

Non Deal Roadshow

Hong Kong

July 2009



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Agenda

- **Updates and Recent Development in 2009**
- **Financial Performance for 2Q/09 and 1H/09**
- **Economic Outlook and Plans**



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Updates and Recent Development in 2009



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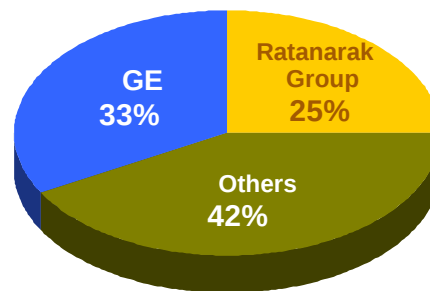
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BAY's Profile Update

Profile Ranking – Maintained at No. 5

Consolidated	Jun 09 (Baht bn)	Ranking
Assets	719.6	5
Deposits	500.6	5
Loans	556.2	5
	Number	
Domestic Branches	578	
Overseas Branches	4	
ATMs	2,663	
Exchange Booth	68	
Employees	9,385	

Shareholding as of June 2009



- GE and Ratanarak Group remain as major shareholders



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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 %
	Fund Management Ayudhya Fund Management Co., Ltd. PrimaVest Asset Management Co., Ltd.		99.9%, 10.0 %
Integration of IAYF & PrimaVest	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.



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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.



AIG Retail Bank
A Member of American International Group, Inc.



AIG Card (Thailand) Company Limited
บริษัท อเมริกัน อินเตอร์เนชั่นแนล จำกัด



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

- Net Loan growth of 3.9 % in 2Q/09.

Improvement in Margin

- NIM increased from 3.53% in 1Q/09 to 3.98% in 2Q/09.

Improvement in Non-Interest Income

- Fee & services income increased 13% YoY and 17% QoQ.
- A one-time gain on investment from AIGRB and AIGCC acquisition booked in 2Q/09.

Higher Coverage Ratio

- Although asset quality remained stable, coverage ratio was lifted above 65% in light of an uncertain economic outlook.

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

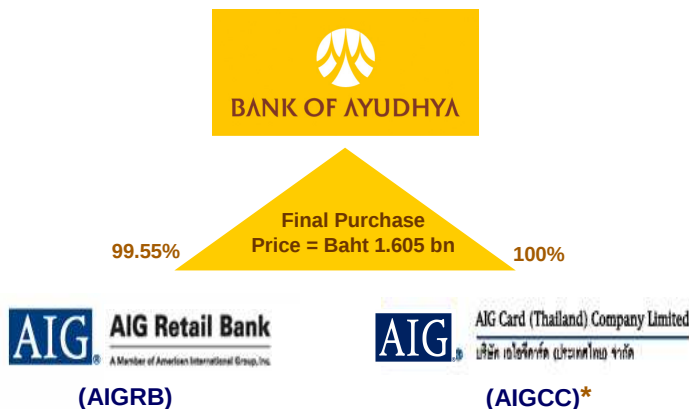


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Acquisition of AIGRB + AIGCC and Change in Loan Mix

Acquisition Structure for AIGRB and AIGCC *

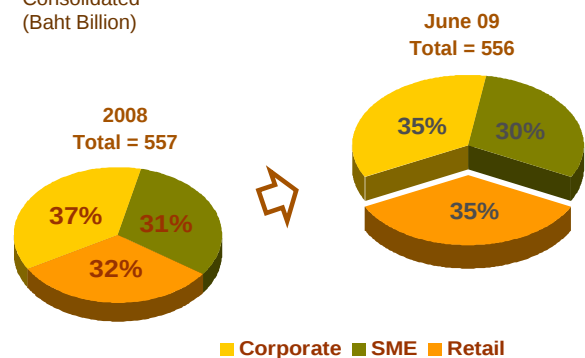


* AIG Credit Card Co., Ltd. was renamed to Ayudhya Card Services (AYCS) on 25 May 09.

- 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		June 09		% chg
	Bn	%	Bn	%	
Corporate	203.4	37	192.5	35	-5
SME	172.8	31	166.1	30	-4
Retail	180.9	32	197.6	35	9
- Auto HP	102.6	18	112.1	20	9
- Mortgage	68.1	12	69.1	12	2
- P loan & Others	10.2	2	16.5	3	61
Total	557.1	100	556.2	100	-0.2

Breakdown of Auto HP Portfolio

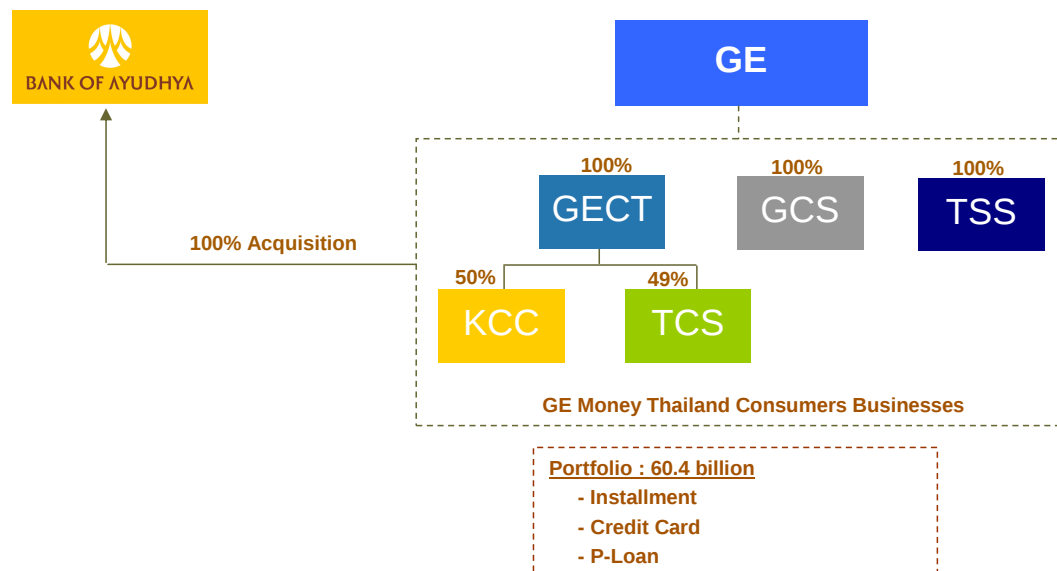
	Portion
- New cars	45%
- Used cars	31%
- Refinancing	19%
- Motorcycle	3%
- Others	2%



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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.

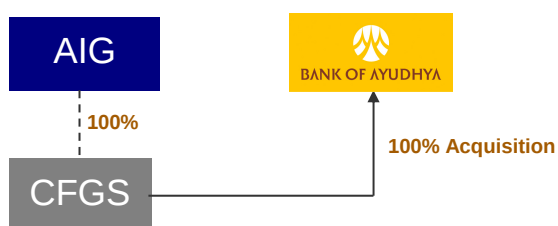


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Plan to Acquire CFGS from AIG

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)

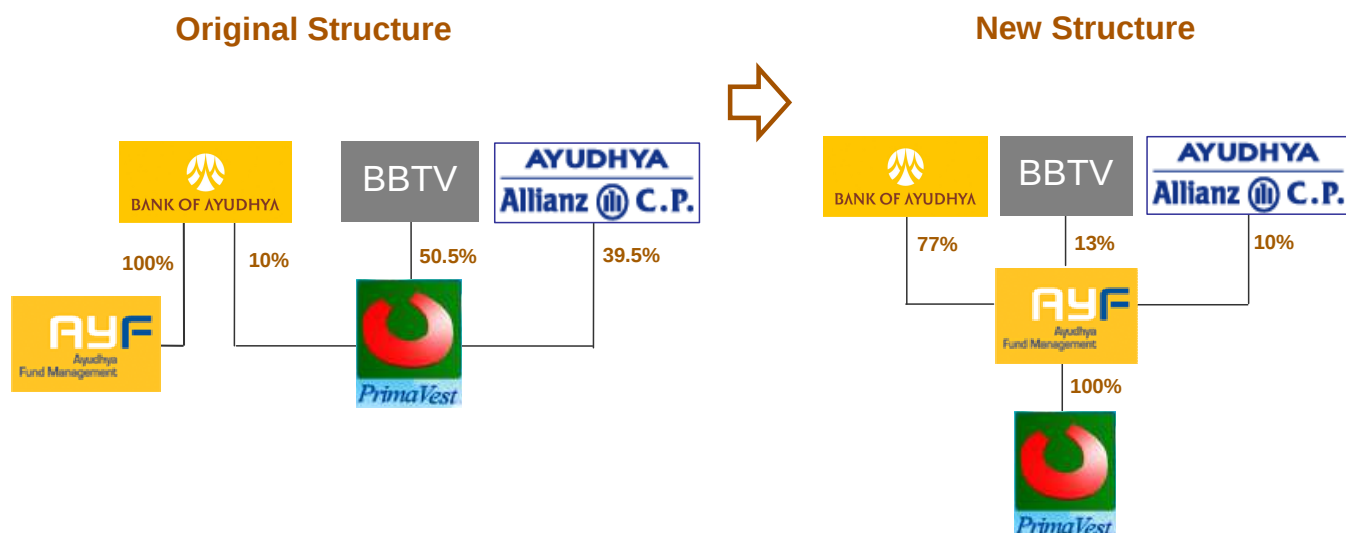
- Agreement signed on 9 July 2009
- Opportunity for BAY to explore a new customer segment
- Opportunity to access a micro financing platform and expansion into this business
- Potential benefits from the followings ;
 - BAY's funding support
 - Wide banking network
 - Economies of scale and technology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



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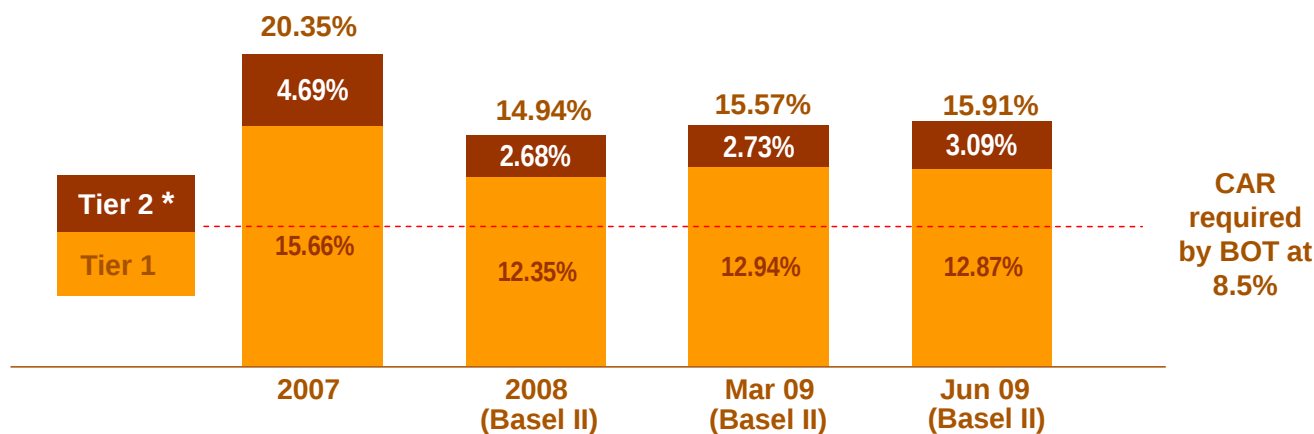
Merger of Fund Management Businesses : Integration of AYF and PrimaVest



- 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)	Mar-09 (Basel II)	Jun 09 (Basel II)
Tier 1	70.14	79.00	79.00	79.25
Tier 2 *	21.00	17.12	16.65	18.96
Total Capital	91.14	95.56	95.09	97.93

- With Basel II implemented as scheduled at end of 2008, CAR remained strong at 15.91% still supporting inorganic growth plan.

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

Financial Performance for 2Q/09 and 1H/09



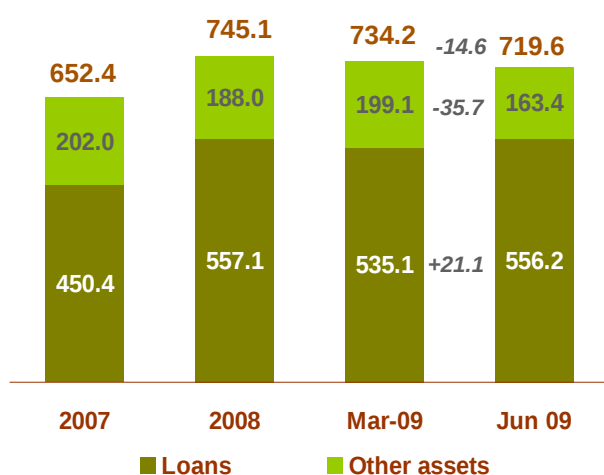
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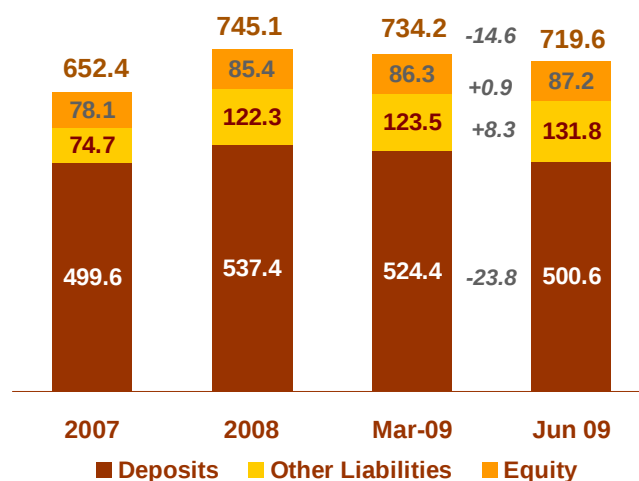
Balance Sheet

Consolidated
(Baht Billion)

Assets



Liabilities & Equity



Assets

- Down slightly mainly from a reduction in Interbank and money market items.

Loans

- Flat for 1H/09 as the situation improved in 2Q/09 with loan growth of Baht 21 billion or 4% mainly from AIGRB and AIGCC acquisition.

Deposits

- Decreased by Baht 37 billion in line with declined interest rate in the market.

Equity

- Rose by Baht 2 billion with Bank's 1H/09 net profit.



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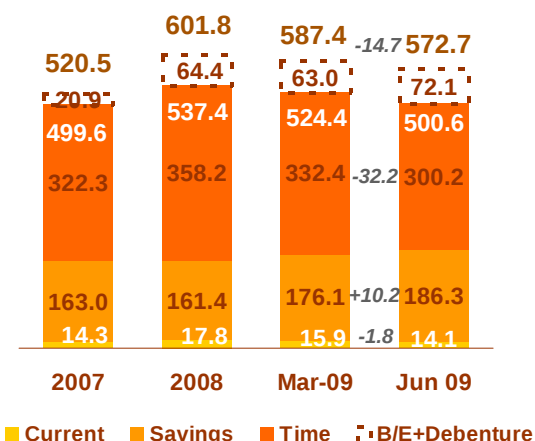
Loans & Deposits+

Consolidated
(Baht Billion)

Loans



Deposits+



	2007	2008	Mar-09	Jun-09
L/D	90%	104%	102%	111%
L/D+B/E+Debenture	87%	93%	91%	97%

- Flat loan growth was from the impact of the macro environment, compensated by the AIGRB and AIGCC acquisition in 2Q/09.
- Deposits reduced in line with loan and the downward interest rate trend.
- Loan-to-Deposit +B/E +Debenture ratio rose to 97% from consolidation of AIG's loans, yet liquidity is managed in line with the Bank's plan.



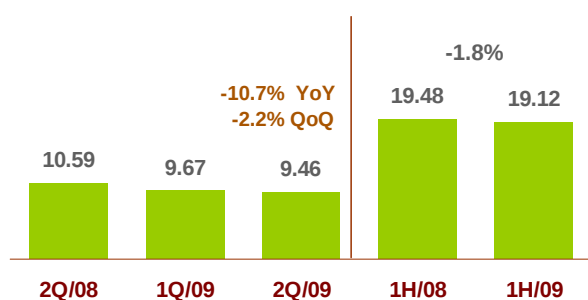
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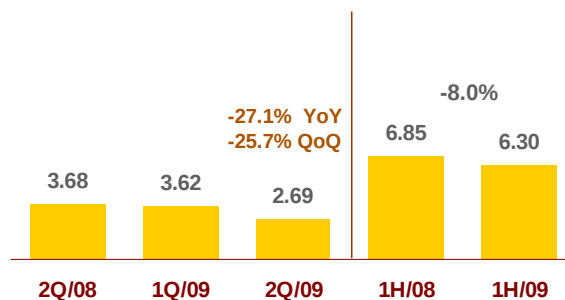
Interest Accounts

Consolidated
(Baht Billion)

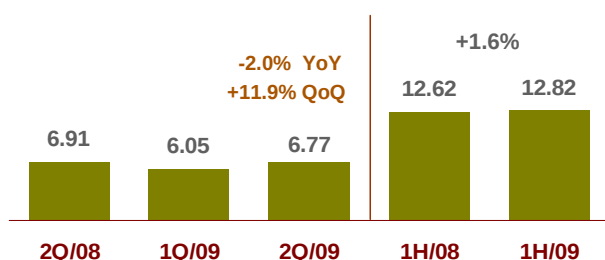
Interest Income



Interest Expense



Net Interest Income



- Net Interest Income 2Q/09 decreased by 2% YoY due to decline in interest rate.
- The Increase QoQ of 12% was because of improvement in cost of fund and consolidation of AIG businesses.
- 1H/09 showed a slight improvement YoY because of a full consolidation of AYCAL and consolidation of AIG businesses.



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Net Interest Margin

Consolidated



- NIM reduced YoY because of the immediate impact from sharp reduction in interest rates in 4Q/08 and 1Q/09.
- In 2Q/09 NIM increased QoQ because of the lagged effects for fixed term deposit to re-price.



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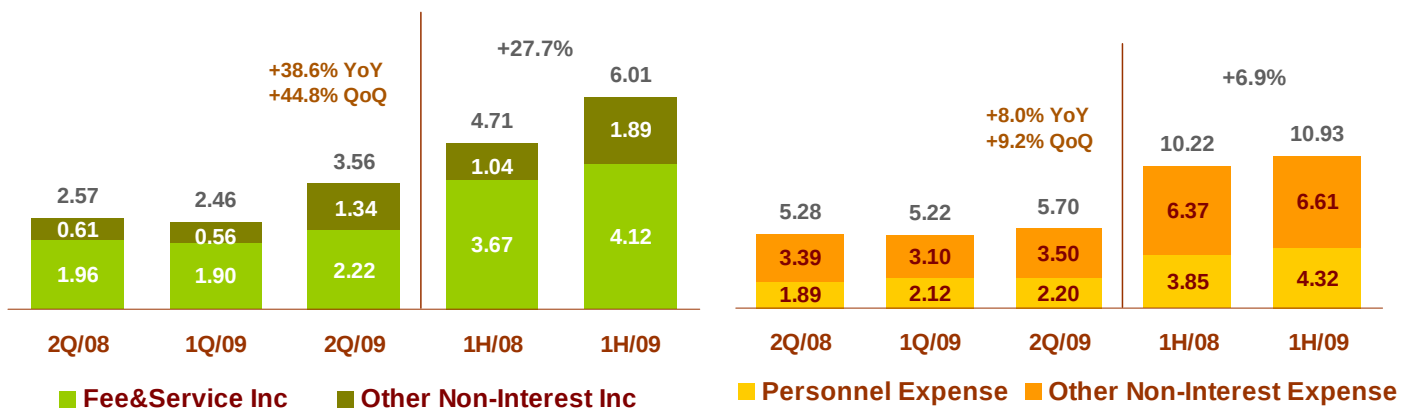
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Non Interest Accounts

Consolidated
(Baht Billion)

Non-Interest Income

Non-Interest Expenses



- Non-interest income increased both QoQ and YoY as there was no CDO MTM loss in 2Q/09 and 1H/09, while there was gain on investment in AIGRB and AIGCC.
- Fees & services income increased by 13% YoY and 17% QoQ for 2Q/09 and by 12% for 1H/09.
- Non-interest expenses were well controlled, a noticeable increase was only in personnel expenses driven from a one time expense on an early retirement program implemented in 2Q/09.

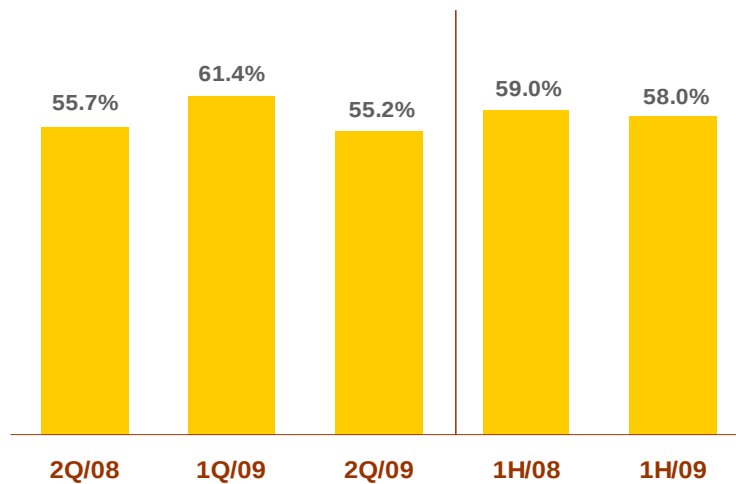


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Cost-to-Income Ratio

Consolidated



- Cost to income for 2Q/09 was 55.2% and for 1H/09 was 58% close to the 55% target in 2009.

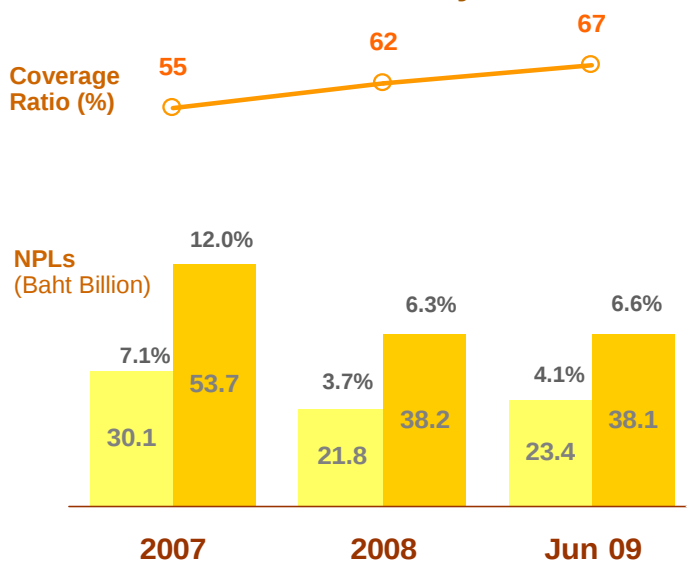


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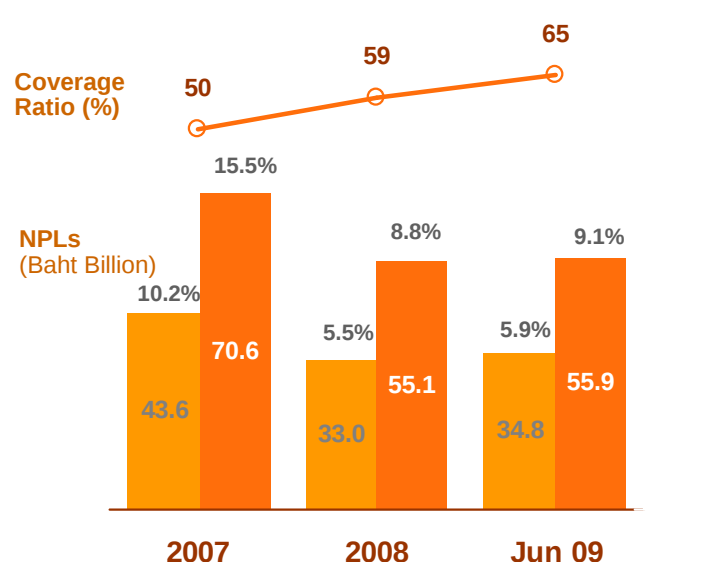
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NPLs and Coverage Ratio

Bank Only



Consolidated



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

Consolidated

- There was no significant increase in NPL despite the concern on current economic downturn.
- Coverage ratio increased to 65% with a more prudent strategy.
- As of end 2Q/09, provision to BOT requirement increased to 140% from 124% at end of 1Q/09.



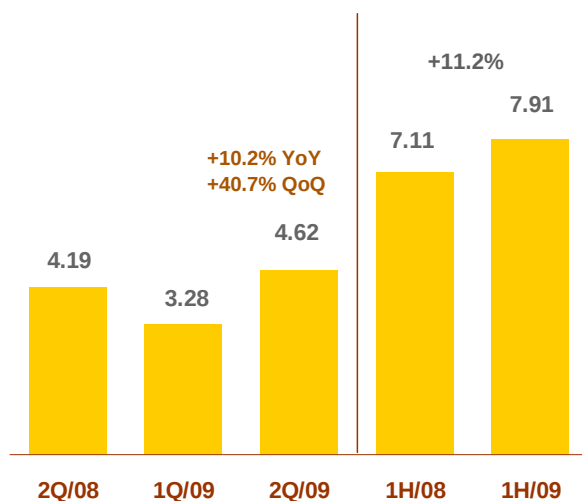
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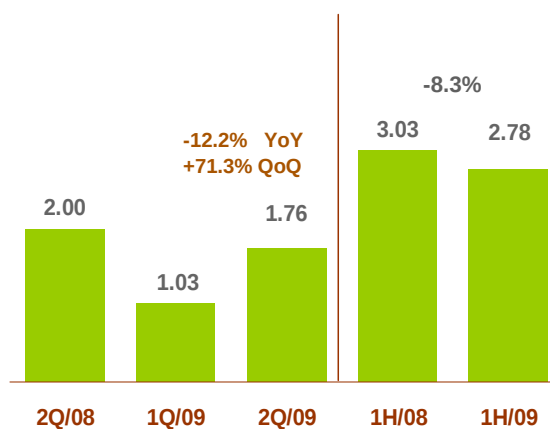
Profit before Provision and Tax and Net Income

Consolidated
(Baht Billion)

Profit before Provision and Tax



Net Income



- Improvement in operational performance for 2Q/09 and 1H/09 was because of better business operation with additional of one time gain of negative goodwill from AIG transaction.
- Net income reduced YoY as tax benefit was utilized last year.



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2009 Key Performance Targets

Consolidated	2008	1Q/09	2Q/09	1H/09	2009 Targets
Loan Growth (Net)	+106.7 bn (+23.7%)	-22.0 bn (-3.9%)	+21.0 bn (+3.9%)	-0.9 bn (-0.2%)	+35 bn (+6%)
Deposit Mix: Savings and Current	33%	37%	40%	40%	34%
Loan Mix : Retail	32%	33%	35%	35%	36%
L/D Ratio	104%	102%	111%	111%	106.0%
L/Deposit+Debentures+B/E	93%	91%	97%	97%	92.0%
NIM	4.11%	3.53%	3.98%	3.77%	4.2%
Fee income growth	38%	11%	13%	12%	10%
Cost to Income Ratio *	61.5%	61.4%	55.2%	58.0%	55%
NPLs	55.1 bn	56.3 bn	55.9 bn	55.9 bn	na.
Provisions **	139 bps	147 bps	182 bps	162 bps	na.
Coverage	59%	59%	65%	65%	> 50%
CAR ***	14.9%	15.6%	15.9%	15.9%	n.a.
Inorganic Growth	GECAL Acquisition		AIGRB & AIGCC Acquisition		



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* 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



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Thailand Economic Outlook

Key forecasts and assumptions

% change	2007	2008	2009	
			Actual	Forecast
GDP	4.9	2.6	-7.1 (1Q)	-3.0
Total Consumption	2.7	2.2	-1.8 (1Q)	0.8
- Private	1.6	2.5	-2.6 (1Q)	0.8
- Public	9.2	0.5	2.8(1Q)	12.0
Total Investment	1.3	1.1	-15.8(1Q)	-7.8
- Private	0.6	3.2	-17.7(1Q)	-12.5
- Public	3.4	-4.8	-9.1(1Q)	7.0
Exports (% in USD terms)	17.3	16.8	-22.4 (5M)	-21.5 to -16.5
Imports (% in USD terms)	9.1	26.4	-37.1(5M)	-30.0 to -25.0
Current Account (USD Billion)	14.0	-0.2	10.9(5M)	16.0-18.0
Headline Inflation	2.3	5.5	-1.6 (1H)	-1.0 to 0
Oil price (Dubai, \$/Barrel, avg.)	68.8	93.7	49.6 (1H)	55-65
THB/USD (avg.)	34.6	33.4	35.1(1H)	34.0-35.0
Policy Interest Rate (% p.a.)	3.25	2.75	1.25 (Jul)	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 -3.0% in 2009, the first contraction since the crisis in 1997/98:
 - In 1H09, Thai economy contracted sharply on shrinkage of 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. GDP growth in 4Q 09 would turn positive, supported by early stage of global recovery, domestic stimulus (including SP2-- investment projects worth Bt1.43 trn in next 3 years), 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 government 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 3.0% 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 strengthen private consumption and investment growth.



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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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