ธนาคารกรุงศรีอยุธยา
BANK OF AYUDHYA

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Singapore

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Agenda

- Key Development in 2008 & Recent Development in 2009
- Financial Performance for 1Q/2009
- Economic Outlook and Plan for 2009

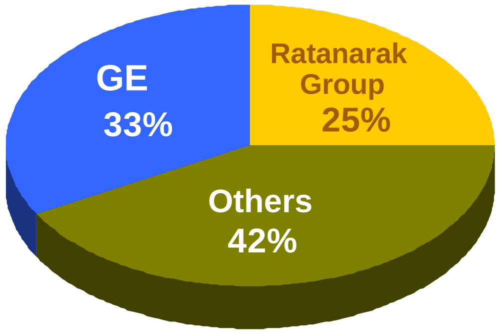
Key Development in 2008 & Recent Development in 2009

BAY's Profile and Shareholding Structure

BAY Profile

Consolidated	Mar 09 (Baht bn)	Ranking
Assets	734.5	5
Deposits	524.4	5
Loans	535.1	5
	Number	
Domestic Branches	582	
Overseas Branches	3	
ATMs	2,769	
Exchange Booth	71	
Employees	9,688	

Shareholding as of March 2009



- GE and R Group remain as major shareholders.

BAY Group Offers a Full Range of Financial Services

Group Companies	BAY's Shareholding As of March 09
Auto Hire Purchase and Leasing* Ayudhya Capital Auto Lease Plc. (AYCAL) Ayudhya Auto Lease Plc. (AYAL)	99.9%, 99.5%
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%
Credit Card Krungsriayudhya Card Co., Ltd	49.9 %
Non-life Insurance The Ayudhya Insurance Plc.	10.9%
Life Insurance Ayudhya Allianz C.P. Life Plc.	8.5%

* Amalgamation of auto HP business portfolios into AYCAL in December 2008

Accomplishments in 2008 & Recent Developments in 2009

Success in Inorganic Growth Plan	• GECAL acquisition & amalgamation of auto HP business in 2008 • Acquisition of AIGRB and AIGCC in April 2009
Loan Mix Moving Towards the Target	• Loan mix shifting to a high-yielding retail segment from 22% to 33% in 2008 and improving to 36% after AIG deal • Risks are more diversified
Better Matched Funding	• Matched funding between assets and liabilities with 54 billion of debenture issuances
Improving Profitability	• NIM improved from 3.2% in 2007 to 4.1% in 2008 • 38% fee income growth in 2008 with an expanded fee income base
Assets Quality Improvement	• NPL sales of Baht 15 billion in 2008 • NPL ratio down to 6.3% bank only and 8.8% consolidated in 2008
CDO Investment – 100% Provision	• A full provision for CDO investment has been booked in 2008, resulting in net book value of zero • More than half of the CDO investment still pays investment yields according to condition
Strong Capital Base Maintained	• CAR is maintained at 14.94% and 15.57% as of 2008 and Mar 2009, respectively

Success in Inorganic Growth Plan

Amalgamation of Auto HP Business

Auto HP 19% of total loan

AYCAL — AYUDHYA CAPITAL AUTO LEASE

AYAL — Rundown mode

Total Port — **Mar. 09**: 100.7 bn.

Portion

- New cars	48%
- Used cars	26%
- Refinancing	21%
- Motorcycle	3%
- Others	2%

Acquisition of AIGRB and AIGCC

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Final Purchase Price = Baht 1.605 bn

99.55% — AIG Retail Bank (AIGRB)

100% — AIG Card (Thailand) Company Limited (AIGCC)

Portfolio : 21.9 bn
- Used cars
- New cars
- Credit card
- P-Loan
- Secured Auto
- Others

Deposit : 18.6 bn

Credit cards : Approx. 222,000 cards

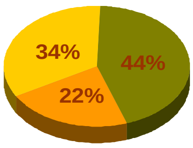
- Consolidation began immediately after closing on 8 April 2009.
- The acquisition increases retail loan portfolio by 12% and total portfolio by 4%.
- Asset quality of both companies are in line with the Bank's standard.

Loan Mix Moving Towards the Target

Consolidated

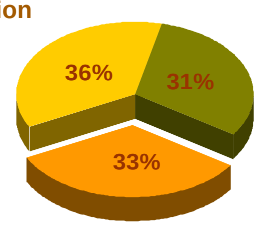
- Retail portfolio expanded since 2007 from both organic and inorganic growth.
- From acquisition of GECAL, auto HP is now making up the major part of retail loan portfolio.

2007



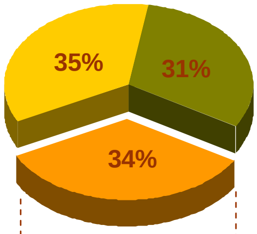
Organic Growth
+
GECAL acquisition

2008



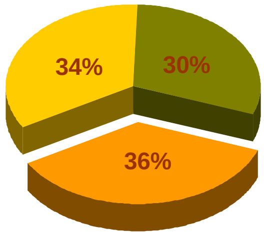
Organic Growth

Mar 09

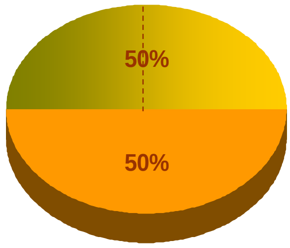


Auto HP	19%
Mortgage	13%
Personal Loan & Others	2%

Post AIGRB & AIGCC Acquisition



2010



- After completion of AIG deal in April 09, retail loan expected to continue expanding

Corporate SME Retail

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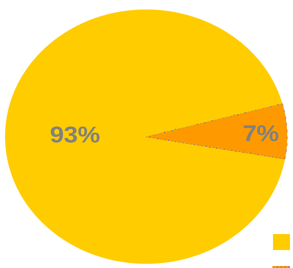
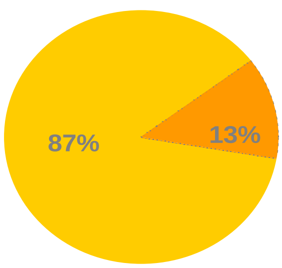
Better Matched Funding Structure

Deposit + Borrowings

Dec 07

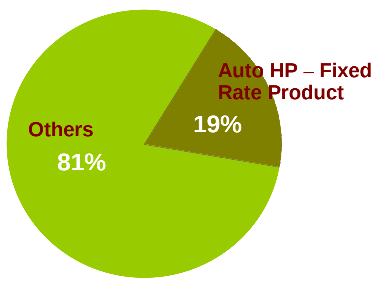


Mar 09



Deposits
Borrowings

Assets Portfolios (as of Mar 09)



Debenture Issuance (Tenor 2-4 years)	Baht bn.		Rate %		
			2 Yrs.	3 Yrs.	4 Yrs.
2007	14.0		-	4.25	4.50
2008					
Mar	20.0	53.6	3.85	4.00	4.25
Jun	21.9		4.25	4.50	-
Dec	11.7		-	5.10	-
Total	67.6				

- Funding structure was shifted to match with assets portfolio.
- Borrowings, debenture particularly, of fixed rate and tenor were issued to align with increased fixed rated loan portion, auto HP.
- This is to remove risks from changing interest rate.

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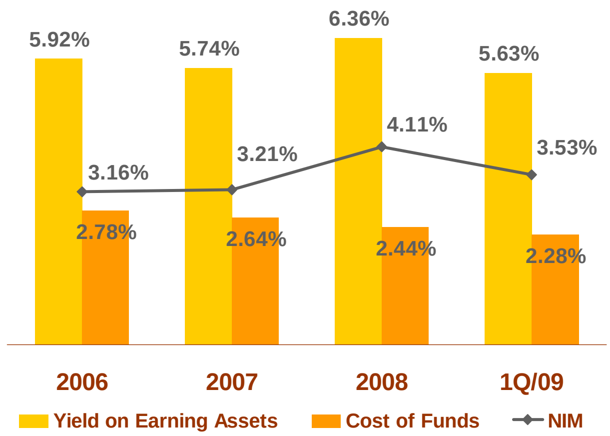
Improving Profitability

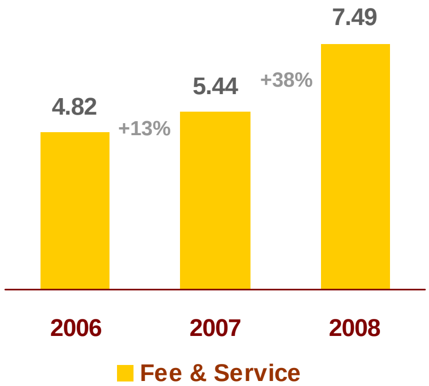
Consolidated

(Baht Billion)

Improvement in NIM



Fee & Service Income Growth

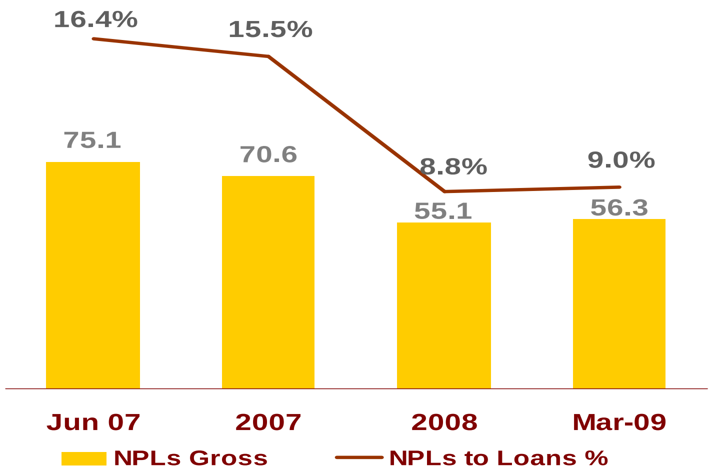


- The improvement has come from both interest account and non interest account.
- NIM improved significantly in the past two years. A drop in 1Q 09 was mainly due to rapid decrease in interest rates in the market and the lagged effects on cost of funding.
- Fee income base expanded substantially in 2008.

Assets Quality Improvement

Consolidated
(Baht Billion)

NPL Reduction

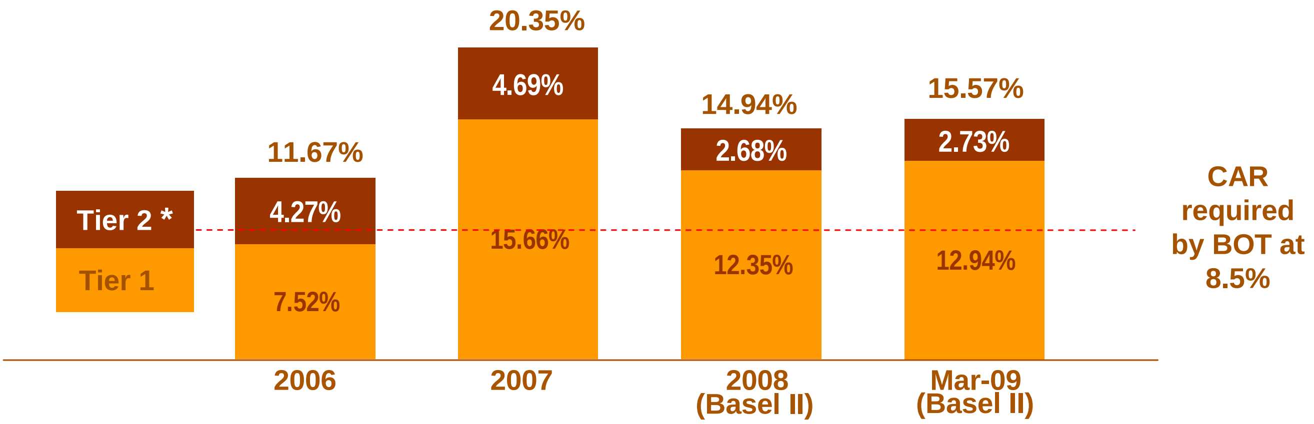


A rapid reduction of NPL was from:

- NPL sales
  - Following the first retail loan tranche of Baht 3.6 billion sold at 55% in 2007, two more tranches were sold in 2008.
  - Corporate loan tranche of Baht 6 billion at 35% in 1H/08.
  - SME + Corp + Retail loan tranche of Baht 8.9 billion at 39% in 2H/08

Strong Capital Base Maintained

Bank Only



THB bn.	2006	2007	2008 (Basel II)	Mar-09 (Basel II)
Tier 1	35.98	70.14	79.00	79.00
Tier 2 *	20.44	21.00	17.12	16.65
Total Capital	55.85	91.14	95.56	95.09

- **With Basel II implemented as scheduled at end of 2008, CAR remained strong at 15.57% still supporting inorganic growth plan.**

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

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Financial Performance for 1Q/2009

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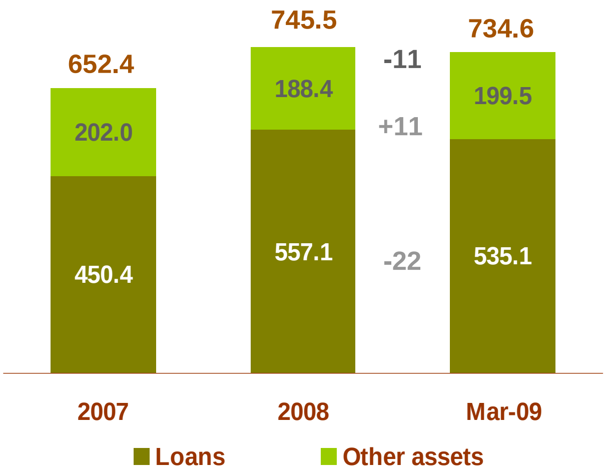
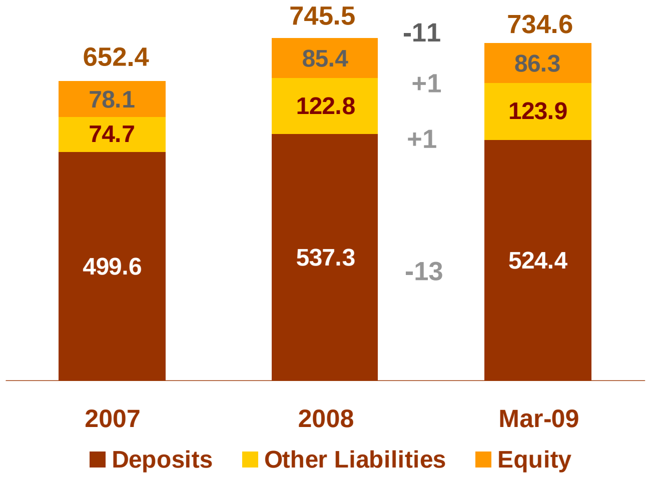
Balance Sheet

Consolidated
(Baht Billion)

Assets



Liabilities & Equity



Assets - Down slightly mainly from a reduction in loans.

Loans - Decreased by 22 billion or 4 % from all segments which was a result of less loan demand in line with the weakening of the economy while loan repayment continued.

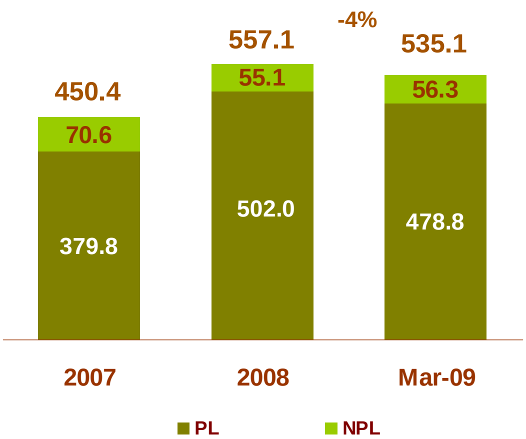
Deposits - Decreased by 13 billion in line with declined loan outstanding.

Equity - Rose by 1 billion with Bank's 1Q/09 net profit.

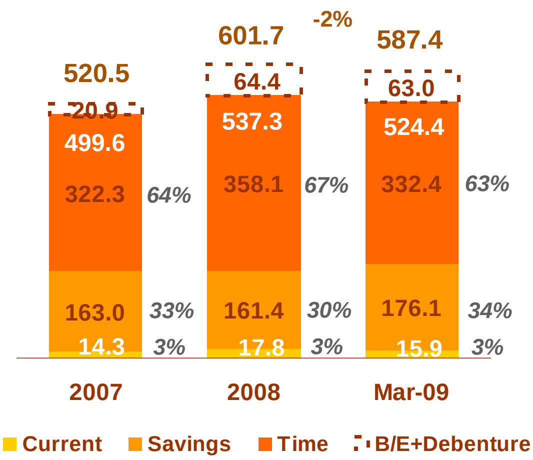
Loans & Deposits+

Consolidated
(Baht Billion)

Loans



Deposits+



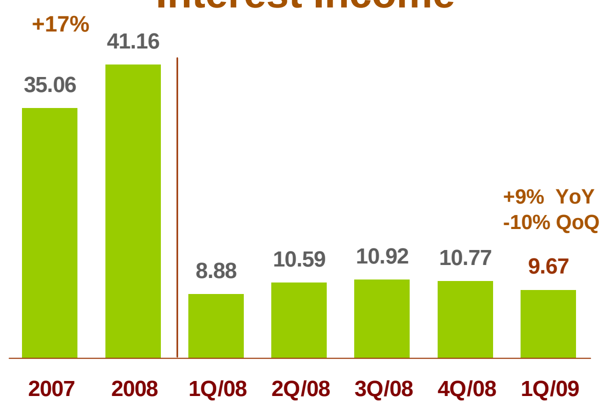
	2007	2008	Mar-09
L/D	90%	104%	102%
L/D+B/E+Debenture	87%	93%	91%

- **Loans reduction and a slight up tick in NPL was from the impact of the macro environment.**
- **Deposits reduced in line with the downward interest rate trend.**
- **Liquidity is managed in line with the Bank's objectives with Loan-to-Deposit +B/E +Debenture ratio at a level of 91%.**

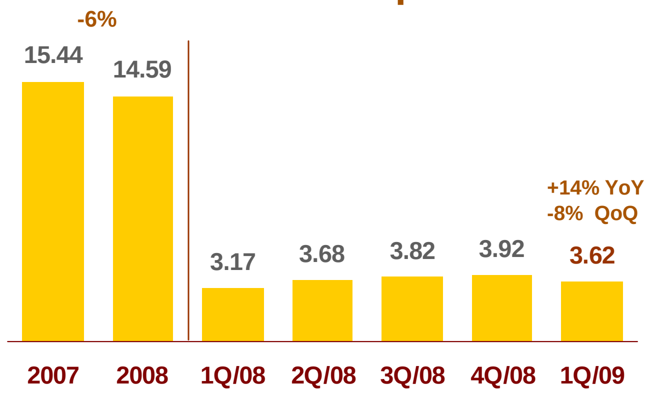
Interest Accounts

Consolidated
(Baht Billion)

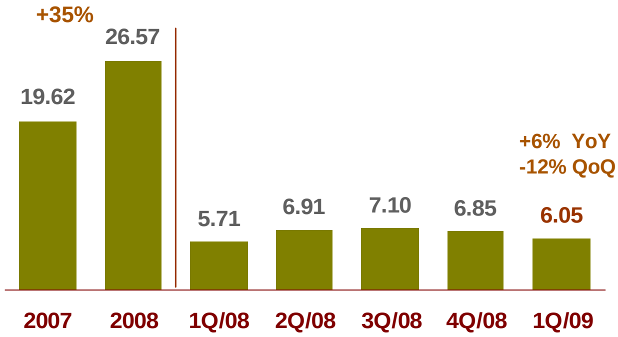
Interest Income



Interest Expense



Net Interest Income



- **Net Interest Income in 1Q/09 increased by 6% from last year due to an improvement in composition of loan portfolio with AYCAL inclusion.**
- **Reduction in QoQ was because of lower loans outstanding and decline in interest rates.**

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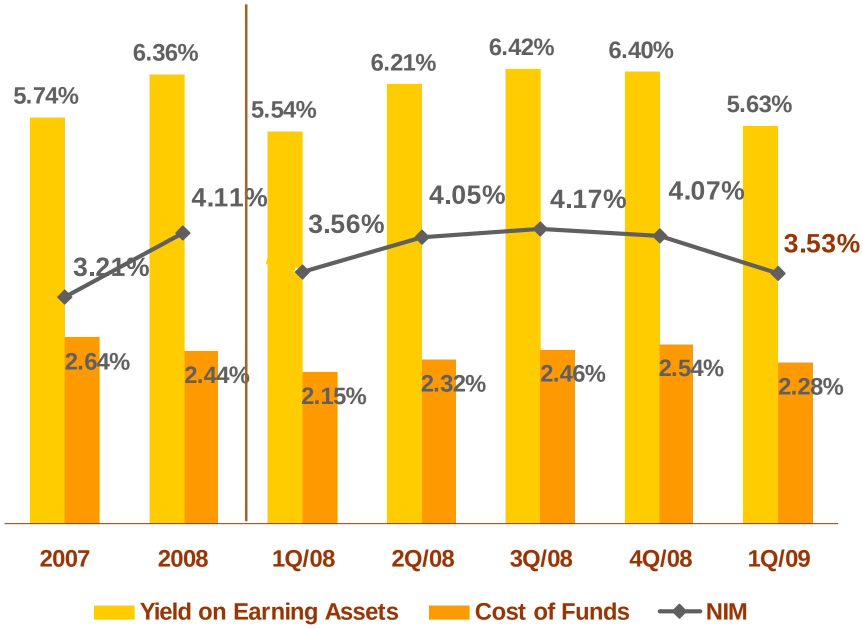
Net Interest Margin

Consolidated



- **NIM reduced from last year because of the immediate impact from reduction in interest rates.**
- **The Bank had excess liquidity in preparation for the acquisition of AIGRB and AIGCC**

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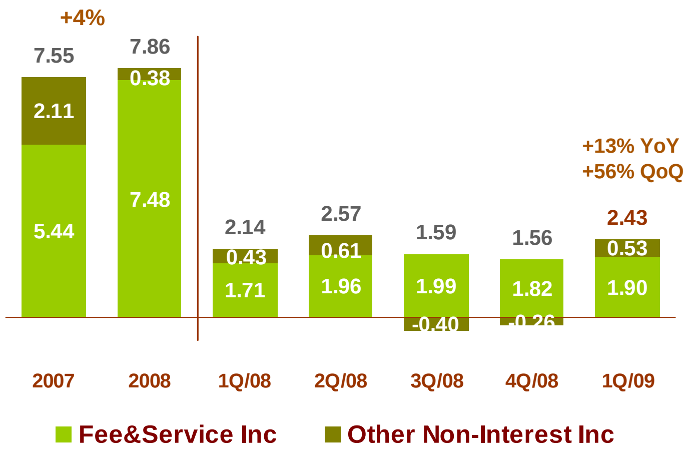
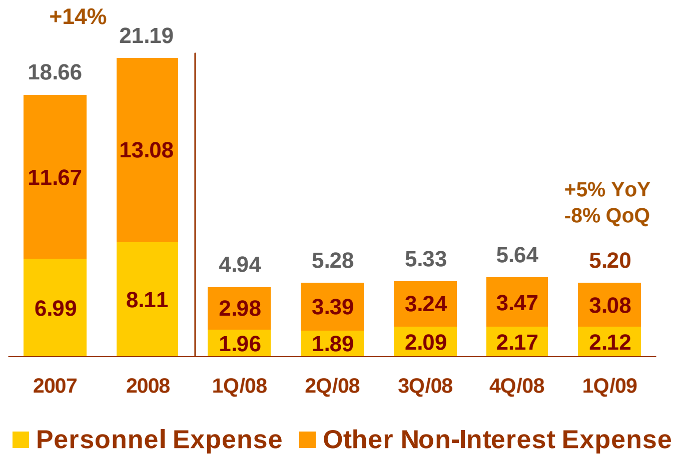
Non Interest Accounts

Consolidated
(Baht Billion)

Non-Interest Income



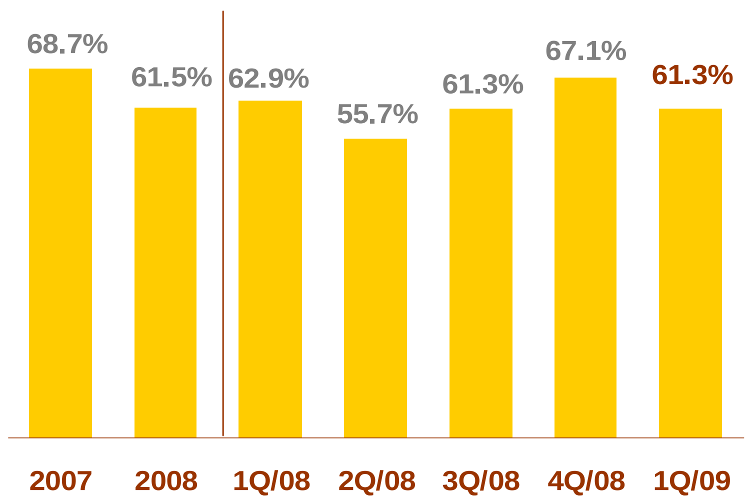
Non-Interest Expenses



- **Non-interest income increased YoY and QoQ, mainly from no CDO MTM loss in 1Q/09.**
- **Fees & services income increased by 11% YoY and 4% QoQ.**
- **Non-interest expenses were well maintained, the movement of which was mainly driven by personnel expenses and fee and services expenses.**

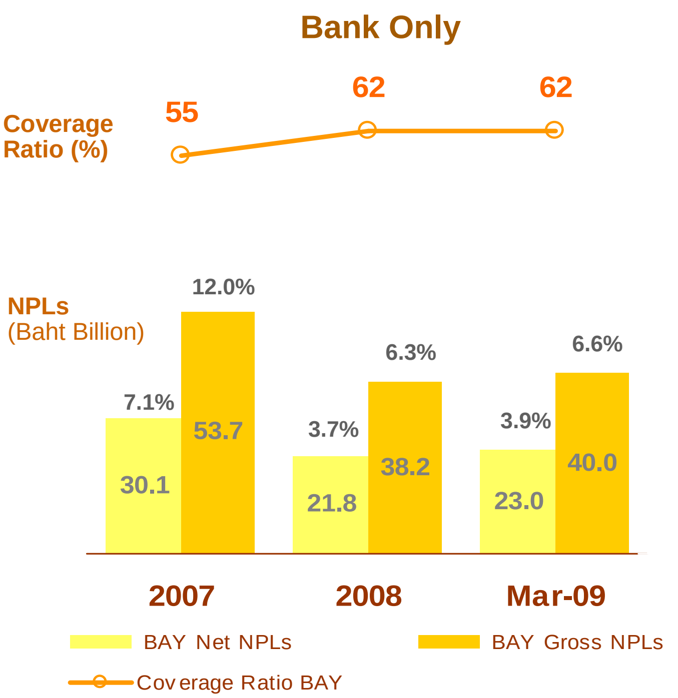
Cost-to-Income Ratio

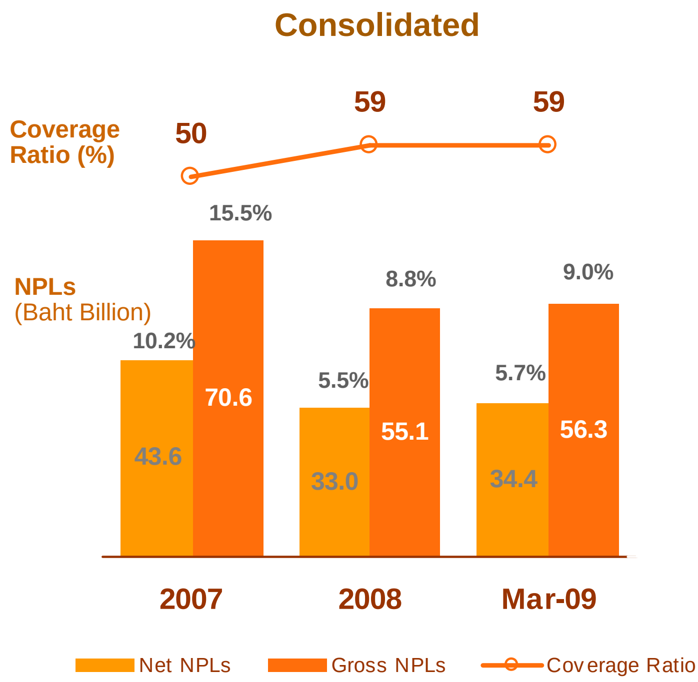
Consolidated



- **1Q/09 cost to income improved slightly from previous quarter but still higher than plan due to slow down in business and revenue growth in line with macro economy.**
- **Cost to income is targeted at 55 % in 2009.**

NPLs and Coverage Ratio





Consolidated

- NPL increased slightly with the concern on current external situation.
- Coverage ratio increased to 59%.
- As of end 1Q/09, provision to BOT requirement was equivalent to 125%.

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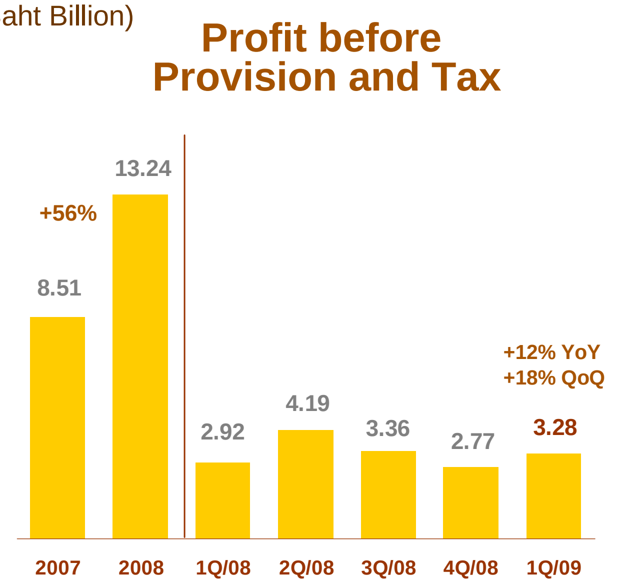
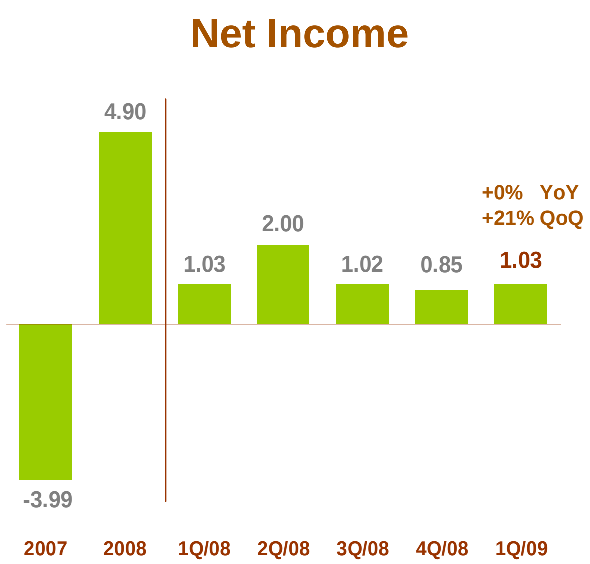
Profit before Provision and Tax and Net Income

Consolidated
(Baht Billion)





- Amidst economic downturn, operational performance for 1Q/09 was satisfactory.
- Net income in 1Q/09 was flat YoY because tax benefit was utilized last year.

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Economic Outlook and Plan for 2009

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Thailand Economic Outlook

Key forecasts and assumptions

% change	2007	2008	2009F
GDP	4.9	2.6	-5.0 to -3.0
Total Consumption	2.7	2.2	0.4 - 2.2
- Private	1.6	2.5	-1.0 to 0.8
- Public	9.2	0.5	8.5 - 10.5
Total Investment	1.3	1.1	-11.2 to -9.2
- Private	0.6	3.2	-16.0 to -14.0
- Public	3.4	-4.8	4.0 - 6.0
Exports (% in USD terms)	17.3	16.8	-21.5 to -16.5
Imports (% in USD terms)	9.1	26.4	-32.0 to -27.0
Current Account (USD Billion)	14.0	-0.2	18.0-22.0
Headline Inflation	2.3	5.5	-1.0 to 0
Oil price (Dubai, $/Barrel, avg.)	68.8	93.7	50-60
THB/USD (avg.)	34.6	33.4	35.5-36.5
Policy Interest Rate (% p.a.)	3.25	2.75	1.25

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

Situation & Outlook

➢ ***2008***

- Economic growth rate fell drastically from 5.6% in 1H08 to -0.4% in 2H08. The growth in 1H 08 was mainly driven by surging exports which was then deteriorated in 2H08 by global economic crisis. Meanwhile, domestic political turmoil post airport closure had a significantly impact on tourism and consumer and business sentiment.

➢ ***Outlook for 2009***

- Thailand economic growth is projected at -5.0 to -3.0%, the first contraction since the crisis in 1997/98:
- Inflation may turn negative due to commodity price slump, demand slowdown and relieve in cost of living resulting from government measures.
- Coupled with easing fiscal policy, accommodative monetary policy may be maintained to help shore up domestic demand.
- Baht (avg.) tends to weaken slightly from 2008 : C/A surplus will mitigate effects of USD appreciation & economic contraction.

Risk factors for 2009

- The turnaround from global financial crisis is slower than expected, and financial institutions cannot operate in their normal functions, prolonging the global economic recession.
- Unfavorable domestic political changes (such as a parliament dissolution, government resignation, or new violence) would exacerbate the economic situation.

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2009 Key Performance Targets

Consolidated	2008	1Q/09	2009 Targets
Loan Growth (Net)	+106.7 bn (+23.7%)	-22.0 bn (-3.9%)	+35 bn (+6%)
Deposit Mix: Savings and Current	33%	37%	34%
Loan Mix : Retail	33%	34%	36%
L/D Ratio	104%	102%	106.0%
L/Deposit+Debentures+B/E	93%	91%	92.0%
NIM	4.11%	3.53%	4.2%
Fee income growth	38%	11%	10%
Cost to Income Ratio *	60.6%	61.3%	55%
NPLs	55.1 bn	56.3	na.
Provisions	109 bps **	147 bps	na.
Coverage	59%	59%	> 50%
CAR ***	14.9%	15.6%	n.a.
Inorganic Growth	GECAL Acquisition	AIGRB & AIGCC Announcement	

* Normalized for CDOs MTM and impairment
** Provision excluded loss on sale of foreclosed properties
*** Bank only

Top Priorities for 2009

- **Inorganic growth is planned for 2009 to help compensate with a slowdown in organic growth as a result of the macro economy.**
- **Prudent Risk Discipline / Portfolio Management : Prudent underwriting criteria and speed up NPL resolution**
- **Profitable Growth : Grow consumer loans selectively while penetrate SME profitable segment**
- **Maintain Strong Liquidity**

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