BANK OF AYUDHYA

Asian STARS

Singapore

19-21 May 2010

BANK OF AYUDHYA

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Agenda

- Who we are / What we have built
- Main Strategies and Plans
- Financial Performance for 1Q/2010

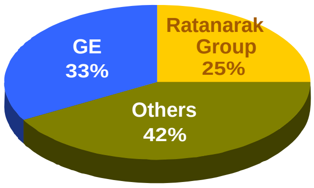
Who we are / What we have built

BAY's Profile

5th Largest bank in Thailand

Consolidated	Mar 10 (Baht bn)	Ranking
Assets	821.6	5
Deposits	534.0	5
Loans	606.9	5
	Number	
Domestic Branches	575	
Overseas Branches	4	
ATMs	2,872	
Exchange Booth	65	
Employees	9,331	
Workforce	17,072	

Shareholding as of Mar 2010



- GE and Ratanarak Group remain as committed major shareholders

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Group Companies

Auto Hire Purchase and Leasing
Ayudhya Capital Auto Lease Plc. (AYCAL)
Ayudhya Auto Lease Plc. (AYAL)
Ayudhya Total Solution Co., Ltd. (AYTS)

Credit Card, Personal Loan & Sale Finance
Ayudhya Card Services Co., Ltd. (AYCS)
Krungsriayudhya Card Co., Ltd (KCC)
GE Capital (Thailand) Ltd. (GECT)*
Tesco Card Services Ltd. (TCS)
General Card Services Ltd. (GCS)

Collection Services
Total Services Solutions Plc. (TSS)

Micro Finance
CFG Services Co., Ltd. (CFGS)

Fund Management
Ayudhya Fund Management Co., Ltd. (AYF)
PrimaVest Asset Management Co., Ltd (PMV)

Securities
Ayudhya Securities Plc. (AYS)

Leasing
Ayudhya Development Leasing Co., Ltd. (ADLC)

Factoring
Ayudhya Factoring Co., Ltd. (AYFT)

Non-life Insurance
The Ayudhya Insurance Plc. (AYUD)

Life Insurance
Ayudhya Allianz C.P. Life Plc. (AACP)

Insurance Broker
QGIB, QLAB, TGIB, TLAB

Supporting Business
SRS

* GECT renamed to AYCAP in Mar 10

What we have built … Market Leading Position

As of Dec 09

	Corporate	SME	Consumer
Product Offered	Loan, Deposit, Investment, Cash Management, Credit Facilities, Trade Service, Insurance, Value Chain & Treasury		Deposit, Auto, Personal loan, Mortgage, Credit Card, Bancassurance, Wealth Management, Payment & Money Transfer
Acquisitions			2008 GE AYCAL 80 bn. 2009 AIG Group 23 bn. 2009 GEMT 60 bn.
Platform Scale	# accounts 2,000	# accounts 45,000	# accounts 8 mm.
	Portfolio size 182 bn.	Portfolio size 170 bn.	Portfolio size 253 bn.
	# market position 5	# market position 5	# market position 2

Major Product Line

Product Line	Market Share	Portfolio Size	Market Position
Cards	19%	Baht 33 bn. with 2.6 mm. cards	1
Personal Loan	16%	Baht 34 bn.	1
Auto	14%	Baht 112 bn.	2
Corporate & SME	8% & 7%	Baht 182 bn. & Baht 170 bn.	5

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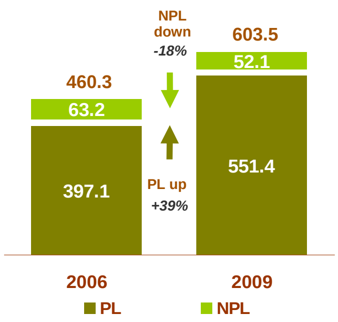
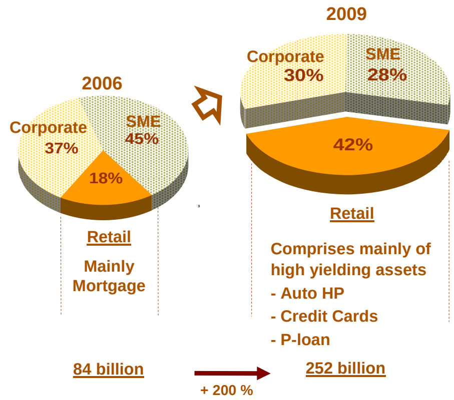
Improvement into Strong Foundations

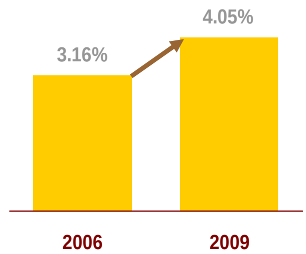
Strong Growth Rate



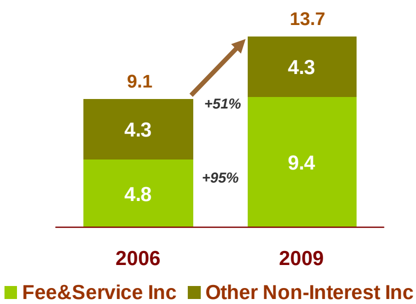
Better Loan Mix



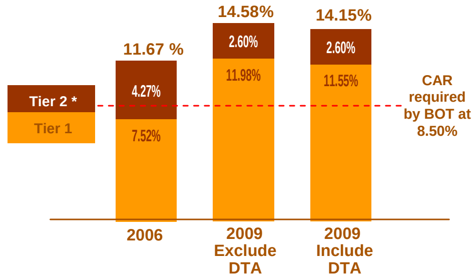
Improved NIM



Non-Interest Income

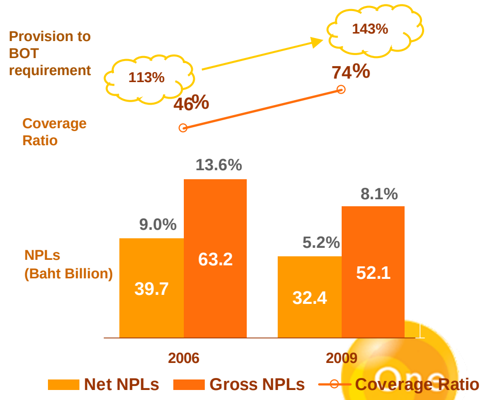


Strong Capital Base



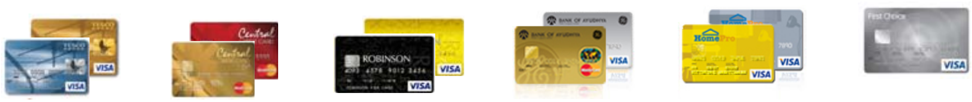
Baht Billion	2006	2009 (Exclude DTA)	2009 (Include DTA)
Tier 1	35.98	79.26	76.47
Tier 2 *	20.44	17.27	17.27
Total Capital	55.85	96.54	93.74

Asset Quality Improvement



A Universal Banking Platform with a Leading Position in Consumer Banking

✓ #1 in credit card business



✓ #1 in used car financing and #2 in overall auto HP

AYUDHYA CAPITAL AUTO LEASE CAR4CASH CA$H 2CAR

✓ Well placed in SME and Corporate

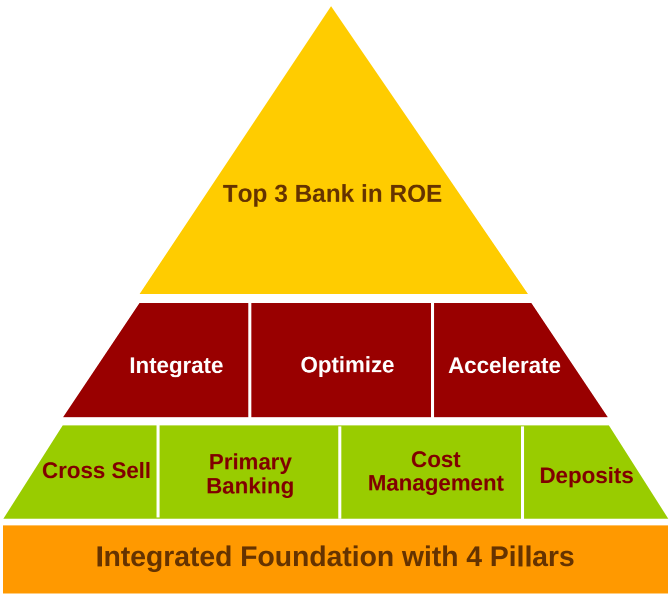
✓ Increased customer base from 5 million to 8 million

✓ Considerable potential remains

Main Strategies and Plans

Objective Based on 4 Important Pillars

Universal Bank with Leading Retail Business



Key Actions for Each Business

<u>Corporate</u>

- Focus on <u>middle market</u> to fast track cross sell
- Capitalize <u>investment banking</u> platform

<u>SME</u>

- Drive penetration in faster growing segments, SME-S + SME-R
- Instill performance driven culture
- Leverage customers insights to prioritize improvement
- Drive simplification
- Execute a multi-channel strategy, beyond branch

<u>Retail</u>

- Mortgage: Product enhancement and improvement in process
- Primary Banking: Dive deeper relationships with customers
- Auto HP: Continue to focus on used car and refinance while leveraging all the branches

Strategies Under 4 Pillars

Cross Sell

- Using various cross sell tools to sell comprehensive range of products.
- Cross sell at business units and subsidiaries.
- Specific target on product per customer to improve to top peers' level.
- Holistic view of customers in relative to group products.

Primary Banking Relationship

- Customers to perceive BAY as main bank, making at least three transactions per month.
- Deeper relationships with 8 million customers.

Strategic Cost Management

- Using the foundation to manage cost with efficiency / effectiveness and simplicity.
  - Centralizing back-end process and logistics.
  - IT consolidation, eliminating overlaps.
  - Utilizing and sharing best practice across group.

Deposits

- Increase current and savings accounts industry average.
- Using payroll penetration, up sell to loan clients and cross sell to retail customers.

Integration Progress

Customer Service Consolidation

Prior to integration

BAY — 2 sites
AYCS — 1 site
AYCAP, AYCAL — 1 site

4 Entities : 4 Sites
High Cost

May 2010
50% Complete
Progress as planned

- System Simplification
- Leverage resource
- Leverage Best Practice

Expected Completion : 4Q/10

OneBAY
BAY HQ

Single Entity: Single Site
Lower Cost

- 350 associates
- Significant S2S volume potential
- Expect ongoing cost reduction

Data Center Consolidation

Prior to integration

BAY — 2 Centers: HQ, Major Branch
AYCAP, AYCAL — 2 Centers: HQ, Main Collection Site
AYF — 1 Center: HQ
AYCS — 1 Center: UCL

5 Entities : 6 Data Centers

May 2010
30% Complete
Progress as planned

- IT Infrastructure Simplification
- Lower Maintenance cost
- Faster Response

Expected Completion : 1Q/12

OneBAY
BAY HQ
AYCAP HQ

2 Data Centers

- Lower Maintenance cost
- System Integration
- Improved BCP infrastructure

Integration : Collections Consolidation

Prior to integration

TSS

Products:
Credit Card
Personal Loan
Sales Finance

Technology:
Auto Dialer
Outbound IVR

BAY

Products:
Personal Loan

Technology:
Manual

AYCS

Products:
Credit Card
Personal Loan

Technology:
Manual

3 Entities : 3 Sites

100% Complete

Completed in April 2010

OneBAY

Products:
Credit Card
Personal Loan
Sales Finance

Technology:
Auto Dialer
Outbound IVR

Build Scale under Single Entity at Single Site

- 750 collectors
- Leverage Auto Dialer across products
- **Collection accounts/agent +30%**
- **Cash collected per agent +20%**
- **Cost per baht collected -15%**

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2010 Key Performance Targets

Consolidated	1Q/09	4Q/09	2009	1Q/10	2010 Targets
Loan Growth (Net)	-22.0 bn (-3.9%)	+46.0 bn (+8.2%)	+46.4 bn (+8.3%)	+3.4 bn (+0.57%)	+48 bn (+8%)
Deposit Mix: Savings and Current	37%	38%	38%	39%	40%
Loan Mix : Retail	33%	42%	42%	42%	42%
L/D Ratio	102%	116%	116%	114%	110%
L/Deposit+Debentures+B/E	91%	102%	102%	100%	94%
NIM	3.53%	4.71%	4.05%	5.12%	> 5%
Fee income growth	11%	64%	26%	70%	> 30%
Cost to Income Ratio *	61.4%	59.1%	56.4%	56.0%	56%
NPLs	56.3 bn	52.1 bn	52.1 bn	50.5 bn	52 bn
Provisions **	148 bps	210 bps	169 bps	210 bps	198 bps
Loan Loss Coverage	59%	74%	74%	79%	70-75%
CAR ***	15.6%	14.1%	14.1%	14.5%	n.a.
Inorganic Growth		GEMT Acquisition	AIGRB + AIGCC CFGS GEMT		

* 2008: Normalized for CDOs MTM and impairment
** Provision included loss on sale of foreclosed properties
*** Bank only, 2009 included DTA

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Thailand Economic Outlook

Key forecasts and risk factors

% change	2008	2009	2010F
GDP	2.5	-2.3	3.0-4.5
Total Consumption	3.0	-0.1	2.5-4.1
- Private	2.7	-1.1	2.8-4.3
- Public	4.6	5.8	1.0-3.0
Total Investment	1.2	-9.0	3.0-6.5
- Private	3.2	-12.8	3.0-7.0
- Public	-4.6	2.7	3.0-5.0
Exports (%chg. in USD terms)	15.9	-13.9	15.0-19.5
Imports (%chg. in USD terms)	26.5	-24.9	22.0-29.0
Current Account (USD Billion)	1.6	20.3	11.5-13.5
Headline Inflation	5.5	-0.9	3.0-4.0
Oil price (Dubai, $/Barrel, avg.)	93.7	61.6	70-80
Unemployment Rate (% of labor force)	1.4	1.5	1.1-1.3
Policy Interest Rate (% p.a.)	2.75	1.25	1.75

Source : BAY's Research Department, forecast as of March 2010

Risk factors for 2010

- Global policymakers fail to achieve a difficult task of balancing between reviving growth and maintaining economic stability, bringing into unsustained recovery.
- Major negative changes in domestic politics depress the pace of economic recovery.
- Domestic regulatory risk; such as Map Ta Phut case
- Natural disasters in Thailand, esp. drought

Situation & Outlook

Situation in 2009

- Thai economy in 2009 contracted by 2.3%, the first contraction since 1997-98 as global crisis hit Thai exports while domestic political conflicts hurt private consumption and investment.
- Despite unfavorable global market situation and weaker confidence, Thai economic stability remains sound, reflected by lower-than-expected unemployment rate, strong international financial position (large current account surplus and foreign reserves) and relatively healthy financial sector.

Outlook for 2010

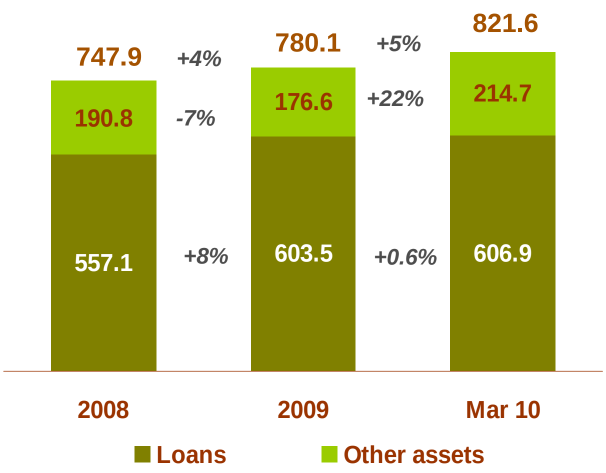
- Global economy hit bottom in 1H09 and is slowly recovering from 2H09 through 2010, with below-par growth, led by Asia (esp. China) and the US.
- *Thai economy would recover gradually with 3.0-4.5% growth in 2010*, amid sound economic stability, driven by these following tailwinds:
  - Reviving global economy and accelerating free trade movement such as 0% tariff rate under AFTA benefit Thai exports.
  - Growth momentum of private consumption, encouraged by rising agricultural prices, stronger consumer confidence, healthier labor market, minimum wage hike and banks' resuming their money normal functioning.
  - Stimulus programs esp. Thai Khem Khaeng (TKK) that creates linkage effect by inducing growth of domestic demand.
  - Reviving tourism after improving foreign and Thai purchasing power.
  - Banks' accelerating loan growth in response to recovering economic activities and rising inflation.
- However, *the economic recovery would be uneven as:*
  - Economic overheating in Asia esp. China should be mitigated by normalization of extraordinary loosening policy.
  - Trade protectionism including currency war triggered by competitors' devaluation or intervention (e.g. Vietnam, China) affects Thai exports
  - Investment climate is deteriorated by delay and difficulties for compliance with section 67 of the Constitution (e.g. Map Ta Phut case)
  - Persistent domestic political conflicts still put pressure on sentiment
- Notably, 1H10 economic indicators would show impressive year-on-year change due mainly to low base effect but month-on-month change may signal uneven recovery.
- *Policy interest rate is expected to rise by 50 bps,* starting from 3Q10, in order to normalize the ultra loose monetary measure.
- *Inflation would rise to 3-4%* due to higher commodity prices, stronger domestic demand, reduction of gov't living cost subsidies and low base effect.
- *Baht (avg.) in 2010 tends to strengthen from 2009,* in line with regional trend, backed by capital inflows and current account surplus, but more volatility and major correction would be seen owing to many risk factors.

Financial Performance for 1Q/2010

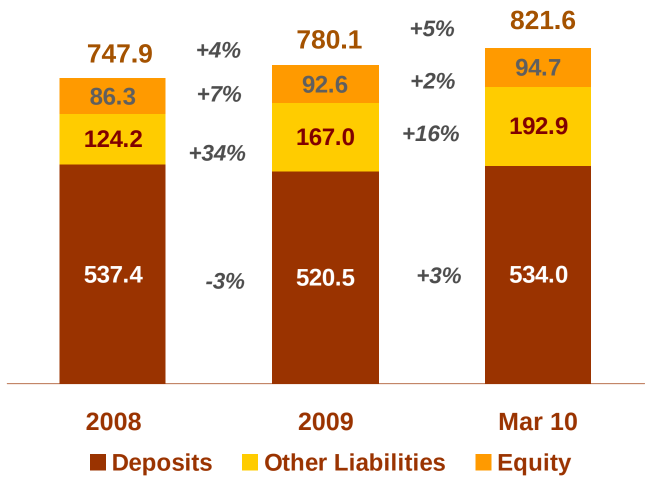
Balance Sheet

Consolidated
(Baht Billion)

Assets



Liabilities & Equity



- Assets increased from interbank and money market items and loan growth.
- Loans increased organically by Baht 3.4 billion.
- Liabilities increased mainly from interbank and money market items and deposits.
- Equity rose by 2.3% mainly driven by the Bank's net profit.

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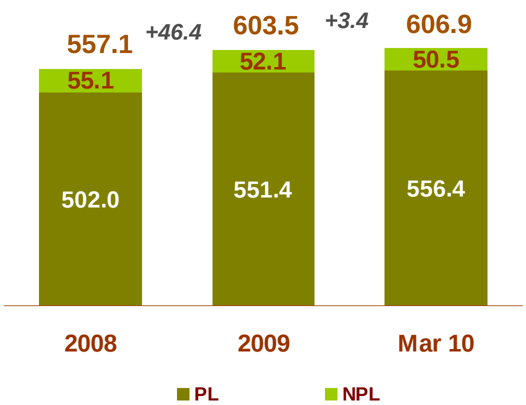
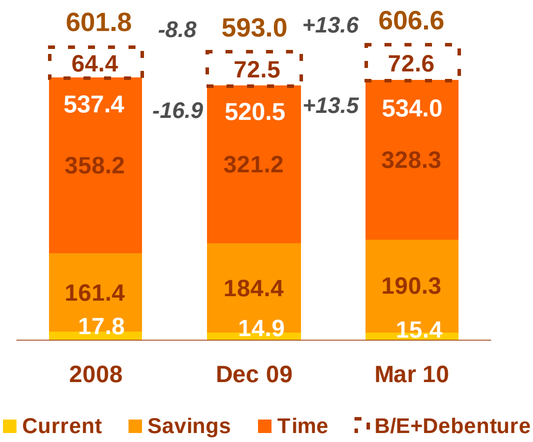
Loans & Deposits+

Consolidated
(Baht Billion)

Loans



Deposits+



	2008	2009	Mar-10
L/D	104%	116%	114%
L/D+B/E+Debenture	93%	102%	100%

- Loans increased organically by 0.6% with growth focus in SME and retail, namely auto hire purchase and mortgage.
- Deposits increased in all types, current, saving and times.
- Meanwhile there were issuances of debenture and B/E which was compensated by the existing amount that matured.
- Loan-to-Deposit +B/E +Debenture reduced slightly to 100% with liquidity remained sufficient.

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Loan Mix & Retail Loan Composition

Current Retail Composition

As of Mar 10
(Baht Billion)

Retail 254.1

- Auto HP 113.4
  - AYCAL 102.3
  - AYAL 1.5
  - AYTS 7.2
  - AYCS 0.8
  - CFGS Microfinance 1.6
- Mortgage 76.5
  - BAY 74.6
  - AAMC 1.9
- P-Loan Credit Card Others 64.2 [1]
  - BAY 11.4
  - AYCS 4.5
  - CFGS Microfinance 0.4
  - AYCAP * 20.8
  - GCS 12.0
  - KCC 14.8

Breakdown of Auto HP Portfolio	
- New cars	40%
- Used cars	32%
- Refinancing	22%
- Motorcycle	4%
- Others	2%

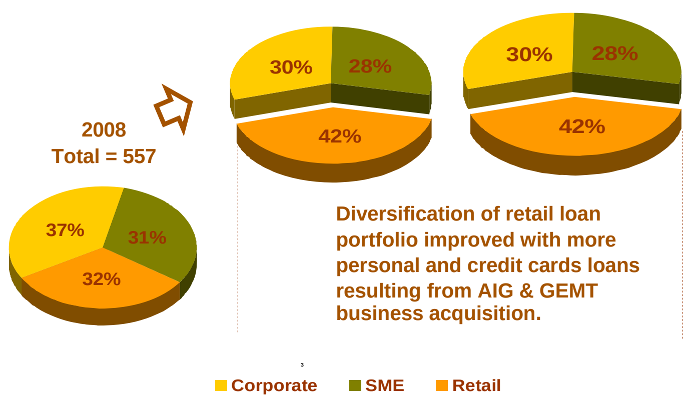
[1] Include AAMC = 94 mn.
AYS = 178 mn.
AYTS = 63 mn.

Note : CFGS is Microfinance business.

* GECT renamed to AYCAP in Mar 10

Expansion of Retail Loan Mix

Consolidated
(Baht Billion)



Diversification of retail loan portfolio improved with more personal and credit cards loans resulting from AIG & GEMT business acquisition.

	2008		2009		Mar 10		% chg
	Bn	%	Bn	%	Bn	%	
Corporate	203.4	37	181.5	30	181.4	30	-0.1
SME	172.8	31	169.7	28	171.4	28	1.0
Retail	180.9	32	252.3	42	254.1	42	0.7
- Auto HP	102.6	18	111.8	19	113.4	19	1.4
- Mortgage	68.1	12	73.6	12	76.5	13	4.0
- P loan, CC & Others	10.2	2	66.9	11	64.2	10	-4.0
Total	557.1	100	603.5	100	606.9	100	0.6

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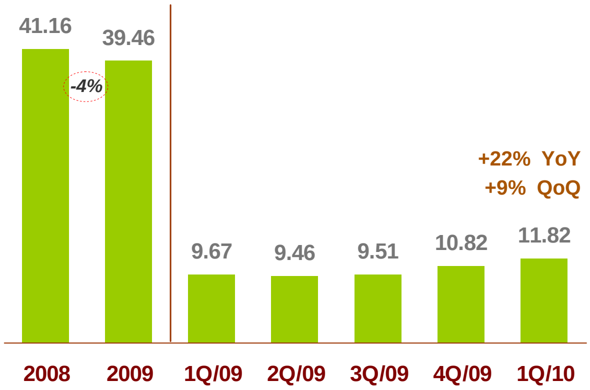
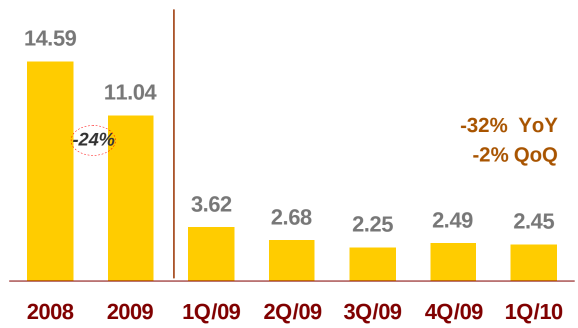
Interest Accounts

Consolidated
(Baht Billion)

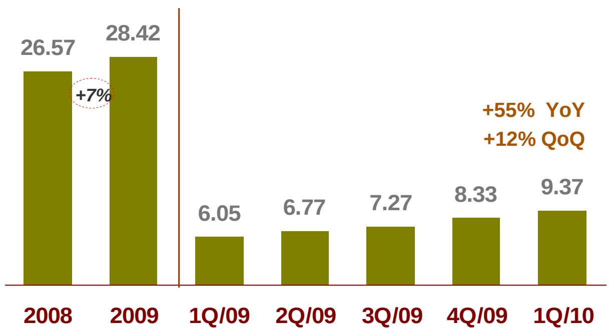
Interest Income



Interest Expense



Net Interest Income



- Interest income increased significantly YoY and QoQ with business acquisitions in 2009.
- Cost of funds improved mainly because of a reduction in deposits rates from the ongoing replacement of higher priced deposits with lower rates.
- Consequently, there was an improvement in net interest income, especially for YoY basis.

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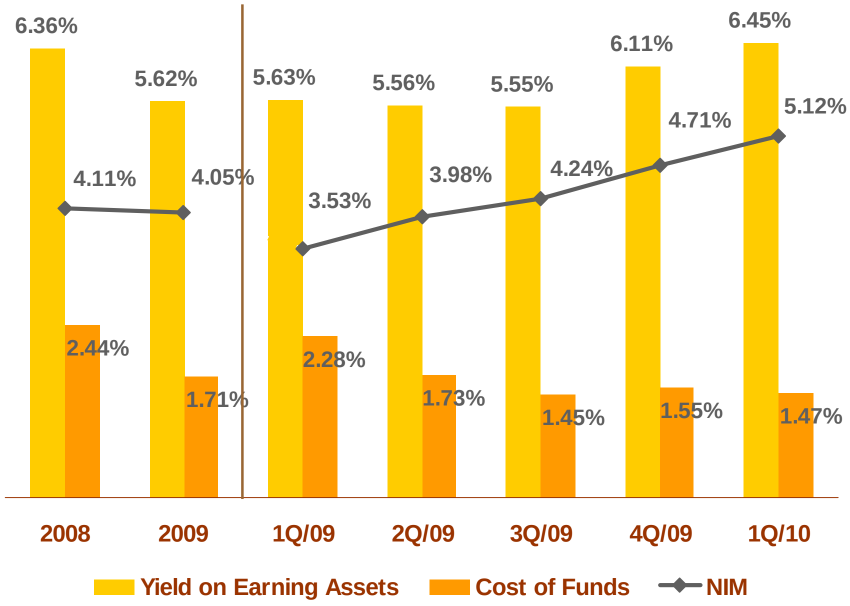
Net Interest Margin

Consolidated



- NIM improved significantly from acquisitions of higher yielding retail businesses, particularly GEMT.
- NIM in 1Q/10 reported in line with the annual target of more than 5%.

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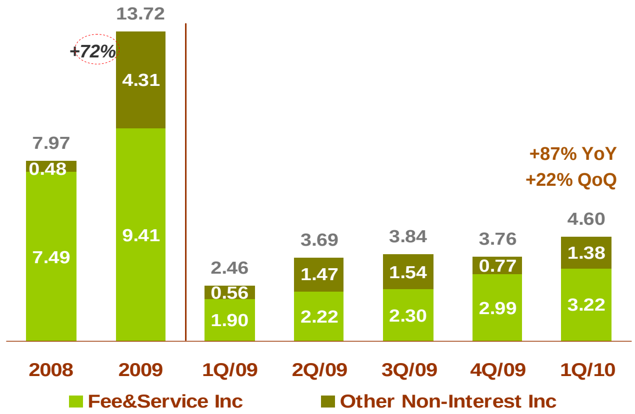
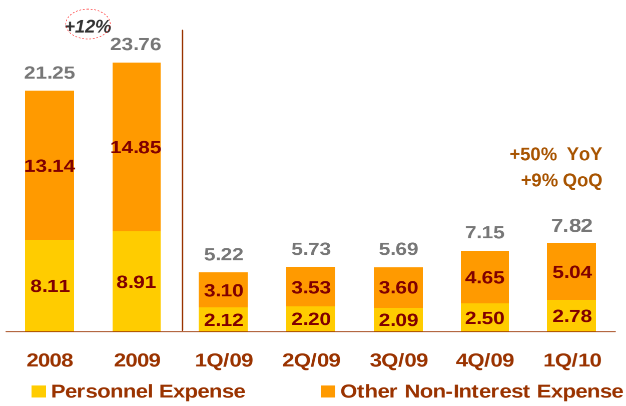
Non Interest Accounts

Consolidated
(Baht Billion)

Non-Interest Income

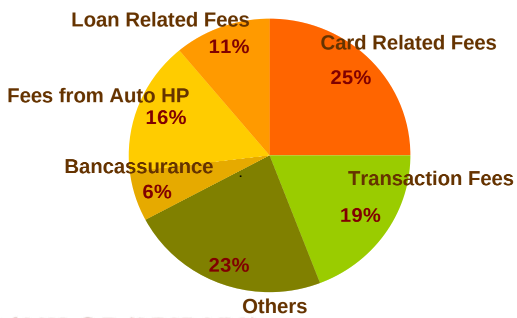


Non-Interest Expenses



Fee & Service Income Breakdown

1Q/10 Consolidated



- Fees & services income increased significantly by 70% YoY driven by increases in fees of businesses acquired such as collection fees, credit card fees and lending fees.
- Non-interest expenses increased noticeably YoY as personnel expenses, the major component jumped resulting from the acquisitions. Meanwhile, non-interest expenses were well managed for QoQ with growth of only 9%.

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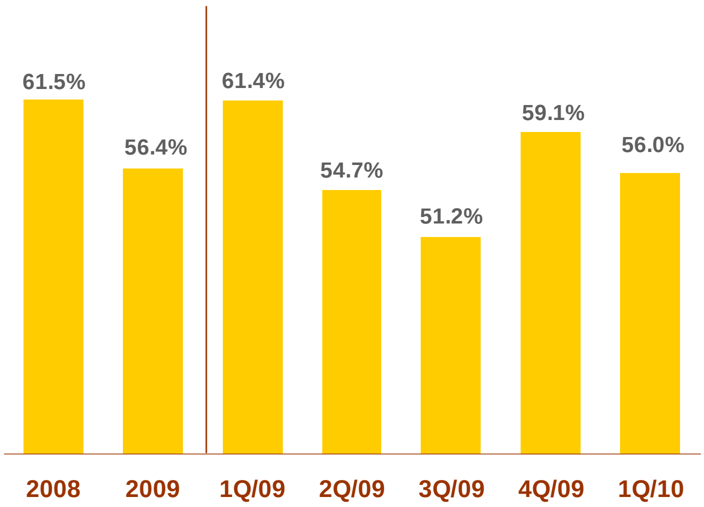
Cost-to-Income Ratio

Consolidated



- Cost-to-income ratio improved to 56% moving in line with target.
- Improvement from last quarter was partly from the impairment on Dubai World Group Finance Limited investment which was booked in 4Q/09.

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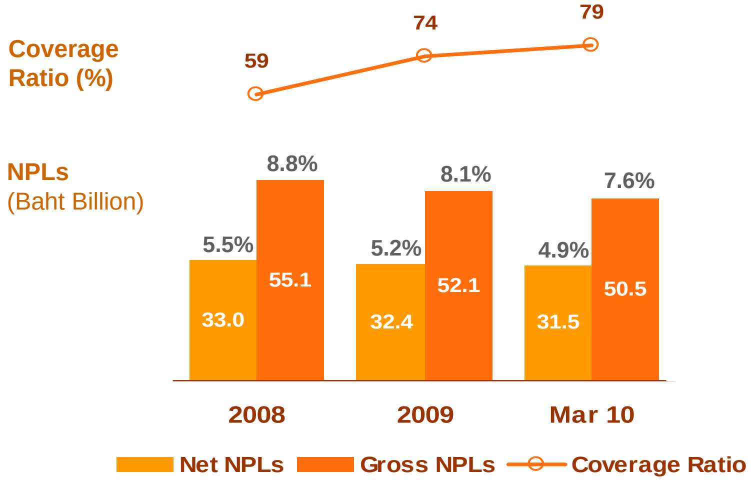
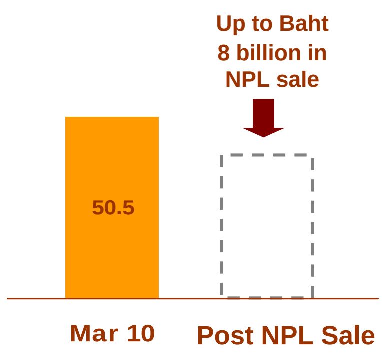
Continued Asset Quality Improvement

Consolidated

NPL and Coverage Ratio



NPL Sale



- Asset quality remained tightly controlled throughout the quarter resulting in a decrease in NPL.
- As surplus reserve increased, coverage ratio improved to 78.9% and actual provision to BOT requirement was at 145%

- NPL sale of up to Baht 8 billion is currently in process.
- Expected completion is in 2Q/10 or early 3Q/10.

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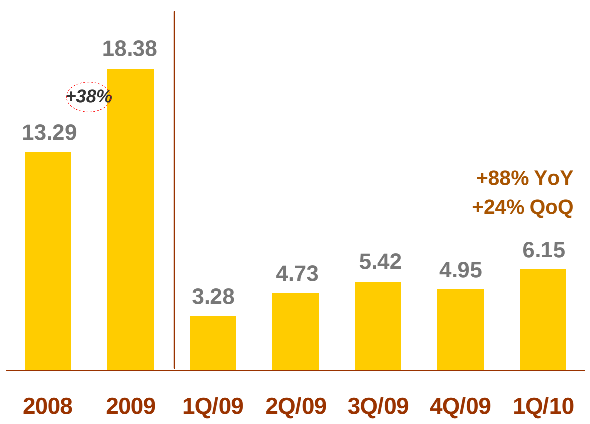
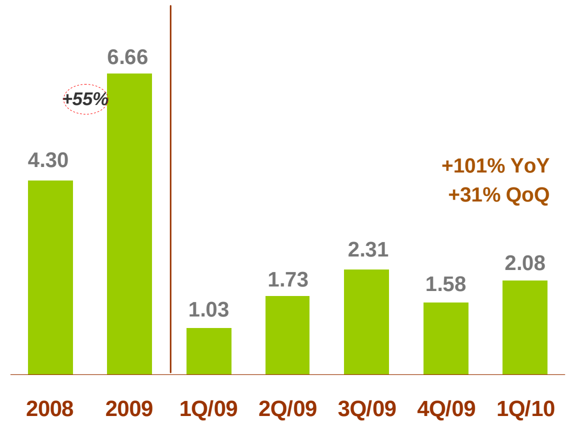
Profit before Provision and Tax and Net Income

Consolidated
(Baht Billion)

Profit before Provision and Tax



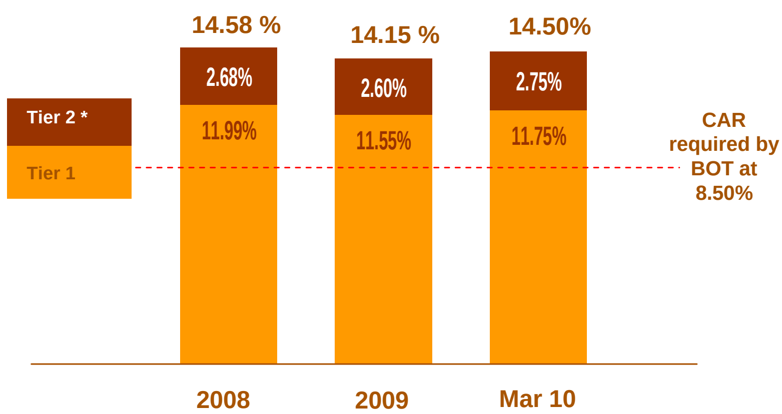
Net Income



- **Operating performance improved significantly deriving from both interest and non-interest accounts.**
- **Despite setting a higher provision for bad debt and doubtful accounts, and tax payment, net profit increased 101% YoY and 31% QoQ.**

Improving Capital Management

Strong Capital Base



Baht Billion	2008	2009	Mar-10
Tier 1	76.67	76.47	76.47
Tier 2 *	17.12	17.27	17.93
Total Capital	93.23	93.74	94.40

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

- **CAR increased slightly to 14.50% with high tier 1 of 11.75%.**
- **Utilization of core capital to achieve optimal shareholders return.**
- **Opportunity to restructure tier 2 capital as the portion of tier 2 to total capital for BAY is the smallest among large banks.**

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