strong Capital Base Maintained

Bank Only



THB bn.	2007	2008 (Basel II)	Sep 09 (Basel II)
Tier 1	70.14	79.00	79.27
Tier 2 *	21.00	17.12	18.57
Total Capital	91.14	95.56	97.56

- After a few acquisitions, CAR remained strong at above 15% still supporting inorganic growth plan.

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

Financial Performance for 3Q/09 and 9M/09



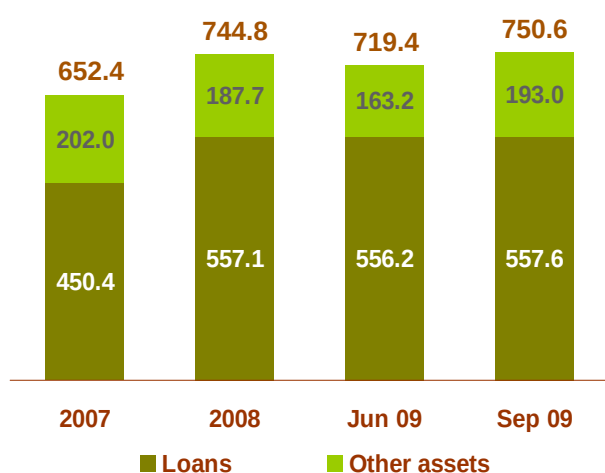
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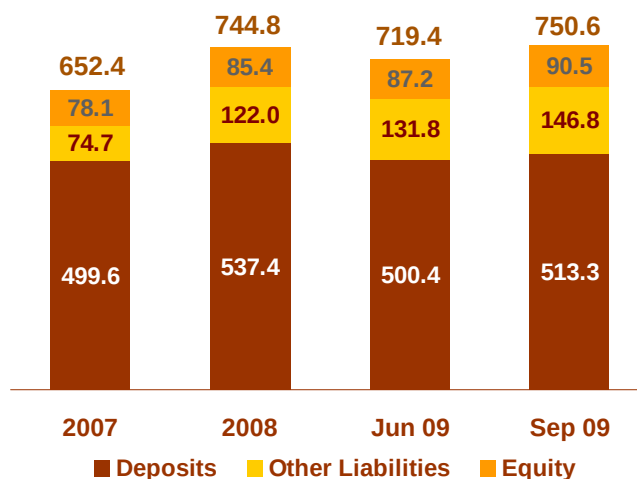
Balance Sheet

Consolidated
(Baht Billion)

Assets



Liabilities & Equity



Assets

- Increased mainly from other assets such as long term investment.

Loans

- Remained flat with a slight increase organically in 3Q/09 as the situation improved in the period.

Deposits

- The contraction in the first half was in line with declined interest rate in the market. However, it increased by Baht 13 billion in 3Q/09 from a few deposit schemes.

Other Liabilities

- Increased from Interbank and money market items and borrowings. However, borrowings decreased in 3Q/09 by Baht 5 billion mainly from maturity of Bill of Exchange.

Equity

- Rose by Baht 5 billion with Bank's 9M/09 net profit.



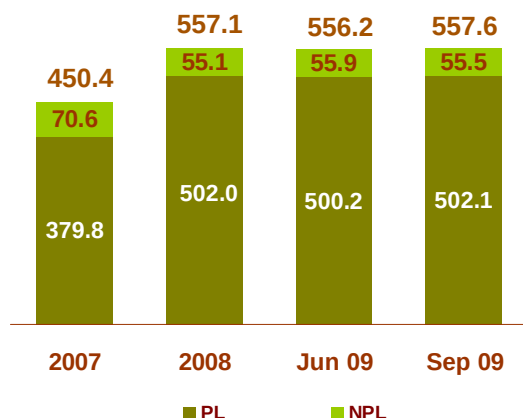
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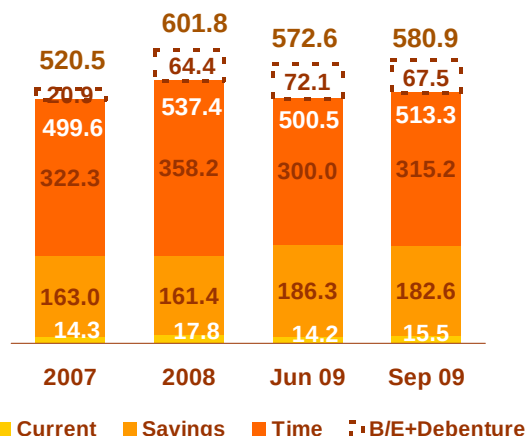
Loans & Deposits+

Consolidated
(Baht Billion)

Loans



Deposits+



	2007	2008	Jun-09	Sep-09
L/D	90%	104%	111%	109%
L/D+B/E+Debenture	87%	93%	97%	96%

- Loan increased slightly in 3Q/09 versus an organic reduction in the first half which was compensated by AIGRB and AIGCC acquisition.
- Deposits increased in 3Q/09 mainly from short-term time deposit schemes.
- Loan-to-Deposit +B/E +Debenture ratio maintained at about 96% in September 2009 in line with the Bank's plan.



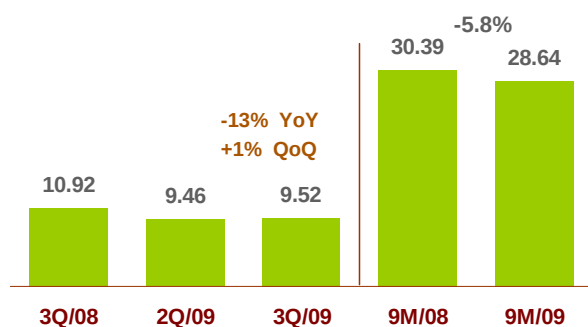
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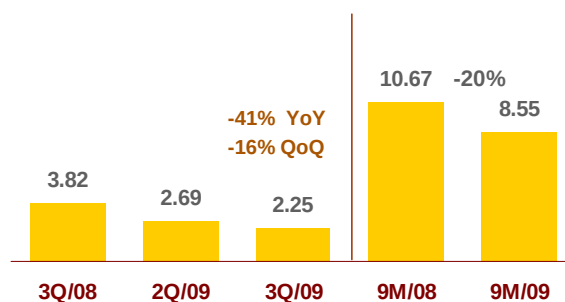
Interest Accounts

Consolidated
(Baht Billion)

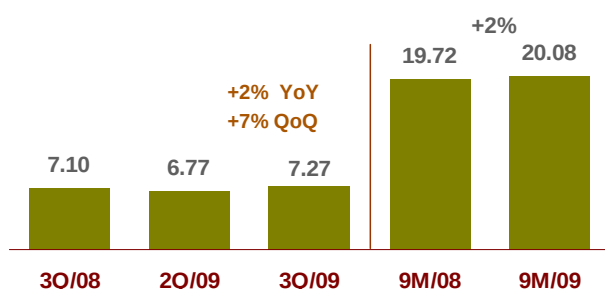
Interest Income



Interest Expense



Net Interest Income



- Net Interest Income in 3Q/09 increased by 2% YoY due to improvement in cost of funds.
- The 7% increase QoQ was because cost of fund continued to improve with further lagged effect of fixed term deposit being re-priced.
- 9M/09 showed a slight improvement YoY because of a change in loan mix with bigger portion of high-yielding retail portfolio.

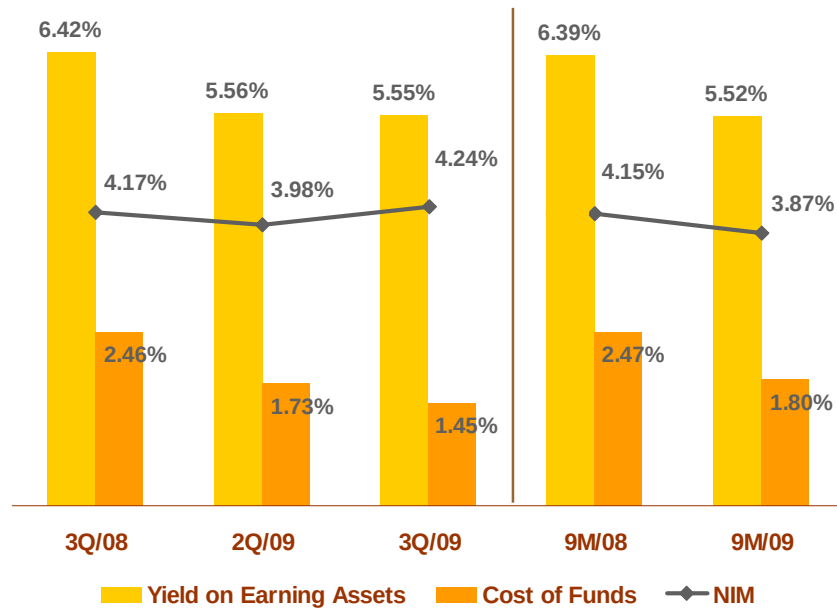


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Net Interest Margin

Consolidated



- NIM improved continuously from the beginning of the year with lagged effect from sharp reduction in interest rates and fixed term deposit continued to be re-priced.



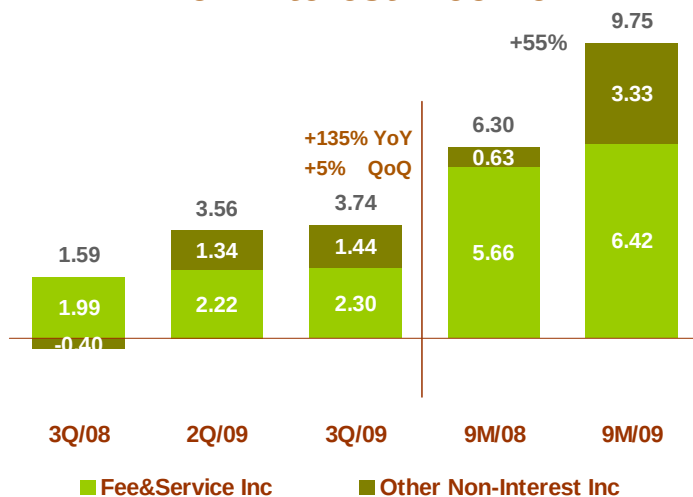
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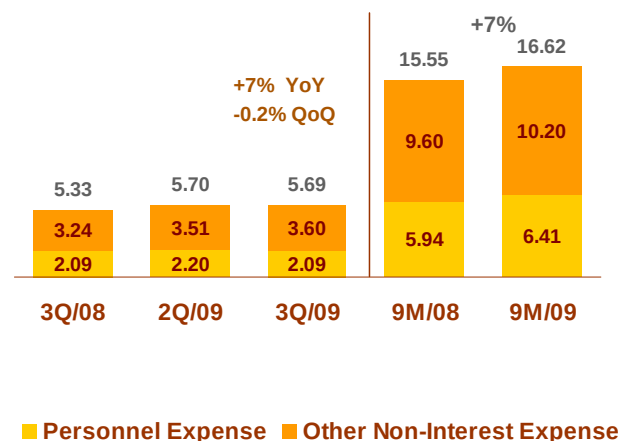
Non Interest Accounts

Consolidated
(Baht Billion)

Non-Interest Income



Non-Interest Expenses



- Non-interest income for 3Q/09 and 9M/09 significantly increased YoY. It was partly because there was no CDO MTM loss this year while there were gains in negative goodwill from acquisitions in 2Q/09 and 3Q/09.
- Fees & services income increased by 15% YoY for 3Q/09 and by 13% for 9M/09 mainly from fee from services such as card related and electronic banking with additional of fee from loan.
- Non-interest expenses is well maintained with slight increase YoY.

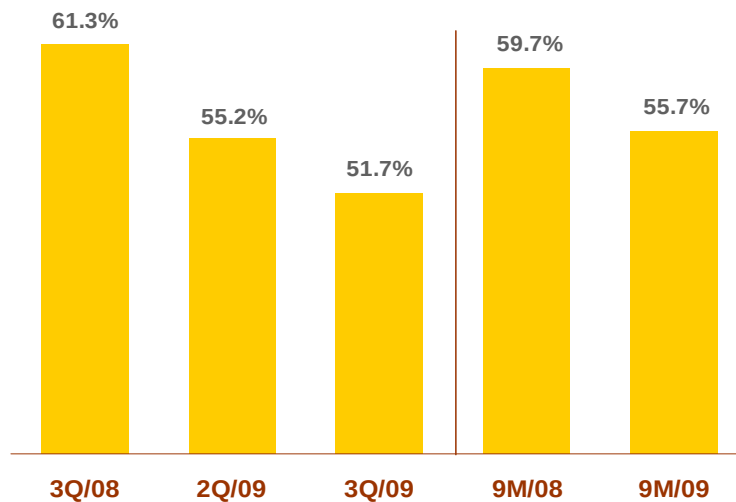


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Cost-to-Income Ratio

Consolidated



- Cost-to-income continued to decline quarter by quarter.
- 3Q/09 cost-to-income was 51.7% decreasing from 55.2% in 2Q/09, moving toward the 55% target for 2009.

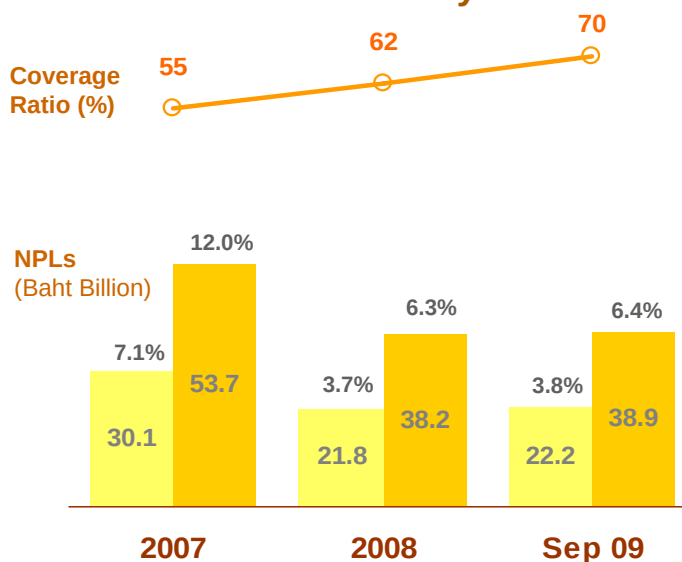


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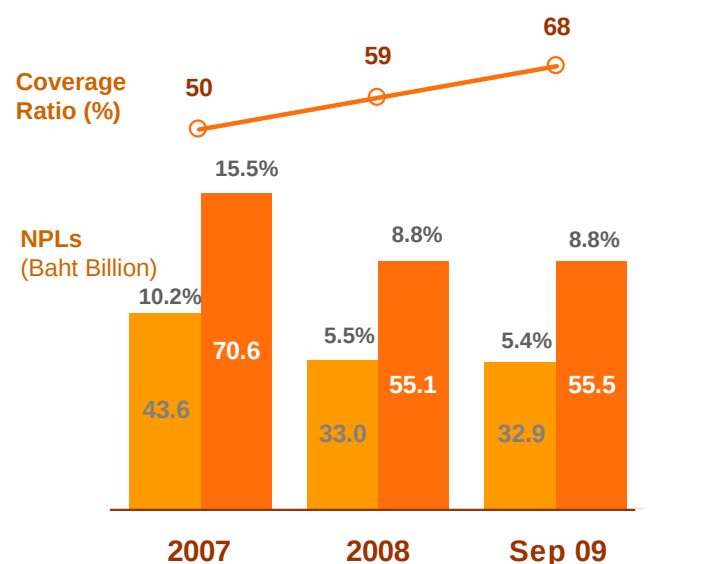
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NPLs and Coverage Ratio

Bank Only



Consolidated



■ BAY Net NPLs
 ■ BAY Gross NPLs
 —○— Coverage Ratio BAY
 ■ Net NPLs
 ■ Gross NPLs
 —○— Coverage Ratio

Consolidated

- Despite the weak economy, asset quality was well handled.
- NPL remained flat from end of last year while coverage ratio was increased to 68% on a more prudent strategy.
- As of end 3Q/09, provision to BOT requirement was at 137%.



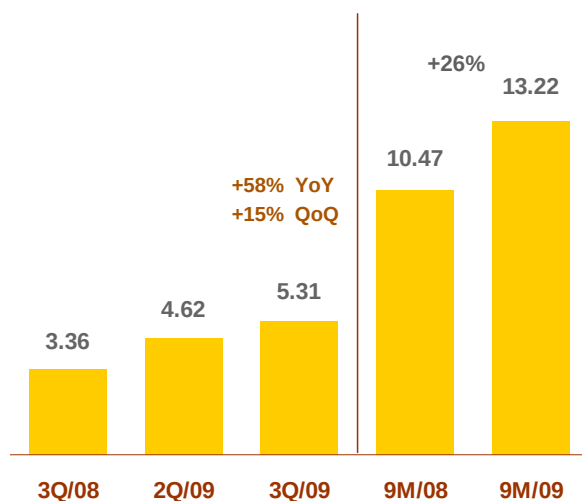
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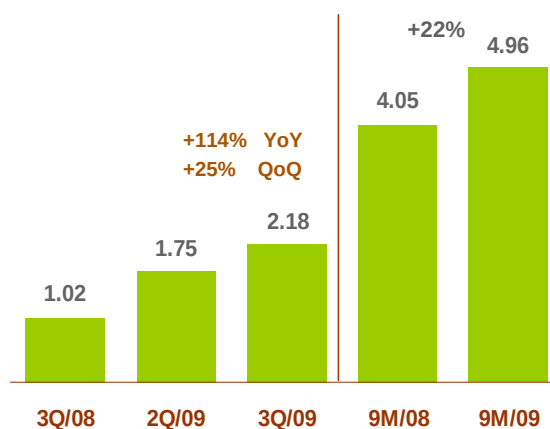
Profit before Provision and Tax and Net Income

Consolidated
(Baht Billion)

Profit before Provision and Tax



Net Income



- Operating performance for 3Q/09 and 9M/09 was significantly improved contributed by both organic growth and benefits from inorganic growth.
- Net income increased YoY despite of increased provision to lift coverage ratio and tax payment.



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2009 Key Performance Targets

Consolidated	2008	1Q/09	2Q/09	3Q/09	9M/09	2009 Targets
Loan Growth (Net)	+106.7 bn (+23.7%)	-22.0 bn (-3.9%)	+21.0 bn (+3.9%)	+1.4 bn (+0.25%)	+0.5 bn (+0.1%)	+35 bn (+6%)
Deposit Mix: Savings and Current	33%	37%	40%	40%	40%	34%
Loan Mix : Retail	32%	33%	36%	36%	36%	36%
L/D Ratio	104%	102%	111%	109%	109%	106.0%
L/Deposit+Debentures+B/E	93%	91%	97%	96%	96%	92.0%
NIM	4.11%	3.53%	3.98%	4.24%	3.87%	4.2%
Fee income growth	38%	11%	13%	15%	13%	10%
Cost to Income Ratio *	61.5%	61.4%	55.2%	51.7%	55.7%	55%
NPLs	55.1 bn	56.3 bn	55.9 bn	55.5 bn	55.5 bn	na.
Provisions **	139 bps	148 bps	182 bps	182 bps	169 bps	na.
Coverage	59%	59%	65%	68%	68%	> 50%
CAR ***	14.9%	15.6%	15.9%	15.6%	15.6%	n.a.
Inorganic Growth	GEAL Acquisition		AIGRB & AIGCC Acquisition	CFGs Acquisition		

* 2008: Normalized for CDOs MTM and impairment

** Provision included loss on sale of foreclosed properties

*** Bank only



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Economic Outlook and Plans

Thailand Economic Outlook

Key forecasts and assumptions

% change	2008	2009	
		Actual	Forecast
GDP	2.6	-6.0 (1H)	-4.0 to -3.0
Total Consumption	2.2	-1.4 (1H)	-0.5 to 1.0
- Private	2.5	-2.4 (1H)	-2.0 to -0.5
- Public	0.5	4.8(1H)	7.0-9.0
Total Investment	1.1	-12.9(1H)	-11.0 to -9.0
- Private	3.2	-16.9(1H)	-16.0 to -14.0
- Public	-4.8	0.5(1H)	5.0-7.0
Exports (% in USD terms)	16.8	-23.6 (7M)	-18.0 to -15.0
Imports (% in USD terms)	26.4	-34.6 (7M)	-24.5 to -21.5
Current Account (USD Billion)	-0.2	11.8 (7M)	11.5 - 13.5
Headline Inflation	5.5	-1.9 (8M)	-1.0 to 0
Oil price (Dubai, \$/Barrel, avg.)	93.7	54.2 (8M)	55-65
THB/USD (avg.)	33.4	34.8 (8M)	34.0-35.0
Policy Interest Rate (% p.a.)	2.75	1.25 (Sep)	1.25

Source : BAY's Research Department, forecast as of July 2009

Risk factors for 2009-10

- Global financial crisis alleviates very slowly, and financial institutions cannot function as normal, prolonging the global economic recession.
- Unfavorable domestic political changes (such as a parliament dissolution, government resignation, or new violence) would exacerbate the economic situation.
- More severe outbreak of H1N1 flu would hit hard tourism and service sectors.

Situation & Outlook

> Situation and Outlook for 2009

- Thai economic growth is projected at -4.0 to -3.0% in 2009, the first contraction since the crisis in 1997/98:
 - In 1H09, Thai economy contracted sharply on shrinking international trade and eroding consumer and business confidence owing to global crisis and domestic political turmoil. Private investment was postponed. Unemployment increased but less than anticipated.
 - In 2H09, economic signs would suggest less gloomy prospects as stimulus measures worldwide, including Thailand, would start taking effect. 4Q09 GDP growth would turn positive, supported by early stage of global recovery, domestic stimulus (including SP2--investment projects worth Bt1.43trn in next 3 years, starting from Sept'09), and last year's low base effect.
- Inflation is forecast to be negative in 2009 due to commodity price slump, demand slowdown and the extension of gov't measure to relieve cost of living until year-end.
- Coupled with easing fiscal policy, accommodative monetary policy may be maintained to help shore up domestic demand.
- Baht (avg.) in 2H09 tends to strengthen slightly from 1H09, backed by economic recovery, capital inflows and C/A surplus.

> Outlook for 2010

- Thai economy would recover gradually with 2.5-3.5% growth in 2010.
 - In 1H10, Thai exports may improve moderately following slow recovery of global economy and because of a low base in 2009, while government stimulus, led by SP2, would play a major role in reviving domestic demand.
 - In 2H10, stronger global recovery, led by US and Asia, may boost Thai exports and tourism. This factor coupled with accelerating government spending and rising confidence would induce private consumption and investment growth.

Top Priorities for 2009

- **Prudent Risk Discipline / Portfolio Management**
- **Profitable Growth : Focus remains on growing proportion of consumer loans**
- **Providing stronger support to SME and corporate banking customers**
- **Maintain strong liquidity**
- **Continue to take advantage of inorganic growth opportunity**



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