

Retail Customers

SME Customers

Growing
From
A Strong Foundation

Corporate Customers

Annual Report 2007



BANK OF AYUDHYA

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Financial Highlights



	Consolidated Financial Statements					Bank Only Financial Statements				
	2007	2006	2005	2004	2003	2007	2006	2005	2004	2003
Balance Sheet Information (Million Baht)										
Loans	450,147	460,288	453,774	420,102	402,221	444,962	459,267	443,551	415,108	395,572
Allowance for doubtful accounts	35,219	28,812	20,965	20,863	23,359	29,509	22,821	18,266	18,762	21,441
Net NPLs	43,627	39,747	50,721	50,298	51,333	30,095	25,463	29,396	28,082	40,693
Gross NPLs	70,633	63,187	63,900	64,445	66,099	53,678	43,595	41,736	42,046	59,747
Assets	652,387	666,342	647,817	575,356	524,122	650,623	664,558	636,936	568,390	515,938
Deposits	499,627	563,496	559,890	497,443	425,341	500,406	563,673	553,532	492,365	420,666
Liabilities	574,320	619,196	607,443	542,213	495,300	570,618	616,506	597,552	535,571	487,365
Shareholders equity	78,067	47,146	40,374	33,142	28,823	80,006	48,051	39,384	32,819	28,573
Risk weighted assets ^{1/}	448,344	478,932	501,530	465,460	433,700	447,892	475,711	477,927	442,166	428,735
Operating Performance (Million Baht)										
Interest and dividend income	35,064	35,726	24,622	20,271	19,295	34,278	34,676	23,756	19,813	19,081
Interest expense	15,442	16,678	7,949	6,802	10,718	15,324	16,474	7,700	6,691	10,619
Net interest and dividend income	19,622	19,048	16,673	13,469	8,577	18,954	18,202	16,056	13,122	8,462
Bad debt and doubtful accounts	12,365	11,361	6,060	3,548	3,393	11,500	6,339	4,100	3,000	3,000
Non-interest income	7,547	9,154	8,263	5,652	7,833	5,387	4,188	5,508	4,494	6,860
Non-interest expenses	18,664	15,267	12,752	10,769	9,868	16,351	13,358	11,439	9,935	9,262
Net profit (loss)	(3,992)	1,666	6,017	4,673	3,053	(3,518)	2,684	6,017	4,673	3,053
Financial Ratios										
Return on average assets (%)	(0.61)	0.25	0.98	0.85	0.62	(0.54)	0.41	1.00	0.86	0.62
Return on average equity (%)	(6.38)	3.81	16.37	15.08	13.30	(5.49)	6.14	16.67	15.22	13.43
Net profit (loss) per share (Baht)	(0.76)	0.58	2.10	1.64	1.39	(0.67)	0.93	2.10	1.64	1.39
NPLs/loan (net) ^{2/} (%)	10.20	9.03	11.35	12.13	13.22	7.07	5.73	6.72	6.85	10.78
NPLs/ loan (gross) ^{3/} (%)	15.54	13.63	13.89	15.03	16.40	11.95	9.43	9.28	9.92	15.07
Capital to risk assets ratio ^{1/} (%)	19.80	11.59	10.49	10.19	13.76	20.35	11.67	11.01	10.72	13.92
Book value per share (Baht)	13.55	13.85	14.06	11.62	10.11	13.88	14.12	13.72	11.51	10.03

^{1/} Consolidated numbers represent Bank and Ayudhya Asset Management Company only.

^{2/} Represents percentage of net NPLs divided by loans including money market loans less NPLs reserves.

^{3/} Represents percentage of gross NPLs divided by loans including money market loans.

△ Message from the Chairman and the President and Chief Executive Officer



Veraphan Teepsuwan
Chairman



Tan Kong Khoon
President and CEO

The year 2007 was another milestone in the long history of the Bank of Ayudhya, a leading financial institution, which has served Thai people for more than 60 years. The Bank has welcomed a partnership with GE, a world-class multinational conglomerate composed of a number of businesses including GE Money which has expertise in serving retail customers. The Bank of Ayudhya has its strengths in serving corporate and SME customers, with millions of customers, and an extensive branch network across the country, while GE has strengths in retail financial services and is recognized internationally for its proactive management with good governance. The combination of Bank of Ayudhya's local knowledge and GE's expertise is expected to propel the Bank into a sustainable success, serving the various needs of its customers, adding value for shareholders, and bringing satisfaction to its employees in line with the Bank's aspiration to be at the forefront of Thailand's leading financial institutions.

Bank of Ayudhya has received strong support from our shareholders. Following GE's initial purchase of 1,391 million shares on January 3, 2007, in September 2007 GE Money completed the additional share purchase bringing its total stake to 2,000 million shares as approved by the extraordinary shareholders meeting on September 20, 2006. The injection of the new capital transformed the Bank into the strongest capitalized bank in Thailand with a capital adequacy ratio above 20% at end of 2007. This reflects the strong support and commitment of GE Money to drive growth in our business.

The integration of our partnership during the past year includes integrating resources from both the Bank and GE to build a strong platform for development and business expansion. The Integration Team initiated joint vision and strategy formulation, creating understanding of our cultural differences and stimulating the process of learning and growing together. Executives and employees all across our organization participated in this process. There was a review of organization structure: working units were realigned with the core businesses of the Bank. Each unit is supervised by competent and experienced personnel. We laid a foundation for good corporate governance by strengthening supervisory units to ensure compliance with regulations and laws.

The Risk Management Group was established to ensure that the Bank's operations were within an acceptable risk profile. These activities were done with a view to laying a strong foundation for the Bank's efficiency and future success. As for the immediate concern over the American subprime debacle and its negative ramifications, we are confident that our rock solid organizational structure and strong financial fundamentals will enable the Bank to weather the probable economic storms looming over the global financial landscape.

Our operating results in 2007 were satisfactory considering the challenging economic and financial factors which existed both externally and internally. The Bank's operating profit was 8.50 billion baht. After deducting 12.37 billion baht for provisioning and 0.12 billion baht for tax, the Bank posted a 3.99 billion baht loss. The provision for doubtful accounts was to comply with the IAS 39 implementation of the Bank of Thailand. This action was in accordance with the Bank's policy to strengthen our balance sheet and to prepare for actions to improve our asset quality. This will enable the bank to speed up the resolution of legacy non-performing loans, a remnant of the 1997 financial crisis, so as to be able to grow our business and create value more efficiently.

In addition to the organic growth, in 2007 the Board of Directors approved the plan to acquire a 100% stake in GE Capital Auto Lease (GECAL) which has been a leader in the auto hire purchase business in Thailand for more than 15 years. The purchase of this business was completed in February 2008 with a transaction value of 16.18 billion baht. The high net interest margin loan portfolio acquired will increase the Bank's 2008 loan portfolio by 80 billion baht. It also strengthens the Bank's position as a one-stop service provider in the consumer banking market.

Our goal is to be "the most admired universal bank in Thailand" from the viewpoint of all our stakeholders: customers, shareholders, regulators, employees, and the general public. The Bank will continue to raise its ability to create value, improve the efficiency of its operations, and reach the highest standards of good governance. The next five-year operating plan will focus on a customer-centric strategy.

We are extremely confident of the Bank's future success.

On behalf of Bank of Ayudhya, we both would like to express our sincere thanks to our customers, investors, shareholders, staff, and all other stakeholders for their continuous support in building and sustaining the strength of our Bank.



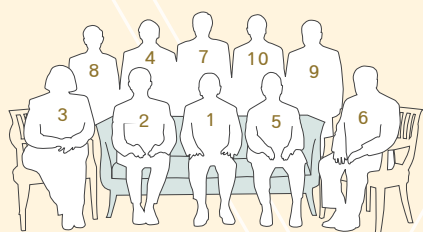
(Veraphan Teepsuwan)
Chairman



(Tan Kong Khoon)
President and CEO



Board of Directors

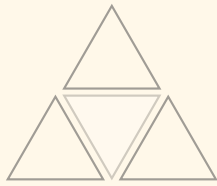


Chairman

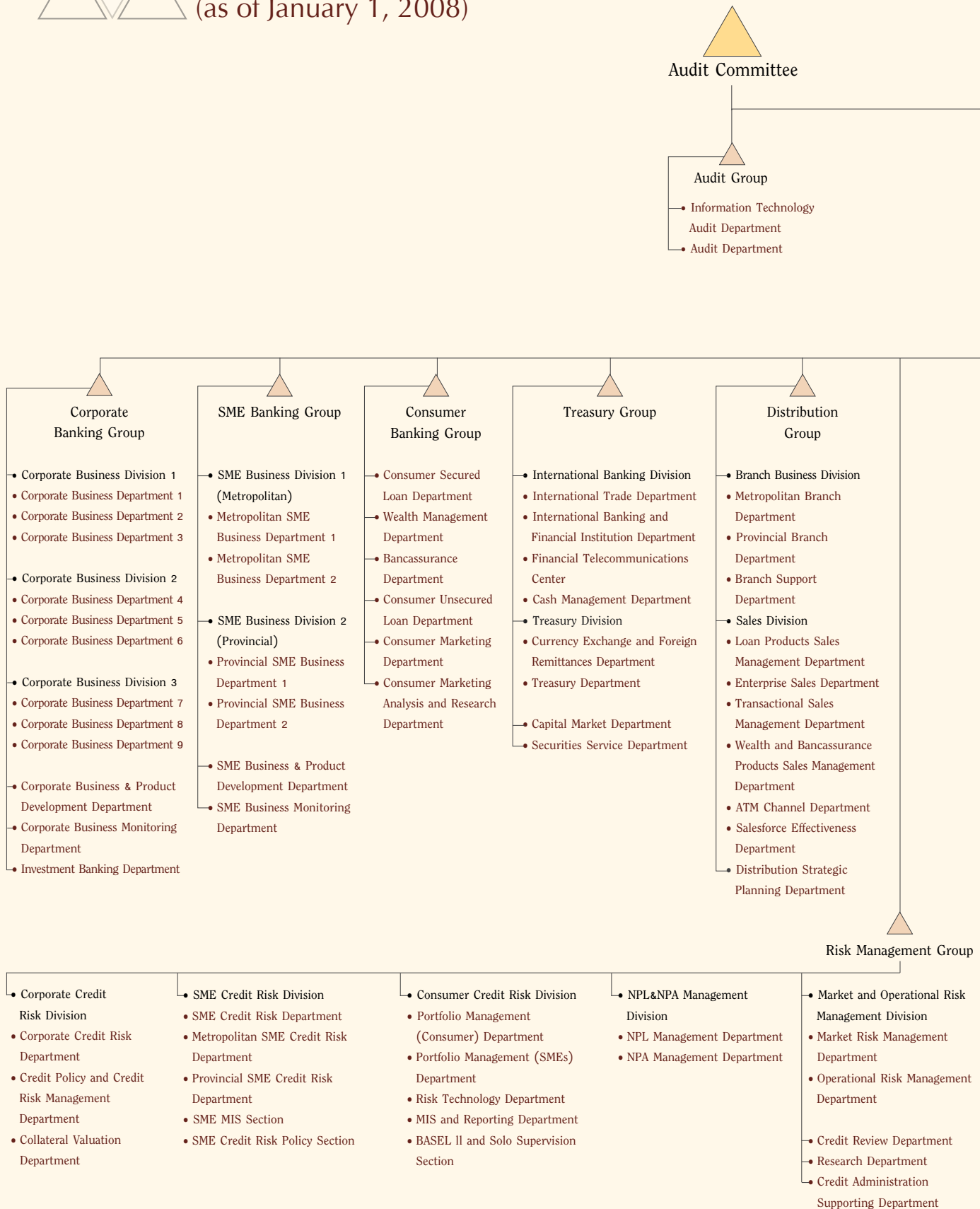
1. Mr. Veraphan Teepsuwan

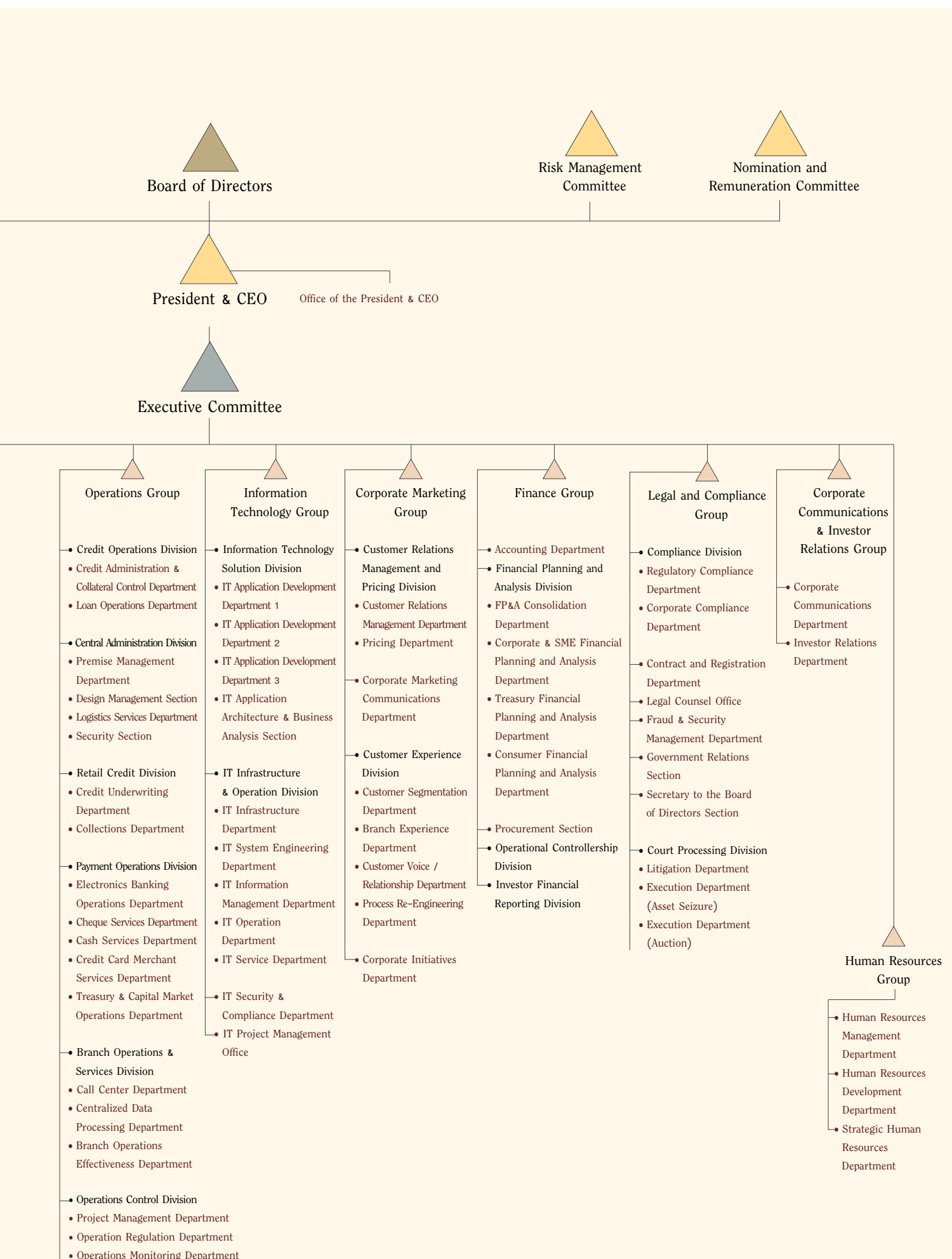
Directors

2. Mr. Tan Kong Khoon
3. Mrs. Janice Rae Van Ekeren
4. Mr. Pongpinit Tejagupta
5. Mr. Thipsamat Na Chiengmai
6. Mr. Surachai Prukbamroong
7. Mr. Virat Phairatphiboon
8. Mr. Yongyuth Withyawongsaruchi
9. Mr. Pornsanong Tuchinda
10. Mr. Chet Raktakanishta



Organization Structure (as of January 1, 2008)





Corporate Customers

A powerful component in driving the economy

Bank of Ayudhya has long-standing experience in supporting corporate business growth by offering a full range of financial services, promoting business expansion opportunities as well as enhancing the opportunities for Thai businesses to compete in the global market.



A man and a woman in business attire are standing in a warehouse. The woman is sitting on a wooden pallet, and the man is standing next to her with his arms crossed. They are surrounded by large cardboard boxes, some of which are labeled "PART EXPORT". A metal staircase is visible in the background.

SME Customers

A fundamental business creating employment and aiding income distribution

Bank of Ayudhya fulfills the needs of SMEs by providing fast and efficient services for operational flexibility, financing to capture business opportunities, and laying out a strong platform for potential business growth towards sustainable strength in the future.

Retail Customers

A growing segment with variety of needs

Bank of Ayudhya offers financial services that respond to individual needs and innovations that provide convenience through all its channels at all times.





The Bank of Ayudhya Public Company Limited emphasizes providing fully comprehensive financial services to customers in all segments, namely corporate, small and medium enterprises, and retail, whose demands vary significantly. The Bank has continuously developed its financial services and products including deposits, loans, and investment, to best match the customers' demand, with variety of services in each category being offered to reflect the requirements of different customers in each segment. The Bank wishes to participate in the prosperity and growth of commercial customers while providing convenience in financial services to individual customers as the Bank progresses to be at the forefront of Thailand's leading financial institutions.



The Thai Economy in 2007 and The Outlook in 2008

The Thai economy in 2007: Continued to expand exports despite domestic demand growth being at the lowest level in nearly a decade

The Thai economy in 2007 registered a 4.8% growth, down from the previous year's 5.1%, as the post-coup political uncertainties along with the US sub-prime led global slowdown dampened consumer and investor confidence, in turn slashing the expansion in private consumption and investment to the lowest level since the 1997 economic crisis. In addition, the surge in world prices of crude oil, commodities and food items put upward pressure on inflation in several countries. The ongoing capital inflow into Asia against the backdrop of falling dollar value and significant current account surplus strengthened the region's currencies. The key economic drivers in 2007 include:

- **Higher-than-expected growth.** The gain in export earnings (in USD) rose by 18.1% in 2007, up from the prior year's 17.0%, in both agricultural/agro-industrial and manufacturing goods. The ratio of Thailand's exports to new markets compared to traditional markets increased significantly from 34:66 to 46:54. Indeed, the faster growth in the exports to new markets helped cushion the decrease in exports to the US last year.

- **Acceleration in fiscal disbursement** offsetting the sharp slowdown in private spending. Although the expansion in private consumption and investment slipped to 1.4% and 0.5% in 2007 (down from 3.2% and 3.7% in the previous year) given the less favorable political climate, the massive fiscal disbursement, a record 93.9% of the budget, sent the expansion in public consumption and investment to 10.8% and 4.0% (up from 2.3% and 3.9% in 2006)

- **Relaxed monetary stance to boost growth.** The 1-day repurchase rate, or the policy rate, reached the present level of 3.25% by July 2007 following 5 cuts by the Bank of Thailand (BOT) in an effort to stimulate economic activities. Despite the greater upside risk to inflation with skyrocketing oil prices during the second half of the year plus the hike in domestic goods and services prices, the central bank maintained the rate at 3.25% through year-end. The one-year time deposit rates offered by and the minimum lending rates charged by the country's leading commercial banks were adjusted downward accordingly to 2.25-2.375% per annum and 6.85-7.125% per annum, respectively (from 4.00-5.00% and 7.50-8.00% as of the end of 2006). Deposits and loans grew by 1.1% and 4.0% from 7.2% and 4.2%, respectively in 2006.

- **Strong fundamentals.** The current account balance posted the highest surplus in history mainly as a result of high export growth while import growth remained sluggish in line with low domestic investment, activities. Combined with a substantial increase of income from tourism, the annual current account balance ended the year with a surplus of 6.1% of GDP. International reserves at year end also recorded a new high of 87.6 billion USD compared with 67.0 billion USD at the end of 2006. The Thai currency continued to appreciate further against the USD not only because the greenback weakened against major currencies both in Europe and Asia but also due to capital inflow in terms of both direct and portfolio investment as well as the high level of current account surplus. The exchange rate on an annual monthly average basis moved to 34.56 baht/USD compared with 37.93 baht/USD in the prior year. Inflation decelerated to 2.3%, down from 4.7% in 2006 because of low average oil prices in the first 3 quarters of the year albeit rising rapidly in the last quarter, pushing up production costs of industries and public transportation fares toward the end of the year. The strong baht effect also contributed to a lower inflation rate due to relatively lower import price of fuel and raw materials.

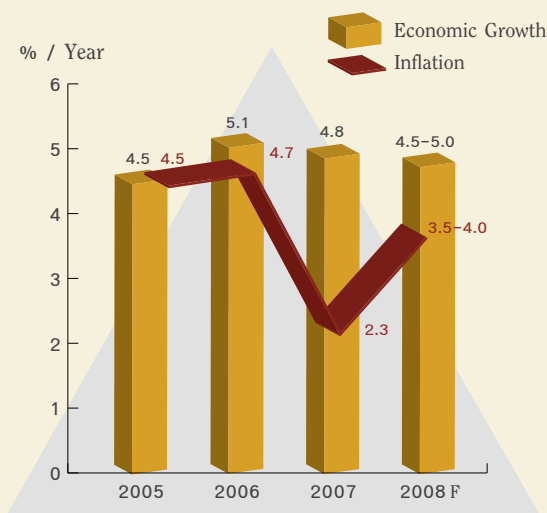
Thai economic outlook in 2008: Driven by domestic demand rather than exports due to trading partners' economic slowdown.

The Thai economy in 2008 may face a higher degree of external risks arising from the slowdown in global and major trading partners' economies. Sub-prime woes might drag the US economy into a substantial slowdown or even possibly a recession. After several drastic cuts, the US FED funds rate moved down quickly from 4.25% to 3.50% and 3.00% on January 22 and January 30, 2008, respectively with the intent of stemming the widespread global stock market turmoil. Some analysts believe the US Federal Reserve will decide further downward adjustments in the FED funds rate to about 2.00% within 2008. With the help of a US Government

Global Economic Growth



Thai Economic Growth



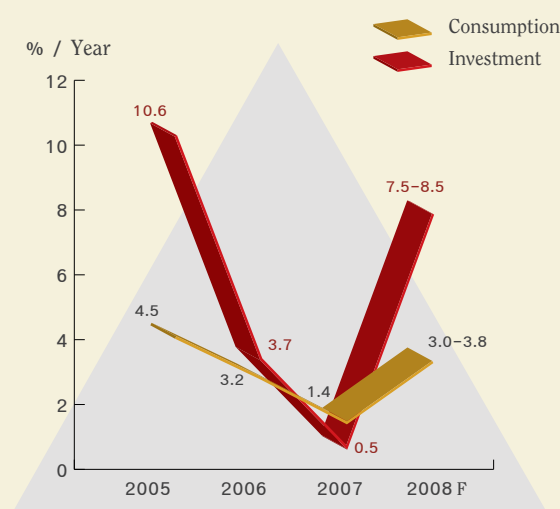
expansionary fiscal plan, the general US economy could start to recover in the second half of 2008. World crude oil prices will probably fluctuate and drift higher hindering a chance of global recovery and pushing up world inflationary pressures. Dubai crude oil prices on the average in 2008 were estimated at 80-90 USD/barrel in comparison with the average 68.83 USD/barrel in 2007. The Thai economy on the other hand sees a possibility of higher growth with a clearer political climate and a newly elected government stimulation policy as well as the abolishment of the BOT's 30% unremunerated reserve requirement (URR).

Domestic demand should accelerate to offset the export sector whose growth might drop faster than expected in line with the economies of major trading partners. Overall, Thai GDP growth could improve to 4.5–5.0% or better in 2008.

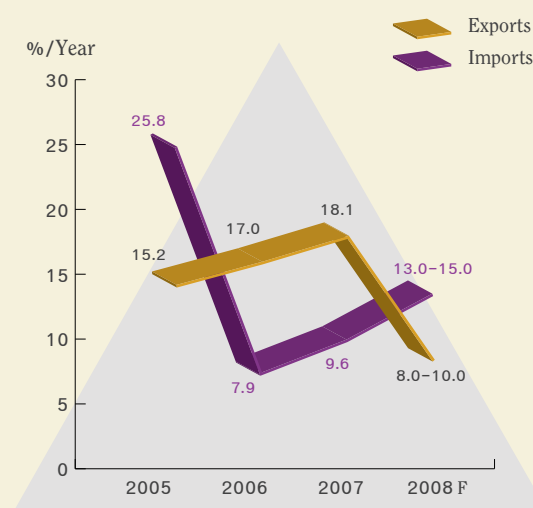
- Confidence increases accelerating private consumption and investment. The formation of the newly elected government combined with the announcement of an economic stimulation package and a relatively low interest rate environment has effectively created confidence among consumers and investors. Despite the recent increase in prices of goods and services, people's purchasing power would be boosted by salary and minimum wage increases among government officials, public enterprise employees, and the general labor force. Farmers continue to benefit from appreciating commodity prices, mainly agricultural products in the world market. Private consumption growth could then recover to 3.0–3.8% while government consumption growth could reach 4.5–6.0% resulting in a total consumption growth of 3.2–4.0%.

Total investment could speed up leading to a much higher growth as supported by government spending under the expansionary fiscal budget deficit policy. The investment budget in the current 2008 fiscal year is composed of 24.4% of the total annual budget, an increase of 8% over the prior fiscal year (not to mention the new government plan to increase the interim budget in the mid fiscal year by an additional 60–80 billion baht). A new government economic stimulation policy would speed up public infrastructure construction projects, especially the rapid train system in areas of Bangkok, the double rail network for train transportation across the country, the water resource administration system, a new round of bidding for large scale private electricity generation (IPP) and an under-water fiber glass project. This would create a crowding in effect when private investment activities and related sectors are induced to follow suit through the implementation of investment projects and expansion of production capacity. In addition, the effect of several large

Consumption and Investment of Private Sector



Export - Import



investment projects approved by BOI in 2007 and an expected income in foreign direct investment in the manufacturing sector would also support the recovery of the investment sector this year. Growth in private and public investment is estimated at 7.5–8.5% and 8.0–10.0%, respectively, resulting in a total investment growth of 7.5–9.0%.

- The export sector slows down in line with trading partners' economies especially the US. Exports will expand 8.0–10.0% while imports will accelerate to 13.0–15.0% driving the recovery of investment and other domestic spending. With the baht appreciation, there is an incentive to import more capital goods and machines. Therefore, the trade

balance surplus will likely slow down compared with 2007. Combined trade balance with services and transfer accounts are expected to be in surplus due to a higher growth of tourism and a surplus of USD 6-9 billion, a decline from USD 14.9 billion in 2007.

- The policy interest rate is moving downward by 0.50% since the end of 2007 in line with the world's key interest rates. This trend, together with a stronger baht will encourage investors to expand investments due to the lower cost of importing capital goods and raw materials. The policy interest rate's downward adjustment will not be significant as headline inflation is likely to rise along with rising oil prices. However, if the abolishment of the 30% URR measure results in a much stronger baht that relieves inflationary pressure, the policy interest rate could be cut further. The commercial banking system is expected to keep loan and deposit interest rates flat or marginally lower due to a modest rising demand for loans alongside growing investment. Deposits and

loans of depository financial institutions should expand by 3.5% and 5.5%, respectively.

- The economy is generally healthy and the current account continues to be in surplus contributing to growing foreign exchange reserves. The baht is trending upwards against the US dollar as pressure builds on the US dollar due to the sub-prime issue. However, with the abolishment of the 30% URR measure the BOT will continue to keep the baht's movement in line with regional currencies to support the export sector and the broad economy with the baht expected to appreciate to 31.00-32.00 from an average 34.56 per US dollar in 2007. Headline inflation in 2008 will rise to 3.5-4.0% from 2.3% in 2007 as oil prices will increase the cost of production, public transportation fares, and merchandise prices. Furthermore, the prices of major agricultural products and crops used for production of oil substituting fuel are tending upwards in the global market.

Key Economic Indicators

	2008F	2007	2006
1. GDP Growth (%)	4.5-5.0	4.8	5.1
2. Consumption (% change)	3.2-4.0	2.7	3.0
Private Sector	3.0-3.8	1.4	3.2
Public Sector	4.5-6.0	10.8	2.3
3. Investment (% change)	7.5-9.0	1.4	3.8
Private Sector	7.5-8.5	0.5	3.7
Public Sector	8.0-10.0	4.0	3.9
4. Foreign Trade (US\$ billion)			
Exports	163.2-166.3	151.1	127.9
(% change)	8.0-10.0	18.1	17.0
Imports	157.3-160.1	139.2	126.9
(% change)	13.0-15.0	9.6	7.9
Current Account Balance (as % of GDP)	2.0-3.0	6.1	1.1
5. Consumer Price Index (% change)	3.5-4.0	2.3	4.7
6. Repurchase Rate (1 day) (% p.a. at year - end)	2.75	3.25	5.00
7. Exchange Rate (Baht/US\$: Avg.)	31.0-32.0	34.56	37.93
8. Oil Prices (Dubai) (US\$/Barrel : Avg.)	80.0-90.0	68.8	61.0

Note : F = Forecast

Sources : BOT, NESDB, 2008 projections by BAY Research Department (February 2008)

Banking Business Overview in 2007 and Outlook in 2008

Banking Business Overview in 2007

Commercial banks, the primary financial institutions in the economic system, made adjustments to be more efficient in preparation for tougher competition. However, political uncertainties played a major role in eroding confidence among investors and consumers. Despite reductions in the policy interest rate aimed at stimulating the sluggish economy, the government fiscal expansionary policy did not speed up as much as expected and growth of commercial bank deposits and loans decreased from the prior year. In addition, commercial banks had to reorganize their businesses and operations in order to comply with new supervisory guidelines, especially the loan loss reserve requirement in accordance with International Accounting Standard 39 (IAS39). Consequently, the profitability of the commercial banking system ended lower than the prior year.

- Deposits as of the end of 2007 amounted to 6.5 trillion baht, representing a marginal increase of only 33 billion baht or 0.5% from the end of 2006, a substantial slowdown in comparison to growth of 6.0% in 2006. The slower deposit growth was attributable to sluggish domestic demand and a rising cost of living, thus eroding purchasing power and propensity to save. In addition, deposit interest rate reductions among commercial banks resulting from a high level of excess liquidity in the economic system reduced customers' incentive to put money in banks. Interest rates on 1-year time deposit accounts dropped from 4.00–5.00% in 2006 to 2.25–2.375% in 2007. At the same time, the interest rate on savings accounts remained constant at 0.75%. Commercial banks also raised funds through financial products designed for certain specific target customers, including special deposit accounts, issuance of bills of exchange and various forms of unit trusts offered by mutual fund entities.

- Loans as at the end of 2007 stood at 6.1 trillion baht, an increase of 270 billion baht or 4.6% from the end of the prior year; a slow down in

comparison with the growth of 5.9% in 2006. This slow down was driven by lower GDP growth, political uncertainties affecting public confidence, and expensive oil prices pushing up the cost of production and reducing profit margins, resulting in the lowest level of private investment in years. Loans extended to business sectors comprising 76.5% of the total loan portfolio expanded by only 1.5% from the previous year. During the same period, the lower proportion of consumption loans representing 23.5% of total loans expanded by 16.0%. Nevertheless, loan expansion opportunities looked brighter in Q4/2007 under the atmosphere of the general election campaign which improved consumption and investment activities toward year end.

- NPLs in gross terms or NPLs before loan loss reserve. The definition includes loans outstanding classified under the categories of substandard, doubtful, doubtful of loss, and loss. At the end of 2007, gross NPLs totaled approximately 450 billion baht or 7.3% of commercial bank loans, down slightly from 7.5% at the end of 2006. The minor reduction in the NPL ratio was attributable to economic sluggishness causing an increased surge of both new NPLs and NPLs reemerging from TDR programs. In terms of net NPLs or NPLs after loan loss reserve according to the BOT's IAS39 criteria commercial banks are required to provide 100% reserves for the difference between debt outstanding at book value and present value of cash flows expected from debtors. Net NPLs outstanding at the end of 2007 stood at approximately 240 billion baht or 3.9% of commercial bank loans, a slight reduction from 4.1% at the end of the prior year.

- Annual net profit (loss). Commercial bank performance in 2007 achieved operating profits of 158 billion baht, a slight increase from 156 billion baht in 2006. However, after deducting the loan loss provision and income tax, the annual net profit shrank to only 25 billion baht in comparison with 65 billion baht in the prior year. The declined net profit was mainly due to higher loan loss provisions as banks needed to comply with the IAS39 requirement within 2007.

Banking Business Outlook in 2008

With an emphasis on aggressive marketing and efficient risk management, the commercial banking business future looks bright in 2008 with higher expected profits in comparison to 2007. Factors contributing to better operating results include a more stable political environment, the economic stimulation measures through the government's mega-projects, the mid-year budget increase, and the consumption stimulation at the grassroots level. These factors will help increase demand for financial services. However, the effect of slower global economic growth, a stronger baht, and rising crude oil prices in the world market will negatively impact Thailand's exports. The trend of Thailand's interest rates is expected to slide downward in line with the world's key interest rates and as the regulators try to mitigate the volatility and appreciating pressures on the baht. New rules and regulations which are effective in 2008 together with stiffer competition, will directly and indirectly affect the commercial bank industry as follows:

- Deposits show an upward trend from 2007 due to the recovery of consumption and investment after the government's economic stimulation measures. Meanwhile, commercial banks are likely to introduce new financial products which offer higher deposit rates or attractive services to maintain their specific customer base. Overall developments in operating efficiency are in progress to prepare for the Deposit Protection Act and to serve higher demand from investment growth.

- Loans will expand at a faster rate than 2007 given the expected GDP growth of 4.5-5.0%. If the slower global economic growth does not have much impact on the Thai economy, commercial bank loans could accelerate as the government's mega-projects induce the expansion of related business such as construction and construction materials. Furthermore, the mega-projects are expected to regain consumers' confidence and loans for durable goods and real estate.

- New rules and regulations. The Financial Sector Master Plan II stipulates that commercial

banks comply with international standards in order to strengthen Thai banks competitiveness. The enforcement of the Deposit Protection Act, the Financial Institutions Act and the Act of the Bank of Thailand will push commercial banks to manage risk more efficiently and to improve the infrastructure in the field of technology, personnel and operation efficiency to cope with the changing financial industry environment. The result would be a higher competitive capability as well as better respond to customers' financial needs, and, ultimately, long-term and sustained profitability.

△ Nature of Business



Business Overview

Bank of Ayudhya Public Company Limited is a Thai Commercial Bank established on January 27, 1945 with a registered capital of Baht 1 million. The Bank opened for business on April 1, 1945 and was listed on the Stock Exchange of Thailand on September 26, 1977.

Bank of Ayudhya is a leading commercial bank in Thailand providing a full range of financial services. The Bank's registered capital is Baht 70,894 million and its paid-up capital is Baht 57,477 million.

In terms of total assets, the Bank is the fifth largest commercial bank in Thailand. As at December 31, 2007, the Bank had assets of Baht 652,387 million and outstanding loans of Baht 450,147 million.

The year 2007 was another milestone in the long history of the Bank of Ayudhya as GE became the Bank's major partner.

Chronology:

- **January 2007:** GE Capital International Holdings Corporation (GECIH), a GE subsidiary purchased 1,391 million newly-issued ordinary shares for Baht 22,256 million at Baht 16 per share representing 29.01 percent of the Bank's total number of shares outstanding, and transferred assets and liabilities of GE Money Retail Bank Public

Company Limited including deposits, mortgage loans and secured personal loans to Bank of Ayudhya.

- **July 2007:** GECIH purchased an additional 445 million newly-issued ordinary shares at Baht 16 per share, totaling Baht 7,115 million. As of July 2, 2007, GECIH held 1,836 million shares or 33 percent of the Bank's total number of shares outstanding.

- **September 2007:** GECIH purchased an additional 164 million newly-issued ordinary shares for Baht 2,629 million. As at September 18, 2007, GECIH held 2,000 million ordinary shares or 34.9 percent of the Bank's total number of shares outstanding. The Bank obtained permission from the Ministry of Finance on September 13, 2007, allowing GECIH to hold over 5 percent but not exceeding 35 percent of the Bank's total number of shares outstanding, subject to the provision that in any event foreign shareholding may not exceed 49 percent of the total number of shares outstanding.

During the year 2007 the Bank strengthened its foundations, primarily as a result of the partnership with GE. The integration of complementary strengths from the two organizations results in a major force in the Thai commercial banking sector. The Bank's powerful alliance with GE creates competitive advantages, drives growth and helps achieve the bank's vision of becoming

the most admired universal bank in Thailand. In addition to the new capital injections from GE, the Bank was strengthened by its innovation and advanced technology allowing the Bank to be ready to compete with leading banks in the country and across the region. With GE as a partner, the Bank has applied its global standard of corporate governance to ensure that the Bank is governed at international standards.

In the first half of 2007, the Bank focused on executing a 100-day integration plan that included formulating a strategic framework, combining each partner's strengths and optimizing the Bank's overall efficiency. It also emphasized the importance of developing and implementing measures that would ensure the Bank achieves its overall vision and business strategy by effectively combining Bank of Ayudhya and GE's corporate cultures. A key objective was communicating and driving the 100-day plan's "Together We Learn & Grow" slogan.

To improve overall service, the Bank implemented a new Sales Force Effectiveness (SFE) model. This model is designed to effectively support product innovation and deliver new financial services that meet our customers' needs. Another key objective is optimizing work process efficiency. The Bank has implemented GE's LEAN process that shortens the Bank's underwriting process by making process more lean and flexible.

To optimize distribution network efficiency, the Bank implemented a Branch Operational Effectiveness (BOE) Project focusing on operations. A key objective is increasing branch service hours and product sales while reducing paperwork. Administrative functions have been centralized at Head Office. The Bank also placed importance on service excellence driven by both customer service and product development. The Bank prepared to implement the "Customer-Centricity" model of GE with an aim to enhance customer satisfaction. In addition, the Bank acquired GE Capital Auto Lease Pcl. (GECAL) to expand its consumer banking business at an accelerated rate.

An extraordinary general shareholders meeting was held on September 26, 2007. Shareholders representing holders of more than 75 percent of the Bank's outstanding shares attended the meeting (GECIH shareholders did not vote) and approved the Bank acquiring the entire ordinary shares of GECAL from General Electric Capital Asia Investment, Inc. (GECAI), and other shareholders, and entering services agreements with General Electric Company (GE) (or companies that were assigned by GE,) and providing financial support for GECAL, under terms and conditions for transactions laid down by the Ministry of Finance, the Bank of Thailand, the Securities and Exchange Commission, the Stock Exchange of Thailand and other related agencies. At the end of December 2007, the Bank of Thailand approved the Bank's acquisition of GECAL. Subsequently, the Bank established Ayudhya Hire Purchase Company Limited to run used car financing on the sale-and-lease back basis. The GECAL business was transferred to the Bank on February 14, 2008. The Bank's total investment was Baht 16,180 million. GECAL is one of the largest auto financing service provider in Thailand with total assets of Baht 80,300 million and outstanding loans of Baht 79,300 million as at December 31, 2007.

BAY's acquisition of GECAL combines the competitive and operational strengths of the two organizations. With the GECAL acquisition, the Bank will be able to provide a full range of auto financing services to customers. The GECAL acquisition results in an 18% increase in the loan portfolio as of the acquisition date.

Business Operations

The Bank provides a full range of financial services: deposits, loans, payment services and services related to money and capital markets. These services are provided directly by the Bank and its subsidiary companies that include eight businesses: i.e. credit cards, insurance, life insurance, mutual funds, stock-brokerage, new-auto leasing, machine-leasing and factoring.

The Bank's vision is to be the most admired universal bank providing a full range of financial services in Thailand. We have established a robust operating foundation that will allow us to achieve our growth targets and goals. By providing the best services to a wide range of customers: corporate, SME and individual, we are determined to achieve our overall objectives.

Our 2007 operational results achieved planned objectives. The Bank realized net operating profits of Baht 8,505 million while we simultaneously plan and implement our new business model and competitive strategy.

In addition, the Bank reserved Baht 12,365 million for doubtful accounts under IAS 39 regulations. These reserves strengthen the Bank's balance sheet while resulting in a net loss of Baht 3,990 million for the year. The Bank's capital adequacy ratio was 20.3% at the end of 2007. Details are included in the Management Discussion and Analysis topic section page 43.

Key Business and Income Structure

The Bank's organization is structured to serve its customers effectively while adhering to good corporate governance and customer-centric principles.

Corporate Banking Division

This division is responsible for large enterprises with outstanding loans, total sales or assets of more than Baht 200 million as well as multi-national enterprises. These are large entrepreneurial companies that invest in mega-projects so their needs vary. The Bank has designed a full range of financial services that meet their needs: short-term and long-term loans, project financing, syndicated loans, cash management and investment banking. The Bank has professional Relationship Manager teams each specializing in a particular industry. This division is a key pillar of the Bank because its customers constitute 34% of the Bank's total loans outstanding as at

December 31, 2007. In 2008, the Bank plans to expand its corporate banking service by establishing Corporate Business Center in key business areas across the kingdom.

SME Banking Division

SMEs are a key focus area for the Bank. This group constitutes 44% of total loans outstanding. The Bank offers credit lines of up to Baht 200 million. SMEs are a key engine of Thailand's economic growth and the Bank intends to quickly expand its services in this sector to all parts of Thailand. We have already established the SME Business Center at Noenteng branch, Chonburi with an expansion plan to key business areas across the country.

In 2007 the Bank implemented the LEAN Process and ALSCOM model to expedite the SME loan approval process and to enhance our competitive edge.

Consumer Banking Division

The Consumer Banking Group is responsible for addressing the needs of the Bank's individual customers. To optimize efficiency the Consumer Banking Division consists of six groups: Secured Loans, Wealth Management, Bancassurance, Unsecured Loans, Consumer Marketing, Consumer Analysis and Research.

In 2007, the Bank developed and implemented strategies to accelerate consumer banking growth. We developed a proactive strategy to increase overall business capabilities and strengthened our consumer banking platform to allow for sustainable growth. We also perform extensive consumer research before developing and launching new products. Operationally, we targeted specific areas where we can strengthen our position with superior product design and creative marketing for personal loans and housing loans. Our "Krungsri Smile Cash" personal loan product was a huge success during the year.

Treasury Division

The Treasury Division provides financial risk management and advisory services to both corporate and SMEs customers. It is also responsible for managing the Bank's interest rate and liquidity risk as well as managing the Bank's investment portfolio.

The Bank provides trade finance services that facilitate financing local and overseas importers and exporters, and credit facilities for the import of machinery and equipment, raw materials and capital goods. Moreover, the Bank offers financing service to customers' counterparties and advisory services through its specialist team certified from the International Chamber of Commerce. Our "Krungsri Trade Link", an online service, is designed to facilitate customer transactions 24 hours a day, seven days a week.

In 2007, the Bank extended its international banking service by capitalizing on its GE partner, a corporation with a strong capital base and a worldwide network. The Bank's strong performance in providing premium trade services in 2007 was recognized locally and globally. The Bank received Euromoney Trade Finance Magazine's "2007 Best Trade Bank in Thailand" award.



Business Support Units

The Bank's key distribution network includes its branches, ATM, and foreign exchange centers. Through these channels we provide financial services for large corporate, SME and individual customers. The distribution network's mission is to expand the Bank's loan base and fee income.

Branches

In 2007, the Bank implemented its Sales Force Effectiveness (SFE) model to optimize each branch's sale results. The Bank also increased branch operational efficiency by reducing paper and administrative work and providing more staff time for customer service and sales.



As of December 31, 2007, the Bank had 569 branches and a head office. The Bank had 267 branches in Bangkok and adjacent provinces including Nonthaburi, Pathumthani, Samutprakarn, Samutsakorn, and Nakorn Pathom. In the provinces, the Bank had 299 branches as well as 3 overseas branches in Hong Kong, Vientiane and the Cayman Islands.

The Bank opened 20 branches in 2007, including its first Exclusive Banking Center at All Seasons Place and plans to open more Exclusive Banking branches in the future.

New branches have all been designed to provide improved services, including special areas for electronic machines including ATMs, Cash Deposit and Passbook Update machines.

Most new branches are located near customer gathering points, including businesses and factories, tourist attractions, residential areas, shopping malls, office buildings, transportation centers, gas stations, education institutions and hospitals.

Foreign Exchange Offices

The Bank has 79 foreign exchange offices in key business areas and tourist destinations nationwide, including 15 offices in Bangkok and adjacent province

and 64 offices in other tourist destinations. These offices provide foreign currency exchange, travelers-cheques, Western Union money transfers and cash advance services. In addition, the Bank of Thailand has permitted twelve of the Bank's foreign exchange offices to provide bill and loan payment services.



Automatic Teller Machines (ATM)

As of December 31, 2007, the Bank had installed 2,631 electronic banking devices and remote services across the country. These include ATMs, cash deposit machines and KIOSKs that service ATM cardholders and credit cardholders. Of these 1,374 machines were in the Bangkok area. The Bank has continuously expanded and improved its ATM services by offering innovative new services, including bill payment services and remittance. In addition, the Bank has launched a Krungsri Lucky Yellow promotion program for ATM users to increase the volume of ATM use. Additionally, we have 492 passbook update machines installed for customers' convenience.



Operations and Technology

To better serve our customers, the Bank pays great attention to the operational aspect of our business. Individual units have been established for credit operations, retail credit analysis, payment system

operations, branch and service operations, operational control, buildings and locations supervision and support, security and procurement.

During 2007, the operations division was a critical part of the Bank's new proactive customer service policy. We upgraded our customer service capability by improving the efficiency of our call center, collection processes and customer complaints resolution processes (CCRP). The centralization of the branches' back-end operations to the head office has given branch staff more time to serve customers and promote sales.

The Bank increased investments in technology in 2007 to support product development and create new services for customers. This new technology also provided customers with more convenient access to our services as well as increasing efficiency. We installed the RM (Relationship Management) system to access customer information more efficiently through a Single Customer View process. The RM system will show each bank account held by customers online in real-time via our Bank's internal operational systems.

GE's vast data storage experience has helped the Bank improve its Enterprise Data Warehouse. During the year we developed several Datamarts including the CRM Datamart and the Loan Datamart that will help our staff access data for analysis and planning. In terms of risk management, the Bank utilized Fermat, a risk management software that helps the Bank calculate its reserve funds and determine its credit risk under Basel II and BOT regulations. We also developed new assessment systems and risk control self-assessment programs for managing foreign transactions and branches. During the year, the Bank also upgraded its communication network between branches and the head office by using MPLS to increase our capacity to expand business while maintaining proper risk processes. We also completed a server consolidation project to improve our computer systems. The Bank

improved internal communications by implementing a web portal called Krungsriportal.net as a central channel for disseminating information to all employees on a timely basis.

Compliance

The Bank has established a Compliance unit that is responsible for business oversight and monitors each unit's compliance with applicable regulations and laws. The Compliance unit also ensures that neither the Bank nor any employees are participating in corrupt or dishonest practices. It advises the Bank and individual operating units on legal and regulatory compliance.

The Bank gave business supervision high priority in 2007. The Bank announced an official "Integrity" policy to support the Bank's overall mission and goals. Throughout the year, staff training was conducted to ensure that all Bank employees fully understood policies requiring each of them to be honest and fair with customers, the Government and with each other.

The Bank also established an Ombudsperson Program that serves as a channel handling employees concerns fairly and confidentially. Employees can report any dishonest, unethical, immoral, and/or unfair practices in the workplace to the ombudsperson.

Risk Management

The Bank regards risk management as the most critical element of its operation. It has established risk management policies that regularly analyze, assess, monitor and control the Bank's risks by following internal as well as government and regulatory policies.

In 2007, the Bank restructured its Risk Management Division and risk management processes under good governance principles to ensure that the Risk Management Division is independent in assessing credit, market and operational risk issues. It also formulates a policy of managing risk, developing tools

and processes for assessing risk, and reports the risk assessment to high-level executives. Details of risk management may be found in the Risk Factors and Risk Management section on page 34

Human Resources

In 2007, the Bank focused on developing its employees' abilities and skills to support the Bank's objective to expand its customer base and upgrade its services. A key upgrading element was segmenting products and services so they could be effectively and efficiently delivered to satisfy specific customer needs. The Bank developed a human resources competence enhancement plan to improve our employees' knowledge and capabilities. To ensure they are aligned with their job requirements (job competencies).

In particular, after the training programs, all Bank employees were better equipped to deliver appropriate premium services that satisfied specific customer needs. Another key training element is strengthening teamwork and creating enthusiasm to achieve individual and corporate goals.

We also expended significant effort in reinforcing the need for honesty and compliance with Bank regulations. Supervisors were encouraged to promote personnel development, and personal coaching sessions with staff so as to build teamwork to support the Bank's business.

Competitive Capability

All commercial banks in Thailand vigorously compete to expand their corporate and retail customer bases. The Bank developed and executed extensive marketing campaigns that extended our customer base. In particular, the consumer market is extremely competitive because non-bank financial institutions are also aggressively competing with commercial banks for market share.

In 2007, the Bank focused on building its infrastructure to compete with other commercial banks by strengthening the following:

Solid Capital Base

The Bank has the strongest capital adequacy ratio in the Thai banking system. The ratio exceeded 20 per cent at the end of 2007. This strengthens our ability to pursue sustainable growth both organically and inorganically.

Efficiency of Risk Management Capability

The Bank strengthened its risk management systems by implementing credit, market, and operational risk management. We also implemented management programs for operational risk assessment and controls at the department level and applied a tape management process to record financial transactions. We upgraded our IT systems to back-up data at our information center quickly, accurately and securely. Our processes comply with IT technology security policy (ISO 17799) relating to back-up data management. Our improved risk processes and policies allow the Bank to enhance our service abilities while managing inherent risks appropriately.

Product Innovations

The Bank focused product innovation on developing appropriate products for each age-group segment. We carefully researched and analyzed the specific needs of each segment before designing and then launching these products and services.

Our goal is to delight each customer with appropriate products and services that exceed their expectations. A few examples are our three dimension ATM Card, the Krungsri Teen Plus deposit account for youth under 19, and the Cash Connect Deposit, a convenient account for entrepreneurs or businessmen.

We also used our secure state-of-the-art customer information data system technology to help our employee accurately offer customers suitable products and services. During the year, we vastly improved our electronic banking services and increased the number of full service channels, extended service hours and expanded cheque-clearing services until



3 pm in more than 45 branches. These innovative new services strengthened the Bank's competitive edge in 2007.

In 2007, the Bank also launched various innovative products and services.

- Cardless ATM remittance service: the Bank introduced an innovative remittance service, "Cardless ATM" in Thailand. This fast, convenient and secure new service facilitates money transfers permitting recipients to withdraw funds from any of our Bank's ATM without an ATM card or a Bank passbook.

- Term Deposit with attractive interest payment schedule: we have introduced a nine-month fixed-deposit where interest is paid on a monthly basis for these higher value deposits. This special fixed-deposit was developed especially for individual and corporate customers who wish to lock-in higher tenure rates but wish to receive a monthly interest income.

- ATM-FCD Card: the Bank introduced Thailand's first ATM – FCD card for foreign currency deposit accounts. These cards allow depositors to withdraw and transfer baht currency between accounts

through ATMs. Depositors can open accounts in 11 currencies including the US dollar, Pound, Euro, Yen, Australian Dollar, Swiss Franc, Hong Kong Dollar, Singapore Dollar, Norwegian Krone, Swedish Krona, and Danish Krone.



- Exclusive Banking Service: we recently launched a new service specially designed for individual high net-worth customers. The “Exclusive Banking” service enhances customers’ convenience and provides value-added services including personal financial management and investment advice. The Bank opened its first Exclusive Banking Center at its All Seasons Place branch, Wireless Road, Bangkok.



- Credit facility with special rate offer to encourage capital goods import: the Bank introduced special fixed low-rate loans to support large enterprises in specially selected industries who need to invest in new machinery to expand production capacity or increase production efficiency.

Strong Business Partners

The Bank continued its strategy to expand its customer base and gain more market share through strategic business partners including insurance and mutual fund companies, to provide more product alternatives to its customers and increase fee-based income.

Subsidiaries, Associated and Related Companies

List of companies where the Bank holds 10% or more of paid-up capital as of December 31, 2007.

Subsidiaries and Associated Companies

Name	Business Type	Issued Shares		Ownership (%)
		Share Type	No. of Share	
1. Ayudhya Asset Management Co., Ltd. 11 th Floor Bank of Ayudhya Plc., 1222 Rama III Road, Bang Phongphang, Yannawa, Bangkok 10120 Tel : 0-2296-4129 Fax : 0-2683-1400	Asset Management	Ordinary	600,000,000	99.99
2. Siam Realty and Services Co., Ltd. Bank of Ayudhya Building, 5 th Floor Ploenchit Office, 550 Ploenchit Road, Patumwan, Bangkok 10330 Tel : 0-2208-2465-9, 0-2208-2449 Fax : 0-2253-8609	Service	Ordinary	1,000,000	99.99
3. K.S. Law Office Co., Ltd. Bank of Ayudhya Building, 3 rd -6 th Floor Ploenchit Office, 550 Ploenchit Road, Patumwan, Bangkok 10330 Tel : 0-2208-2607 Fax : 0-2251-6581	Service	Ordinary	3,200,000	99.99
4. Ayudhya Capital Lease Co., Ltd. 16 th Floor Ploenchit Tower 898 Ploenchit Road, Lumpini, Patumwan, Bangkok 10330 Tel : 0-2673-3777 Fax : 0-2673-3773	Finance (Auto Leasing)	Ordinary	300,000,000	99.99
5. Ayudhya Fund Management Co., Ltd. 12 th Floor Ploenchit Tower, 898 Ploenchit Road, Lumpini, Patumwan, Bangkok 10330 Tel : 0-2657-5757 Fax : 0-2657-5777	Asset Management	Ordinary	3,500,000	99.99

Name	Business Type	Issued Shares		Ownership (%)
		Share Type	No. of Share	
6. Ayudhya Factoring Co., Ltd. Bank of Ayudhya Building, 3 rd Floor Ploenchit Office, 550 Ploenchit Road, Patumwan, Bangkok 10330 Tel : 0-2208-2888 Fax : 0-2208-2858	Factoring	Ordinary	10,000,000	99.99
7. Ayudhya Auto Lease Plc. 3 rd Floor Ploenchit Tower, 898 Ploenchit Road, Lumpini, Patumwan, Bangkok 10330 Tel : 0-2209-8333 Fax : 0-2209-8388	Finance (Auto Leasing)	Ordinary Preferred	235,000,000 50,000,000	99.55
8. Ayudhya Development Leasing Co., Ltd. 22 nd Floor Chamnan-Phenjati Business Center, 65/182-185 Rama IX Road, Huay Kwang, Bangkok 10320 Tel : 0-2643-1980 Fax : 0-2643-1059-60	Finance (Leasing & Hire-Purchase)	Ordinary	70,500,000	90.00
9. Ayudhya Securities Plc. 12 th Floor 999/9 The Offices at Central World, Rama I Road, Patumwan, Bangkok 10330 Tel : 0-2659-7000 Fax : 0-2646-1100	Securities	Ordinary	60,000,000	86.33
10. Krungsriayudhya Card Co., Ltd. Capital Tower, All Seasons Place, 1 st -6 th , 8 th -11 th Floor 87/1 Wireless Road, Lumpini, Patumwan, Bangkok 10330 Tel : 0-2646-3000	Finance (Credit Card & Personal Loan)	Ordinary	110,000,000	49.99

Related Companies

Name	Business Type	Issued Shares		Ownership (%)
		Share Type	No. of Share	
1. The Ayudhya Insurance Plc. 7 th Floor Ploenchit Tower, 898 Ploenchit Road, Lumpini, Patumwan, Bangkok 10330 Tel : 0-2263-0335 Fax : 0-2263-0589	Insurance	Ordinary (listed)	250,000,000	10.92
2. P.P. Parawood Co., Ltd. 111/1 Moo 1 Tambonbanchang, Phanatnikom, Chonburi 20140 Tel : (038) 464-268-80 Fax : (038) 464-261-2	Furniture Manufacturer	Ordinary	95,000	10.00
3. Prima Vest Asset Management Co., Ltd. 5 th Floor Tonson Tower, Ploenchit Road, Lumpini, Patumwan, Bangkok 10330 Tel : 0-2257-0555 Fax : 0-2257-0360	Asset Management	Ordinary	25,000,000	10.00
4. Asian Trade and Leasing Co., Ltd. 5 th Floor Golden Land Building, 153/3 Soi Mahardlekluang 1, Rajdamri Road, Patumwan, Bangkok 10330 Tel : 0-2652-1199 Fax : 0-2652-1577-8	Leasing & Hire Purchase	Ordinary	1,500,000	10.00

Companies Shares Acquired through Debt Restructuring Process

Name	Business Type	Issued Shares		Ownership (%)
		Share Type	No. of Share	
1. Siam Bangkok Port Limited 51/1 Moo 3 Poochao Samingphrai Road, Bang Ya Phraek, Phra Pradaeng, Samut Prakan 10130 Tel : 0-2384-2876	Cargo Loading Warehouse	Ordinary	6,000,000	51.00
2. Time Regency Co., Ltd. ^{1/} 63/3 Soi Taweemitr, Rama IX Road, Huay Khwang, Bangkok 10310 Tel : 0-2246-2323	Real Estate	Ordinary	13,495,872	24.48
3. Lenso Phonecard Co., Ltd. 292 Srinakarin Road, Huamark, Bangkapi, Bangkok 10240 Tel : 0-2351-8116 Fax : 0-2351-8009	International Line Public Phone Card	Ordinary	62,423,190	18.23
4. Wongpaitoon Group Plc. 70/19 Moo 6, Ekkachai Road, Bang Bon, Bangkok 10150 Tel : 0-2416-4647-9, 0-2415-8680 Fax : 0-2416-1850	Manufacturing (Shoes)	Ordinary	604,845,880	10.00
5. Wongpaitoon Planner Co.,Ltd. ^{2/} 70/19 Moo 6, Ekkachai Road, Bang Bon, Bangkok 10150 Tel : 0-2416-4642 Fax : 0-2416-1850	Planning Management	Ordinary Preferred	45,000 5,000	10.00
6. UMC Metals Ltd. Sino-Thai Tower Fl 15, 32/37 Sukhumvit 21 Road, (Asoke) Wattana, Bangkok 10110 Tel : 0-2259-2942-5 Fax : 0-2259-2946	Manufacturing and Trading (Steel Rod)	Ordinary Preferred	95,000,000 50,000,000	10.00

Remark : ^{1/} Shares acquired from debt restructuring process and acceptance of transfer of shares from Ayudhya Auto Lease Plc. pursuant to One Presence Policy

^{2/} Shares acquired from conditions of purchase of claims

Income Structure of the Bank

For 2007 operating performance, the Bank and subsidiaries had interest and dividend income and non-interest income at a ratio of 82.29% and 17.71%, respectively. Interest on loans constituted the largest proportion representing 61.79% of total income. Details are as follows:

Income Structure	2007		2006		2005	
	(THBmn)	(%)	(THBmn)	(%)	(THBmn)	(%)
Interest and Dividend Income						
Interest on loans	26,329	61.79	27,106	60.40	20,111	61.16
Interest on interbank and money market items	3,726	8.74	4,651	10.36	1,902	5.78
Hire purchase and financial lease income	1,644	3.86	1,164	2.59	643	1.95
Investments	3,365	7.90	2,805	6.25	1,966	5.98
Total Interest and Dividend Income	35,064	82.29	35,726	79.60	24,622	74.87
Non-Interest Income						
Gains (loss) from investments	(669)	(1.57)	1,406	3.13	997	3.03
Share of net income (loss) from investments under the equity method	-	-	31	0.07	152	0.46
Fees and services						
Acceptances, avals, and guarantees	43	0.10	58	0.13	62	0.19
Others	5,399	12.67	4,761	10.61	4,077	12.40
Gain on exchange	1,004	2.36	703	1.57	618	1.88
Gain on sale of properties foreclosed	551	1.29	445	0.99	728	2.21
Income from investments in restructured loans	458	1.07	951	2.12	766	2.33
Other income	761	1.79	799	1.78	863	2.63
Total Non-Interest Income	7,547	17.71	9,154	20.40	8,263	25.13
Total Income	42,611	100.00	44,880	100.00	32,885	100.00

Income Structure of the Subsidiaries

• Financial Business Group

Name and Income Structure	2007		2006		2005	
	(THBmn)	(%)	(THBmn)	(%)	(THBmn)	(%)
1. Bank of Ayudhya Plc.						
Total Interest and Dividend Income	35,064.4	-	35,725.6	-	24,622.3	-
Net Interest and Dividend Income ^{1/}	7,257.3	49.02	7,686.8	45.64	10,613.8	56.23
Non-interest Income	7,546.7	50.98	9,153.8	54.36	8,263.3	43.77
Total	14,804.0	100.00	16,840.6	100.00	18,877.1	100.00

Name and Income Structure	2007		2006		2005	
	(THBmn)	(%)	(THBmn)	(%)	(THBmn)	(%)
2. Ayudhya Capital Lease Co., Ltd.*						
Total Interest and Dividend Income	465.0	-	1.0	100.00	-	-
Net Interest and Dividend Income ^{2/}	19.6	34.27	1.0	100.00	-	-
Non-interest Income	37.6	65.73	-	-	-	-
Total	57.2	100.00	1.0	100.00	-	-
3. Ayudhya Asset Management Co., Ltd.						
Total Interest and Dividend Income	508.7	32.65	603.6	27.73	408.5	18.87
Non-interest Income	1,049.3	67.35	1,573.3	72.27	1,756.1	81.13
Total	1,558.0	100.00	2,176.9	100.00	2,164.6	100.00
4. Ayudhya Fund Management Co., Ltd.						
Fee and Service Income	341.5	98.59	246.2	98.09	397.6	98.91
Other Income	4.9	1.41	4.8	1.91	4.4	1.09
Total	346.4	100.00	251.0	100.00	402.0	100.00
5. Ayudhya Development Leasing Co., Ltd.						
Total Interest and Dividend Income	393.5	-	318.9	-	254.6	-
Net Interest and Dividend Income ^{2/}	145.1	54.20	118.4	52.79	127.5	70.44
Non-interest Income	122.6	45.80	105.9	47.21	53.5	29.56
Total	267.7	100.00	224.3	100.00	181.0	100.00
6. Ayudhya Securities Plc.						
Fee and Service Income	338.8	73.56	362.1	78.70	355.7	75.70
Gain on Investment	82.7	17.95	63.7	13.84	76.9	16.36
Other Income	39.1	8.49	34.3	7.46	37.3	7.94
Total	460.6	100.00	460.1	100.00	469.9	100.00
7. Ayudhya Auto Lease Plc.**						
Total Interest and Dividend Income	840.6	-	929.3	-	552.1	-
Net Interest and Dividend Income ^{1/}	245.5	77.49	188.5	62.92	427.8	76.79
Non-interest Income	71.3	22.51	111.1	37.08	129.3	23.21
Total	316.8	100.00	299.6	100.00	557.1	100.00

Name and Income Structure	2007		2006		2005	
	(THBmn)	(%)	(THBmn)	(%)	(THBmn)	(%)
8. Ayudhya Factoring Co.,Ltd.***						
Total Interest and Dividend Income	3.5	-	-	-	-	-
Net Interest and Dividend Income ^{2/}	0.8	20.00	-	-	-	-
Non-interest Income	3.2	80.00	-	-	-	-
Total	4.0	100.00	-	-	-	-
9. Krungsriayudhya Card Co., Ltd.						
Interest Income	2,263.9	68.29	2,161.1	69.77	1,758.6	70.18
Non-interest Income	1,051.1	31.71	936.2	30.23	747.3	29.82
Total	3,315.0	100.00	3,097.3	100.00	2,505.9	100.00

• Supporting Businesses

Name and Income Structure	2007		2006		2005	
	(THBmn)	(%)	(THBmn)	(%)	(THBmn)	(%)
1. Siam Realty and Services Co., Ltd.						
Car Leasing Income	228.0	37.22	215.2	37.77	208.3	39.63
Service Income	337.3	55.06	301.1	52.84	283.0	53.84
Other Income	47.3	7.72	53.5	9.39	34.3	6.53
Total	612.6	100.00	569.8	100.00	525.6	100.00
2. K.S. Law Office Co., Ltd.						
Operating Income	175.0	98.93	149.3	99.73	125.5	99.29
Other Income	1.9	1.07	0.4	0.27	0.9	0.71
Total	176.9	100.00	149.7	100.00	126.4	100.00

Notes : Year 2007 data represent an unaudited financial statements

* Established December 27, 2006

** Previous name : Ayudhya Investment and Trust Plc.

*** Established February 1, 2007

^{1/} Refers to net interest and dividend income after bad debt and doubtful accounts and loss on debt restructuring

^{2/} Refers to interest and dividend income after interest expense and bad debt and doubtful accounts

Future Operational Objectives

In 2007, the Bank completed its planned “Strengthening the Foundation” program. In 2008, the Bank will be targeting on business efficiency while continuing to focus on providing a complete set of financial services. The important business targets are as follows:

- Establish growth objectives by driving four main businesses: Corporate Banking, SME Banking, Consumer Banking and Treasury.
- The Bank’s loan growth target is between 1.4 to 4 times GDP growth, depending on segment. The 2008 GDP growth is expected to improve as a result of increased political stability and improving domestic consumption and investment. The Bank targets loan growth in all customer segments: Corporate, SME and Consumer.
- The corporate bank will target business expansion opportunities in growth areas such as construction, auto parts, tourism, public utilities projects and exports. For retail clients, the Bank will focus on housing loans, personal loans, hire-purchase, credit card loans, wealth management and investment services for high net-worth individuals.
- For Liquidity Management, the Bank plans to increase its deposit base in line with expected loan growth to maintain a minimum 90% loan to deposit

ratio and utilizing the capital markets to raise additional funding diversity.

- The Bank seeks to increase fee and additional services income through the Bank’s distribution network, branches, ATM machines, currency exchange booths, and supporting subsidiary companies.
- The Bank will develop new products that address each customer segment’s specific needs and will improve sales efficiency through Data Warehouse and Relationship Management (RM) systems. The Bank will follow up its successful GE Capital Auto Lease (GECAL) acquisition with a policy to buy other businesses that complement and support the Bank’s current business.
- The Bank will continue monitoring and reducing non-performing loans. In 2007, the Bank sold a group of non-performing loans to investors and intends to sell more in 2008.
- The Bank will continue increasing operational efficiency by utilizing Information Technology and by further developing employees through training programs to enhance the service-oriented culture. The Bank will prepare for the implementation of Basel II, International Accounting Standard 39 (IAS39) and consolidated provision. These measures will ensure the Bank can continue to compete successfully in the future.

△ Risk Factors and Risk Management



Risk Management Principles

In managing risk, the Bank manages its processes and organization structure to be in accordance with risk management principles. In 2007, the Bank arranged its organizational structure following the principle of check and balance. Each operating unit has clear responsibilities and there is separation of business operations and risk management. The Risk Management Group independently carries out its assessment of credit risk, market risk, and operational risk. The group also formulates a policy of managing risk, developing tools and processes for assessing risk, and reports the risk assessment for high-level executives.

Risk management is conducted at customer level by analyzing and reviewing each customer and at portfolio level by considering and managing the concentration level of portfolios, such as the concentration of industries, rating grade, etc.

Risk Management Structure

The Bank separates its risk management team from day-to-day operations and there is a team to work on proposals, analysis, and assessment.

- At the top level, the Board of Directors has the authority to approve loan requests greater than Baht 3 billion.
- The Risk Management Committee has

responsibility to report the overall risk assessment from operations and the impact to the Bank's business in its entirety.

- A credit approval committee consists of high-level executives of the risk management group to approve loans less than Baht 3 billion.
- Loan authorization to an individual is consistent with prior years. This process is subject to ongoing review to improve policy, work systems, and risk management tools.

Credit Risk

Risk from credit extension is the potential that a counterparty does not fulfill obligations, which then causes damage to the revenue and capital of the Bank. Credit risk is crucial as it is related to the main business of banking, such as loan extension, aval, and guarantee. Therefore, the Bank has to pay close attention to credit risk both external, over which the Bank has limited control, and internal, where the Bank could reduce its impact by applying good management and work processes.

The Bank's risk management group consists of units supervising corporate business, SMEs, and consumer customers. These teams are responsible for the risk framework, assessment of each customer's risk, and the assessment of loan portfolios before

submitting them to the loan approval committee.

In addition, the risk management team is responsible for target setting and control of the maximum size of loans, provisions to be in accordance with the risk management policy and strategies that the Bank has formulated such as shaping policy for loan approval that prevents too much concentration in terms of industries, location/region or other factors. Furthermore, the team reviews loan approvals and covenants to ensure that risks are within the Bank's acceptable level. The Bank's loan approval process always follows Bank policies and is fundamentally prudent lending.

The process of considering customers and loan approval

To enable clarification for the operations of its employees, the Bank classifies customers into corporate, SME, and consumer groups since each group has different needs.

- Loan extension to corporate customers begins with the corporate loan analysis team analyzing the credit payment ability of a customer, the reliability of the customer's balance sheet, the suitability of the collateral, economic trends, and industry conditions. Furthermore, analysts are responsible for calculating the customer's credit rating. After analysis, the loan request will be sent to the loan approval committee.

- The Bank also sets a limit for each country (country risk) which refers to the maximum amount of loans that the Bank will extend across the border or to a customer domiciled in the foreign country. This is to ensure that there is no excessive loan concentration in a given country based on the Bank's assessment of country risk.

- The SME loan management team is responsible for analyzing loans to each SME customer by considering loan payment ability, the reliability of a customer's balance sheet, collateral suitability, economic trends and industry conditions. The analysis covers each customer and is sent to the loan approval

committee or to a person who has the authority to approve the loan.

- The Bank has used tools for analyzing corporate customers since 2001 and SME customers since 2006 by categorizing loans into 10 levels according to the risk level of customers. In 2008, the Bank plans to improve these tools to better assess risk and to meet international standards.

- The Bank's sales network is responsible for proposing products and services to customers. The Consumer Customers Management Team is responsible for formulating loan policy and using credit scoring to gauge the appropriateness of housing loans and personal loans.

The Bank has introduced a LEAN process to analyze problems and improve operating processes before and after loan approval to increase operational efficiency and determine standard level agreement (SLA) at each unit to enhance the Bank's competitiveness.

Post Approval Review

After loan approval, the Bank follows a reviewing process and checks customers on a regular basis. Samples of corporate and SME customers are reviewed at least once a year.

The Bank has increased the number of employees involved in controlling credit limits, loan processing, and loan inspection within the Bank. The credit reviewing team is separate from the credit analysis team. The team's duty is to review and check each customer according to the Bank's rules formulated in 2007 so as to achieve the principle that approval processes and review policies are properly implemented.

To report risk assessment to high-level executives, the Bank makes an additional report that provides more details such as credit movement and the reasons why loans increase or decrease. This analysis, together with an analysis of loan portfolio by industry, is very important to executives. In 2008, the Bank has plans to improve the depth

of analysis by emphasizing the information input into the work system information clean-up to make it accurate, and development of employees to ensure they have skills in using analysis tools and have a better understanding of information.

In the previous year, the Bank merged the NPL management team and the NPA sales team to make the recovery process more efficient. Meanwhile, debt collection, which is the first step towards solving NPL problems, has capitalized on GE Money's expertise.

Preparation to meet Basel II requirement

The Bank of Thailand began introducing Basel II (parallel calculation) as a trial period at the end of 2007. The real application begins in 2008 by requiring compliance with 3 principles: Pillar I is a calculation of capital funds to risk weighted assets by inputting credit risk, market risk, and operation risk into the calculation; Pillar II is the measure that the central bank uses to inspect capital funds held by the Bank; Pillar III is the disclosure of banks' information to the public such as depositors and investors.

Bank of Ayudhya has made preparations to apply Basel II through a specific project team. In addition, the Bank communicated internally so that executives and all personnel involved understand the objectives of Basel II. In 2007, the Bank bought tools to calculate risk weighted assets from a vendor and set up a team to work on information gathering and calculation to make sure that the Bank could comply with Basel II on the schedule set by the Bank of Thailand.

Market Risk

Market risk refers to the risk that the Bank may incur losses arising from changes of market parameters that may affect the Bank's financial position both on and off balance sheet. In general, market risk consists of changes in interest rates,

foreign exchange rates, stock prices, and commodity prices, all of which are external factors that are uncontrollable. Therefore, the Bank needs to have in place a procedure to closely assess, monitor, report and control such risks through the Assets and Liabilities Committee (ALCO) who set guidelines for managing assets and liabilities, together with monitoring and controlling market risk to ensure that it is at an appropriate level and in line with the Bank's market risk policies, the trading book policy, and the banking book policy as approved by the Risk Management Committee (RMC) and the Board of Directors. This is also to ascertain the adequacy of capital funds for transactions in the trading book position since the end of June 2005. The Bank continually enhances its risk management process to cover its financial businesses to achieve efficiency and comply with the policy of consolidated supervision and the Bank of Thailand's policy to promote efficient risk management among financial institutions.

The Bank employs various tools and approaches for its risk management. Net interest income simulation is applied to assess the banking book position sensitivity to market interest rate changes. A value-at-risk model is used for the trading book positions to predict the Bank's maximum loss by the next business day using pre-determined probabilities. Stress testing is an important tool assisting the Bank in assessing the potential loss under severe market conditions where market parameters adversely move against the Bank's position. Back testing is a procedure to test VaR model robustness of accuracy and reliability. The tools and approaches are used to ensure that the Bank possesses a preventive and proper control system.

The Bank determines its maximum risk limits acceptable to the Bank and these are reviewed at frequent intervals to verify their appropriateness, volume, and complexity of the Bank's position in terms of value-at-risk limit, interest rate risk limit, foreign exchange risk limit, FX derivative risk limit, equity

limit, loss limit, and transaction limit. Clear processes and procedures exist for specific transactions types. Guidelines for operation, approval, and management are also in place in case a position goes beyond a limit, such as the expansion of ceiling limit, the violation of risk limit, and the excess risk from technical problems.

1. Interest Rate Risk Management

Interest rate risk management refers to the loss affecting income and/or shareholders' equity due to interest rate changes that can be on or off balance sheet in the trading book and the banking book. Interest rate risk management is under

the responsibility of ALCO. The task is performed by analyzing maturity differences, gap analysis, and simulation of future interest rate change, using both static simulations and dynamic simulations based on various scenarios of interest rate change and business change in the Bank. Furthermore, the Bank develops tools to assess interest rate risk to reflect shareholders' equity value sensitivity to the impact of interest rate change.

Assets and liabilities of the Bank as of December 31, 2007 and December 31, 2006 according to the duration of interest rate change in the Bank's assets and liabilities are as follows:

The Bank's separate balance sheet as of December 31, 2007

(Baht million)

	0-3 months	3-12 months	1-5 years	Over 5 years	Substandard loans	No interest payment	Total
Assets							
Interbank, money market items, and securities purchased under resale agreements	102,323	-	-	-	-	6,909	109,232
Net investment	9,845	12,344	23,325	506	-	19,090	65,110
Loans	316,749	16,030	13,131	45,374	53,678	-	444,962
Liabilities							
Deposits	358,854	101,487	25,515	2	-	14,549	500,406
Interbank, money market items, and securities purchased under resale agreements	11,495	1,236	3,495	106	-	2,370	18,702
Borrowings	6,187	17,357	11,532	-	-	-	35,076

The Bank's separate balance sheet as of December 31, 2006

(Baht million)

	0-3 months	3-12 months	1-5 years	Over 5 years	Substandard loans	No interest payment	Total
Assets							
Interbank, money market items, and securities purchased under resale agreements	75,695	6,128	-	-	-	9,528	91,351
Net investment	12,195	14,384	29,514	4,673	-	13,901	74,667
Loans	377,530	16,794	2,925	18,422	43,595	-	459,266
Liabilities							
Deposits	397,730	128,695	23,963	11	-	13,274	563,673
Interbank, money market items, and securities purchased under resale agreements	13,112	1,339	1,001	263	-	1,729	17,444
Borrowings	2,882	5,414	13,000	-	-	-	21,296

The Bank has managed its interest rate risk exposure from debt instruments and derivatives in the trading book position, according to the size and complication of transactions under the market risk supervision policy scheme in accordance with the Bank of Thailand's criteria.

2. Foreign Exchange Risk Management

Foreign exchange risk refers to the loss affecting income and/or shareholders' equity from exchange rate fluctuations that affect foreign currency transactions and foreign currency assets and liabilities. The Bank has a policy to limit its net foreign currency position. Most foreign currency transactions are mainly services provided to the Bank's customers. The Board of Directors sets the maximum overnight foreign exchange position at an acceptable risk level and ALCO has the responsibility to supervise positions within the approved level.

3. Price Risk Management

Price risk refers to the loss affecting income and/or shareholders' equity from a movement in equity price. The Bank has a policy to invest in equity securities mainly over the medium to long-term. Price risk management consists of an assessment of an issuers' potential. The Board of Directors set the total limit under an acceptable risk level and there is a review every year as well as efficient follow-up and assessment taking into consideration economic conditions and competition in the financial business.

The Bank uses various derivative transactions as tools to manage risks from foreign exchange and interest rate changes. The Bank also provides services to buy and sell various derivatives for customers and business partners, such as foreign currency forward services, foreign currency swap services, and interest rate swap services. Clear and specific guidelines

exist for each operation. Furthermore, the Bank assesses each derivative instrument's risk and has in place risk management procedures for each derivative so as to prepare for providing trading services or other new services. This practice is in accordance with the good governance principles of the Bank of Thailand and the Bank's own internal audit charter.

Liquidity Risk

Liquidity risk refers to the Bank's ability to convert its assets into cash or borrow funds from counterparties to repay its obligations on the due date. The Board of Directors has set up a liquidity management plan and framework to control such risk. The details include strategies for managing risk, the sources of risk under the banking book policy, and the scenarios of events before a crisis which are used as guidelines for managing liquidity risk and reducing the impact from liquidity risk. The Treasury Department has the responsibility to implement this policy in day-to-day liquidity management, and to devise emergency plans in case there is a crisis such

as a liquidity crisis, or a crisis in asset management, liabilities management, employee communication, customer communication, or communication with the Bank of Thailand.

The Bank has to manage both qualitative and quantitative risk to diversify liquidity risk according to its obligations to prudently manage both assets and liabilities. This is done by examining structure and customer behavior in deposits and withdrawals, the financial market, competition, economic conditions, and return, so as to maintain proper liquidity risk efficiently and at an acceptable cost.

ALCO closely monitors liquidity by assigning high-level executives in the Treasury Department to supervise liquidity level. The Treasury Department has a duty to propose guidelines and business strategies for liquidity risk management to the Risk Management Committee and ALCO with the use of tools to manage risks such as the liquidity gap. This task is done in addition to the requirement to hold liquid assets according to the Bank of Thailand's requirements.

Bank Only Financial Statement as of December 31, 2007

(Baht million)

	At call	0-3 months	3-12 months	1-5 years	Over 5 years	Substandard loans	No due date	Total
Assets								
Interbank, money market items, and securities purchased under resale agreements	6,842	102,310	12	-	-	-	68	109,232
Net investment	-	7,823	10,112	25,301	2,785	-	19,090	65,110
Loans	7,290	92,705	52,887	73,743	164,659	53,678	-	444,962
Liabilities								
Deposits	178,072	195,330	101,487	25,515	2	-	-	500,406
Interbank, money market items, and securities purchased under resale agreements	5,150	8,692	1,236	3,515	110	-	-	18,702
Borrowings	-	6,187	290	16,599	12,000	-	-	35,076

Bank Only Financial Statement as of December 31, 2006

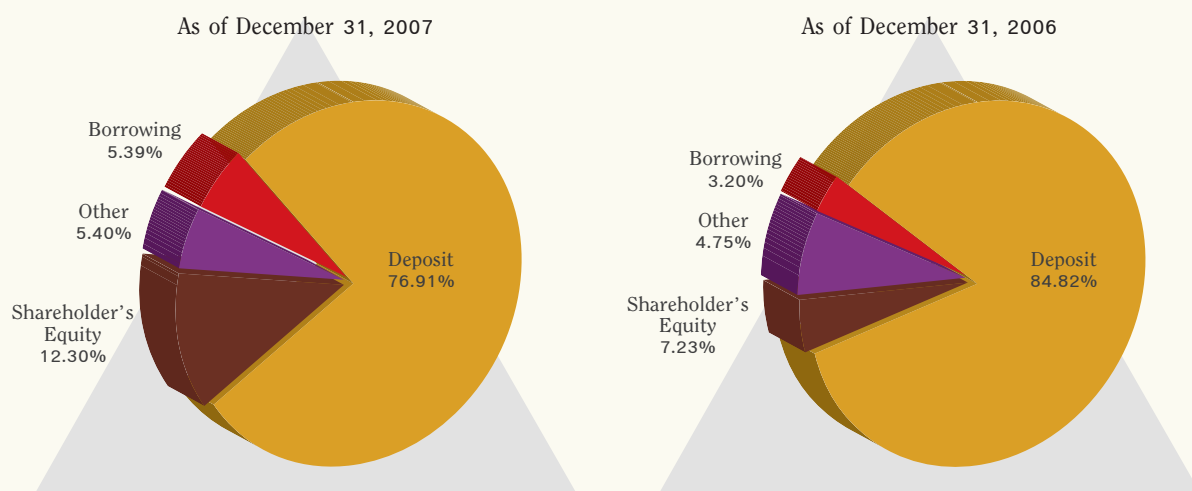
(Baht million)

	At call	0-3 months	3-12 months	1-5 years	Over 5 years	Substandard loans	No due date	Total
Assets								
Interbank, money market items, and securities purchased under resale agreements	9,451	75,672	6,151	-	-	-	77	91,351
Net investment	-	12,195	14,384	29,514	4,673	-	13,901	74,667
Loans	4,292	106,790	55,420	65,669	183,501	43,595	-	459,267
Liabilities								
Deposits	172,865	238,139	128,695	23,963	11	-	-	563,673
Interbank, money market items, and securities purchased under resale agreements	4,647	10,254	1,278	1,001	263	-	-	17,443
Borrowings	-	1,999	883	6,414	12,000	-	-	21,296

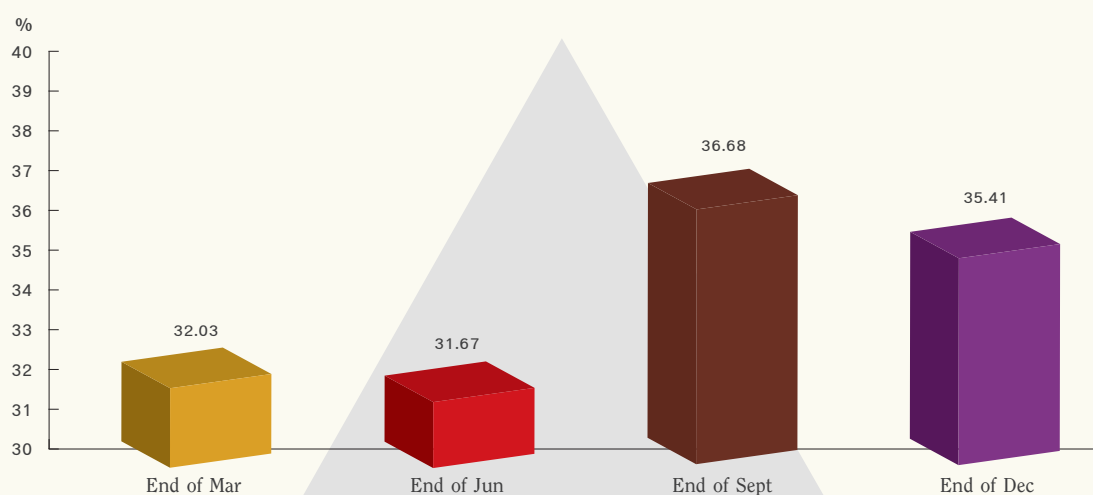
In addition, the market risk management team has the responsibility to assess and report liquidity risk to ALCO to monitor risk on a daily basis using indicators such as early warning point and trigger point, the daily deposit level, and the maximum deposit per customer so as to reduce

too high a concentration of the Bank's funds in any given area. Stress testing is an important tool to indicate the impact and magnitude of unusual events so as to find measures to prevent the impact before it becomes too big.

Source of Funding Structure



The Ratio of Liquid Assets to Short-Term Liabilities in 2007



Operational Risk

Operational risk is the risk of damage resulting from the lack of good governance within an organization and the inadequacy of control which might involve internal operations, employees, systems, or external occurrences that in turn affect the income and capital funds of financial institutions or reputational risks. Examples of these deficiencies include fraud, the lack of correct information in making decisions, interruption or breakdown in the computer system, terrorism, and natural disasters. All these are regarded as risks that the Bank must closely monitor and control as they are involved in every operational process.

To manage operational risk effectively, the Board of Directors assigned the Operational Risk Management Committee (ORMC) with the responsibility for integrated risk management, to formulate strategies and develop tools to assess, follow up on, and control operational risks to meet acceptable levels in accordance with good corporate governance requirements of the Bank of Thailand. The Bank has a policy to adhere strictly to the Bank of Thailand's rules and carry out risk management to achieve results as planned and formulated in its strategies.

The operational risk management team is responsible to report assessment, impact, and the use of tools to manage risks to the Operational Risk Committee, the Risk Management Committee and the Board of Directors so that the Bank can adjust its strategies as needed to respond to any current situation. If there is damage from operational risks, the report will be used to follow up on and manage risks to be within acceptable levels.

In previous years, not only did the Bank comply with the risk management policy and risk control guidelines of the Bank of Thailand but also improved its organization structure, its various committees, work system, and tools used in identifying, assessment, following up on, controlling, and reducing risks. This was done together with improving internal management to increase efficiency and the ability to manage risks. The Bank raised the

importance of risk management awareness among all levels of its employees under the program of Risk Control Self Assessment (RCSA). This program, among its various objectives, is to prepare the Bank to comply with Basel II and ensure sound practices for the management and supervision of operational risk. It has been implemented by experts in this field under the Bank's own risk management policy to assure the Bank of Thailand and the Board of Directors that the Bank has suitable policies to manage risk efficiently. Apart from the Operational Risk Management Team, the Bank has an Audit Committee, which consists of people qualified and experienced in auditing and banking. Independent members of the committee are not employees or executives of the Bank and they are responsible for considering and examining financial statements to make sure that they are accurate and sufficient in disclosure. In addition, the Audit Committee has a duty to examine internal operations to ensure they are in accordance with the authorities' rules and regulations.

The Bank continually improves and announces updates to accommodate changes, and to make its products and services more efficient and suitable for new working processes and technology. Examples are new financial products or new product program policies. The team responsible for new products will identify and assess risks associated with those products or new working systems. In addition, the team will provide guidelines for managing risks to be in accordance with risk acceptance criteria under the good corporate governance guidelines of the Bank of Thailand, business continuity, in-sourcing and out-sourcing policy, and technology security policy, etc.

To maintain capital adequacy to manage operational risk, the Bank applies a standardized approach under the Basel II preliminary application. The Bank reduces damage resulting from emergent incidents which make the Bank unable to serve customers by formulating a business continuity plan (BCP) and a disaster recovery plan (DRP). The DRP is reviewed and tested every year following the Bank of Thailand's regulations to ensure the Bank's business continuity whenever there is an emergent incident.

△ Management Discussion and Analysis



Performance Overview for 2007

The Bank and its subsidiaries achieved major milestones in its business plan during 2007, with net interest and dividend income growing by Baht 574 million or 3.0% despite a decreasing interest rate environment. Non-interest income on fees and services income rose by Baht 623 million or 12.9% and gain on exchange rose by Baht 301 million or 42.8%. Operating profit was Baht 8,505 million, a decrease of Baht 4,430 million or 34.2% resulting from an increase in non-interest expenses, primarily in personnel expenses and infrastructure investments in relation to the Bank's expansion plans.

The Bank and its subsidiaries reported a net loss in 2007 of Baht 3,992 million or a 0.76 Baht loss per share compared to the prior year's net profit of Baht 1,666 million or a 0.58 Baht profit per share. The bottom line was affected by loan loss provisions of Baht 12,365 million during the first half of the year following the Bank of Thailand's new regulation in regard to International Accounting Standards No.39 (IAS 39). In addition, the Bank and its subsidiaries recognized a loss on investments of Baht 669 million during the year resulting from the early adoption of IAS39 in regard to Collateralized Debt Obligations with a mark-to-market loss of Baht 589 million in advance of the Bank of Thailand's January 1, 2008 implementation date and impairment losses on other investments.

Unit: Million Baht

Consolidated	2007	2006	Change	
			THB Million	%
<u>Statements of income</u>				
Profit from operation	8,505	12,935	(4,430)	(34.2)
Net income	(3,992)	1,666	(5,658)	(339.6)
Basic earnings per share (Baht)	(0.76)	0.58	(1.34)	(231.0)

1. Net Interest and Dividend Income

In 2007, the Bank and its subsidiaries' total interest and dividend income was Baht 35,064 million, a decrease of Baht 662 million or 1.9% as compared to the prior year. Interest expense was Baht 15,442 million, a decrease of Baht 1,236 million or 7.4%. The decrease in interest income was more than offset by the decrease in interest expense resulting in net interest and dividend income of Baht 19,622 million, an increase of Baht 574 million or 3% from the prior year. Interest and dividend income is as follows:

- Interest on loans in 2007 was Baht 26,329 million, a decrease of Baht 776 million or 2.9% from 2006 as a result of a lower average interest rate from a falling rate environment during the year.
- Interest on interbank and money market items in 2007 was Baht 3,726 million, a decrease of Baht 925 million or 19.9% from the prior year mainly due to a reduction in interbank rates throughout the year.
- Interest and dividend income from investments was Baht 3,365 million, an increase of Baht 560 million or 20%.
- Hire purchase and financial lease income was Baht 1,644 million, an increase of Baht 480 million or 41%.

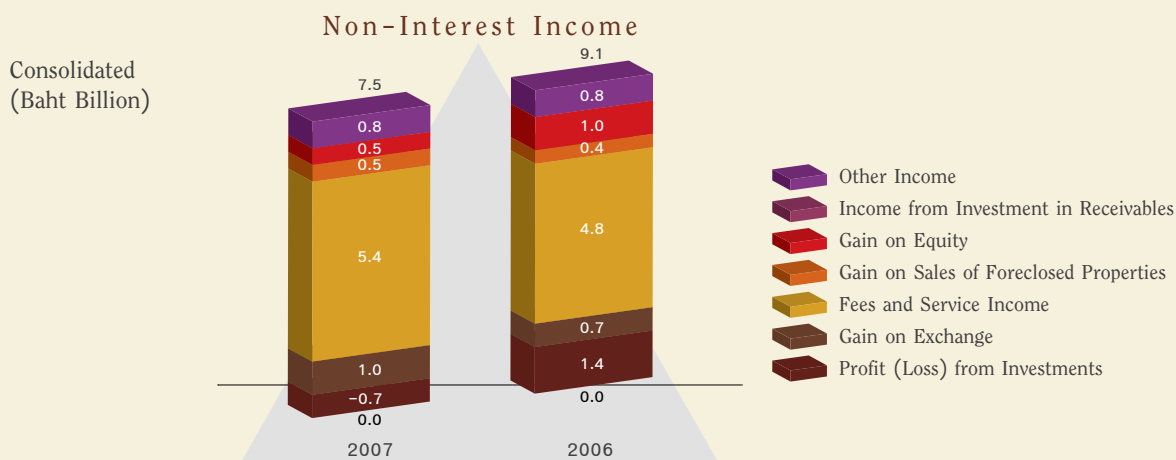
Interest expenses were Baht 15,442 million driven by interest on deposits of Baht 14,111 million, a decrease of Baht 1,618 million or 10.3% from the prior year mainly due to a reduction of the average deposit rate and the average deposit outstanding. Interest expense on long term borrowings was Baht 869 million, an increase of Baht 313 million or 56.3% due to a November 2006 issuance of floating rate unsubordinated debentures in the amount of USD 150 million with an interest rate of 6 month LIBOR + 0.24% per year.

Unit: Million Baht

Consolidated	2007	2006	Change	
			THB Million	%
<u>Statements of income</u>				
Total interest and dividend income	35,064	35,726	(662)	(1.9)
Total interest expenses	15,442	16,678	(1,236)	(7.4)
Interest and dividend income, net	19,622	19,048	574	3.0

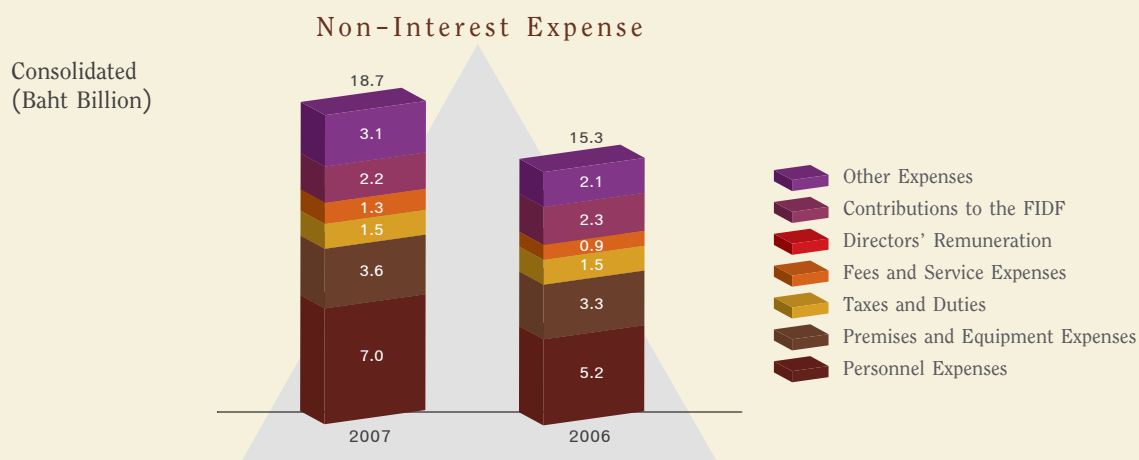
2. Non-Interest Income

In 2007, the Bank and its subsidiaries' non-interest income was Baht 7,547 million, a decrease of Baht 1,607 million or 17.6% from the prior year as a result of a reduction in gains on investments of Baht 2,075 million arising from market factors including the mark-to-market loss of Baht 589 million on Collateralized Debt Obligations from the early adoption of IAS 39. Including the allowance for impaired investments, the loss on investments in the current year was Baht 669 million compared to gains on investments of Baht 1,406 million in the prior year. Fees and service income increased by Baht 623 million or 12.9% to Baht 5,442 million, mainly due to an increase in gains on foreign exchange of Baht 301 million, a 42.8% increase, together with an increase in card-related fees, bancassurance, securities brokerage and money transfer activities.



3. Non-Interest Expense

The Bank and its subsidiaries' non-interest expense was Baht 18,664 million, an increase of Baht 3,397 million or 22.3% from the prior year, mainly due to an increase in personnel expenses of Baht 1,840 million or 35.7% and premises and equipment expenses of Baht 230 million or 6.9% reflecting the Bank's infrastructure investments with all other expenses increasing by Baht 1,327 million or 19.6% mainly due to the allowance for contingent liabilities and other receivables.



Financial Status

1. Assets

As of 31 December 2007, the Bank and its subsidiaries' total assets were Baht 652,387 million, a decrease of Baht 13,955 million or 2.1% from December 2006. Total assets consisted primarily of net loans and accrued interest receivable of Baht 417,000 million or 63.9% of total assets, a decrease of Baht 16,874 million or 3.9% due to loan repayments, the write-off of non-performing loans and the sale of non-performing loans of Baht 3,745 million. Securities purchased under resale agreements were Baht 76,000 million or 11.7% of total assets. Net investments were Baht 55,067 million or 8.4% of total assets. Interbank and money market items were Baht 33,443 million or 5.1% of total assets. The breakdown of the Bank and its subsidiaries' total assets for 2007 and 2006 is as follows:

Unit: Million Baht

Type	2007		2006	
	Amount	%	Amount	%
Cash	19,199	2.94	19,558	2.93
Interbank and money market items	33,443	5.13	78,501	11.78
Securities purchased under resale agreements	76,000	11.65	13,000	1.95
Net investment in securities	55,067	8.44	71,088	10.67
Net loans and accrued interest receivables	417,000	63.92	433,874	65.11
Net properties foreclosed	23,523	3.61	23,831	3.58
Net fixed assets	15,893	2.44	16,362	2.46
Others	12,262	1.87	10,128	1.52
Total	652,387	100.00	666,342	100.00

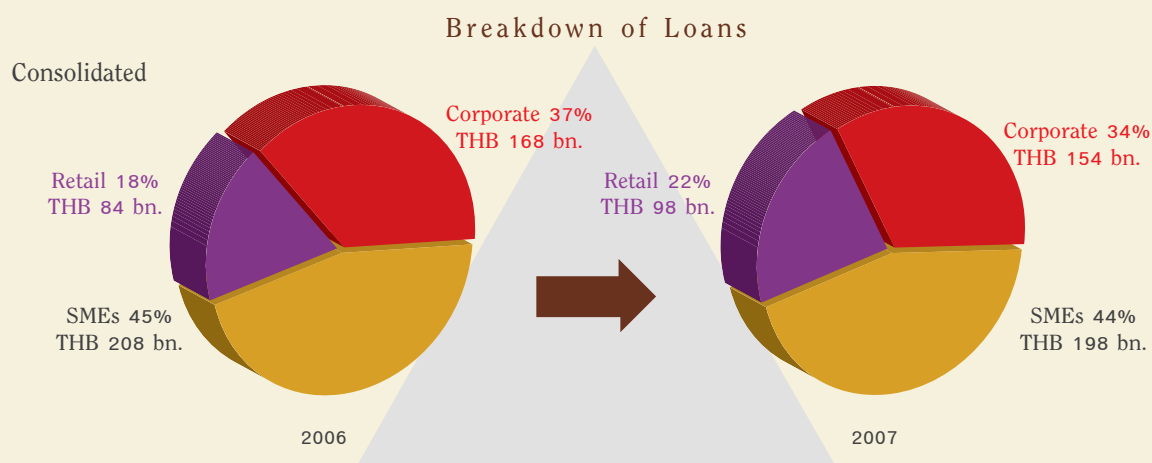
2. Assets Quality

2.1 Loans

1) Total loans, loans by business sector, and loans by classification of assets

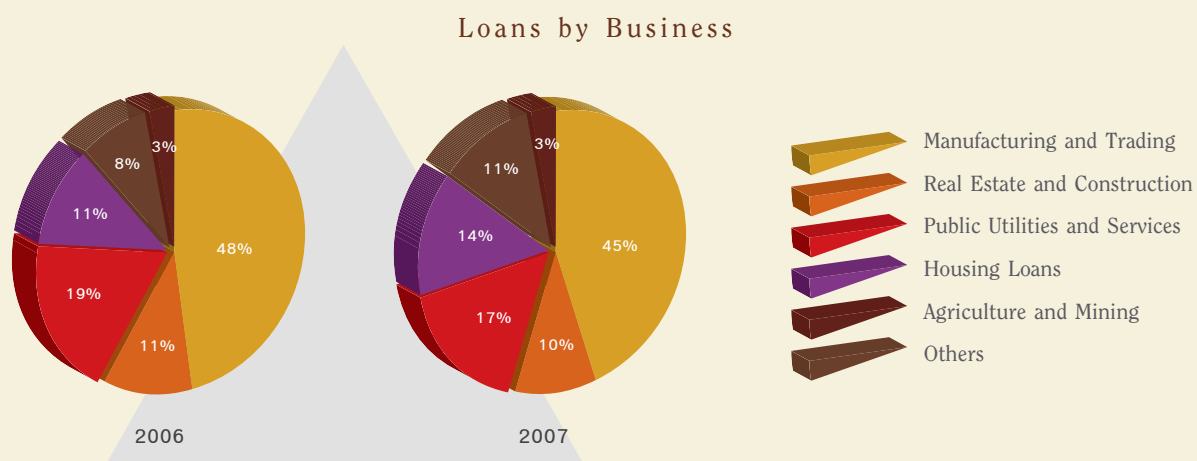
Total loans

The Bank and its subsidiaries' total loans decreased from Baht 460,288 million as of December 2006 to Baht 450,147 million as of December 2007, mainly due to a reduction in corporate loans of Baht 13,298 million or 7.9% through loan repayments. Retail loans increased by Baht 13,441 million or 16.0%.



Loans by business sector

Broken down by business sector, the Bank's loan portfolio of Baht 450,147 million showed a high proportion of loans in manufacturing and commerce, which are among the country's top money earners. Together, these two sectors accounted for 45.7% of total loans. Loans to utilities and services business accounted for 17.2% of total loans.



Loans by classification of assets

Loans and accrued interest receivable in the consolidated financial statements were classified as follows:

Unit: Million Baht

Categories	2007		2006	
	Amount	%	Amount	%
Normal	368,210	81.42	390,777	84.46
Special mention	12,206	2.70	7,867	1.70
Substandard	17,808	3.94	9,084	1.96
Doubtful	11,021	2.44	10,334	2.24
Doubtful of loss	42,974	9.50	44,624	9.64
Total	452,219	100.00	462,686	100.00

Remark: Represents loans after unearned discount and excludes interbank and money market items but includes accrued interest receivable.

2) Non-performing loans

As of December 31, 2007, net non-performing loans for the Bank were represented by Baht 30,095 million or 7.1% of loans net of provision for doubtful accounts. Gross non-performing loans as of December 31, 2007 stood at Baht 53,678 million or 12.0% of total loans, compared with Baht 43,595 million or 9.4% of total loans at the end of 2006.

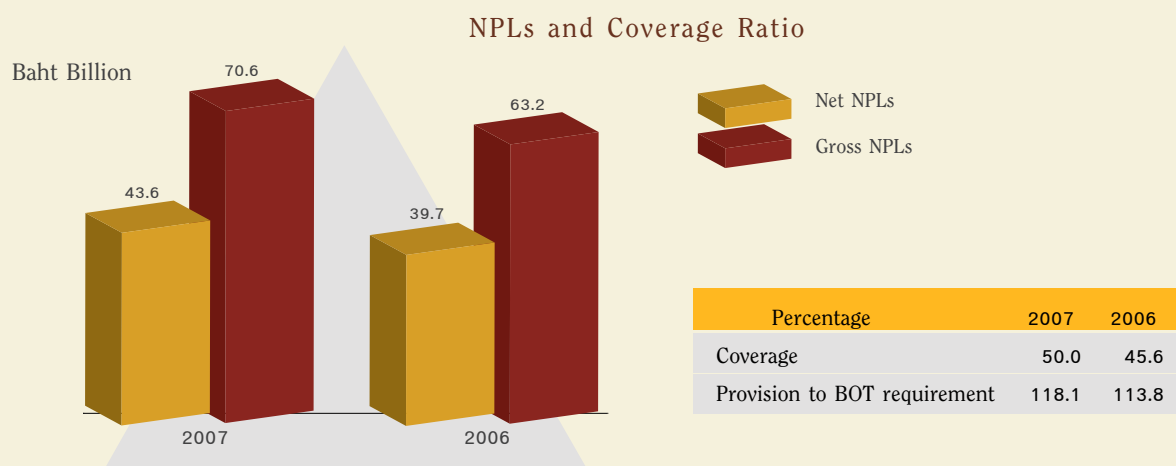
As of December 31, 2007, net non-performing loans for the Bank and Ayudhya Asset

Management Company were Baht 42,380 million or 9.7% of outstanding loans, compared with Baht 39,708 million or 8.6% of outstanding loans in the prior year. Non-performing loans increased by Baht 2,672 million in the first half of the year resulting from the Bank tightening classification criteria, which increased NPLs by Baht 12,000 million. During the second half of the year, the Bank sold NPLs totaling Baht 3,745 million.

3) Allowance for doubtful accounts and revaluation for debt restructuring

As of December 31, 2007, the Bank and its subsidiaries' allowance for doubtful accounts and revaluation for debt restructuring was Baht 35,258 million or 118.1% of required provisions based on Bank of Thailand guidelines. This is higher than the prior year's figure of 113.8% after additional loan loss provisions of Baht 12,365 million.

The ratio of allowance to non-performing loans stood at 50%, higher than the previous year's ratio of 45.6%.



4) Sales of non-performing loans during the year

At the end of 2007, the Bank entered into an agreement to sell NPLs with a book value of Baht 3,745 million and a net book value of Baht 2,001 million to a third party for the amount of Baht 2,001 million. A deposit has been received.

In addition, the resolution of Board of Directors Extraordinary Meeting No. 2/2550 on December 12, 2007, approved an additional sale of NPLs with a book value of Baht 6,270 million and a net book value of 2,160 million to a related party for the amount of Baht 2,160 million pending shareholder approval.

5) Debt restructuring

In 2007, the Bank and its subsidiaries' restructured debt totaled Baht 22,014 million, equivalent to 4.9% of total loans, compared to Baht 23,214 million or 5.0% in the prior year. At the end of 2007, outstanding debt restructured totaled Baht 60,953 million, a decrease of 10.2% when compared to the prior year.

6) Limiting risk from credit default

Extending credit to customers exposes the Bank and its subsidiaries to certain risks which the Bank has taken steps to minimize. The ability of any potential borrower to repay the loan is carefully analyzed. Customers are also required to provide collateral and/or a guarantor in order to obtain credit. In case of a default on the terms of the loan agreement, the Bank and its subsidiaries have the right to seize or foreclose on the collateral and sell it at a fair price. To ensure that the Bank and its subsidiaries are able to recover any potential loss, the Bank has adopted a general policy to grant loans worth approximately 50–100% of the collateral value. Bad debt is written off when it becomes clear that the debt cannot be recovered, and bad debt recovery is recorded as income in the income statements when received.

2.2 Properties Foreclosed

Properties foreclosed, including both movable and immovable assets, are recorded at the lower of the fair value or the value of outstanding debt plus interest receivable. When the Bank and its subsidiaries determine that the fair value of an asset has fallen, it sets aside a corresponding allowance. Profit or loss from the sale of properties foreclosed is recognized at the time of sale and recorded as non-interest income on the income statements. At the end of 2007, the value of properties foreclosed by the Bank and its subsidiaries totaled Baht 23,523 million, compared to the prior year's balance of Baht 23,831 million. In 2007, foreclosed properties sold by the Bank and its subsidiaries totaled Baht 3,711 million.

2.3 Investment in Securities

1) Government Securities

The Bank's primary purpose in purchasing government securities is to fulfill Bank of Thailand requirements, including liquid assets and intraday holding of liquidity. Securities guaranteed by the Ministry of Finance are risk-free while state enterprise bonds not insured by the Ministry of Finance are low-risk when compared with private sector securities.

The market prices of these securities fluctuate in response to interest rate movements. Therefore, the Bank's policy is to invest in different issues of government bonds with different maturities.

The Bank and its subsidiaries' investment in government securities consisted of treasury bills, government bonds, Financial Institutions Development Fund bonds, and state enterprise bonds with some, but not all, guaranteed by the Ministry of Finance.

The investments had a book value of Baht 34,334 million in 2007 and Baht 39,986 million in 2006. Their market value is assessed on a monthly basis. Any gap between book value and market price appears in the income statements or shareholders' equity, depending on the type of investment in accordance with Thai accounting standards.

2) Private Sector Securities

As of December 31, 2007 and December 31, 2006, private sector securities held by the Bank and its subsidiaries had a total value of Baht 21,807 million and Baht 32,306 million, respectively. As of December 31, 2007 and December 31, 2006, these securities were divided into equity instruments worth Baht 9,376 million and Baht 10,045 million, respectively, and debt instruments worth Baht 12,431 million and Baht 22,261 million, respectively.

Unit: Million Baht

Type of Securities	Amount (at cost value)			
	2007	%	2006	%
Equity Securities	9,376	43.00	10,045	31.09
Listed companies	3,703	16.98	3,876	12.00
Associated companies	550	2.52	550	1.70
Other investments	5,123	23.50	5,619	17.39
Debt Securities	12,431	57.00	22,261	68.91
Securities for trading	4,923	22.58	1	0.00
Securities available for sales	7,143	32.75	18,330	56.74
Securities held to maturity	365	1.67	3,930	12.17
Total	21,807	100.00	32,306	100.00

In 2007, investments in debt securities decreased by Baht 9,830 million or 44.2% as a result of the maturity of short-term investment in foreign currency debt securities.

For the year ended December 31, 2007, the Bank transferred investments in foreign debt securities investments, Collateralized Debt Obligations (CDO) and Structured Deposits, from the held-to-maturity and available-for-sale portfolios to the trading portfolio in line with the Bank of Thailand's Notifications No. Phor Nor Sor.(21) Wor.178/2550 and No. Phor Nor Sor.(21) Wor. 179/2550 for Structured Products and Collateralized Debt Obligations Instruments.

As of December 31, 2007, the fair value of these instruments totaled Baht 4,255 million. A loss on the mark-to-market of Baht 638.3 million has been recognized in the statements of income. Details are as follows:

Unit : Million Baht

	Cost	Unrealized loss	Fair value
CDO	2,868.5	(589.5)	2,279.0
Structured Deposit	2,024.8	(48.8)	1,976.0
	4,893.3	(638.3)	4,255.0

Investment in Collateralized Debt Obligations is regarded as Synthetic IG Corporate CDO totaling USD 85 million and managed by leading CDO Asset Managers. All CDO Investment Tranches are rated by Standard & Poor's (S&P) at "A" and above. Their reference credit assets are 85%-90% investment grade and are well diversified in more than 20 industries in the U.S., Europe and Emerging Markets. Maturities range from December 30, 2012 to September 20, 2013.

The Bank maintains a policy not to concentrate more than 25% of its total investments in any one sector with the exception of investments in subsidiaries and associated companies.

3) Return on Securities Investment

The Bank and its subsidiaries' interest and dividend income from investments totaled Baht 3,365 million in the current year, an increase of Baht 561 million or 20% when compared to the prior year due mainly to volume increases offset by a decrease of average yields from 6.4% in 2006 to 4.3% in 2007 in line with the declining interest rate environment.

In 2007, the Bank and its subsidiaries' investment performance represented a loss of Baht 669 million, a decrease of Baht 2,075 million when compared to the prior year's gain on investments of Baht 1,406 million. The primary reason for the decline was the mark-to-market loss of Baht 589 million for Collateralized Debt Obligations. After including the allowance for impairment of investment, the total loss on investments in 2007 was Baht 669 million.

4) Reserve for Securities Investment

In compliance with Bank of Thailand guidelines, the Bank set aside reserves for securities investments totaling Baht 4,095 million or 100% of the required amount as of December 31, 2007.

3. Liquidity

Liquid Assets

As of December 31, 2007, the Bank and its subsidiaries' liquid assets consisted of cash, interbank and money market items, securities purchased under resale agreements, and investment in securities, totaling Baht 183,710 million or equivalent to 28.2% of total assets, an increase of 0.9% from December 31, 2006. As of December 31, 2007, the ratio of liquid assets to deposits and short-term borrowings was 36.3% compared to 32.2% as of December 31, 2006. The loans-to-deposits ratio was 90.1% at December 2007, as compared to December 31, 2006 at 81.7%.

Cash Flows

The Bank and its subsidiaries' cash flow statements reflect a reduction in cash and cash-equivalent items of Baht 358 million, compared to a prior year's increase of Baht 1,975 million. Details of the change are as follows:

- Net cash used in operating activities during 2007 was Baht 65,670 million consisting of income from operations before changes in operating assets and liabilities of Baht 15,828 million, including a net loss for the year of Baht 3,992 million, with the remaining Baht 19,820 million resulting from adjustment of non-cash items to net profit (loss), mostly from bad debt and doubtful accounts and loss on debt restructuring. Operating assets for the year rose by Baht 22,682 million due primarily to increases in securities purchased under resale agreements of Baht 63,000 million offset by a decrease in interbank and money market items of Baht 40,601 million. Operating liabilities decreased by Baht 58,816 million due primarily to decreases in deposits of Baht 62,259 million.
- Net cash generated from investing activities during 2007 was Baht 14,506 million, with cash received from the sale of available-for-sale securities and other investments exceeding the cash used for new investments in securities.

- Net cash provided by financing activities during 2007 was Baht 50,823 million, primarily from a capital increase from GE Capital International Holding Corporation (GECIH) of Baht 32,000 million as well as the conversion of warrants totaling Baht 3,657 million. In addition, a dividend of Baht 961 million for the second half of 2006 performance, was paid and proceeds were received from the issuance of senior securities notes of Baht 11,532 million and bills of exchange of Baht 5,278 million.

4. Investment Spending

In 2007, investment spending was primarily on land, premises, and equipment totaling Baht 1,330 million.

5. Sources and Uses of Funds

Sources of Funds

At the end of 2007 and 2006, the Bank and its subsidiaries' total sources of funds came from deposits representing 76.6% and 84.6% of total sources, respectively. Borrowings represented 5.4% and 2.9%, respectively. Shareholders' equity accounted for 12.0% and 7.1%, whereas other sources of funds accounted for 6.03% and 5.4%, respectively.

Shareholders' equity

As of December 31, 2007, shareholders' equity was Baht 78,067 million, an increase of Baht 30,921 million or 65.6% from December 2006 due to the increase of issued and paid-up share capital of Baht 28,069 million. This increase resulted from the investment by GECIH of 2,000 million shares at a par value of Baht 10 per share, equivalent to Baht 20,000 million, with a selling price of Baht 16 per share, together with 806.9 million units of warrant conversions in 2007 totaling Baht 8,069 million. The retained earnings as of December 31, 2007, were Baht 1,441 million, a decrease of Baht 4,951 million from December 31, 2006 resulting from the 2007 net loss of Baht 3,992 million and dividend payments of Baht 959 million paid for the six-month period ended December 31, 2006.

Liabilities

As of December 31, 2007, total liabilities were Baht 574,320 million, a decrease of Baht 44,876 million or 7.2% from the prior year resulting from a reduction in deposits of Baht 63,869 million or 11.3% from Baht 563,496 million to Baht 499,627 million, representing primarily time deposits. During the year the Bank issued short-term bonds to expand the capital structure management. Interbank and money market items decreased by Baht 175 million or 0.9% while borrowings increased Baht 15,791 million or 80.7%, resulting from the issuance of unsubordinated debentures with tenors of 3 and 4 years totaling Baht 13,995 million and 3-month bills of exchange of Baht 5,278 million.

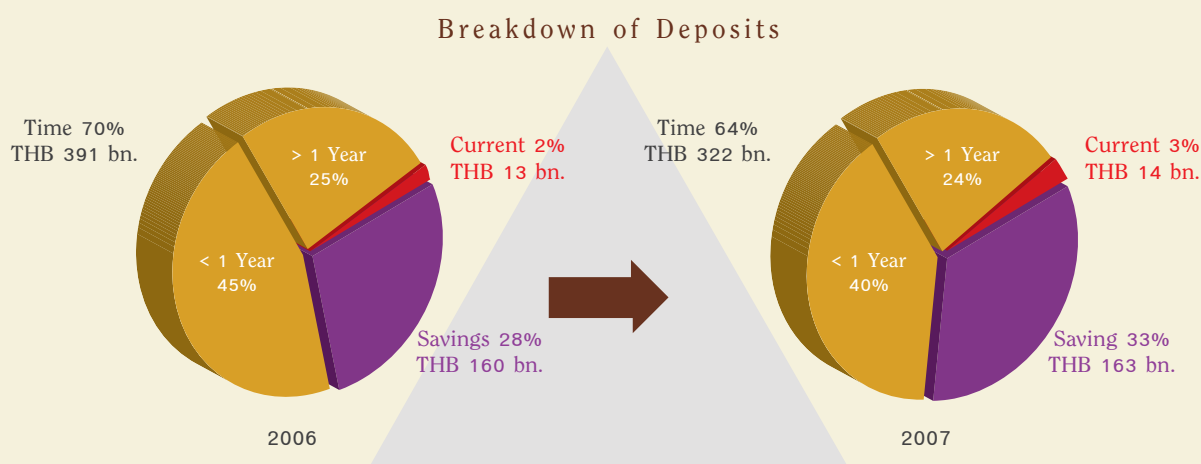
As of December 31, 2007, the Bank and its subsidiaries' deposits were Baht 499,627 million, a decrease of Baht 63,869 million or 11.3% from the prior year. The decrease was mainly due to time deposits of Baht 68,475 million or 17.5% resulting from maturities and the promotion of wealth management products. Savings accounts increased by Baht 3,490 million or 2.2% and current account deposits rose by Baht 1,116 million or 8.5%.

The proportion of deposits as of December 31, 2007 was as follows :

Time : 64%, Savings : 33%, Current : 3%

The proportion of deposits as of December 31, 2006 was as follows :

Time : 70%, Savings : 28%, Current : 2%



Uses of Funds

At the end of 2007, the Bank and its subsidiaries' operating funds were allocated for credit extension at 69% comparable to the prior year. Funds used for maintaining liquid assets, consisting of cash, interbank and money market items and investment in securities, accounted for 28.2% and 27.3% and for other items 2.8% and 3.6%, respectively.

6. The Relation between Sources and Uses of Funds

An examination of the relationship between the Bank and its subsidiaries' sources and uses of funds shows that the Bank and its subsidiaries' largest source of funds is short-term deposits of less than one year while the largest portion of the use of funds is loans. Outstanding loans at the end of 2007 and 2006 are classified by the remaining maturity as follows:

Unit: Million Baht

Periods	2007		2006	
	Amount	%	Amount	%
One year or less	172,327	37.87	188,685	40.77
More than one year	282,772	62.13	274,065	59.23
Total	455,099	100.00	462,750	100.00
Less: Unearned discount on loans	(4,952)		(2,462)	
Total	450,147		460,288	

As of December 31, 2007, the Bank and its subsidiaries' loans (before unearned discount on loans and excluding interbank and money market items) totaled Baht 455,099 million. Loans with a remaining term of one year or less (including those without agreements and agreements that have expired) totaled Baht 172,327 million, a decrease of 8.7% from the prior year, while loans with a maturity date of more than one year totaled Baht 282,772 million, an increase of 3.2% from the prior year.

The average loan duration is longer than the average term of deposit. Depositors typically automatically renew deposits once they reach maturity, representing a reliable balance between the sources and use of funds.

Unit: Million Baht

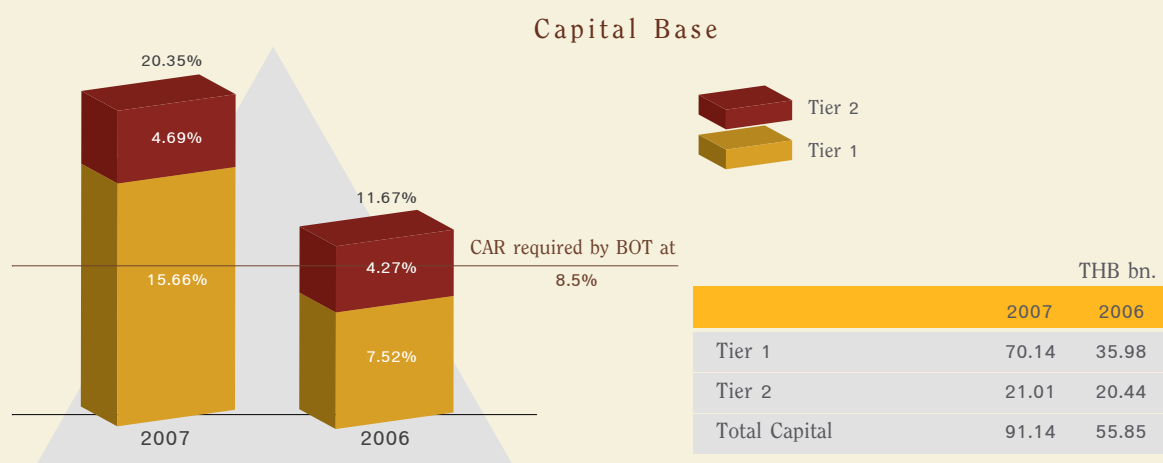
	CONSOLIDATED FINANCIAL STATEMENTS					
	2007					
	0-1 Years *	1 - 5 Years	Greater than 5 Years	Non- Performing Loans	No Maturity	Total
Financial assets						
Interbank and money market items and securities purchased under resale agreements	109,373	0	0	0	68	109,443
Investments, net	18,115	25,301	2,785	0	8,865	55,067
Loans	153,414	93,126	132,975	70,633	0	450,147
Total	280,902	118,427	135,760	70,633	8,933	614,655
Financial liabilities						
Deposits	474,110	25,514	2	0	0	499,627
Interbank and money market items and securities purchased under resale agreements	16,034	4,179	110	0	0	20,323
Borrowings	6,770	16,599	12,000	0	0	35,369
Total	496,914	46,292	12,112	0	0	555,319

* Included at Call

The average rate of interest earned in 2007 was 5.5%, a decrease from 5.9% in 2006. The average interest cost was 2.7% in 2007, a decrease from 2.8% in the prior year in line with the decreasing interest rate environment. The interest rate spread in 2007 was 2.8%, a decrease when compared to 3.1% in 2006.

7. Capital Adequacy

As of December 31, 2007, the Bank's capital was Baht 91,140 million or equivalent to 20.4% of risk weighted assets with 15.7% in tier 1. The capital as of December 2006 was Baht 55,850, equivalent to 11.7% of risk assets, with 7.5% in tier 1. The increase in the capital base was a result of the investment by GECIH of Baht 32,000 million and warrants conversion of Baht 9,683 million.



Credit Ratings

The Bank's credit rating by Moody's Investors Service, Standard & Poor's, Fitch Ratings and TRIS Rating as of December 31, 2007 are as follows:

Moody's Investors Service	
Bank Deposits	
Long Term	Baa3
Short Term	Prime-3
Debt	
Long Term – Senior Debt	Baa3
Long Term – Subordinated Debt	Ba1
Short Term	Prime-3
Debt and Deposit Rating Outlook	Stable
Bank Financial Strength Ratings	D-
Outlook	Stable
Standard and Poor's	
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	Positive

Fitch Ratings

International Rating (Foreign Currency)

Long Term	BBB-
Subordinated Debt	BB+
Short Term	F3
Individual Rating	C/D
Support	3
Support Rating Floor	BB
Outlook	Positive

National Ratings

Long Term – Debenture Tranche 1 and Tranche 2	A+ (tha)
Subordinated Debt	A (tha)
Short Term	F1 (tha)
Outlook	Positive

TRIS Rating

Company Rating	A
Issue Rating	A-
Outlook	Stable

△ Shareholding and Management Structures



Registration and Shareholding Structure

Name and Type of Business

Company Name	:	Bank of Ayudhya Public Company Limited
Company Registration No.	:	0107536001079
Type of Business	:	Commercial Bank

Nature of Business

Bank of Ayudhya Public Company Limited (the “Bank”) was established on 27 January 1945 and registered as a limited company on 8 March 1945. The Bank launched operation on 1 April 1945 and registered its conversion into a public limited company on 28 September 1993.

The Bank engages in the commercial bank business, namely, acceptance of call and time deposits and utilization of such deposits in several ways, such as, lending, trading of bills of exchange or negotiable instruments and trading of foreign currencies.

This includes businesses in relation to or as a result of being a commercial bank, e.g., collection, aval and acceptance of bills, issuance of letters of credit, custodian service, and acting as broker for government and state-owned enterprise debt instruments, debenture holders’ representative, mutual fund manager, securities registrar, investment unit underwriter and life and non-life insurance broker.

As of 31 December 2007, the Bank had a total of 569 branches (including the Head Office) consisting of:

- 269 branches in Bangkok and its surrounding provinces
- 297 branches in all regions nationwide
- 3 branches outside Thailand

Type and Total Number of Shares Sold (as of 31 December 2007)

5,747,746,840 ordinary shares at par value of Baht 10 per share

Top Ten Shareholders

The top ten shareholders in the share registrar as of the closing date for suspension of share transfer on 6 September 2007 to determine the right to participate in the Extraordinary General Meeting of Shareholders No. 1/2007 (issued and paid-up ordinary shares totaling Baht 55,626,053,820) were as follows:

No.	Names of Shareholder	No. of Shares	% of Total Shares
1.	GE Capital International Holdings Corporation	1,835,659,776	33.00
2.	Thai NVDR Co., Ltd.	1,039,441,331	18.69
3.	Stronghold Assets Co., Ltd.	166,536,980	2.99
4.	The Great Luck Equity Co., Ltd.	166,478,940	2.99
5.	GL Asset Co., Ltd.	166,414,640	2.99
6.	BBTV Satelvision Co., Ltd.	166,151,114	2.99
7.	BBTV Asset Management Co., Ltd.	163,112,900	2.93
8.	Mahakij Holdings Co., Ltd.	158,726,810	2.85
9.	Tun Rung Rueng Co., Ltd.	157,889,440	2.84
10.	Bangkok Television and Radio Co., Ltd.	156,789,220	2.82

Remark: Investors can access updated information on shareholders list at the Bank's website: www.krungsri.com before the date of the annual general meeting of shareholders.

Board of Directors and Committees

(As of 31 December 2007)

Board of Directors	
Mr. Veraphan Teepsuwan	Chairman
Mr. Tan Kong Khoon	Director
Mrs. Janice Rae Van Ekeren	Director
Mr. Pongpinit Tejagupta	Director
Mr. Chet Raktakanishta	Director
Mr. Surachai Prukbamroong	Director
Mr. Thipsamat Na Chiengmai	Director
Mr. Virat Phairatphiboon	Director
Mr. Yongyuth Withyawongsaruchi	Director
Mr. Pornsanong Tuchinda	Director
Mr. Suwat Suksongkroh	Secretary
Executive Committee	
Mr. Tan Kong Khoon	Chairman
Mrs. Janice Rae Van Ekeren	Vice Chairman
Mr. Chandrashekar Subramanian Krishoolndmangalam	Member
Mr. Pongpinit Tejagupta	Member
Mr. Chet Raktakanishta	Member
Mr. Virojn Srethapramotaya	Member
Mr. Poomchai Wacharapong	Member
Miss Phawana Niemloy	Member
Miss Nopporn Tirawattanagool	Secretary

Audit Committee	
Mr. Surachai Prukbamroong	Chairman
Mr. Virat Phairatphiboon	Member
Mr. Yongyuth Withyawongsaruchi	Member
Mr. Jirachai Chansurb`	Secretary
Mrs. Uraiprapa Rojjanasit	Assistant Secretary

Risk Management Committee	
Mr. Tan Kong Khoon	Chairman
Mr. Chandrashekar Subramanian Krishoolndmangalam	Vice Chairman
Mrs. Janice Rae Van Ekeren	Member
Mr. Virojn Srethapramotaya	Member
Mr. Tinnawat Mahatharadol	Member
Mr. Poomchai Wacharapong	Member
Mr. Roy Agustinus Gunara	Member
Miss Phawana Niemloy	Member
Mr. Kamol Boondiskulchok	Secretary

Nomination and Remuneration Committee	
Mr. Thipsamat Na Chiengmai	Chairman
Mr. Virat Phairatphiboon	Member
Mr. Pornsanong Tuchinda	Member
Mr. Somrit Srithongdee	Secretary

Management

1. Committee Members and Executives

1.1 Committee Structure

The Bank's committee structure consists of the Board of Directors and the four other Committees appointed by the Board of Directors to assist in overseeing the Bank's businesses as follows:

- (1) Board of Directors
- (2) Executive Committee
- (3) Audit Committee
- (4) Risk Management Committee
- (5) Nomination and Remuneration Committee

The composition and qualifications, term of office, power, duties and responsibilities, members and meetings of each of these bodies are described in detail below:

(1) Board of Directors

Composition, Qualifications, and Term of Office

According to the Bank's Articles of Association, the Bank shall have a board supervising the Bank's operations, consisting of at least five directors, and not less than half of all directors shall have domicile in Thailand. As of 31 December 2007, the Bank's Board of Directors consists of 10 directors as follows:

- 2 non-executive directors
- 4 independent directors
- 4 executive directors

All directors must possess qualifications as required by relevant laws and regulations of the Bank of Thailand, the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission as well as the Bank's Articles of Association in regards to the Board of Directors. Each director has a 3-year term of office.

In selecting and appointing a director to the Board, the number of companies in which a potential director already serves on its board is a matter to be considered. The appointment shall be in compliance with the Bank of Thailand Notification in re: Assumption of Directorship in Other Companies by Directors or Senior Executives of Commercial Banks dated 15 September 2003 which prescribes that each director may assume one or more positions as chairman of the board of directors, executive director or authorized signatory director in other companies, but not in more than three business groups. The consideration about the nature of a business group is judged from the control of such business. Detailed information on the directorship in other companies by each director is disclosed in pages 73-81 of the Annual Report as well as the Bank's website. However, serving on the board of other companies as mentioned above shall not affect the performance of duties of the Bank's directors as they have committed themselves to performing their duties by regular attendance of meetings as per the details of the number of meeting attended, to be further detailed.

To ensure clear separation of power and responsibilities, the Bank has mandated the positions of Chairman of the Board and the President and Chief Executive Officer to be held by two different persons. Neither of the two have unlimited authority. Even though the Chairman of the Board is not an independent director^{1/}, other independent directors, who serves as Audit Committee members, non-executive directors, and other participants also participate in the meeting of the Board of Directors so as to maintain the balance of authority and transparency and safeguard the Bank's interests.

^{1/} Independent Director" is a director with no business or undertakings with the Bank that may affect independent decision making. The independent director possesses qualifications according to the Guidelines for Commercial Bank Board Structure to Enhance Corporate Governance as per Bank of Thailand Letter No. ThorPorThor. SorNorSor. (31) Wor.2770/2545 dated 3 December 2002 which stipulates that:

1. An independent director or his/her related persons shall not hold shares representing more than 0.5% of the paid-up capital of a commercial bank or of any of its subsidiaries, associated companies or related companies.
2. An independent director shall not be involved in the management of a commercial bank or of any of its subsidiaries, associated companies, related companies, or those of major shareholders. Furthermore, he/she shall not be a regularly paid staff member or employee of a commercial bank or of any of its subsidiaries, associated companies, related companies or major shareholders. He/she shall not be a regularly paid consultant to a commercial bank or to any of its subsidiaries, associated companies or those of major shareholders.
3. An independent director shall not have any benefit or interest, whether direct or indirect, financial or non-financial, in a commercial bank or any of its subsidiaries, associated companies or those of major shareholders.
4. An independent director shall not be connected to or have family ties with any high-level executive or major shareholder in a commercial bank.

The qualification of the Bank's Independent Director concerning shareholding's requirement is stricter than the minimum requirement of SEC and SET.

Authority, Duties and Responsibilities

1. Subject to Article 22 of the Bank's Articles of Association, the Board of Directors has the authority to supervise and manage the Bank to be in compliance with the law, objectives, Articles of Associations and shareholders meeting resolutions. The Board of Directors has the power to make decisions on and supervise all matters concerning the Bank's operations, except for those as specified below, which are subject to prior shareholders meeting approval:

- (1) Matters for which the law requires approval from a shareholders meeting, e.g. increase or decrease of capital, dissolution and merger.
- (2) Related-party transactions for which the Stock Exchange of Thailand requires prior shareholder meeting approval, e.g. related-party transaction not covered by the exceptions in Clauses 8 and 9 of the Stock Exchange of Thailand Notification Re: Rules, Procedures and Disclosure of Related-party transaction for Listed Companies.
- (3) Acquisition or disposal of assets for which the Stock Exchange of Thailand requires prior shareholder meeting approval, e.g. major transactions, related-party transactions etc.

2. In addition to the authority and responsibilities to supervise and manage the Bank's operations as specified in 1 above, the Board of Directors also has the following duties and responsibilities:

- (1) To set overall direction and strategic goals for the Bank;
- (2) To consider and approve policies proposed by the Bank's management;
- (3) To ensure that the Bank's executives implement the approved policies effectively and efficiently in order to protect the interests of the Bank and its shareholders;
- (4) To establish a system for preventing possible conflicts of interest;
- (5) To draw up the Code of Conduct for the Bank's business and the Code of Ethics for directors, executives, and employees, and to ensure that they are communicated to the Bank's employees at all levels;
- (6) To monitor the Bank's operations to ensure that the bank executives comply with the law;
- (7) To arrange for effective internal control and internal auditing mechanisms;
- (8) To monitor the Bank's executives to ensure implementation of effective risk management procedures and control and to carry out regular reviews of policies and strategies;
- (9) To consider and approve the roles and responsibilities of various Committees and substantial changes in their scopes of power and duties;
- (10) To be responsible for ensuring an effective system of reporting that enables the Board of Directors to receive adequate information from the Bank's executives for exercise of their authority and discharge of their responsibilities; and
- (11) To be responsible for the consolidated financial statements of the Bank and its subsidiaries and for all other financial information which appears in the annual report and to ensure all relevant information is disclosed adequately and accurately.

Selection Process

The Nomination and Remuneration Committee selects and nominates to the Board of Directors individuals with appropriate qualifications to hold the position of director. They are selected by one of the two following methods:

(1) **Election of a director by a shareholders meeting's resolution:** For example, the election of a director to replace a member who retires by rotation and/or the appointment of an additional (new) director shall obtain a shareholders meeting approval. In this regard, the Board of Directors will nominate a suitable individual, who does not have any prohibited characteristic under the law, rules, regulations, and notifications of the authorities supervising commercial banks and is approved by the Nomination and Remuneration Committee, to a shareholders meeting for consideration and election in accordance with the procedures set forth in Article 16 of the Bank's Articles of Association, which reads:

- a. Each shareholder shall have one vote for each share held.
- b. The voting for election of a director may be on a one-by-one basis. Individual shareholders must cast all of their votes for only one candidate. Votes may not be distributed among different candidates.
- c. Candidates who receive a majority vote are elected as directors. In the event of a tie, the Chairman of the Meeting shall have the casting vote.

(2) **Election of a director to fill a vacant position for any reason other than retirement by rotation:** The Nomination and Remuneration Committee will select and nominate a qualified individual to the Board of Directors for consideration in the following Board of Directors meeting [in case the remaining term of the retiring director is less than two months, the Board of Directors will propose the matter to a shareholders meeting for consideration and election pursuant to the procedures in (1)]. In this connection, the Board of Directors will select a qualified individual without any prohibited characteristic under the law, rules, regulations, and notifications of the authorities supervising commercial banks as replacement director. The selection process and criteria shall be in accordance with Section 75 of the Public Limited Company Act B.E. 2535 (1992) and Article 19 of the Bank's Articles of Association, which states that the candidate must receive the votes of not less than three-quarters of the remaining directors, and such a replacement director will hold office for the remaining term of the retiring director in accordance with the Bank's Articles of Association approved by the shareholders meeting.

Members of the Board of Directors

As of 31 December 2007, the Board of Directors consists of 10 directors, namely, two non-executive directors, four independent directors and four executive directors as follows:

- **Non-executive Directors**
 - (1) Mr. Veraphan Teepsuwan Chairman
 - (2) Mr. Pornsanong Tuchinda Director
- **Independent Directors**
 - (3) Mr. Surachai Prukbamroong Director
 - (4) Mr. Thipsamat Na Chiengmai Director
 - (5) Mr. Virat Phairatphiboon Director
 - (6) Mr. Yongyuth Withyawongsaruchi Director
- **Executive Directors**
 - (7) Mr. Tan Kong Khoon Director
 - (8) Mrs. Janice Rae Van Ekeren Director
 - (9) Mr. Pongpinit Tejagupta Director
 - (10) Mr. Chet Raktakanishta Director
 - Mr. Suwat Suksongkroh Secretary

Names and Number of Authorized Signatory Directors of the Bank: Mr. Pongpinit Tejagupta or Mr. Chet Raktakanishta and either of Mr. Tan Kong Khoon or Mrs. Janice Rae Van Ekeren, totaling two directors, jointly affix their signatures and the Bank's seal.

Meetings of the Board of Directors

The Board of Directors meetings are convened on a regular basis at least once a month and are scheduled in advance for the whole year. In 2007, there were a total of 15 meetings. Attendance at the meetings of the Board of Directors and of other Committees by each director is shown below:

Members of the Board of Directors	Number of Times Attended / Total Number of Meetings					Remark
	Board of Directors	Executive Committee	Audit Committee	Risk Management Committee	Nomination and Remuneration Committee	
Non-executive Directors						
(1) Mr. Veraphan Teepsuwan	15/15					
(2) Mr. Pornsanong Tuchinda	14/15				10/10	
Independent Directors						
(3) Mr. Surachai Prukbamroong	14/15		11/11			
(4) Mr. Thipsamat Na Chiangmai	14/15				10/10	
(5) Mr. Virat Phairatphiboon	14/15		10/11		7/10	
(6) Mr. Yongyuth Withyawongsaruchi	15/15		11/11			
Executive Directors						
(7) Mr. Tan Kong Khoon	11/15	10/10		4/4		Took office on 3 January 2007
(8) Mrs. Janice Rae Van Ekeren	12/15	10/12		4/5		Took office on 3 January 2007
(9) Mr. Pongpinit Tejagupta	15/15	10/12		1/1		
(10) Mr. Chet Raktakanishta	11/11	11/12				Took office on 11 April 2007
Directors resigning during the year						
(1) Mr. Krit Ratanarak	- / -					Resigned on 3 January 2007
(2) Mr. Pakorn Thavisin	- / -					Resigned on 3 January 2007
(3) Mr. Ekasak Puripol	2/4	2/2		1/1		Resigned on 11 April 2007
(4) Miss Phanporn Kongyingyong	10/11	3/3				Resigned on 31 October 2007

(2) Executive Committee

Composition and Qualifications

1. The Board of Directors appoints the Executive Committee consisting of at least seven members, namely, the President & Chief Executive Officer, Chief Financial Officer, Chief Risk Officer, General Counsel and other suitable executives to ensure coverage of all aspects of the Bank's management.

2. The President & Chief Executive Officer acts as the Chairman of the Committee ex officio.
3. The Chairman of the Committee appoints the Vice Chairman and Secretary to the Committee.
4. The Committee members shall be capable, experienced and understands their duties and responsibilities as well as possess good judgement so as to bring about benefits to the Bank's business.

Term of Office

Each Committee member has a 2-year term of office. In case of vacancy for any other reason than retirement by rotation, the Board of Directors shall appoint a qualified individual as replacement member to hold office for the remaining period of the member whom he/she replaces. However, a member who retires by rotation may be reappointed.

Authority, Duties and Responsibilities

1. To ensure that implementation of Bank's operations and execution is in accordance with all relevant laws and regulations.
2. To supervise the Bank's management to accomplish the Bank's goals, policies, strategies and business plans.
3. To provide full and complete information to the Board of Directors for the optimal benefit in establishment of policies and plans.
4. To screen strategic plans, annual business plans, capital expenditure budget, operational targets under various project plans and to monitor incomes/non-interest expenses and present them to the Board of Directors.
5. To assign matters arising from the Bank's normal operations to the Board of Directors and other Committees for further consideration.
6. To ensure the preparation of reports as designated by the Board of Directors.
7. To review policies and business plans established by the President & Chief Executive Officer and audited by the Financial Management Committee and present the reviewed business plans to the Board of Directors meeting for approval.
8. To consider policies and business plans approved by the Board of Directors on a quarterly basis and provide opinions on such policies and business plans to the Board of Directors.
9. To consider, approve and follow up on the following matters:
 - 9.1 Investment with a large amount of funds;
 - 9.2 Introduction of new products or suspension of provision of any product or change of price as approved;
 - 9.3 Joint investment, partnership, business alliance or execution of agreements or arrangements of a similar nature;
 - 9.4 Lending or guarantee other than those in the normal course of the Bank's business;
 - 9.5 Creation of rights over the Bank's property or assets;
 - 9.6 Debt repayment or early repayment;
 - 9.7 Amendment to the policy on payment of remuneration or employee fringe benefits;
 - 9.8 Amendment to the strategies and policies on lending and acceptance of deposits;
 - 9.9 Approval or termination of credit limits; and
 - 9.10 Execution of arrangements or establishment of policies on execution of arrangements with the authorities supervising the Bank's business, other than in cases where high-level executives of the Bank are authorized to do so.

10. To follow up and accelerate the performance of all functions to ensure effective and efficient implementation of the formulated plans and goals.

11. To review, audit and provide recommendations and give instructions to develop the management system and working process of departments for appropriateness, up-to-date and consistency with changing economic conditions.

12. To have the power to call for documents and relevant persons for clarification of facts in support of considerations to ensure that the Committee's performance fulfills the objectives.

13. To have the power to appoint and determine roles and duties of the Committees and/or the Board of Directors and/or any persons deemed appropriate to help manage the Bank's business.

14. To proceed with matters as assigned by the Board of Directors.

15. To report key operating results and activities to the Board of Directors.

16. To proceed with matters in relation to the general business or activities of the Bank.

17. To monitor the performance of the Sub-Committees reporting to the Executive Committee.

Members of the Executive Committee

As of 31 December 2007, the members of the Executive Committee are as below:

(1)	President & Chief Executive Officer (Mr. Tan Kong Khoon)	Chairman
(2)	Chief Financial Officer (Mrs. Janice Rae Van Ekeren)	Vice Chairman
(3)	Chief Risk Officer (Mr. Chandrashekar Subramanian Krishoolndmangalam)	Member
(4)	Head of Distribution (Mr. Pongpinit Tejagupta)	Member
(5)	Head of Operations (Mr. Chet Raktakanishta)	Member
(6)	Head of Corporate Banking (Mr. Virojn Srethapramotaya)	Member
(7)	Head of SME Banking (Mr. Poomchai Wacharapong)	Member
(8)	General Counsel (Miss Phawana Niemloy)	Member
	Deputy Chief Financial Officer (Miss Nopporn Tirawattanagool)	Secretary

Meetings of the Executive Committee

Executive Committee meetings are convened on a regular basis at least once a month and are scheduled in advance for the whole year. In 2007, there were a total of 12 meetings. Attendance at the meetings of the Executive Committee by each member is shown below:

Members of the Executive Committee	Number of Times Attended / Total Number of Meetings	Remark
(1) Mr. Tan Kong Khoon	10/10	Took office on 8 March 2007
(2) Mrs. Janice Rae Van Ekeren	10/12	
(3) Mr. Chandrashekar Subramanian Krishnoolndmangalam	8/12	
(4) Mr. Pongpinit Tejagupta	10/12	
(5) Mr. Chet Raktakanishta	11/12	
(6) Mr. Virojn Srethapramotaya	11/12	
(7) Mr. Poomchai Wacharapong	5/6	Took office on 27 June 2007
(8) Miss Phawana Niemloy	6/6	Took office on 27 June 2007
Membership termination during the year		
(1) Mr. Ekasak Puripol	2/2	Terminated on 1 March 2007
(2) Miss Phanporn Kongyingyong	3/3	Terminated on 27 April 2007
(3) Mr. Amornsuk Noparumpa	4/6	Terminated on 27 June 2007
(4) Miss Nopporn Tirawattanagool	6/6	Terminated on 27 June 2007

(3) Audit Committee

Composition and Qualifications

1. The Board of Directors appoints the Audit Committee consisting of at least three independent members and one of the members is appointed as Chairman of the Committee.
2. The Chairman of the Committee appoints the secretary to the Committee.
3. The Committee members shall be capable, experienced and understands their duties and responsibilities and has sound knowledge on the business operations and risk control of the Bank.

Term of Office

Each Committee member has a 3-year term of office. In case of vacancy for any other reason than retirement by rotation, the Board of Directors shall appoint a qualified individual as replacement member to hold office for the remaining period of the member whom he/she replaces. However, a member who retires by rotation may be reappointed.

Authority, Duties and Responsibilities

1. To ensure the common understanding between the Audit Committee, the Bank's auditors, the management and internal auditors on their roles and responsibilities.
2. To carry out reviews and accordingly update the Charter of the Audit Committee to ensure the same is up-to-date and appropriate for the the organizational environment.
3. To consider, select and nominate to the Board of Directors the Bank's auditors and to determine auditing fees.
4. To attest to the independence of Bank's auditors and internal auditors.

5. To question Bank's management, internal auditors and the Bank's auditors about important business risk levels and measures taken to control or mitigate such risk.

6. To consider and establish the scope of auditing and the auditing plans of internal auditors and the Bank's auditors to ensure appropriateness and effectiveness.

7. To coordinate with internal auditors and Bank's auditors to check audit issues in order to eliminate redundancies and reduce expenses.

8. To coordinate with the Bank's auditors and internal auditors to review and examine the adequacy of the Bank's internal control and auditing mechanisms and identify any major weaknesses.

9. To coordinate with the Bank's auditors, internal auditors, and relevant department managers after completion of each quarterly and/or annual audit to review whether all of the Bank's financial reports and notes to the financial statements are accurate, complete, and transparently disclosed.

10. To review cooperation of or substantial conflict with the Bank's management during the performance of duties by the Bank's auditors and internal auditors.

11. To coordinate with the Bank's management and internal auditors to examine all major weaknesses and to follow up the response from the Bank's management for solutions.

12. To review the preparation of the charter of the Bank's internal auditors and ensure that it is constantly improved to meet the prevailing circumstances.

13. To review and follow up the performance, business operation or arrangement of the Bank to ensure compliance with all pertinent policies and regulations of the authorities supervising the Bank and laws applicable to the Bank's business.

14. To convene meetings with the internal auditors, the Bank's auditors, and the Bank's management to discuss any issues that the Audit Committee deems appropriate to be addressed.

15. To prepare performance reports and/or minutes of the Audit Committee meetings for submission to the Board of Directors.

16. To prepare a report of the Audit Committee's responsibilities and activities and disclose it as part of the Bank's annual report.

17. To have the power to examine and investigate all employees or relevant parties within its scope of power and duties.

18. To have the power to hire on behalf of the Bank any experts to assist in or advise on audit work, or to undertake any investigation as appropriate at the Bank's expense.

19. To ensure that information of the Bank to be disclosed, particularly related-party transaction or conflicts of interest, is accurate and complete.

20. To report to the Board of Directors for rectification within the period the Audit Committee deems appropriate if the Audit Committee finds or suspects that any of the following transactions or actions have occurred or taken place.

- Conflict of interest.
- Fraud or irregular circumstance or significant error in the internal auditing mechanism.
- Violation of rules and regulations of the Bank as well as laws applicable to the Bank's business.

If, in the Audit Committee's opinion, the event reported to the Board of Directors is not rectified within the period as specified by the Committee without justifiable grounds, such event will be included in the Bank's annual report and further reported to the Bank of Thailand.

21. To perform any other duties as assigned by the Board of Directors subject to agreement of the Audit Committee.

Members of the Audit Committee

As of 31 December 2007, member of the Executive Committee were as named below:

- | | |
|-----------------------------------|---------------------|
| (1) Independent Member | Chairman |
| (Mr. Surachai Prukbamroong) | |
| (2) Independent Member | Member |
| (Mr. Virat Phairatphiboon) | |
| (3) Independent Member | Member |
| (Mr. Yongyuth Withyawongsaruchi) | |
| Senior Vice President and Manager | Secretary |
| Audit Department | |
| (Mr. Jirachai Chansurb) | |
| First Assistance Vice President | Assistant Secretary |
| Audit Department | |
| (Mrs. Uraiprapa Rojjanasit) | |

Meetings of the Audit Committee

The Audit Committee meetings are convened on a regular basis. In 2007, there were a total of 11 meetings. Attendance at the meetings of the Audit Committee by each member is shown below:

Members of the Audit Committee	Number of Times Attended / Total Number of Meetings	Remark
(1) Mr. Surachai Prukbamroong	11/11	
(2) Mr. Virat Phairatphiboon	10/11	
(3) Mr. Yongyuth Withyawongsaruchi	11/11	

(4) Risk Management Committee

Composition and Qualifications

- The Board of Directors appoints the Risk Management Committee consisting of at least seven members, namely, the President & Chief Executive Officer, Chief Risk Officer, and other suitable executives to ensure coverage of all aspects of the Bank's risk management.
- The President & Chief Executive Officer acts as the Chairman of the Committee ex officio.
- The Chairman of the Committee appoints the Vice Chairman and Secretary to the Committee.
- The Committee members shall be capable, experienced and understands their duties and responsibilities and has sound knowledge of the business operations and risk control of the Bank.

Term of Office

Each Committee member has a 2-year term of office. In case of a vacancy for any reason other than retirement by rotation, the Board of Directors shall appoint a qualified individual as replacement member to hold office for the remaining period of the member whom he/she replaces. However, a member who retires by rotation may be reappointed.

Authority, Duties and Responsibilities

1. To establish policy on integrated risk management and make proposals to the Board of Directors for consideration, in regards to risks under the Bank of Thailand's risk-based approach to commercial banking, such as, strategic risk, credit risk, market risk, liquidity risk, operational risk, legal risk and other forms of risk which may have an impact on the reputation of the Bank.

2. To monitor and manage the Bank's business operations to follow the Bank's integrated risk management policy.

3. To prepare reports which contain information and are in the form as specified by the Executive Committee for submission to the Executive Committee.

4. To set strategies in line with the Bank's integrated risk management policy, enabling assessment and control of the Bank's risks to be within acceptable limits.

5. To ensure that the Bank's integrated risk management is in line with principles of good corporate governance.

6. To continuously review adequacy of the Bank's policies, risk management system, system effectiveness and policy implementation in order to find ways to ensure that the Bank's integrated risk management is carefully and effectively conducted.

7. To consider and approve the policies and procedures on assessment of assets placed as security for lending and immovable assets for sale deriving from debt repayment or from a public auction, including the procedures on review of the asset value.

8. To develop and review policies and procedures for lending, including provision set-up and policy on write-off of bad debts, credit limit management, application of the scorecard system to the granting of credit facilities and pricing, which depends on risks in several aspects and investment by acquisition of businesses.

9. To provide recommendations on information systems in relation to risk management.

10. To approve and include programs for launching new products or pricing for products pending approval in the Bank's business plans.

11. To have the power to appoint and determine roles and duties of the Committees and/or Sub-Committees in relation to management of each type of the Bank's risk as appropriate. The Sub-Committees report to the Risk Management Committee.

12. To have the power to inspect any Bank documents and to call relevant parties for clarification on facts in support of consideration to ensure that the Committee's operation fulfils the specified objectives.

13. To regularly report to the Audit Committee all operations in need of improvement or adjustment for consistency with the established policies and strategies.

Members of the Risk Management Committee

As of 31 December 2007, members of the Risk Management Committee were as named below:

(1)	President & Chief Executive Officer (Mr. Tan Kong Khoon)	Chairman
(2)	Chief Risk Officer (Mr. Chandrashekar Subramanian Krishnolndmangalam)	Vice Chairman
(3)	Chief Financial Officer (Mrs. Janice Rae Van Ekeren)	Member
(4)	Head of Corporate Banking (Mr. Virojn Srethapramotaya)	Member
(5)	Head of Treasury (Mr. Tinnawat Mahatharadol)	Member
(6)	Head of SME Banking (Mr. Poomchai Wacharapong)	Member
(7)	Head of Consumer Banking (Mr. Roy Agustinus Gunara)	Member
(8)	General Counsel (Miss Phawana Niemloy)	Member
	Executive Vice President Market and Operational Risk management Division (Mr. Kamol Boondiskulchok)	Secretary

Meetings of the Risk Management Committee

The Risk Management Committee meetings are convened on a regular basis. In 2007, there were a total of five meetings. Attendance at the meetings of the Risk Management Committee by each member is shown below:

Members of the Risk Management Committee	Number of Times Attended / Total Number of Meetings	Remark
(1) Mr. Tan Kong Khoon	4/4	Took office on 27 June 2007
(2) Mr. Chandrashekar Subramanian Krishoolndmangalam	5/5	
(3) Mrs. Janice Rae Van Ekeren	4/5	Took office on 27 June 2007
(4) Mr. Virojn Srethapramotaya	4/5	
(5) Mr. Tinnawat Mahatharadol	5/5	
(6) Mr. Poomchai Wacharapong	4/4	
(7) Mr. Roy Agustinus Gunara	5/5	
(8) Miss Phawana Niemloy	5/5	
Membership termination during the year		
(1) Mr. Ekasak Puripol	1/1	Terminated on 1 March 2007
(2) Mr. Pongpinit Tejagupta	1/1	Terminated on 27 June 2007
(3) Mr. Amornsuk Noparumpa	-/1	Terminated on 27 June 2007
(4) Mr. Chalernpol Vuttisombut	1/1	Terminated on 27 June 2007
(5) Mr. Nuttawit Boonyawat	1/1	Terminated on 27 June 2007
(6) Miss Nopporn Tirawattanagool	1/1	Terminated on 27 June 2007
(7) Mr. Surapon Sukumsuwun	1/1	Terminated on 27 June 2007
(8) Mr. Kamol Boondiskulchok	1/1	Terminated on 27 June 2007

(5) Nomination and Remuneration Committee

Composition and Qualifications

1. The Board of Directors shall appoint the Nomination and Remuneration Committee consisting of at least three non-executive members, provided that the Chairman of the Committee shall be an independent director.
2. The Committee members have proficiency, experience and understanding of their duties and responsibilities.
3. The Head of Human Resources acts as the Secretary to the Committee.

Term of Office

Each Committee member has a 3-year term of office. For this purpose, one year commences from the period from the date of the annual general meeting of shareholders held in the year of the appointment to the date of the next annual general meeting of shareholders. In case of vacancy for any other reason than retirement by rotation, the Board of Directors shall appoint a qualified individual as replacement member to hold office for the remaining period of the member whom he/she replaces. However, a member who retires by rotation may be reappointed for continuous performance of duties.

Authority, Duties and Responsibilities

The major authority and responsibilities of the Nomination and Remuneration Committee are as follows:

1. To establish policies as stated below:
 - 1.1 Policies, rules and procedures for selection of the Bank's directors, Committee members and high-level executives, namely, President & Chief Executive Officer, Chief Officers/Heads, Deputy Chief Officers, First Executive Vice Presidents and Executive Vice President;
 - 1.2 Policies, rules and procedures for selection of directors of the businesses in which the Bank holds shares of at least 50 percent; and
 - 1.3 Policy on payment of remuneration and other benefits, including amounts of remunerations and benefits to the Bank's directors, Committee members and high-level executives, namely, President & Chief Executive Officer, Chief Officers/Heads, Deputy Chief Officers, First Executive Vice Presidents and Executive Vice President, with clear and transparent procedures for obtaining the Board of Directors' approval and submission to the Bank of Thailand upon request.
2. To select and nominate to the Board of Directors qualified individuals to the following positions:
 - 2.1 Bank's directors;
 - 2.2 Committee members reporting directly to the Board of Directors;
 - 2.3 High-level executives, i.e., President & Chief Executive Officer, Chief Officers/Heads, Deputy Chief Officers, First Executive Vice Presidents, and Executive Vice President; and
 - 2.4 Directors of the businesses in which the Bank holds shares of at least 50 percent.
3. To ensure that the Bank's directors, Committee members and high-level executives, i.e., President & Chief Executive Officer, Chief Officers/Heads, Deputy Chief Officers, First Executive Vice Presidents and Executive Vice President receive remunerations which is appropriate to their duties and responsibilities, in accordance with the Bank's rules and comparable to other banks. However, any Bank director who is assigned to take higher responsibilities should be entitled to an additional remuneration suitable to the same.
4. To ensure that the Board of Directors' size and composition are proper to the organization and may be adjusted to be in line with the a change of circumstance, and that the Board of Directors consists of individuals having proficiency, knowledge, and experience.
5. To formulate guidelines for assessment and evaluation of performance of the Banks' directors and high-level executives, i.e., President & Chief Executive Officer, Chief Officers/Heads, Deputy Chief Officers, First Executive Vice Presidents and Executive Vice President, for consideration the annual remuneration by taking into account the responsibilities and relevant risks as well as an increase in the shareholders' equity on a long-term basis.
6. To draw up a succession plan for the President & Chief Executive Officer and to consider and approve succession plans for the positions of Chief Officers/Heads.
7. To disclose policies and prepare a summary report on the performance of the Nomination and Remuneration Committee in the Bank's annual report.
8. In case of necessity, to seek at the Bank's expense, opinions on several matters, such as, salary survey and selection of the Bank's directors and executives from external (independent) advisors with specific expertise.

Members of the Nomination and Remuneration Committee

As of 31 December 2007, members of the Nomination and Remuneration Committee were as named below:

- | | |
|--|-----------|
| (1) Independent Member
(Mr. Thipsamat Na Chiengmai) | Chairman |
| (2) Independent Member
(Mr. Virat Phairatphiboon) | Member |
| (3) Non-executive Member
(Mr. Pornsanong Tuchinda) | Member |
| Head of Human Resources
(Mr. Somrit Srithongdee) | Secretary |

Meetings of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee meetings are convened on a regular basis. In 2007, there were a total of 10 meetings. Attendance at the meetings of the Nomination and Remuneration Committee by each member is shown below:

Members of the Nomination and Remuneration	Number of Times Attended / Total Number of Meetings	Remark
(1) Mr. Thipsamat Na Chiengmai	10/10	
(2) Mr. Virat Phairatphiboon	7/10	
(3) Mr. Pornsanong Tuchinda	10/10	

1.2 Education Background and Work Experience of Executives (“Executive” as defined by the SEC)

As of 31 December 2007

Name-Surname/ Education	Age (Yrs)	Experience in the Last 5 years		
		Period	Position	Name of Organization
Non-Executive Directors 1. Mr. Veraphan Teepsuwan • MBA., Northeastern University, U.S.A. • Bachelor of Economics, Boston University, U.S.A.	66	Jan 2007–Present	Chairman	Bank of Ayudhya Pcl.
		Apr 2006–Jan 2007	Director	
		Nov 2006–Present	Chairman	Siam City Cement Pcl.
		2003–Present	Vice Chairman	Eastern Star Real Estate Pcl.
		1999–Present	Chairman	Ayudhya Insurance Pcl.
		1995–Present	Chairman	Ayudhya Allianz C.P. Life Pcl.
		1983–Present	Director	Bangkok Broadcasting & T.V. Co., Ltd.
		1990–2005	Chairman	Royal Porcelain Pcl.
		1999–2004	Chairman	Ayudhya Securities Pcl.
		1994–2004	Chairman	Ayudhya Investment and Trust Pcl.

Name-Surname/ Education	Age (Yrs)	Experience in the last 5 years		
		Period	Position	Name of Organization
2. Mr. Pornsanong Tuchinda • MBA (Finance and Management), Babson College, U.S.A. • BA. (Economics and Political Science), The University of Michigan, Ann Arbor, Michigan, U.S.A. • Training Course: Directors Accreditation Program (DAP), Thai Institute of Directors Association (IOD)	46	Jan 2007–Present	Director	Bank of Ayudhya Plc.
		Feb 2007–Present	Nomination and Remuneration Committee Member	
		2007–Present	Chairman	Triple P Development Co., Ltd.
		2005–Present	Independent Director and Audit Committee Member	Syrus Securities Co., Ltd.
		2005–Present	Independent Director and Audit Committee Member	Focus Engineering and Construction Plc.
		2005–2006	Independent Director and Chairman of the Audit Committee	GE Money Retail Bank, Thailand
		2004–2005	Chairman	Nava Leasing Plc.
		2001–2004	President & CEO	DBS Thai Danu Bank Plc.
Independent Directors				
3. Mr. Surachai Prukbamroong • Bachelor of Accounting and Bachelor of Commerce, Thammasat University • Certificate of Bank Examiner, Bank of Examination School, Federal Deposit Insurance Corporation, U.S.A. • Certificate of Pacific Rim Bankers Program, University of Washington, U.S.A. • Certificate of Senior Management, University of California, Berkeley, U.S.A. • Certificate of Senior Executive Program, Sasin, Chulalongkorn University. • Certificate of Financial Executive, The Thai Institute of Banking and Finance Association, The Thai Bankers' Association. • Training Courses: Chairman 2000; Directors Accreditation Program (DAP); and Board Performance Evaluation, Institute of Directors Association (IOD)	69	1999–Present	Independent Director and Chairman of the Audit Committee	Bank of Ayudhya Plc.
		1999–Present	Independent Director and Chairman of the Audit Committee	Ayudhya Insurance Plc.
4. Mr. Thipsamat Na Chiengmai • A.F.A. (Associateship Diploma of the Institute of Financial Accountants, England) • Diploma in Accounting and Auditing, City of London College, England • Training Courses: Directors Accreditation Program (DAP); and Directors Certification Program (DCP), Thai Institute of Directors Association (IOD)	76	Feb 2007–Present	Independent Director and Chairman of the Nomination and Remuneration Committee	Bank of Ayudhya Plc.
		1987–Feb 2007	Director	

Name-Surname/ Education	Age (Yrs)	Experience in the last 5 years		
		Period	Position	Name of Organization
5. Mr. Virat Phairatphiboon - B.A. in Economics and Business Administration, Adams State College, Colorado, U.S.A. - Executive Development Program, Princeton University, U.S.A. - Training Courses: Directors Certification Program (DCP) and “Audit Committee Program (ACP)”, Thai Institute Of Directors Association (IOD)	59	1999–Present	Independent Director and Audit Committee Member	Bank of Ayudhya Plc.
		Feb 2007–Present	Nomination and Remuneration Committee Member	
		1998–Present	Independent Director and Audit Committee Member	
		2007–Present	Independent Director and Audit Committee Member	Tipco Foods (Thailand) Plc.
		2005–2007	Director and Chairman of the Audit Committee	Bliss – Tel Plc.
6. Mr. Yongyuth Withyawongsaruchi - Bachelor of Accounting (Honor) and Bachelor of Commerce (Honor), Thammasat University - Training Courses: Directors Certification Program (DCP); Audit Committee Program (ACP); Board Performance Evaluation; and Setting the CEO Performance Plan and Evaluation, Thai Institute of Directors Association (IOD)	67	1998–Present	Director	Bank of Ayudhya Plc.
		Apr 2005–Present	Independent Director and Audit Committee Member	
		Apr 2003–Present	Independent Director and Chairman of the Audit Committee	Media of Medias Plc.
		Apr 2003–Present	Independent Director and Audit Committee Member	Eastern Star Real Estate Plc.
Executive Directors				
7. Mr. Tan Kong Khoon - Advanced Management Program, Harvard Business School, U.S.A. - Management Program for Bankers, Wharton School of Business & National, University of Singapore - BBA Bishop’s University, Canada	50	Mar 2007–Present	President & Chief Executive Officer	Bank of Ayudhya Plc.
		Jan 2007–Present	Chairman of the Executive Committee	
		Jun 2007–Present	Director	
			Chairman of the Risk Management Committee	
		2006–Feb 2007	Regional Head, Consumer Banking (China & Hong Kong)	Standard Chartered Bank
		2004–2006	Head, Consumer Banking (Hong Kong)	
		2002–2004	General Manager–Branches & Direct Banking (Hong Kong)	
8. Mr. Pongpinit Tejagupta MBA., University of Detroit, U.S.A.	53	Jan 2007–Present	Head of Distribution	Bank of Ayudhya Plc.
		Aug 2005–Present	Director (Authorized Signatory Director)	
		Apr 2006–Present	Executive Committee Member	
		2002–Jun 2007	Risk Management Committee Member	
		Aug 2005–Jan 2007	President	
		2002–Apr 2006	Executive Committee Member	
		Feb 2004–Aug 2005	Senior Executive Vice President	
		2001 – Feb 2004	First Executive Vice President	
		Apr 2003–Present	Director	Ayudhya Allianz C.P. Life Plc.
		Dec. 2001–Present	Director	Ayudhya Asset Management Co., Ltd.
		Aug. 1996–Present	Director	Krungsriayudhya Card Co., Ltd.
		2003–2005	Director	PrimaVest Asset Management Co., Ltd.
		1999–2003	Director	Ayudhya Securities Plc.

Name-Surname/ Education	Age (Yrs)	Experience in the last 5 years		
		Period	Position	Name of Organization
9. Mrs. Janice Rae Van Ekeren • MBA. (Finance) University of Chicago • Bsc. in Industrial Administration, Iowa State University • Training Program: Directors Certification Program (English), Thai Institute of Directors Association (IOD) • Directors Examination Program Diploma (IOD) (Fellow Member)	48	Jan 2007–Present	Chief Financial Officer Director Vice Chairman of the Executive Committee Risk Management Committee Member First Executive Vice President	Bank of Ayudhya Plc.
		Aug 2003–Dec 2006	Global Operations Controller & GECIFC Finance Director	GE Money, Stamford Connecticut
		Jul 2000–Jul 2003	CFO, Asia Pacific	GE Money, Hong Kong
10. Mr. Chet Raktakanishta • Bachelor of Science (Business Administration), Brigham, Young University, U.S.A. • Training Courses: Directors Certification Program (DCP); Finance for Non-Finance Director (FN); Audit Committee Program (ACP); Director Financial and DCP Refresher Course (Class 3/2006), Thai Institution of Directors Association (IOD)	66	Apr2007–Present	Director	Bank of Ayudhya Plc.
		Jan 2007–Dec 2007	Head of Operations	
		Apr 2006–Present	Executive Committee Member	
		1995–Present	First Executive Vice President	
		2003–Present	Independent Director and Audit Committee Member	Media of Medias Plc.
		2001–Present	Chairman	Krungsriayudhya Card Co., Ltd.
Executives 11. Mr. Virojn Srethapramotaya • M.B.A. Jacksonville State University, U.S.A. • Training Courses: Director Accreditation Program (DAP); Directors Certification Program (Graduate Member); and Directors Diploma Examination (Fellow Member), Thai Institute of Directors Association (IOD) • Advanced Management Program for International Bankers - The Wharton School, University of Pennsylvania.	55	1999–Present	Independent Director and Audit Committee Member	Siam City Cement Plc.
		1994–Present	Director	Ayudhya Insurance Plc.
		2005–2007	Director	National ITMX Co., Ltd.
12 Mr. Poomchai Wacharapong • MS. (Economics), North Texas State University, U.S.A.	49	Jan 2007–Present	Head of Corporate Banking	Bank of Ayudhya Plc.
		Apr 2006–Present	Executive Committee Member	
		Feb 2004–Present	Senior Executive Vice President	
		2002–Present	Risk Management Committee Member	
		2002–Apr 2006	Executive Committee Member	
		1999–Feb 2004	First Executive Vice President	
		Feb 2007–Present	Chairman	Ayudhya Factoring Co., Ltd.
		2004–Present	Chairman	Ayudhya Auto Lease Plc.
		2003–Present	Chairman of Executive Committee	
		2003–2004	Director	
		1998–Present	Director	Ayudhya Insurance Plc.
		Jan 2007–Present	Head of SME Banking	Bank of Ayudhya Plc.
		Jun 2007–Present	Executive Committee Member	
			Risk Management Committee Member	
		May 2005–Present	First Executive Vice President	
		2002–2005	Executive Vice President	
		Feb 2007–Present	Director	Ayudhya Factoring Co., Ltd.
		Dec 2006–Present	Director	Ayudhya Capital Lease Co., Ltd.
		2001–Present	Chairman	Ayudhya Development Leasing Co., Ltd.
		2001–Present	Director	Ayudhya Asset Management Co., Ltd.

Name-Surname/ Education	Age (Yrs)	Experience in the last 5 years		
		Period	Position	Name of Organization
13. Mr. Roy Agustinus Gunara • MBA. (Finance), University of Illinois Urbana Champaign Banking, U.S.A. • Bsc. (Electrical Engineering) Drexel University	39	Jan 2007–Present	Head of Consumer Banking Risk Management Committee First Executive Vice President	Bank of Ayudhya Plc.
		May 2007–Present	Director	Krungsriayudhya Card Co., Ltd.
		Feb 2007–Present	Director	Ayudhya Factoring Co., Ltd.
		Dec 2006–Present	Director	Ayudhya Capital Lease Co., Ltd.
		Jan 2004–Dec 2006	Executive Vice President– Business Leader	GE Capital Thailand Co., Ltd.
14. Mr. Tinnawat Mahatharadol • MBA., Ball State University, U.S.A.	49	Nov 2001–Dec 2003	Executive Director–Risk Management	
		Jan 2007–Present	Head of Treasury	Bank of Ayudhya Plc.
		Aug 2005–Present	Risk Management Committee Member	
		May 2005–Present	First Executive Vice President	
		Oct 2000–May 2006	Executive Committee Member	
15. Mr. Chandrashekar Subramanian Krishoolndmangalam • Master in Commerce, Bombay University	45	Aug 2000–May 2005	Executive Vice President	
		Dec 2006–Present	Chairman	Ayudhya Capital Lease Co., Ltd.
		2001–Present	Director	Krungsriayudhya Card Co., Ltd.
		2003–2006	Chairman	Ploenchit Advisory Co., Ltd.
16. Mrs. Wanna Thamsirisup • Mini Master of Business Administration, Thammasat University, 1992 • Diploma in Auditing, Thammasat University, 1980 • Bachelor of Business Administration Major in Accountancy, 1979 Thammasat University. • Certified Public Accountant (Thailand), 1981	51	Jan 2007–Present	Chief Risk Officer First Executive Vice President Vice Chairman of the Risk Management Committee Executive Committee	Bank of Ayudhya Plc.
		Jan 2006–Dec 2006	Vice President and Chief Risk Officer – India	GE Money
		Jan 2005–Dec 2005	Vice President and Head – Consumer Risk Management	ABN AMRO BANK, India
		Jan 2003–Dec 2004	Vice President and Head – Banking Risk Management	
16. Mrs. Wanna Thamsirisup • Mini Master of Business Administration, Thammasat University, 1992 • Diploma in Auditing, Thammasat University, 1980 • Bachelor of Business Administration Major in Accountancy, 1979 Thammasat University. • Certified Public Accountant (Thailand), 1981	51	Jan 2008–Present	Head of Operation	Bank of Ayudhya Plc.
		Sep 2007–Present	First Executive Vice President	
		Nov 2006–Sep 2007	Chief Operating Officer	AIG Consumer Finance Group (Thailand)
		May 2004–Oct 2006	Director and General Manager	AIG Card (Thailand) Co., Ltd.

Name-Surname/ Education	Age (Yrs)	Experience in the last 5 years		
		Period	Position	Name of Organization
17. Miss Phawana Niemloy • LL.M. Harvard Law School, Harvard University (Full Scholarship from Harvard Law School) • Bachelor of Law (2nd Class Honor), Chulalongkorn University • Training Courses: Directors Certification Program (DCP); and Finance for Non-Finance Director (FN), Thai Institute of Directors Association (IOD)	47	May 2007–Present	General Counsel	Bank of Ayudhya Plc.
		Jun 2007–Present	Executive Committee Member	
		Jan 2007–Present	Risk Management Committee Member	
			First Executive Vice President	
		Jan 2007–May 2007	Deputy General Counsel	GE Money Retail Bank Plc.
		2005–2006	Executive Vice President – Legal and Compliance	
		2004–2005	General Counsel and Compliance Officer	GE Capital (Thailand) Co., Ltd.
		1997–2004	General Counsel, Executive Director	
18. Mr. Chalermopol Vuttisombut • Bachelor of Economics (Honor), Thammasat University	59	Jan 2007–Present	Head of Audit	Bank of Ayudhya Plc.
		May 2005–Present	First Executive Vice President	
		Apr 2006–Jun 2007	Risk Management Committee Member	
		Apr 2006–Jan 2007	Executive Committee Member	
		2000–2005	Executive Vice President	
19. Mr. Sudargo Harsono • MBA. Finance and Marketing, Indiana University, Bloomington, IN, USA., 1984 • Bachelor of Science Cum Laude, Biomedical and Electrical Engineering (Honors Program), University of Southern California, LA, USA, 1982	47	Aug 2007–Present	Head of Corporate Marketing	Bank of Ayudhya Plc.
		Apr 2005–Jul 2007	Chief Marketing Officer	GE Money Asia
		Jan 2002–Mar 2005	Region Vice President, Marketing & Sales	GE Consumer Finance Asia
20. Mr. Apirom Noi-Am • MBA, North Texas State University, U.S.A.	51	Jan 2006–Present	Head of Information Technology	Bank Of Ayudhya Plc.
		2005–Sep 2006	Executive Vice President	
		2004–Sep 2005	Sector Head, Institutional Transaction Banking	Bank Of Asia Plc.
		2001–2003	Senior Vice President, e-Commerce and e-Banking Division	
21. Mr. Somrit Srithongdee • M.A. Public Administration, Chulalongkorn University • B.A. Sociology, Chiangmai University	58	2007–Present	Head of Human Resources	Bank Of Ayudhya Plc.
		2000–2006	Executive Vice President	
22. Mrs. Yaowalak Poolthong • MBA, University of Sydney, Australia • B.A. Chulalongkorn University	46	Jun 2007–Present	Head of Corporate Communications and Investor Relations	Bank Of Ayudhya Plc.
		May 2005–Jun 2007	Executive Vice President	
		Apr 2004–May 2005	Vice President and Manager, the president office	
		Oct 2002–Apr 2004	Banking Analyst 8	
		Feb 2005–Present	Director	Ayudhya Fund Management Co., Ltd.

Name-Surname/ Education	Age (Yrs)	Experience in the last 5 years		
		Period	Position	Name of Organization
23. Miss Nopporn Tirawattanagool • Master of Accounting, Faculty Accountancy, Thammasat University • Training Course: Directors Accreditation Program (DAP), Thai Institute of the Executive Directors Association (IOD)	53	Jun 2007–Present	Deputy Chief Financial Officer Secretary to the Executive Officer Committee	Bank of Ayudhya Plc.
		Dec 2004–Present	First Executive Vice President	
		Apr 2006–Jun 2007	Director and Secretary to Committee	
		2002–Jun 2007	Risk Management Committee Member	
		2002–Apr 2006	Secretary to the Executive Committee	
		2002–2004	Executive Vice President	
		May 2004–Present	Director	
24. Miss Duangdao Wongpanitkrit • MBA. (Financial Accounting), Chulalongkorn University • Bachelor of Business Administration (Accounting), Thammasat University • Certified Public Accountant (CPA Thailand)	39	Jun 2007–Present	Executive Vice President, Financial Planning and Analysis Division, Finance Group	Bank of Ayudhya Plc.
		Apr 2005–May 2007	Senior Vice President, Finance & Accounting	
		Jul 2004–Apr 2005	Senior Vice President, Business Finance	
		Jan 2002–Jul 2004	Wholesales Bank Vice President, Business Finance Global Market	
25. Mr. Sindre Ulvund • Master of International Management, 1994 – 1995 • Bachelor of Science (Economics) in Government, 1992 – 1994 • Sivilekonom 1989 – 1995	37	Jul 2007–Present	Executive Vice President, Investor Financial Reporting Division, Finance Group	Bank of Ayudhya Plc.
		Feb 2006–Jun 2007	Senior Manager, Financial Planning & Analysis	
		Jan 2004–Jan 2006	FP & A Manager	
		Oct. 2000–Dec 2003	Sales and Marketing Finance Manager	
26. Mr. John Howard Harker • Bachelor of Science, Geography University of Glasgow, Scotland, 1976–1980	49	Jul 2007–Present	Executive Vice President, Operational Division, Finance Group	Bank of Ayudhya Plc.
		Mar 2004–Dec 2006	Finance Manager, E finance Function	
		May 2002–Feb 2004	Region Controller	
27. Miss Jiraporn Popairoj • Master of Commerce and Accountancy (Accounting), Thammasat University • Bachelor of Commerce and Accountancy (Accounting 2 nd Class Honor), Thammasat University • Higher Diploma in Auditing, Thammasat University • Bachelor of Law, Ramkhamhaeng University • Certified Public Accountant	46	Oct 2006–Present	Senior Vice President and Manager, Accounting Department, Finance Group	Bank of Ayudhya Plc.
		2002–Sep 2006	Vice President, Accounting Department	

Name-Surname/ Education	Age (Yrs)	Experience in the last 5 years		
		Period	Position	Name of Organization
• Training Course: Directors Certification Program (DCP), Thai Institute of Directors Association (IOD)		2004–Present 2002–Present	Director Director	Ayudhya Securities Plc. Siam Realty and Services Co., Ltd.
28. Mr. Nattawut Goysookho • Master of Business Administration (MBA), Thammasat University • Bachelor of Banking and Finance, Faculty of Commerce and Accountancy, Chulalongkorn University	42	Oct 2007–Present July.2007–Sep 2007 Apr 2003–Jun 2007 Jan 1998–Mar 2003	Senior Vice President and Manager, Financial Planning & Analysis Consolidation Department, Finance Group Vice President, Financial Planning & Analysis Consolidation Department Vice President, MIS and Planning Department First Assistant Vice President, Policy and Planning Section, Office of the Chief Executive officer	Bank of Ayudhya Plc.
29. Miss Pathatai Kulachan • MBA (Finance), The George Washington University, DC, 1994–1996 (Under the scholarship of Government Housing Bank) • BBA (Banking & Financing), 1st Class Honors and top of the Class, Chulalongkorn University, 1990 – 1993	34	Jul 2007–Present Jan 2006–Dec 2006 Jan 2005–Dec 2005 Mar 2004–Dec 2004 May 2003–Mar 2004 Oct 2001–May 2003	Senior Vice President and Manager, Consumer Financial Planning and Analysis Department, Finance Group Global Mortgage Leadership Program Participant Vice President, Financial Planning & Analysis Senior Manager, Financial Planning & Analysis Manager, Financial Planning & Analysis Relationship Manager, Corporate Banking Department	Bank of Ayudhya Plc. GE Money GE Money Retail Bank Plc. GE Capital (Thailand) Co., Ltd UOB Ratanasin Bank
30. Mr. Kriangsak Jongsukkgitparnich • MBA. (Finance), Western Michigan University • Bachelor in Cost Accounting, Chulalongkorn University	39	Jul. 2007–Present Aug 1996–Mar 2007	Vice President, Operational Controllership Division, Finance Group Vice President, Accounting	Bank of Ayudhya Plc. GE Capital
31. Miss Winita Kimsawadi • Master of Accounting, Faculty of Commerce and Accountancy, Chulalongkorn University • Bachelor of Accounting, Faculty of Commerce and Accountancy, Chulalongkorn University	42	Jul 2007–Present Nov 2004–Jun 2007 2000–Nov 2004	Vice President, Investor Financial Reporting Division, Finance Group Vice President Vice President–Finance & Accounting	Bank of Ayudhya Plc. GE Money Retail Bank Plc. The Hong Kong and Shanghai Banking Corporation Limited

Name-Surname/ Education	Age (Yrs)	Experience in the last 5 years		
		Period	Position	Name of Organization
32. Mr. Soontorn Hanchaoworakul • Master of Economics Development (Agricultural-Economics), National Institute of Development Administration (NIDA) • Bachelor of Science (Agriculture), Kasetsart University	44	Oct 2007–Present	Vice President, Corporate and SME Financial Planning and Analysis Department, Finance Group	Bank of Ayudhya Plc.
		Mar 2007–Sep 2007	Vice President, MIS and Reporting Department, Risk Management Group	
		May 2006–Jan 2007	Vice President, Income and Credit Policy Section, Policy & Strategic Planning Department	
		May 2005–Jan 2006	Vice President, Marketing Intelligence Section, Retail Business Marketing Department	
		Dec.2004–Jan 2005	Business Development Officer 8, Credit Information Processing & Supporting Section	
		Jun 2003–Jan 2004	First Assistant Vice President, Credit Information Processing & Supporting Section, Credit Management Department	
		Apr 2002–May 2003	Assistant Vice President, Credit Information Processing & Supporting Section, Credit Management Department	
33. Mr. Jamorn Phianphorm • MBA. (Finance), Dhurakij Bundit University • Bachelor of Business Administration, Chiangmai University	46	May 2007–Present	Vice President and Manager, Tax Management and Payment Verification Section, Accounting Department, Finance Group	Bank of Ayudhya Plc.
		Oct 2002–Apr 2007	First Assistant Vice President, Accounting Department	
34. Mr. Somchai Tangsomsukying • High Vocational Certificate of Business Administration (Accounting), Chetupon Commercial College	47	Oct 2007–Present	Vice President and Manager, Accounting and Control Section, of Business Administration Accounting Department, Finance Group	Bank of Ayudhya Plc.
		Jan 2002–Sep 2007	First Assistant Vice President, Accounting Department	

1.3 Shareholding of Executives (“Executive” as defined by the SEC)

Name-Surname	31 December 2007			31 December 2006		
	No. of Shares	Sharehold ing (%)	Warrants (unit)	No. of Shares	Sharehold ing (%)	Warrants (unit)
Non-executive Directors						
1. Mr. Veraphan Teepsuwan	178,178*	0.0031	71,271*	178,178*	0.0061	71,271*
2. Mr. Pornsanong Tuchinda	-	-	-	Non-Bank Executive as defined by SEC		
Independent Directors						
3. Mr. Surachai Prukbamroong	-	-	-	-	-	-
4. Mr. Thipsamat Na Chiengmai	7,319	0.0001	-	5,228	0.0002	2,091
5. Mr. Virat Phairatphiboon	-	-	-	-	-	-
6. Mr. Yongyuth Withyawongsaruchi	-	-	-	8,082	0.0003	3,232
Executive Directors						
7. Mr. Tan Kong Khoon	-	-	-	Non-Bank Executive as defined by SEC		
8. Mrs. Janice Rae Van Ekeren	-	-	-			
9. Mr. Pongpinit Tejagupta	-	-	-	-	-	100,000*
10. Mr. Chet Raktakanishta	110,050*	0.0019	-	110,050*	0.0037	-
Executives						
11. Mr. Virojn Srethapramotaya	-	-	-	-	-	-
12. Mr. Poomchai Wacharapong	2	0.0000	-	2	0.0000	-
13. Mr. Roy Agustinus Gunara	-	-	-	Non-Bank Executive as defined by SEC		
14. Mr. Tinnawat Mahatharadol	-	-	-	-	-	-
15. Mr. Chandrashekar Subramanian Krishoolndmangalam	-	-	-	Non-Bank Executive as defined by SEC		
16. Mrs. Wanna Thamsirisup	-	-	-			
17. Miss Phawana Niemloy	-	-	-			
18. Mr. Chalernpol Vuttisombut	-	-	-	-	-	-
19. Mr. Sudargo Harsono	-	-	-	Non-Bank Executive as defined by SEC		
20. Mr. Apirom Noi-Am	-	-	-			
21. Mr. Somrit Srithongdee	-	-	-			
22. Mrs. Yaowalak Poolthong	-	-	-			
23. Miss Nopporn Tirawattanagool	-	-	-	-	-	-
24. Miss Duangdao Wongpanitkrit	-	-	-	Non-Bank Executive as defined by SEC		
25. Mr. Sindre Ulvund	-	-	-			
26. Mr. John Howard Harker	-	-	-			
27. Miss Jiraporn Popairoj	-	-	-	-	-	-
28. Mr. Nattawut Goysookho	-	-	-	-	-	-
29. Miss Pathatai Kulachan	-	-	-	Non-Bank Executive as defined by SEC		
30. Mr. Kriangsak Jongsukkgiparnich	-	-	-			
31. Miss Winita Kimsawadi	-	-	-			
32. Mr. Soontorn Hanchaoworakul	-	-	-			
33. Mr. Jamorn Phianphrom	2	0.0000	-			
34. Mr. Somchai Tangsomsukying	-	-	-			

Remark : (1) * Including spouse

(2) As of 31 December 2006, the Bank had a total of 2,940,812,475 shares sold. All of them were ordinary shares.

(3) As of 31 December 2007, the Bank had a total of 5,747,746,840 shares sold. All of them were ordinary shares.

1.4 Remuneration of Directors and Executives

Remuneration of Directors

The Bank has clear and transparent remuneration policies. The remuneration is comparable to the level paid in the industry and has been approved by the shareholders. Members appointed to the Audit Committee or Nominating and Remuneration Committee will receive additional compensation reflecting the amount of work assigned.

Remuneration of Executives

Remuneration of executives corresponds to the principles and policies set by the Board of Directors. Payment is based on the Bank's and individual performance of each executive.

Total Remuneration Paid in 2007

In 2007, the Bank paid remuneration to directors and executives as follows:

(1) Cash remuneration

(a) Total remuneration (pensions, transportation cost, and meeting allowance) for 12 persons was Baht 19,736,000. Details of remuneration paid to each director are as follows:

Board of Directors			Amount (baht)	
Non-executive members				
1.	Mr. Veraphan	Teepsuwan	3,020,000.00	Chairman
2.	Mr. Pornsanong	Tuchinda	2,706,000.00	Nominating and Remuneration Committee
3.	Miss Phanporn	Kongyingyong	480,000.00	Resigned 31 October 2007
Independent Directors				
4.	Mr. Surachai	Prukbamroong	2,796,000.00	Chairman of Audit Committee
5.	Mr. Thipsamat	Na Chiangmai	2,759,000.00	Chairman of Nominating and Remunerating Committee
6.	Mr. Virat	Phairatphiboon	2,871,000.00	Audit Committee / Nominating and Remuneration Committee
7.	Mr. Yongyuth	Withyawongsaruchi	2,772,000.00	Audit Committee
Executive members				
8.	Mr. Ekasak	Pooriphol	572,000.00	Resigned 11 April 2007
9.	Mr. Tan Kong Khoon		-	
10.	Mrs. Janice Rae	Van Ekeren	-	
11.	Mr. Pongpinit	Tejagupta	1,056,000.00	
12.	Mr. Chet	Raktakanishta	704,000.00	Appointed 11 April 2007
		Total	19,736,000.00	

* Directors who are GE secondees do not receive remuneration of director according to GE's practice.

(b) Total remuneration of Executive Committee and executives in 2007 (salary and bonus of Executive Committee, CEO, Chief Officers/Heads) for 16 persons is 161,968,563.46 Baht.

(2) Other remunerations

Provident fund of executives is 3,888,419.35 Baht

The Bank does not provide any non-cash remuneration such as share/warrant to executives.



Compliance with good Corporate Governance in 2007

The Bank realizes the importance of good corporate governance being a significant factor in our sustainable business model and serves as a basis for promoting the efficiency and effectiveness of our operations and for creating confidence among shareholders, customers, employees, other related parties, and society as a whole. The Bank adheres to the key principles of good corporate governance as detailed below.

(1) **Accountability & Responsibility:** To maximize benefit through honest and careful execution of tasks, following the code of practice.

(2) **Equal Treatment:** To treat stakeholders equally and fairly, with respect to their rights and interests.

(3) **Transparency:** To ensure transparent, auditable operations and management, including proper and transparent information disclosure at the right time and under the right circumstances.

(4) **Vision:** To develop a vision that provides strategic goals and direction in building value for the business that ensures long-term stability.

(5) **Code of Ethics:** To promote good moral and business ethics.

In addition, the Bank also adheres to the

principles of good corporate governance for listed companies, which have been adapted by the Stock Exchange of Thailand from the principles of the Organization for Economic Co-Operation and Development (OECD) and based on the World Bank's suggestions, consisting of five chapters being:

Chapter 1: Rights of Shareholders

Chapter 2: Equal Treatment of Shareholders

Chapter 3: Role of Stakeholders

Chapter 4: Disclosure and Transparency

Chapter 5: Responsibilities of the Board

Compliance with Good Corporate Governance

Chapter 1: Rights of Shareholders

1.1 Awareness of Importance of Shareholders' Rights

The Board of Directors realizes the importance of the Bank's shareholders who have the right of ownership, the right to make decisions pertaining to significant changes, and the power to control the Bank through the Board of Directors elected by the shareholders. The Bank's policy thus emphasizes the importance of the equal rights of all shareholders fair treatment and in compliance with relevant laws. The major rights of shareholders are summarized below:

(1) The right to attend shareholders meetings and to assign proxies to attend meetings and vote on their behalf.

(2) Voting rights, namely:

- The right to elect or remove any individual director.

- The right to vote to determine the remuneration for directors. In this connection, the Bank shall propose to the shareholders for approval the remuneration for directors on an annual basis.

- The right to vote on the appointment of and determination of remuneration for the auditors.

- The right to vote on matters concerning the Bank.

(3) Basic rights, namely:

- The right to be provided with the Bank's sufficient information in a timely manner.

- The right to express opinions and raise questions in shareholders meetings.

- The right to receive dividends

- The right to buy, sell or transfer shares.

1.2 Promotion of Exercise of the Right to Attend Shareholders Meetings

The right to attend shareholders meetings is one of the most important rights of shareholders and is similarly important to the process of decision-making about the Bank's affairs. The Board of Directors therefore emphasizes the importance of the right to attend shareholders meetings. The promotion of the exercise of these rights is evidenced by the Bank's arrangements detailed below:

(1) Summoning Shareholders Meetings under the Articles of Association of the Bank: The Articles of Association of the Bank stipulates that any significant matters, such as operational results, financial statements or profit appropriations of the previous year, election of directors, and the appointment of auditors shall be proposed to a shareholders meeting for consideration and approval. In addition, if the shareholders deem that any matters are of significance, shareholders with an aggregate

of shares as required by the Articles of Association can submit their names in a request to convene a shareholders meeting. This is to ensure that the management and operations are transparent and fair to all shareholders, and that shareholders can express their opinions and raise questions with the executives as well as take part in decision-making.

(2) Release of Shareholders Meeting News: Once the Board of Directors comes to a conclusion as to the date, time, place, and agenda of a meeting, the Bank will inform the Stock Exchange of Thailand of the same to ensure the prompt release of news to the shareholders.

(3) Opportunity for Shareholders to Propose Additional Agenda Items Prior to Distribution of Notice of Meeting: The Bank is studying available channels for shareholders to propose additional agenda items.

(4) Distribution of Quality Notice of Meeting: When calling a shareholders meeting, in addition to posting notice of meeting and supporting documents on the Bank's website: www.krungsri.com, the Bank also distributes notice of meeting to shareholders at least 10 days prior to the meeting date (according to the Bank's Articles of Association, the notice of meeting and supporting documents shall be distributed to the shareholders and the public company registrar at least 7 days prior to the meeting date). The Bank also makes an English version of the notice available to foreign shareholder, and advertises the notice of meeting in newspapers for 3 consecutive days prior to the meeting date.

The notice of meeting shall indicate the date, time, place, and agenda of the meeting as stipulated by law, for both acknowledgement and approval by the shareholders meeting. Other than the objectives, reason, and the Board of Directors' opinions, sufficient information for use in making decisions shall be also attached to every agenda item, for example:

- Remuneration for directors: policy and method applied to the determination of remuneration.

- Appointment of directors: names and profiles of nominees.

- Appointment of auditors: name of the nominated auditor, audit office, and related service fees.

- Dividend payment: dividend payment policy, amount of dividend to be paid, reasons and information in support of the consideration.

Furthermore, the notice of meeting shall clearly inform the shareholders of documents to be presented before attending the meeting, enclosed with a proxy form as stipulated by the Ministry of Commerce in a format allowing the shareholder to give his/her proxy direction in voting.

In 2007, the Bank provided the shareholders with an alternative by proposing the following persons: the Chairman of the Board of Directors, the independent director who is also the Chairman of the Audit Committee and the independent director who is also the Audit Committee member, for selection by as proxies the shareholders to attend and vote at the meeting as per their intent.

(5) Facilitation of Exercise of the Right to Attend Meetings: The Bank normally determines a date, time, and place of the meeting to be convenient for shareholders. For example, in 2007, the Bank scheduled the Annual General Meeting of Shareholders No. 95 to be held on Wednesday, 11 April 2007 at 14.00 hours at the Multi-purpose Conference Room located on the 9th floor of the Bank's Head Office Building (Rama III Road).

(6) Pre-registration for the Meeting: On the meeting date, the Bank arranges officers to greet and assist all shareholders to pre-register for the meeting at least two hours before the meeting time. Information on shareholders is stored in computers to make the registration process fast and accurate.

(7) Attendance of Directors and Executives: On the meeting date, participants in the meeting consist of shareholders whose names are listed on

the closing date of the share register for suspension of share transfer and their proxies. The Bank's directors and high-level executives also realize the importance of these meetings and have attended the previous two Annual General Meetings of Shareholders to listen to questions, opinions, and suggestions from the shareholders. Details of the attendance are summarized as follow:

	Meeting held in 2007	Meeting held in 2006
Chairman of the Board of Directors	Attended	Attended
President & Chief Executive Officer	Attended	Attended
Chairman of the Audit Committee	Attended	Attended
Chairman of the Risk Management Committee	Attended	Attended
Chairman of the Nomination & Remuneration Committee*	Attended	-

(*The Nomination & Remuneration Committee was appointed by the Board of Directors Meeting No.3/2007 on 21 February 2007.)

(8) Opportunities for Shareholders to Make Inquiries or Comments: During the shareholders meeting, the secretary to the Board of Directors shall announce the names of participating directors and voting rules to the shareholders for acknowledgement prior to consideration of the agenda. No agenda items other than those stated in the notice of meeting will be included for consideration in each meeting. The Chairman of the Meeting will also give all shareholders equal chance to freely examine the Bank's operations, ask questions, and provide suggestions and/or comments. The Chairman and

related executives shall answer all questions and listen to comments and suggestions made by the shareholders for further consideration and action as deemed appropriate.

(9) Independent Voting and Voting Ballots: The shareholders have the right to vote for or against any agenda item or abstain, as they deem appropriate. Appointing the Bank's directors requires a positive vote, a negative vote, or an abstaining vote for each individual director. In passing a resolution for each agenda item, if none of the shareholders has any objection or disagreement, or abstains from casting his/her vote, it shall be considered that the shareholders agree with the Bank's proposed matters. If any of the shareholders has an objection or disagreement or expresses intention to abstain from casting his/her vote, the Bank shall distribute a ballot paper to that particular shareholder.

To finalize the vote of the shareholders meeting, the Bank shall inform the shareholders meeting of the number of positive votes, negative votes, and abstaining votes. A majority vote shall be deemed as resolution. All votes are cast in a one share, one vote system.

(10) Distribution of quality minutes of meeting: The Bank ensures that the minutes of meeting include complete and correct information, namely: the list of names and positions of directors attending the meeting, the notice of voting and tally methods about which shareholders have been informed by the Bank prior to the meeting, records of proposed matters and information, details of the question-and-answer session and related resolutions, and the record of the numbers of votes for, against, and abstaining. The minutes of meeting are prepared for submission to relevant government authorities within the specified deadlines and can be viewed by all shareholders and related parties via the Bank's website: www.krungsri.com.

The above process for shareholders meetings demonstrates that the Bank focuses on the importance of the rights of shareholders, encourages

the shareholders to exercise their rights to attend meetings, and supports the equitable treatment of all shareholders as addressed earlier. As a result, the Office of the Securities and Exchange Commission gave the Bank 90.90 points, equivalent to an "Excellent" rating, in "the Results of the Evaluation of Arrangements for the 2007 Annual General Meeting of Shareholders".

1.3 Effective and Transparent Mergers

The following matters are evidence that the Bank does not put in place any anti-merger mechanisms as a shield for the management or executives in the case of ineffective and/or non-transparent performance.

(1) Shareholding Structure: After considering the shareholding structures of the Bank's related companies, it can be seen that there is neither cross-shareholding nor pyramid shareholding, either of which result in a complicated controlling structure and consequent difficulty in pursuing any merger.

(2) Shareholding of Directors: At the end of 2007, three directors (including their spouses) held a total of 295,547 shares out of the issued 5,747.7 million shares, representing only 0.005 percent of the total issue and paid-up shares.

Chapter 2: Equal Treatment of Shareholders

As the Bank's owners, all shareholders have equal rights in all respects. The Bank therefore has a corporate governance policy to ensure that all shareholders, whether executive shareholders, non-executive shareholders, or foreigners, are equally and fairly treated in accordance with the law, which includes the equal treatment of all shareholders in shareholders meetings, the proper use of internal information, of which other shareholders may not take advantage, and the requirement of directors and executives to disclose information on their interests to avoid any conflict of interest.

2.1 Shareholders Meeting Practice

(1) Shareholders' Entitlement to Nominate and Appoint Directors: The Bank is studying

the possibility and arranging for providing shareholders with an opportunity to nominate qualified individuals to a directorship of the Bank prior to submission of the notice of meeting.

(2) **Announcement of Meeting on the Website prior to Distribution of the Notice of Meeting:** The Bank shall announce details of the meeting on the Bank's website more than 21 days prior to the meeting date in order to notify the shareholders of the meeting's schedule and agenda in advance as soon as possible.

(3) **Distribution of the Notice of Meeting in Advance:** Although the Bank's Articles of Association requires the notice of meeting to be sent to the shareholders at least 7 days before the meeting date, the Bank will distribute the notice of meeting to the shareholders at least 10 days prior to the meeting.

(4) **Assistance to Shareholders Unable to Attend Meetings in Person:** The Bank shall enclose a proxy form as stipulated by the Ministry of Commerce with the notice of meeting, which provides instructions for grant of proxy and does not stipulate any requirements causing difficulty to the grant of proxy*. To encourage shareholders to exercise their rights, the Bank will send thank-you letters to the shareholders granting proxy and will inform them of the results of the meeting as soon as practicable.

(5) **Equal Voting Rights of Shareholders:** In this connection, the Bank's Articles of Association stipulates, "that one share equals one vote and in case of a tie, the chairman of the meeting shall have the casting vote".

2.2 Internal Information Control

To prevent the directors and relevant executives from insider securities trading or gaining advantages for themselves or others, the Bank has established a preventive policy on use of internal information and announced it to all employees, executives and directors. The Bank's business ethic forbids disclosure of confidential information of

the Bank and the exploitation of such information for the benefit of parties employed by or connected with the Bank without express prior permission from the Bank as per the details under the topic "Internal Information Control", page 101.

In the previous year, there is no incident indicating that a director or executive of the Bank used internal information for trading his/her securities.

2.3 Requirement of Disclosure of Directors and Management's Interest

In case any directors or executives of the Bank have an interest in the Bank's transactions, the Bank's policy requires such directors or executives to disclose information regarding their interest and that of any related persons for submission to the Board of Directors for determination of a conflict of interest and a decision that will be based on the overall benefit of the Bank. Those directors or executives who have an interest in the Bank's transactions are not authorized to participate in the approval of such transactions.

The Audit Committee is responsible for ensuring correct and complete disclosure of information that has a possibility of a conflict of interest.

2.4 Control of Related-Party Transactions

In case of a related-party transaction, the Bank shall fully disclose to the shareholders the names, relationship, pricing policy, and transaction value, including opinions in relation thereto given by the Board of Directors. In the past year, the Bank fully complied with the regulations on related-party transactions.

Chapter 3: Role of Stakeholders

While recognizing the importance of shareholders as stakeholders, the Bank also has a policy to give due care to the rights of other stakeholders, such as the Bank's employees,

* Free duty stamp is provided in case of non-affix by the shareholders.

its customers, related financial institutions, suppliers, and society, and to treat each group of stakeholders equally, transparently and in compliance with the laws and related regulations. This is in order to ensure cooperation between the Bank and its stakeholders to support the Bank's operations and stability. The Bank has published its Code of Business Ethics detailing the principle of good corporate governance and has distributed it to its employees and executives.

The Bank has established a contact center for its stakeholders. The center houses share register officers who provide services for shareholders who wish to make inquiries, file complaints, and exercise their rights; and investor relations officers who provide answers to shareholders' and investors' inquiries. Moreover, the Bank also disseminates information and news via its website: www.krungsri.com. Investors may contact Investor Relations Department at Tel. 0-2296-2989 or e-mail address : irgroup@krungsri.com

The Bank's treatment of each group of stakeholders is summarized below:

- **Shareholders:** The Bank ensures equal treatment, observes and respect shareholders rights, and makes management decisions based on conservative and efficient principles in order to ensure the ongoing growth of the Bank and to derive appropriate returns for the shareholders. The Bank actually and transparently discloses its financial performance and documents related to its financial statements to the shareholders and submits information to shareholders prior to the date of the shareholders meeting.

- **Employees:** The Bank provides sound fringe benefits, a provident fund and proper compensation to employees. It supports their career advancement and promotes and develops their ability and knowledge on a regular basis. Related details are included in the Human Resources section on page 23.

In November 2007, the Bank announced officially commencement of the Ombudsperson

program. It is a neutral and confidential channel for employees for raising their concerns about breach of the Bank's Integrity policy, breach of "Code of Conduct" or unfair treatment in the workplace.

- **Customers:** The Bank's customer policy is based on integrity and honesty. The Bank aims to maximize customer benefits by consistently providing customers with high quality products and services, to provide complete and fair disclosure of information and to always treat customers with respect.

- **Other banks or related financial institutions:** The Bank cooperates and exchanges information with related banks or financial institutions to facilitate business and to prevent any adverse impact on the commercial banking system. It supports actions or activities that promote understanding, competes with other commercial banks under specified rules and regulations and cooperates in the reduction of costs and expenses of the overall commercial banking and economic systems.

- **Suppliers:** The Bank cooperates in providing information that benefits the operations of its suppliers in order to ensure the Bank's business success, and treats its suppliers with integrity, honesty and fairness.

- **Society:** The Bank has a policy to cooperate with and support the policies and activities of the government sector or private sector, as may be deemed necessary, to ensure its business is in compliance with the law, and to avoid providing cooperation or support to illegal businesses or activities those that may have an adverse environmental impact. The Bank consistently encourages and cultivates community and social responsibility among its employees and executives at all levels. The Bank has appointed a Safety, Occupational Health and Environment Subcommittee to support sound environmental management.

Chapter 4: Disclosure and Transparency

4.1 Information Disclosure

The Bank has a policy to ensure that all the Bank's operations and administrative actions are transparent and auditable, and that information disclosed to investors and related parties is accurate, complete, and timely. In addition to the Bank's newsletters, information is also disseminated through other channels and media of the Stock Exchange of Thailand, such as the Annual Registration Statement (Form 56-1), the Annual Report (Form 56-2), and disclosure of information via the Bank's website: www.krungsri.com, which is updated on a regular basis.

Significant disclosure of the Bank's information includes financial statements and non-financial information in accordance with the requirements of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand, as well as other related information such as the corporate governance policy and compliance, the corporate social responsibility policy and compliance, the policy of payment of remuneration to directors, and information relating to the Bank's directors and their duties.

4.1.1 Financial Reports and Responsibility of the Board of Directors for the Financial Reports

The Board of Directors is responsible for the Bank's financial statements, the consolidated financial statements of the Bank and its subsidiaries, and all financial information appearing in the annual report. The Board of Directors shall ensure that such financial reports are prepared in accordance with generally accepted accounting principles and significant information is adequately disclosed in the notes to the financial statements, and that the financial reports are audited by a certified public accountant and examined by the Audit Committee. The Board of Directors also provides a report on the Board of Director's responsibilities for the financial reports with details on page 108

Clarifications on the financial position and operating results, competitive conditions, and risks

of the Bank's ongoing operations are disclosed under section of "Financial and Operating result Discussion and Analysis", "Operating Environment" and "Risk Management" on page 43, 12 and 34 respectively. An independent and reliable auditor appointed by the Bank certified the financial statements of the Bank with an unqualified audit opinion.

In previous years, the Bank has submitted its financial statements within the given deadline and it has never been instructed by the Office of the Securities and Exchange Commission to adjust its financial statements.

4.1.2 Shareholding Structure

The shareholding structure was disclosed under the topic "Shareholding and Management Structures" on page 57.

4.1.3 Corporate Governance Policy and Compliance

The Bank has prepared a written corporate governance policy approved by the Board of Directors. It is determined to operate its business in accordance with the principles of good corporate governance; to support transparent, efficient, and effective management and administration; to benefit and build confidence in all stakeholders; and to ensure common understanding and a standardized code of practice. The Human Resources Management Department is responsible for organizing training regarding corporate governance, clarifying and disseminating a book of the Bank's principles of good corporate governance to employees for their awareness and compliance, as well as monitoring performance results for further evaluation and improvement to meet ongoing changes in circumstances. The Bank's principles of corporate governance are also made available at www.krungsri.com.

4.1.4 Corporate Social Responsibility Policy and Compliance

The Bank's corporate social responsibility policy puts emphasis on practices that are in accordance with legislation, moral principles, and good governance and provides no support to activities

that contravene laws or morality or activities that have negative impacts on society or the environment. At the same time, the Bank is committed to continuously engaging in social responsibility activities as well as encouraging and fostering consciousness of social responsibility among its staff at all levels by providing opportunities for them to take part in the activities that provide benefits to society. In 2007 the Bank conducted a number of socially and environmentally responsible projects. Details are shown in Corporate Social Responsibility” section on page 104.

4.1.5 Policy of Payment of Remuneration to Directors and Executives

To reflect the duties and responsibilities of each director and high-level executive, the Bank discloses its policy of payment of remuneration to directors and executives, including the remuneration paid to each person, under the topic “Remuneration of Directors and Executives” on page 83.

4.1.6 Information on Directors and Duties of the Board of Directors

The Bank discloses the names of directors, independent directors and Committee members, including the profile of each director, information on the shareholdings of directors and executives, and information on the roles, duties, and performance of duties by the Board of Directors and the Committees in the previous year under the topic “Shareholding and Management Structures” on page 57. This is to promote understanding among shareholders of the experience, knowledge, and capability of each director in support of the Bank’s business operations.

4.1.7 Related-Party Transactions

The Bank discloses details of related-party transactions under the topic of “Related Party Transactions” on page 103.

4.1.8 Other Information

The Bank distributes information with regard to the nature of business operations, financial statements, newsletters, shareholding structure, organization structure, Business Group structure, and the annual report, in a downloadable format,

together with notice of shareholders meetings and the minutes of shareholders meetings both in Thai and English.

4.2 Relations with Investors and Related Parties

The Bank has always emphasized on building confidence and good relationship with both domestic and international investors, analysts, fund managers, credit rating agencies and other relevant parties based upon equality and fairness. In this regard, Investor Relations Department is responsible for updating and providing the Bank’s information with regard to its business and progress on operation which includes financial performance and competitive environment in the banking industry. Moreover, Investor Relations Department not only organizes analyst briefing and press conference on a regular basis in order to update the Bank’s financial results, it also arranges the one-on-one meetings, domestic and international road shows in which the Bank’s management can accommodate all the investors’ inquiries and concerns to ensure their accurate understanding of the Bank’s business and the future plans and strategies. The Bank frequently disseminates and updates the financial information as well as the general information that is of investors’ and public’s interest on the Bank’s website, following with immediate responds to any investors’ further inquiries through telephone calls and emails.

In 2007, the Bank’s executives and Investor Relations officers participated in various activities in meeting with analysts and investors as follows:

Activity	Frequency	No. of Attendee
Press conference	4	Apprx. 45 each
Analyst briefing	4	Apprx. 50 each
One-on-one meeting	202	411
Meeting with Credit Rating Agencies	6	5 agencies
Activity	Frequency	No. of Country
Road show	4	4

Investor Relations Department of the Bank can be contacted at telephone no. 0-2296-2989, the website: www.krungsri.com or e-mail address : irgroup@krungsri.com.

Chapter 5: Responsibilities of the Board

5.1 Board Structure and Committees

The Bank's board structure consists of five bodies, i.e., the Board of Directors and four Committees appointed by the Board of Directors to assist in overseeing the Bank's businesses, namely,

- (1) The Board of Directors
- (2) The Executive Committee
- (3) The Audit Committee
- (4) The Risk Management Committee
- (5) The Nomination and Remuneration Committee

The composition, membership qualifications, term of office, authorities ,duties and responsibilities, along with the names of the committee members and meeting conditions are explained in Committee Structure section on page 59.

5.2 Vision of the Board of Directors and Its Independence from Management

The Bank is fully aware that, to ensure efficiency in developing business policies and strategies, it is necessary for the Bank to select the right candidates with excellent knowledge and skills as well as extensive work experience in the field of financial institutions to serve as directors of the Bank. Also, to foster the independence of decisions of the Board of Directors from the management, the majority, approximately two-thirds of the directors are outsiders. Furthermore, accurate, proper and timely information is also provided in order to allow them to be truly independent in their decisions.

5.3 Roles, Duties and Responsibilities of the Board of Directors

The scope of authority of the Board of Directors is as in Committee Structure topic on page

59. Such authority can be summarized as that the Board of Directors has roles and responsibilities which are clearly separated from those of the management, with different persons assuming the positions of Chairman of the Board of Directors and of President and Chief Executive Officer. The Board of Directors is assigned the role of monitoring and ensuring compliance of the management to the rules and regulations of the Bank and developing the strategic direction and strategies for the future as well as approving the business plan and setting standards for supervising the Bank's operations as detailed below.

5.3.1 Defining Vision and Mission, Strategy, Operational Policy and Approving or Reviewing Operational Plans as well as Appointing Committees to Oversee the Bank's Operations

- Vision and Mission: The Board of Directors plays an important role in defining the Bank's vision and mission to enable the Bank's executives and employees to be in alignment with the Bank's strategic direction. The Bank's vision and mission have been developed, printed and distributed to all executives and employees as part of the Bank's good corporate governance principles.

- Business Policy and Strategy: Another important role of the Board of Directors is to develop the Bank's business policy and strategy to ensure business growth and stability. The Board of Directors, therefore, determines the Bank's overall strategic direction and goals and sets the growth targets, business policy and plans for its operations, which also includes the review and adjustment of such plans on a regular basis in order to ensure achievement of the desired goals.

- Appointment of Committees: The appointment of Committees comprising qualified and knowledgeable persons to ensure that the policy which has been developed is well executed constitutes another important responsibility of the Board of Directors. The four appointed Committees are:



- (1) Executive Committee
- (2) Audit Committee
- (3) Risk Management Committee
- (4) Nomination and Remuneration Committee

Each Committee has the authority, duties, and responsibilities as specified by the Bank's Articles of Association or as assigned by the Board of Directors in order to monitor and control or to endorse important matters related to the Bank's operations such as the Bank's mission and vision, business strategy, and budget. The objectives of these Committees are to ensure that the operations of the Bank are effective and efficient in accordance with policies and plans.

5.3.2 Ensuring that Operations are in line with Goals and Comply with Rules and Regulations

Besides defining strategies and setting up operational policies for management, the Board of Directors is also responsible for ensuring that the management complies with the law and with the Bank's policies, in an efficient and effective manner, in order to protect the interests of the Bank, its shareholders and stakeholders. To this effect, the Board of Directors is responsible for ensuring that sufficient information is reported by the

management to allow the Board of Directors to know the status of the Bank's operations as well as all environmental matters which may affect the Bank. This is to enable the Board of Directors to take appropriate actions, make the necessary adjustments, and effectively fulfill its roles and responsibilities.

To allow the Board of Directors to monitor the Bank's operations efficiently, it is stipulated in the regulations of the Nomination and Remuneration Committee that the said Committee shall be responsible for setting the guidelines for the assessment and performance evaluation of the Bank's top executive officers consisting of the President & Chief Executive Officer, the Chief Officers/Heads, Deputy Chief Officers of the various core functions, as well as the First Executive Vice Presidents and the Executive Vice Presidents in order to determine their annual bonuses.

5.3.3 Establishing Standards for Corporate Governance

In conducting the Bank's business, although there are rules and regulations for monitoring operations, the Board of Directors considers it to be a priority to also set standards to ensure security and enhance stability for the organization. In addition to the promotion

of the code of ethics and business ethics to be observed by employees and executives, effort is also made to ensure good structures and systems such as for the prevention of conflict of interest, internal audit control and risk management as well as the development of operating manuals to control operations and a written policy of good corporate governance, details of all of which are given below.

(1) Business Ethics: The Bank has compiled and published a code of business ethics and a Code of Conduct and ethical behavior for employees in which guidelines as to behavior towards stakeholders is defined. These documents have been circulated to all directors, executives, and employees to serve them as guidelines in the conduct of the Bank's business with honesty and integrity. To ensure compliance with these principles, training is provided and close observation exercised.

In 2007, training on "Compliance" was provided by the Compliance Department of the Bank to all employees. A document on "My Personal Commitment to Bank of Ayudhya's Compliance Policy" was also developed to inform all employees of the Bank's policy of integrity, of its intent to ensure that this policy is complied with, and of GE's provisions on such commitments which shall serve as a model for the Bank in developing its policy of integrity. All employees were thus required to confirm their understanding related to all commitments such as incorrect payments, prevention of money laundering, personal information, legal practices relating to commercial competition, health and security environment matters, conflict of interest, financial control, insider trading and activities, and the provision of share information, etc.

(2) Prevention of Conflicts of Interest: The Board of Directors and the management also give priority and care to the prevention of conflicts of interest. For example, in considering any matter in Board of Directors meetings which could give rise to a conflict of interest for any director, such director would refrain from considering and abstain from

voting on such an issue. The name of the member who has abstained from voting and his/her reasons for abstaining are then recorded to comply with the Notification of the Stock Exchange of Thailand's Board of Governors, Re: Information Disclosure and Practice of Listed Companies With Regard to Related Party Transactions (No.2) B.E. 2547 (2004) dated 21 July 2004 and the Notification, Re: Information Disclosure and Practice of Listed Companies With Regard to Acquisition or Sale of Assets of B.E. 2547 (2004) dated 29 October 2004 which, as a listed company, the Bank has duly included in its regulations.

The Audit Committee is responsible for verifying the completeness and accuracy of information disclosure regarding conflict of interest.

Also, whenever there is a change in the Bank's registered share ownership as a result of the acquisition or sale of such securities by any director or executive (as defined by the Securities Exchange Commission), the director or executive is required to file a related report to the Securities and Exchange Commission as well as to inform the Board of Directors meeting of such a change.

(3) Internal Audit and Control System: Emphasis is also placed by the Bank on internal audit and control through the following mechanisms:

- Internal control system: The duties and responsibilities of every position are clearly spelled out in writing. There is also a system for monitoring to ensure the effective use of the Bank's assets. Also, there is a clear division between the duties of operating employees and those responsible for monitoring and evaluating such operations in order to create an appropriate system of checks and balances. Furthermore, the Bank has put in place financial control a system by which financial reports are regularly submitted to relevant executives.

- Internal audit system: The Bank has an internal audit team to ensure the auditing of the operations of all departments and an independent IT team to provide IT audit and control evaluation.

Together, these two audit functions create a system of checks and balances which ensures that the Bank's operations and activities effectively comply with the set guidelines. All such audit reports are directly submitted to and are evaluated by the Audit Committee.

- The Bank also has a Legal and Compliance Group which is responsible for ensuring compliance to all laws and regulations pertaining to the commercial banking business.

(4) Risk Management System: The Bank considers risk management to be of paramount importance and has, therefore, set up a system to reduce any loss which may occur by establishing a Risk Management Committee, responsible for specifying the scope and policy of the Bank's risk management, as well as a Risk Management Department to perform the duty of developing such the risk management function to ensure effective management of the Bank's risks as well as to prepare reports on risk management for submission to the Risk Management Committee.

The Risk Management Committee has the duty and responsibility to formulate the integrated risk management policy of the Bank, covering all major risks according to the risk-based approach supervision guidelines of the Bank of Thailand. Risks include strategic risks, credit risks, market risks, liquidity risks, operational risks and legal risks as well as other risks that might negatively affect the Bank's reputation.

In addition, the Risk Management Committee has the duty to formulate a strategy in line with the Bank's integrated risk management policy so as to be able to assess, monitor, and control risk to ensure that the overall risk volume of the Bank is at a reasonable level.

To this effect, the Risk Management Committee has to review the adequacy of the risk management policy, the risk management system, and the effectiveness of the said system, as well as to ensure compliance with the policy on a continuous

basis in order to enhance the Bank's integrated risk management to ensure prudence and care as well as efficiency.

(5) Operating Manuals: The Board of Directors has encouraged the management to develop operating manuals. The management, through the Operation Regulation Department has, therefore, developed operating manuals and announced that they be used as operating regulations. The Operational Regulation Department is in charge of ensuring that all concerned units adhere to the manuals and regulations and that the regulations are revised to reflect changed or evolving conditions.

(6) Corporate Governance Policy: The Bank has published its corporate governance policy, covering the following:

- Good Corporate Governance Principles
- Vision and Mission
- Structure of the Compliance Committee
- Qualifications, composition, and duties and responsibilities of the Board of Directors and the committees
- Systems of internal control and audit
- Shareholder rights and equal treatment of shareholders
- Investor relations
- The Bank's Code of Business Ethics
- Code of Ethics and Code of Conduct of employees
- Behavior in accordance with the code of ethics and the code of conduct of employees

This corporate governance policy has been approved by the Board of Directors and the Human Resources Management Department is responsible for providing training and distributing booklets related thereto to ensure that employees are informed of and abide by these principles. The Department also monitors how the principles are put into practice so as to be able to evaluate them and revise them as necessary. Furthermore, the Bank's good corporate governance principles are posted on the website: www.krungsri.com.

The Board of Directors reviews compliance with the principles of corporate governance on an annual basis, and takes corrective action to make the operations of the Bank congruent with the principles in a way that produces greater benefits for all stakeholders.

In addition, to ensure that the business of the Bank is in accordance with the principles of good corporate governance, the Bank has appointed Compliance Committee to assist the Executive Committee in determining and reviewing the principles of good corporate governance as well as to ensure that the Bank's business undertakings and work execution of the executives and employees are in accordance with its good corporate governance principles and in alignment with the legal and policy prescriptions of the government or regulatory authorities concerned, thus enhancing the confidence of shareholders and investors and communicating to all those concerned about the Bank's operational guidelines which are based on good corporate governance principle standards.

5.4 Board of Directors Meetings

(1) Meeting Attendance: To enable the Board of Directors and the Committees to consider relevant matters under their responsibility and to monitor the management's performance in a continuous and timely manner, the Board and the various Committees hold regular meetings as well as additional meetings as deemed necessary. For the Board of Directors, it is stated in the Bank's Articles of Association that the Board shall meet at least once every 3 months but previously more meetings were held by which the Board of Directors meetings were scheduled once a month, on the Wednesday of the fourth week of each month.

During 2007, the Bank held 15 meetings of the Board of Directors. As for the Committees, in 2007 the Executive Committee met 12 times, the Audit Committee 11 times, the Risk Management Committee 5 times, and the Nomination and Remuneration Committee 10 times.

Normally, meetings are attended by all

members of the Board and the Committees except in the case where any of the members cannot attend due to major reasons such as a meeting with related government authorities or a business trip abroad.

The dates of the Board of Directors meetings are fixed in advance to ensure scheduling convenience for its members and the Bank's Articles of Association stipulate that an invitation letter be sent to all the directors not less than 7 days before the date of the meeting.

(2) Consideration of Proposed Agenda: The Secretary to the Board of Directors collects all matters sent by the various departments for submission to the Board of Directors meetings for information, consideration, and agreement or approval and submits them for the consideration of the Chairman of the Board of Directors through the President & Chief Executive Officer in order that all agenda and relevant documents for each agenda item be sent to all the directors for consideration prior to the day of the meeting.

(3) Meeting Documents: The Meeting agenda and the relevant documents for each agenda item are sent to all the directors at least 7 days prior to the meeting date.

(4) Board Meeting Procedure: Each Board meeting takes an average of 3 hours. However, the meeting may be shorter or longer, depending on the number of agenda items and the simplicity or difficulty of the matters submitted to the consideration of the Board.

The Chairman allows all directors to freely ask questions, propose recommendations and extensively discuss important matters to enable consideration of such matters to be made carefully. At the same time, questions, recommendations, answers, and resolutions are recorded in the minutes of the meeting so that they may be checked and follow up if necessary. If any director has any interest in any matter, he/she will not take part in the consideration and will abstain from voting on the matter and such a case will be recorded in the relevant resolution.

(5) Invitation for the Management to Attend

the Meeting: All Board of Directors meetings are attended by members of the Executive Committee and the management to provide explanations, and answer questions and enquiries on the matters presented.

(6) Access to Information: Supplementary documents for the consideration of the Board of Directors or information to be announced according to the guidelines of the Stock Exchange of Thailand, such as operating performance reports or financial statements, work plans, policies, goals, and major projects, are to be submitted to the Board of Directors for information or approval prior to all notifications. In this connection, the Board of Directors may request additional information from the management for its consideration and the executives directly responsible for the matter will participate in the Board of Directors meeting in order to provide clarifying details and answer all questions raised by the Board.

5.5 Annual Performance Evaluation of Directors

According to the regulations relating to the Nomination and Remuneration Committee, the said Committee is responsible for setting guidelines for the assessment and performance evaluation of Directors and of high-level executives in order to determine their annual remuneration. Such guidelines are to take into consideration their duties and responsibilities as well as the risks they have to assume. The long-term added-value to shareholders' equity is also an important factor to be taken into consideration.

5.6 Remuneration Given to Directors and Executive Officers

- Remuneration for Directors: The Bank has clear and transparent policies on remuneration for directors in that such remuneration shall be in line with the industry standards and will be approved at the shareholders meeting. Directors appointed to the Audit or the Nomination and Remuneration Committee Members shall receive additional remuneration, reflecting the additional amount of work assigned.

- Remuneration for Executives: Remuneration for executives is in accordance with the principles and policies set by the Board of Directors and is related to the operational results of the Bank as well as the individual performance of each executive.

- Total Remuneration Paid in 2007: In 2007, the Bank remunerated the directors and executives according to details mentioned in "Remuneration of Directors and Executives on page 83.

5.7 Development of Directors and Executives

5.7.1 Knowledge and Understanding of Job Responsibility

The Bank is aware of the importance of the Board of Directors in ensuring that the rights of all stakeholders are taken care of in a correct and fair manner to gain the confidence of all people concerned and enhance the Bank's long-term growth. The Bank has, therefore, selected people with good knowledge and skills as well as work experience in the field of financial institutions to perform the duties of members of its Board of Directors which consist of overseeing the management's compliance with rules and regulations, approving business plans, setting standards for supervision of operations, and providing the business direction and strategic plans for the future.

For directors who are assuming these duties for the first time, the Bank prepares and provides all relevant documents and information for them and also provides a briefing on the Bank's business. In the briefing of new directors in 2007, the new directors were given the following manuals and documents:

(1) Memorandum and Articles of Association of the Bank

- The Bank's principles of good corporate governance

- Annual Registration Statement (Form 56-1) and Annual Report (Form 56-2)

(2) Good corporate governance for commercial bank directors and the manual for financial institution directors

(3) Principles of good corporate governance for listed companies and the manual for listed company directors

In order to promote good corporate governance, the Bank has become a member of the Thai Institute of Directors Association, membership no. JM 0089, represented by 7 directors as follows:

- (1) Mr. Thipsamat Na Chiengmai
- (2) Mr. Yongyuth Withyawongsaruchi
- (3) Mr. Virat Phairatphiboon
- (4) Mr. Surachai Prukbamrung
- (5) Mr. Pongpinit Tejagupta
- (6) Mr. Tan Kong Khoon
- (7) Mrs. Janice Rae Van Ekeren

In addition, the Bank has 2 more directors, Mr. Pornsanong Tuchinda and Mr. Chet Raktakanishta who are members of the Thai Institute of Directors Association representing other companies.

5.7.2 Succession Plan and Executive Development

To prepare our executives, the Bank has developed a succession plan and a specific training & development plan for each officer by considering executives and officers with outstanding performance and potential who can be developed to assume higher positions in each department. A career plan is then developed for those selected executives and officers based on a needs analysis. Moreover, a development plan has been formulated to encourage Bank employees to gain greater knowledge and skills based on the concept of Competency-Based Management. Training courses are provided by the Bank based on this development plan. Monitoring by way of a development evaluation allows the Bank to provide recognition by way of promotions to higher levels of responsibility.

In 2007, the Bank promoted 23 executives to the level of Vice-President and 6 executives to the level of Senior Vice-President.

It is to be noted that the Bank's Notification No. PorKor.4/2550 dated 2 July 2007, Re. Regulations relating to the Nomination and Remuneration Committee, specifies that the said Committee is responsible for

developing a succession plan for the position of President & Chief Executive Officer and for approving the succession plans for all of the Bank's chief officers.

5.7.3 Training and Knowledge Development

The Bank encourages directors, executives, and employees to attend seminars and workshops in order to acquire knowledge and skills to better serve the Bank's stakeholders in accordance with its good corporate governance policy.

Courses and seminars of the Thai Institute of Directors Association which the Bank's directors and executives have attended are listed below.

List of the Bank's Directors who attended Training Course of IOD

Directors	Topics/Training Courses
1. Mrs. Janice Rae Van Ekeren	• Directors Certification Program (English) • Directors Examination Program – Diploma
2. Mr. Chet Raktakanishta	• Directors Certification Program (DCP) • Financial for Non-Finance Director (FN) • Audit Committee Program (ACP) • Director Financial • DCP Refresher Course (Class 3/2006)
3. Mr. Surachai Prukbamroong	• Chairman 2000 • Directors Accreditation Program (DAP) • Board Performance Evaluation
4. Mr. Thipsamat Na Chiengmai	• Directors Accreditation Program (DAP) • Directors Certification Program (DCP)
5. Mr. Virat Phairatphiboon	• Directors Certification Program (DCP) • Audit Committee Program (ACP)
6. Mr. Yongyuth Withyawongsaruchi	• Directors Certification Program (DCP) • Audit Committee Program (ACP) • Board Performance Evaluation • Setting the CEO Performance Plan and Evaluation
7. Mr. Pornsanong Tuchinda	• Directors Accreditation Program (DAP)

List of the Bank's Executives who has attended Training Course of IOD

Executives	Topics/Training Courses/Seminars
1. Mr. Virojn Srethapramotaya (Head of Corporate Banking)	• Directors Accreditation Program (DAP) • Directors Certification Program (DCP) • Directors Diploma Examination (Fellow Member)
2. Mr. Amornsuk Noparumpa (Senior Legal Advisor)	• Directors Certification Program (DCP)
3. Miss Phawana Niemloy (General Counsel)	• Directors Certification Program (DCP) • Financial for Non-Finance Director (FN)
4. Miss Nopporn Tirawattanagool (Deputy Chief Financial Officer)	• Directors Accreditation Program (DAP)
5. Mr. Nuttawit Boonyawat (First Executive Vice President)	• Directors Accreditation Program (DAP)
6. Mr. Nanthasit Leksrisakul (Executive Vice President)	• Directors Certification Program (DCP)
7. Miss Jiraporn Popairoj (Senior Vice President and Manager, Accounting Department)	• Directors Certification Program (DCP)
8. Mr. Suwat Suksongkroh (Secretary to the Board of Directors)	• Directors Certification Program (DCP) • Company Secretary Program (CSP 1/2002) • DCP Refresher Course (Class 2/2006)

Internal Information Control

In order to promote compliance with the principles of good corporate governance, the Bank has a policy to ensure that all departments have an appropriate system of inside information maintenance and control as well as a policy relating to the supervision of directors and executives in the use of insider information to prevent security trading or other actions giving rise to unfair advantages for themselves or others. To this effect, directors and executives are bound by Section 59 of the Securities and Exchange Act B.E. 2535 (1992) and is required

to report their holdings of the Bank's shares to the Office of the Securities and Exchange Commission within the prescribed period as well as informing the Board of Directors of the matter.

Furthermore, the Bank also has a policy to consider as a guideline of the Bank's business code of conduct that, apart from complying to legal prescriptions, all directors, executives and employees shall strictly adhere to the internal code of conduct not to reveal any secret information of the Bank or of clients and not to use insider information for their own advantage or the advantage of others.

Any violation thereto is deemed as disciplinary misconduct liable to the imposition of disciplinary action as appropriate as follows:

- (1) Verbal warning
- (2) Written warning
- (3) Probation

(4) Cessation of employment and end of employee status by way of dismissal, termination of employment, or request to resign as the case may be.

Internal Control

The Bank of Ayudhya Public Company Limited evaluated the adequacy of the Bank's internal control mechanisms in the following areas: organizational and environmental management, risk management, inspection and control over executives' operations, and information technology and communications, including monitoring systems. The Board determined that existing control procedures and mechanisms were adequate and conform to official guidelines set down by the Securities and Exchange Commission. This determination was made at the Board of Directors meeting (1/2008) held on January 23, 2008, which was jointly attended by an independent committee and members of the Audit Committee.

In its dealings with related parties, for example major shareholders, directors, executive officers, and other interested parties, the Bank complies with the Commercial Banking Act and laws pertaining to securities and securities exchange. These laws prevent the parties from making unauthorized or irregular use of the Bank's assets. The report of Audit Committee confirms the dealings of the above parties have been in line with the Bank's regular operations.

The Bank appointed Deloitte Touche Tohmatsu Jaiyos Audit Company Limited to audit the Bank's financial statements for 2007 and to issue an unqualified audit report. A complete examination of the Bank's internal accounting system was conducted within the necessary parameters and in accordance with generally accepted accounting standards.

The auditors found no reason to believe that the financial statements contained any inaccuracies or failed to comply with generally accepted principles of accounting.

The Bank has also disclosed the report of Audit Committee on page 109.

Related Party Transactions

The Bank disclosed information regarding related party transactions under section 4.23 of notes to the consolidated financial statements and the Bank's financial statements for the year ended December 31, 2007.

The Bank has business transactions with subsidiary, associated, and related companies, which are companies that have shareholding in and/or major shareholders and/or joint directors in common with the Bank. Such related transactions are part of the normal business of the Bank and are subject to the same conditions as other customers. Fees are charged at market rates. With regard to the Bank's policy of providing allowance for doubtful accounts, the Bank has complied with the same Bank of Thailand regulations as applied to other debtors.

(1) Major related party transactions

As of December 31, 2007, the Bank's loan to subsidiaries and associated companies were Ayudhya Asset Management Company Limited Baht 19,053 million, Ayudhya Capital Lease Company Limited Baht 17,300 million, Ayudhya Auto Lease Public Company Limited Baht 7,170 million and Krungsriayudhya Card Company Limited Baht 3,000 million.

As of December 26, 2007, approval to purchase shares of GE Capital Auto Lease Public Company Limited from General Electric Capital Asia Investments, Inc. ("GECAI") was granted by the Bank of Thailand and the Bank executed the Share Sale Agreement with GECAI in the amount of Baht 16,180 million on January 31, 2008, and the transaction was finalized on February 14, 2008.

(2) Necessity and justification for the transactions

These related party transactions were necessary and justified in order to obtain maximum

benefits for the Bank. Loans and commitments to certain officers from the level of departmental chief upward and related firms with shareholders or directors in common with the Bank are considered as part of the normal business of the Bank.

(3) Approval process for related party transactions

All of the Bank's related party transactions on loans are part of its normal business and, as such, are subject to the Bank's normal loan approval procedures. Loan applications are screened by the appropriate panel or panels, based on the amount of credit requested. Executives with a stake in the transaction in question are strictly excluded from the approval process.

The Bank's other significant related party transactions are approved by Financial Management Committee and the Audit Committee to ensure that they are necessary and justified in order to obtain maximum benefits for the Bank.

(4) Policies for and likelihood of related party transactions

The Bank's policies and prospects for related party transactions in the future will remain unchanged from the previous years. Such transactions will continue to be considered as part of the Bank's normal business and will be charged at current market rates.

The Bank's corporate social responsibility (CSR) policy puts emphasis on practices that are in accordance with legislation, moral principles, and good governance and provides no support to activities that contravene laws or morality or activities that have negative impacts on society or the environment. At the same time, the Bank is committed to continuously engaging in social responsibility activities as well as encouraging and fostering consciousness of social responsibility among its staff at all levels by providing opportunities for them to take part in the activities providing benefit to society.

The major forms of the Bank's social contribution include financial support to the social activities of charitable organizations, the government, and the private sector, donations for charity, and its own initiative CSR project. Bank of Ayudhya and its partners also conducted charitable social activities and encouraged staff to participate. In 2007, the Bank's important social activities were as follows:

1. Commemoration of His Majesty the King's 80th Birthday on 5th December 2007

- The Bank provided sponsorship to the Rajaprajanugroh Foundation under Royal Patronage to establish the Bank of Ayudhya education fund. Earning from the fund will be used to support the education of students at Rajaprajanugroh Schools nationwide.

- The Bank supported the Habitat for Humanity (Thailand) in its "880 Houses for His Majesty the King's 80th Birthday" Project by providing



funds for the construction of 10 houses at Tambon Chueng Doi, Amphur Doi Saket, Chiang Mai to provide a better and sustainable quality of life for the community.

- The Bank supported the establishment of facility procurement for the Disabled Students Service Center of Thammasat University to create educational opportunities and greater equality for disabled students, and to encourage the learning and development of the educational potentiality of disabled students according to their willingness and skills. The Disabled Students



Service Center has provided learning resources and facilities including computers with special programs and a Braille machine for Braille textbook production for disabled students.

- The Bank supported the publication of an image book of the 60th anniversary celebration of His Majesty's accession to the throne and presented copies of the books to 954 government sectors, educational institutions, and libraries across the nation. The image book of the 60th anniversary celebration of His Majesty's accession to the throne is a valuable book that contains a collection of historical pictures from the ancient traditional ceremony of his accession to the throne, photographs of His Majesty performing his royal duties, photos and biographies of royal guests from 25 countries who attended the celebration of His Majesty's 60th accession to the throne, and pictures of the commemorative arch of the Bank built to commemorate this auspicious occasion.

- The Bank supported the Elephant Reintroduction Foundation's project in returning 81 domesticated elephants to their natural environment under H.M. Queen Sirikit's patronage at Sub Lang Ka Wildlife Sanctuary Area, Lopburi.

- The Bank supported the painting and the publication of the Life of the Lord Buddha at Praram Kao (Rama 9) Temple. The activity was organized with the intention to provide understanding of the principles of Buddhism and the life of the Buddha, emphasizing his efforts in doing good deeds and performing meritorious acts until he reached enlightenment and founded Buddhism. The Bank will donate the books to the libraries of educational institutions nationwide.

- With co-operation of Siam City Cement Public Company Limited, the Bank redecorated a commemorative arch to celebrate His Majesty the King's 80th Birthday. The arch showed pictures of H.M. the King on his royal duties and his royal projects to express loyalty and recognition of his royal benevolence to the Thai people. The commemorative arch was constructed along Rajdumnern Klang Road.



2. Youth and Education Support Activities

- The Bank has given educational scholarships to the young people of Mahamek Home for Boys for 23 consecutive years in order to provide educational opportunities to underprivileged children by offering 15 scholarships to students with good academic performance at the primary and secondary level, and continuing scholarships to undergraduate students from first year to fourth year. To date, 264 students from Mahamek Home for Boys have received scholarships from the Bank.

- The Bank granted sponsorship to support the Dr. Sax Chamber Orchestra from the College of Music, Mahidol University in taking Thai children to perform in Germany and Switzerland. The activity provided the opportunity for youth with musical talent to perform on a world-class stage. The Dr. Sax Chamber Orchestra won the first prize from the International Youth Chamber Music Competition 2005 in Switzerland.



- The Bank supported the “Por Piang Pue Phor” (Sufficiency for Father), a project of Foundation for a Clean and Transparent Thailand. It aims to foster virtue and consciousness in developing oneself, the community, and the nation under the Sufficiency principle among children, youth, and government officers in educational institutions under the Ministry of Education, schools in His Majesty’s royal projects, welfare schools, and schools in Bangkok.

3. Environmental Conservation Activities

- The Bank supported a reforestation project to commemorate the 50th anniversary of His Majesty the King’s accession to the throne. The Bank provided financial support to the Rajpruek Foundation to replant 6,744 rai of degraded land in the National Reserve Forest area, Pa Lam Nam Nan, Ban Nam Ta, Ban Nam Lee, Tambon Nam Mun, Amphur Ta Pla, Utaradit. The project started in 2005 and the first phase of reforestation for 1,686 rai was completed in 2007. It was presented to the National Park for further preservation.

- The Bank supported the project “1 degree: the power to reduce the global warming crisis” of the Nation Multimedia Group Public Company Limited to promote effective use of energy and the use of alternative energy to reduce consumption of natural resources and damage to the environment.

4. Art and Culture Preservation Activities

- The Bank sponsored a TV program “Jod-mai-hade Krungsri” (Krungsri Archives) on Channel 7 to publicize historical and cultural stories. The sponsorship has continued for 22 consecutive years.

5. Staff Voluntary Activities

- The Bank has organized quarterly blood donations for the National Blood Center of the Thai Red Cross for over 20 consecutive years to encourage the Bank’s staff to sacrifice for the public. In the past year, 1,455 units of blood were received from the Bank’s staff.

- The Bank organized a staff voluntary program to build houses for underprivileged people under the project “La-hu (a hilltribe)...towards a better life” at Tambon Chueng Doi, Amphur Doi-Saket, Chiangmai. Over 100 Bank staff and journalists volunteered to build houses for the La-hu with support from Habitat for Humanity. The staff were proud of being a part of an initiative to help better the La-hu’s quality of life. The activity is intended to promote sacrifice for society by the Bank’s staff.

- The Bank organized a project called “Tharn Namjai of BAY staff” to raise funds from the Bank employees to help people affected by cold temperature at Moo Ban Khun Puay, Tam Bon Mae Win, Amphur Mae Wang, Chiangmai.



△Report of the Board of Directors' Responsibility for Financial Reporting

The Board of Directors is responsible for the Bank's financial statements, the consolidated financial statements of the Bank and its subsidiaries, and all financial information appearing in the annual report. These financial statements have been prepared in accordance with generally accepted accounting standards. The Bank has chosen appropriate accounting policies applied on a conservative and consistent basis, using the best estimations where necessary, and adequate disclosures have been made in the notes to the financial statements. These financial statements have been audited by independent auditors who have given their unqualified opinions. The financial statements reflect the actual financial standing and operating results of the Bank and its subsidiaries, thus being useful to all shareholders and investors.

The Board of Directors has also adopted and maintains appropriate and effective systems of risk management and internal control so that we can be reasonably assured that accounting records are accurate, complete and adequate to maintain the assets of the Bank and these controls also identify weaknesses requiring preventive measures against fraud or other significant irregularities in the operations of the Bank.

In this regard, the Board of Directors has appointed an Audit Committee, consisting of three (3) independent members, to be responsible for the quality of financial reporting and internal control mechanisms. The opinion of the Audit Committee with regard to these matters appears in the Report of the Audit Committee.

The Board of Directors is of the opinion that the Bank's internal controls are satisfactory and allow for reasonable confidence in the reliability of the Bank's financial statements and the consolidated financial statements of the Bank and its subsidiaries as of December 31, 2007.



(Mr. Tan Kong Khoon)
President & Chief Executive Officer



(Mr. Pongpinit Tajagupta)
Director

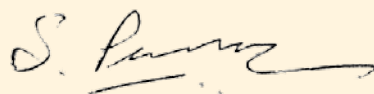
Report of the Audit Committee

To The shareholders,
Bank of Ayudhya Public Company Limited

The Audit Committee has performed its task by adhering to the principles of independence to review the Bank's financial statements, consider and nominate the Bank's auditors and propose auditing fees, provide recommendations for internal control, prevent conflicts of interest, and to supervise the Bank's business operations in compliance with all pertinent laws and regulations as well as the principles of Good Corporate Governance.

In 2007, the Audit Committee called a total of eleven meetings with the auditors, internal auditor, and executive officers of the Bank's related departments. The actions of the Audit Committee in these meetings can be summarized as follows:

1. Approved the annual plan of the internal auditor and the development plan for audit systems in compliance with international standards.
2. Reviewed the Bank's quarterly and annual financial statements in accordance with accounting standards to ensure the adequate and transparent disclosure of information.
3. Reviewed the Bank's related party transactions to ensure they conformed to its normal business operations.
4. Reviewed the Bank's internal control system and internal auditing system as well as providing recommendations for improvements to enhance effectiveness.
5. Monitored the Bank's management in terms of its improvement, according to the recommendations of internal auditors, external auditors, the Bank of Thailand, and the Securities and Exchange Commission.
6. Considered and recommended Deloitte Touche Jaiyos Audit Co., Ltd. as the Bank's auditor for the year 2007 with an appropriate auditing fee. The shareholders' meeting has already approved the proposal.



(Mr. Surachai Prukbamroong)
Chairman of the Audit Committee

March 2008

△ Report of the Nomination and Remuneration Committee

On February 21, 2007, the Board of Directors approved the appointment of the Nomination and Remuneration Committee consisting of three members, namely, Mr. Thipsamat Na Chiengmai, the independent director as Chairman; Mr. Virat Phairatphiboon, the independent director; and Mr. Pornsanong Tuchinda, the non-executive director. In the year 2007, there were a total of 10 Nomination and Remuneration Committee meetings.

The Nomination and Remuneration Committee has the authorities and responsibilities pursuant to the Nomination and Remuneration Committee Charter in respect of the policy and criteria on nomination of directors, members of the sub-committees and senior executives of the Bank, including directors of any companies in which the Bank holds at least 50% of its equity, and the policy on the payment of remuneration and other benefits as well as the amount of remuneration and others benefit for directors, members of the Committees and senior executives, including directors of any companies in which the Bank holds at least 50% of its equity.

In nominating and scrutinizing qualifications of directors, members of the Committees and high-level executives in the position of Executive Vice President and higher, including directors of any companies in which the Bank holds at least 50% of its equity, the Nomination and Remuneration Committee shall take into account the qualifications, knowledge, competency, skills, experience and expertise of the candidates in accordance with the criteria as specified by the Bank, as well as the Committee/Board structure and composition which is to be proper and in compliance with the legal provisions as primary criteria, the Bank's Articles of Association and the Good Corporate Governance Principles. This is to ensure effective management.

The determination of the remuneration for directors and senior executives of the Bank shall be based on their competency in fulfilling duties and responsibilities as assigned and performance, the business environment, the overall economic condition, as well as their transparency and auditability, which shall be proposed to the Bank's Board of Directors and/or a shareholders meeting for approval. The Nomination and Remuneration Committee is of the opinion that the remuneration for directors and executives as shown under the heading "Remuneration Given to Directors and Executive Officers" are appropriate, and they are considered and approved by the Bank's Board of Directors.



(Mr. Thipsamat Na Chiengmai)

Chairman of the Nomination and Remuneration Committee

△Report of the Independent Certified Public Accountants

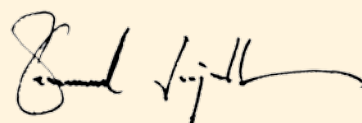
To The shareholders and Board of Directors
Bank of Ayudhya Public Company Limited

We have audited the accompanying consolidated balance sheets of Bank of Ayudhya Public Company Limited and subsidiaries and the balance sheets of Bank of Ayudhya Public Company Limited as at December 31, 2007 and 2006, and the related consolidated and the Bank's statements of income, changes in shareholders' equity and cash flows for the years then ended. These financial statements are the responsibility of the Bank's management as to their correctness and completeness of the presentation. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the aforementioned consolidated and the Bank's financial statements present fairly, in all material respects, the financial position of Bank of Ayudhya Public Company Limited and subsidiaries and of Bank of Ayudhya Public Company Limited as at December 31, 2007 and 2006, and the results of operations and cash flows for the years then ended in conformity with generally accepted accounting principles.

Without being qualified opinion, as discussed in Note 2.4 to the financial statements, for the year ended December 31, 2007, the Bank changed its accounting policy for investments in subsidiaries and associated companies from the equity method to the cost method in the separate financial statements to be in compliance with the Notification of Federation of Accounting Professions, and restated the separate financial statements for the year ended December 31, 2006 for the change in such accounting policy.



(Permsak Jerajakwattana)

Certified Public Accountant (Thailand)

Registration No. 3427

BANGKOK

February 14, 2008

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

Balance Sheets

Bank of Ayudhya Public Company Limited
and subsidiaries
As at December 31, 2007 and 2006

	Consolidated Financial Statements		Separate Financial Statements		Baht
	2007	2006	2007	2006	"As restated"
ASSETS					
CASH	19,199,531,110	19,557,998,946	19,197,131,307	19,548,139,602	
INTERBANK AND MONEY MARKET ITEMS (Note 4.2)					
Domestic items					
Interest bearing	4,364,576,769	3,215,962,749	4,334,557,726	3,211,759,710	
Non-interest bearing	5,607,325,494	5,437,142,595	5,427,021,627	5,291,279,821	
Foreign items					
Interest bearing	21,988,145,080	65,611,102,004	21,988,145,080	65,611,102,004	
Non-interest bearing	1,482,461,288	4,236,596,686	1,482,461,288	4,236,596,686	
Total interbank and money market items	33,442,508,631	78,500,804,034	33,232,185,721	78,350,738,221	
SECURITIES PURCHASED UNDER RESALE AGREEMENTS (Note 4.3)	76,000,000,000	13,000,000,000	76,000,000,000	13,000,000,000	
INVESTMENTS (Notes 3.2 and 4.4)					
Current investments, net	22,800,077,076	28,237,316,468	22,554,688,907	26,948,604,545	
Long-term investments, net	31,482,353,907	42,065,554,542	31,329,335,661	41,818,451,627	
Investments in subsidiaries and associated companies, net	785,053,120	785,250,429	11,226,303,994	5,900,623,044	
Investments, net	55,067,484,103	71,088,121,439	65,110,328,562	74,667,679,216	
LOANS AND ACCRUED INTEREST RECEIVABLE (Notes 3.3, 3.5 and 4.6)					
Loans	450,147,434,499	460,288,315,237	444,962,497,714	459,266,700,333	
Accrued interest receivable	2,071,836,930	2,397,293,970	1,863,504,385	2,178,816,411	
Total loans and accrued interest receivable	452,219,271,429	462,685,609,207	446,826,002,099	461,445,516,744	
Less: Allowance for doubtful accounts (Notes 3.4 and 4.7)	(33,980,181,364)	(28,321,929,970)	(28,271,415,580)	(22,332,343,577)	
Less: Revaluation allowance for debt restructuring (Notes 3.5 and 4.8)	(1,238,770,792)	(489,640,390)	(1,237,920,947)	(488,259,353)	
Net loans and accrued interest receivable	417,000,319,273	433,874,038,847	417,316,665,572	438,624,913,814	
PROPERTIES FORECLOSED, NET (Notes 3.6 and 4.9)	23,522,923,527	23,830,514,890	15,236,925,624	15,620,775,379	
CUSTOMERS' LIABILITIES UNDER ACCEPTANCES	1,646,697,037	1,967,248,098	1,646,697,037	1,967,248,098	
PROPERTY, PREMISES AND EQUIPMENT, NET (Notes 3.7 and 4.10)	15,892,874,065	16,362,466,747	15,053,814,764	15,424,352,982	
OTHER ASSETS	10,614,905,258	8,160,408,687	7,829,659,331	7,353,909,278	
TOTAL ASSETS	652,387,243,004	666,341,601,688	650,623,407,918	664,557,756,590	

Notes to the consolidated and the separate financial statements form an integral part of these statements

Balance Sheets (Continued)

	Consolidated Financial Statements		Separate Financial Statements		Baht
	2007	2006	2007	2006	"As restated"
LIABILITIES AND SHAREHOLDERS' EQUITY					
DEPOSITS (Note 4.11)					
Deposits in Baht	497,290,497,921	561,352,883,909	498,069,354,463	561,530,046,617	
Deposits in foreign currencies	2,336,679,755	2,143,053,387	2,336,679,755	2,143,053,387	
Total deposits	<u>499,627,177,676</u>	<u>563,495,937,296</u>	<u>500,406,034,218</u>	<u>563,673,100,004</u>	
INTERBANK AND MONEY MARKET ITEMS (Note 4.12)					
Domestic items					
Interest bearing	15,358,032,993	17,811,500,110	13,727,164,140	14,724,454,634	
Non-interest bearing	2,321,962,723	1,650,298,423	2,332,162,259	1,683,139,141	
Foreign items					
Interest bearing	2,604,642,099	990,781,906	2,604,642,099	990,781,906	
Non-interest bearing	37,913,566	45,480,036	37,913,566	45,480,036	
Total interbank and money market items	<u>20,322,551,381</u>	<u>20,498,060,475</u>	<u>18,701,882,064</u>	<u>17,443,855,717</u>	
LIABILITIES PAYABLE ON DEMAND	2,140,946,739	1,363,560,795	2,140,946,739	1,363,560,795	
BORROWINGS (Notes 4.13 and 4.14)					
Short-term borrowings	6,770,424,102	1,483,100,000	6,477,700,000	3,481,475,000	
Long-term borrowings	<u>28,598,614,167</u>	<u>18,095,012,304</u>	<u>28,598,614,167</u>	<u>17,814,181,183</u>	
Total borrowings	<u>35,369,038,269</u>	<u>19,578,112,304</u>	<u>35,076,314,167</u>	<u>21,295,656,183</u>	
BANK'S LIABILITIES UNDER ACCEPTANCES	1,646,697,037	1,967,248,098	1,646,697,037	1,967,248,098	
ACCRUED INTEREST PAYABLE	2,654,645,603	3,076,916,456	2,649,237,167	3,069,721,098	
OTHER LIABILITIES (Note 4.15)	<u>12,559,287,553</u>	<u>9,215,745,359</u>	<u>9,996,504,259</u>	<u>7,693,184,592</u>	
TOTAL LIABILITIES	<u>574,320,344,258</u>	<u>619,195,580,783</u>	<u>570,617,615,651</u>	<u>616,506,326,487</u>	
SHAREHOLDERS' EQUITY					
SHARE CAPITAL (Note 4.16)					
Authorized share capital					
7,089,392,755 ordinary shares of Baht 10 each	<u>70,893,927,550</u>	<u>70,893,927,550</u>	<u>70,893,927,550</u>	<u>70,893,927,550</u>	
Issued and paid-up share capital					
5,747,746,840 ordinary shares of Baht 10 each, fully paid	57,477,468,400		57,477,468,400		
2,940,812,475 ordinary shares of Baht 10 each, fully paid		29,408,124,750		29,408,124,750	
SHARE SUBSCRIPTIONS RECEIVED					
IN ADVANCE (Note 4.16)	177,475,392	5,557,404,012	177,475,392	5,557,404,012	
PREMIUM ON ORDINARY SHARE CAPITAL, NET	13,149,422,040	180,974,950	13,149,422,040	180,974,950	
LAND REVALUATION SURPLUS	2,905,038,146	2,906,641,798	2,905,038,146	2,906,641,798	
PREMISES REVALUATION SURPLUS	2,706,939,765	2,876,524,205	2,706,939,765	2,876,524,205	
REVALUATION DEFICIT ON INVESTMENTS	(2,740,080)	(947,083,866)	(385,094)	(945,229,496)	

Balance Sheets (Continued)

Bank of Ayudhya Public Company Limited
and subsidiaries
As at December 31, 2007 and 2006

	Consolidated Financial Statements		Separate Financial Statements		Baht
	2007	2006	2007	2006	"As restated"
RETAINED EARNINGS					
Appropriated					
Statutory reserve (Note 4.17)	435,500,000	435,500,000	435,500,000	435,500,000	
Unappropriated	1,005,208,406	5,956,173,211	3,154,333,618	7,631,489,884	
Total	77,854,312,069	46,374,259,060	80,005,792,267	48,051,430,103	
MINORITY INTEREST	212,586,677	771,761,845	-	-	
TOTAL SHAREHOLDERS' EQUITY	78,066,898,746	47,146,020,905	80,005,792,267	48,051,430,103	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	652,387,243,004	666,341,601,688	650,623,407,918	664,557,756,590	
OFF - BALANCE SHEET					
ITEMS - CONTINGENCIES (Note 4.20)					
AVALS TO BILLS AND GUARANTEES					
OF LOANS	3,245,143,119	2,410,316,763	3,845,143,119	3,010,316,763	
LIABILITY UNDER UNMATURED					
IMPORT BILLS	1,680,582,457	1,824,141,145	1,680,582,457	1,824,141,145	
LETTERS OF CREDIT	7,711,439,731	6,002,782,053	7,663,939,558	6,002,782,053	
OTHER CONTINGENCIES	255,661,425,116	348,907,337,553	257,074,018,961	354,316,614,816	

Notes to the consolidated and the separate financial statements form an integral part of these statements



(Mr. Tan Kong Khoon)
President and Chief Executive Officer



(Mr. Pongpinit Tejagupta)
Director

Statements of Income

Baht

	Consolidated Financial Statements		Separate Financial Statements	
	2007	2006	2007	2006 "As restated"
INTEREST AND DIVIDEND INCOME				
Interest on loans	26,329,317,940	27,105,787,998	27,176,123,058	27,297,148,016
Interest on interbank and money market items	3,726,070,378	4,650,922,714	3,721,524,085	4,594,306,283
Hire purchase and financial lease income	1,643,586,056	1,164,177,849	-	-
Investments	3,365,463,449	2,804,677,984	3,380,238,032	2,784,111,394
Total Interest and Dividend Income	<u>35,064,437,823</u>	<u>35,725,566,545</u>	<u>34,277,885,175</u>	<u>34,675,565,693</u>
INTEREST EXPENSES				
Interest on deposits	14,110,712,005	15,729,257,217	14,116,569,230	15,665,093,247
Interest on interbank and money market items	387,639,543	304,937,425	274,988,964	165,620,814
Interest on short-term borrowings	74,315,691	87,563,251	62,422,710	87,486,757
Interest on long-term borrowings	869,532,639	556,058,454	869,532,639	556,058,454
Total Interest Expenses	<u>15,442,199,878</u>	<u>16,677,816,347</u>	<u>15,323,513,543</u>	<u>16,474,259,272</u>
Interest and Dividend Income, net	19,622,237,945	19,047,750,198	18,954,371,632	18,201,306,421
BAD DEBT AND DOUBTFUL ACCOUNTS				
(Note 4.7)	8,588,584,021	11,070,431,228	7,723,136,986	5,978,143,926
LOSS ON DEBT RESTRUCTURING				
(Note 4.8)	<u>3,776,331,823</u>	<u>290,544,116</u>	<u>3,776,863,014</u>	<u>361,333,527</u>
Interest and Dividend Income after				
Bad Debt and Doubtful Accounts and Loss on				
Debt Restructuring, net	<u>7,257,322,101</u>	<u>7,686,774,854</u>	<u>7,454,371,632</u>	<u>11,861,828,968</u>
NON-INTEREST INCOME				
Gain (loss) on investments	(668,515,300)	1,405,903,174	(924,957,126)	(1,365,108,145)
Gain (loss) on equity	(197,308)	31,034,026	-	-
Fees and service income				
Acceptances, aval and guarantees	43,070,142	57,575,030	50,578,423	62,070,433
Others	5,399,140,555	4,760,925,078	4,655,948,891	4,446,862,842
Gain on exchange	1,003,838,381	702,913,410	1,003,795,465	702,913,410
Gain on sales of properties foreclosed	551,159,115	445,135,745	94,902,864	116,685,861
Income from investments in receivables	457,539,620	951,013,626	-	-
Other income	760,678,470	799,312,291	507,159,497	224,631,677
Total Non-Interest Income	<u>7,546,713,675</u>	<u>9,153,812,380</u>	<u>5,387,428,014</u>	<u>4,188,056,078</u>

Statements of Income (Continued)

Bank of Ayudhya Public Company Limited
and subsidiaries
For the years ended December 31, 2007 and 2006

	Consolidated Financial Statements		Separate Financial Statements	
	2007	2006	2007	2006
				"As restated"
Baht				
NON-INTEREST EXPENSES				
Personnel expenses	6,995,197,051	5,155,159,358	5,703,035,154	4,125,522,689
Premises and equipment expenses	3,557,843,280	3,328,484,539	3,161,919,089	2,805,552,050
Taxes and duties	1,508,343,855	1,457,605,078	1,392,487,342	1,316,374,442
Fees and service expenses	1,291,593,013	895,683,137	1,094,045,228	840,909,223
Directors' remuneration	33,294,467	36,982,633	20,267,000	20,127,733
Contributions to the Financial Institution				
Development Fund	2,209,882,910	2,279,945,913	2,209,882,910	2,266,721,642
Other expenses	3,067,404,072	2,112,687,404	2,769,424,761	1,983,274,545
Total Non-Interest Expenses	18,663,558,648	15,266,548,062	16,351,061,484	13,358,482,324
INCOME (LOSS) BEFORE INCOME TAX	(3,859,522,872)	1,574,039,172	(3,509,261,838)	2,691,402,722
INCOME TAX EXPENSES (Notes 3.13 and 4.19)	123,914,164	67,413,777	8,908,533	7,820,593
INCOME (LOSS) BEFORE MINORITY INTEREST	(3,983,437,036)	1,506,625,395	(3,518,170,371)	2,683,582,129
NET LOSS OF A SUBSIDIARY				
COMPANY FROM ADDITIONAL				
SHARES PURCHASED				
FROM FORMER SHAREHOLDERS	-	105,410,288	-	-
MINORITY INTEREST IN NET (INCOME) LOSS				
OF SUBSIDIARIES	(8,541,874)	54,359,461	-	-
NET INCOME (LOSS)	(3,991,978,910)	1,666,395,144	(3,518,170,371)	2,683,582,129
BASIC EARNINGS (LOSS) PER SHARE				
(Notes 3.14 and 4.21)	(0.76)	0.58	(0.67)	0.93
DILUTED EARNINGS (LOSS) PER SHARE				
(Notes 3.14 and 4.21)	(0.71)	0.47	(0.63)	0.75

Notes to the consolidated and the separate financial statements form an integral part of these statements



(Mr. Tan Kong Khoon)
President and Chief Executive Officer



(Mr. Pongpinit Tejagupta)
Director

Baht

Consolidated Financial Statements

	Ordinary Share Capital	Share subscriptions received in advance	Premium on Share Capital	Appraisal Surplus	Revaluation Surplus	Retained Earnings (Deficit)	Minority Interests	Total
					(Deficit) on Investments	Appropriated Unappropriated Legal reserve		
Balance as of December 31, 2005	28,708,515,860	-	41,053,172	5,955,007,342	(1,194,215,201)	352,000,000	5,521,909,444	989,868,869
Issued and fully paid-up share capital	699,608,890	-	-	-	-	-	-	699,608,890
Share subscriptions received in advance	-	5,557,404,012	-	-	-	-	-	5,557,404,012
Premium on share capital	-	-	139,921,778	-	-	-	-	139,921,778
Appraisal surplus	-	-	-	(171,841,339)	-	-	-	(171,841,339)
Revaluation surplus on investments	-	-	-	-	247,131,335	-	-	247,131,335
Statutory reserve	-	-	-	-	-	83,500,000	-	83,500,000
Dividend payment (Note 4.18)	-	-	-	-	-	(1,148,631,377)	-	(1,148,631,377)
Net gain (loss) not recognised in the statements of income	-	-	-	(171,841,339)	247,131,335	83,500,000	(1,148,631,377)	(989,841,381)
Net income	-	-	-	-	-	1,666,395,144	-	1,666,395,144
Statutory reserve	-	-	-	-	-	(83,500,000)	-	(83,500,000)
Minority interest	-	-	-	-	-	-	(218,107,024)	(218,107,024)
Ending balance as of December 31, 2006	29,408,124,750	5,557,404,012	180,974,950	5,783,166,003	(947,083,866)	435,500,000	5,956,173,211	47,146,020,905
Balance as of December 31, 2006	29,408,124,750	5,557,404,012	180,974,950	5,783,166,003	(947,083,866)	435,500,000	5,956,173,211	47,146,020,905
Issued and fully paid-up share capital	28,069,343,650	-	-	-	-	-	-	28,069,343,650
Share subscriptions received in advance	-	(5,379,928,620)	-	-	-	-	-	(5,379,928,620)
Premium on share capital	-	-	13,613,868,730	-	-	-	-	13,613,868,730
Expenses from capital raising process (Note 4.16)	-	-	(645,421,640)	-	-	-	-	(645,421,640)
Appraisal surplus	-	-	-	(171,188,092)	-	-	-	(171,188,092)
Revaluation surplus on investments	-	-	-	-	944,343,786	-	-	944,343,786
Dividend payment (Note 4.18)	-	-	-	-	-	(958,985,895)	-	(958,985,895)
Net gain (loss) not recognised in the statements of income	-	-	-	(171,188,092)	944,343,786	-	(958,985,895)	(185,830,201)
Net loss	-	-	-	-	-	(3,991,978,910)	-	(3,991,978,910)
Minority interest	-	-	-	-	-	-	(559,175,168)	(559,175,168)
Ending balance as of December 31, 2007	57,477,468,400	177,475,392	13,149,422,040	5,611,977,911	(2,740,080)	435,500,000	1,005,208,406	78,066,898,746

Notes to the consolidated and the separate financial statements form an integral part of these statements

Statements of Changes in Shareholders' Equity (Continued)

Bank of Ayudhya Public Company Limited
and subsidiaries
For the years ended December 31, 2007 and 2006

Baht

Separate Financial Statements

	Ordinary Share Capital	Share subscriptions received in advance	Premium on Share Capital	Appraisal Surplus	Revaluation Surplus	Retained Earnings (Deficit) on Appropriated Investments	Legal reserve	Total
Balance as of December 31, 2005 (As previously reported)	28,708,515,860	-	41,053,172	5,955,007,342	(1,194,215,201)	352,000,000	5,521,909,444	39,384,270,617
Effect of change in accounting policy for investment in subsidiary and associated companies (Note 2.4)	-	-	-	-	(1,811,714)	-	658,129,688	656,317,974
Balance as of December 31, 2005 (As restated)	28,708,515,860	-	41,053,172	5,955,007,342	(1,196,026,915)	352,000,000	6,180,039,132	40,040,588,591
Issued and fully paid-up share capital	699,608,890	-	-	-	-	-	-	699,608,890
Share subscriptions received in advance	-	5,557,404,012	-	-	-	-	-	5,557,404,012
Premium on share capital	-	-	139,921,778	-	-	-	-	139,921,778
Appraisal surplus	-	-	-	(171,841,339)	-	-	-	(171,841,339)
Revaluation surplus on investments	-	-	-	-	250,797,419	-	-	250,797,419
Statutory reserve	-	-	-	-	-	83,500,000	-	83,500,000
Dividend payment (Note 4.18)	-	-	-	-	-	-	(1,148,631,377)	(1,148,631,377)
Net gain (loss) not recognised in the statements of income	-	-	-	(171,841,339)	250,797,419	83,500,000	(1,148,631,377)	(986,175,297)
Net income	-	-	-	-	-	-	2,683,582,129	2,683,582,129
Statutory reserve	-	-	-	-	-	-	(83,500,000)	(83,500,000)
Ending balance as of December 31, 2006	29,408,124,750	5,557,404,012	180,974,950	5,783,166,003	(945,229,496)	435,500,000	7,631,489,884	48,051,430,103
Balance as of December 31, 2006 (As previously reported)	29,408,124,750	5,557,404,012	180,974,950	5,783,166,003	(947,083,866)	435,500,000	5,956,173,211	46,374,259,060
Effect of change in accounting policy for investment in subsidiary and associated (Note 2.4)	-	-	-	-	1,854,370	-	1,675,316,673	1,677,171,043
Balance as of December 31, 2006 (As restated)	29,408,124,750	5,557,404,012	180,974,950	5,783,166,003	(945,229,496)	435,500,000	7,631,489,884	48,051,430,103
Issued and fully paid-up share capital	28,069,343,650	-	-	-	-	-	-	28,069,343,650
Share subscriptions received in advance	-	(5,379,928,620)	-	-	-	-	-	(5,379,928,620)
Premium on share capital	-	-	13,613,868,730	-	-	-	-	13,613,868,730
Expenses from capital raising process (Note 4.16)	-	-	(645,421,640)	-	-	-	-	(645,421,640)
Appraisal surplus	-	-	-	(171,188,092)	-	-	-	(171,188,092)
Revaluation surplus on investments	-	-	-	-	944,844,402	-	-	944,844,402
Dividend payment (Note 4.18)	-	-	-	-	-	-	(958,985,895)	(958,985,895)
Net gain (loss) not recognised in the statements of income	-	-	-	(171,188,092)	944,844,402	-	(958,985,895)	(185,329,585)
Net loss	-	-	-	-	-	-	(3,518,170,371)	(3,518,170,371)
Ending balance as of December 31, 2007	57,477,468,400	177,475,392	13,149,422,040	5,611,977,911	(385,094)	435,500,000	3,154,333,618	80,005,792,267

Notes to the consolidated and the separate financial statements form an integral part of these statements

Statements of Cash Flows

	Consolidated Financial Statements		Separate Financial Statements		Baht
	2007	2006	2007	2006	"As restated"
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income (loss)	(3,991,978,910)	1,666,395,144	(3,518,170,371)	2,683,582,129	
Adjustments to reconcile net income (loss) to net cash flows from operating activities:					
Depreciation and amortization	1,888,367,843	1,434,592,262	1,249,737,055	1,138,901,509	
Discretion of discount on investments	(1,156,553,135)	(602,976,966)	(1,152,890,555)	(577,284,552)	
Bad debt and doubtful accounts	8,588,584,021	11,070,431,228	7,723,136,986	5,978,143,926	
Loss on debt restructuring	3,776,331,823	290,544,116	3,776,863,014	361,333,527	
Increase (decrease) in other reserve	249,703,805	(39,477,453)	249,703,805	(39,477,453)	
Interest income from assets acquired from debt repayment	-	(3,931,626)	-	(564,355)	
Gain on reclassification from investments in receivable to loans	(45,834,526)	(201,434,845)	-	-	
Loss on transfer of non-performing loans	165,466,507	211,661,007	165,466,507	211,661,007	
(Gain) loss on investments	714,349,826	(1,204,468,329)	924,957,126	1,365,108,145	
Loss on impairment of properties foreclosed	375,478,467	478,897,606	251,609,024	286,857,030	
Loss on impairment of property and premises (reversal)	-	(70,152,699)	-	(70,152,699)	
(Gain) loss on sales of property, premises and equipment	(47,693,077)	(65,437,149)	4,098,340	(13,455,700)	
Gain on sales of properties foreclosed	(551,159,115)	(445,135,745)	(94,902,864)	(116,685,861)	
Loss on translation of balances in foreign currencies	5,181,555,600	9,597,485,016	5,181,555,600	9,597,485,016	
(Increase) decrease in accrued interest and dividend income	332,238,108	(101,840,468)	323,364,971	(219,366,277)	
Increase (decrease) in accrued interest payable	(414,750,498)	1,408,712,289	(419,147,216)	1,429,607,860	
Increase in other accrued expenses	755,630,139	311,304,433	416,282,609	92,871,867	
Minority interest in net income (loss) of subsidiaries	8,541,874	(54,359,461)	-	-	
(Gain) loss on equity	197,308	(31,034,026)	-	-	
Net loss of a subsidiary company from additional shares purchased from former shareholders	-	(105,410,288)	-	-	
Net loss of a subsidiary before acquisition	-	93,902,374	-	-	
Income from operations before changes in operating assets and liabilities	15,828,476,060	23,638,266,420	15,081,664,031	22,108,565,119	
(Increase) decrease in operating assets					
Interbank and money market items	40,601,548,363	(34,240,503,370)	40,770,779,821	(31,654,683,981)	
Securities purchased under resale agreements	(63,000,000,000)	20,125,000,000	(63,000,000,000)	19,800,000,000	
Current investments - securities for trading	149,168,876	(1,226,248,473)	(100,785,855)	(1,243,936,509)	
Loans	(1,624,492,887)	(13,802,612,028)	7,202,118,715	(19,139,201,896)	
Properties foreclosed	4,044,226,656	2,481,633,147	2,278,361,219	1,157,473,182	
Other assets	(2,851,564,047)	(3,753,881,235)	(896,349,769)	(3,733,400,014)	

Statements of Cash Flows (Continued)

Bank of Ayudhya Public Company Limited
and subsidiaries
For the years ended December 31, 2007 and 2006

	Consolidated Financial Statements		Separate Financial Statements	
	2007	2006	2007	2006 "As restated"
Bath				
Increase (decrease) in operating liabilities				
Deposits	(62,259,244,095)	(347,437,120)	(63,070,907,769)	6,187,495,323
Interbank and money market items	(42,486,337)	5,632,854,712	1,391,049,103	4,664,484,831
Liabilities payable on demand	777,385,945	(97,619,613)	777,385,945	(97,619,613)
Other liabilities	2,707,421,905	2,573,265,990	1,746,656,321	2,381,369,742
Net cash provided by (used in) operating activities	(65,669,559,561)	982,718,430	(57,820,028,238)	430,546,184
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sales of investments – securities available-for-sale and other investments	78,429,641,107	67,574,864,102	74,162,499,145	59,512,618,516
Cash paid for purchase of investments – securities available-for-sale and other investments	(62,009,334,364)	(73,445,882,904)	(58,865,475,547)	(64,705,885,010)
Proceeds from sale of property, premises and equipment	114,716,615	97,814,144	3,092,486	31,821,326
Cash paid for purchase of property, premises and equipment	(1,330,524,884)	(1,922,527,486)	(1,008,746,840)	(1,542,244,852)
Cash paid for purchase of other assets	(172,943,634)	(82,930,959)	(156,194,169)	(62,372,100)
Cash paid to minority interest on purchase of additional shares	(525,445,059)	(8,970,000)	-	-
Proceeds from sale of subsidiary company	-	-	150,006,660	-
Cash paid for purchase of subsidiary company	-	-	(5,627,444,986)	(2,475,855,962)
Net cash provided by (used in) investing activities	14,506,109,781	(7,787,633,103)	8,657,736,749	(9,241,918,082)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuance of senior securities notes	11,531,800,000	5,468,113,144	11,531,800,000	5,468,113,144
Cash paid for redemption of subordinated notes	-	(3,752,102,296)	-	(3,752,102,296)
Proceeds from issuance of bills of exchange	5,277,700,000	-	5,277,700,000	1,998,375,000
Proceeds from issuance of short-term borrowings	2,485,000,000	883,100,000	2,485,000,000	883,100,000
Cash paid for issuance of short-term borrowings	(2,368,100,000)	-	(2,368,100,000)	-
Proceeds from issuance of financial instruments	-	1,000,000,000	-	1,000,000,000
Cash paid for redemption of financial instruments	(800,000,000)	-	(800,000,000)	-
Cash paid from issuance of bill of exchange	-	-	(1,998,375,000)	-
Share subscriptions received in advance	177,475,392	5,557,404,012	177,475,392	5,557,404,012
Warrant converted to ordinary shares	3,480,386,728	839,530,668	3,480,386,728	839,530,668
Capital increase by issuing common stock	32,000,000,000	-	32,000,000,000	-
Dividend payment	(960,950,092)	(1,162,379,848)	(956,273,842)	(1,148,631,377)
Net cash provided by financing activities	50,823,312,028	8,833,665,680	48,829,613,278	10,845,789,151
Total	(340,137,752)	2,028,751,007	(332,678,211)	2,034,417,253
Effect of exchange rate change on cash	(18,330,084)	(53,008,946)	(18,330,084)	(53,008,946)
Net increase (decrease) in cash and cash equivalents	(358,467,836)	1,975,742,061	(351,008,295)	1,981,408,307
Cash and cash equivalents as at January 1,	19,557,998,946	17,582,256,885	19,548,139,602	17,566,731,295
Cash and cash equivalents as at December 31,	19,199,531,110	19,557,998,946	19,197,131,307	19,548,139,602

Notes to the consolidated and the separate financial statements form an integral part of these statements

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES FOR THE YEARS ENDED DECEMBER 31, 2007 AND DECEMBER 31, 2006

1. GENERAL INFORMATION

Bank of Ayudhya Public Company Limited is a public company registered in the Kingdom of Thailand with its head office located at 1222 Rama III Road, Bang Phongphang Subdistrict, Yannawa District, Bangkok. The Bank's main business is commercial banking and the Bank conducts its business through a network of branches throughout Thailand and some parts of the world. As at December 31, 2007 and December 31, 2006, Separate has total staff of 8,542 and 8,242, respectively.

Siam Realty and Services Company Limited, the Bank's subsidiary, incorporated in Thailand since June 20, 1988 and located at 550 Ploenchit Road, Lumpini Subdistrict, Patumwan District, Bangkok. The Company's main business is car leasing and personnel services.

K. S. Law Office Company Limited, the Bank's subsidiary, incorporated in Thailand since February 2, 1996 and located at 550 Ploenchit Road, Lumpini Subdistrict, Patumwan District, Bangkok. The Company's main business is legal advisory services. The company is in the process of liquidation.

Ayudhya Asset Management Company Limited, the Bank's subsidiary, incorporated in Thailand since August 18, 2000 and located at 1222 Rama III Road, Bang Pongphang Subdistrict, Yannawa District, Bangkok. The Company's main business is to develop, manage and sell assets transferred from financial institutions.

Ayudhya Auto Lease Public Company Limited (formerly Ayudhya Investment and Trust Public Company Limited) the Bank's subsidiary, incorporated in Thailand since February 1, 1994 and located at 898 Ploenchit Tower Building, Fl 3, Ploenchit Road, Lumpini Subdistrict, Patumwan District, Bangkok. The Company's main business is auto leasing.

The Company ceased its finance business on October 13, 2006 according to the Bank of Thailand's (BOT) "One Presence" policy and has engaged in hire-purchase activity as its main type of business. The Company sold assets to the Bank after review by an independent finance advisor ascertained the transaction represented a fair price and acceptable conditions. The Company has registered the name of Ayudhya Auto Lease Public Company Limited.

Following the extraordinary shareholders' Meeting No. 1/2007 dated February 15, 2007, the Company ceased writing new auto hire purchase business and is servicing the portfolio runoff. The Company has delisted its ordinary shares and warrants from the Stock Exchange of Thailand through a tender offer by the Bank to purchase all ordinary shares and warrants from shareholders and unitholders. The Board of Governors of the SET approved the delisting of the Company's ordinary shares and warrants on June 12, 2007.

Ayudhya Securities Public Company Limited, the Bank's subsidiary, incorporated in Thailand since April 16, 2004 and located at 999/9 The Office At Central World Building, Fl 12, Rama I Road, Patumwan Subdistrict, Patumwan District, Bangkok. The Company's main business is related to the securities business.

Ayudhya Development Leasing Company Limited, the Bank's subsidiary, incorporated in Thailand since July 25, 1991, and located at 65/182-185 Chamnanpenchat Business Center Building, Fl 22, Rama IX Road, Huey Khuang Subdistrict, Huey Khuang District, Bangkok. The Company's main business includes leasing and hire purchase.

Ayudhya International Factors Company Limited, the Bank's subsidiary, incorporated in Thailand since March 21, 1991 and located at 1168/55 Lumpini Tower Building, Fl 20, Rama IV Road, Thungmahamek Subdistrict, Sathon District, Bangkok. The Company's main business is factoring. The subsidiary company was sold on January 31, 2007.

Ploenchit Advisory Company Limited, the Bank's subsidiary, incorporated in Thailand since June 12, 2003 and located at 900 Tonson Tower Building, Fl 10, Ploenchit Road, Lumpini Subdistrict, Patumwan District, Bangkok. The Company's main business is related to financial advisory services. The company was liquidated on November 30, 2006.

Ayudhya Fund Management Company Limited (formerly Ayudhya JF Assets Management Company Limited), the Bank's subsidiary incorporated in Thailand since December 19, 1996 and located at 898 Ploenchit Tower Building, Fl 12, Ploenchit Road, Lumpini Subdistrict, Patumwan District, Bangkok. The Company's main business is investment management and personnel investment.

Ayudhya Capital Lease Company Limited, the Bank's subsidiary, incorporated in Thailand since December 27, 2006 and located at 898 Ploenchit Tower Building, Fl 16, Ploenchit Road, Lumpini Subdistrict, Patumwan District, Bangkok. The Company's main business is auto leasing service.

Ayudhya Factoring Company Limited, the Bank's subsidiary, incorporated in Thailand since February 1, 2007 and located at 550 Ploenchit Road, Lumpini Subdistrict, Patumwan District, Bangkok. The Company's main business is factoring.

2. BASIS FOR PREPARATION OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

2.1 As the approval date of the financial statements, Thai Accounting Standard No. 27 "Disclosures in the Financial Statements of Bank and Similar Financial Statements" is revised and announced by the Federation of Accounting Professions and applied for the financial statements of periods beginning on or after January 1, 2007. However, the consolidated and the separate financial statements for the years ended December 31, 2007 and December 31, 2006, are presented in accordance with the BOT's Notification regarding the balance sheets and statements of income of commercial banks dated May 10, 2001 and its related letter of July 9, 2001.

The Bank prepares its statutory financial statements in the Thai language in conformity with Thai Accounting Standards as noted above. The accompanying financial statements and disclosures are prepared in accordance with accounting principles and practices generally accepted in Thailand.

The Federation of Accounting Professions has issued Notifications of Federation of Accounting Professions No. 9/2550 dated May 2, 2007, No. 38/2550 dated September 21, 2007 and No. 62/2550 dated December 7, 2007 regarding the accounting standards that have been announced in the Royal Gazette, and such Accounting Standards (version 2007) listed below will replace the previous version if applicable.

The Accounting Standards (version 2007) that are not yet effective are as follows:

TAS 25 (Revised 2007)	Cash Flow Statements
TAS 29 (Revised 2007)	Leases
TAS 31 (Revised 2007)	Inventories
TAS 33 (Revised 2007)	Borrowing Costs
TAS 35 (Revised 2007)	Presentation of Financial Statements
TAS 39 (Revised 2007)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 41 (Revised 2007)	Interim Financial Reporting
TAS 43 (Revised 2007)	Business Combination
TAS 49 (Revised 2007)	Construction Contracts
TAS 51	Intangible Assets

These ten accounting standards will be effective for financial statements covering periods beginning on or January 1, 2008. The Bank expects that the above accounting standard revisions will have no material impact on the financial statements.

- 2.2 The consolidated financial statements included the accounts of all branches of the Bank and its subsidiaries in which the Bank has control or invested over 50% of their voting right. These subsidiaries are as follows :

As at December 31, 2007

Subsidiaries	Business Type	Percentage of Holdings
Siam Realty and Services Company Limited	Car rent and personnel services	99.99
K.S. Law Office Company Limited	Legal advisory services	99.99
Ayudhya Asset Management Company Limited	Asset management	99.99
Ayudhya Fund Management Company Limited (Formerly Ayudhya JF Asset Management Company Limited)	Investment management	99.99
Ayudhya Capital Lease Company Limited	Auto leasing	99.99
Ayudhya Factoring Company Limited	Factoring	99.99
Ayudhya Auto Lease Public Company Limited (Formerly Ayudhya Investment and Trust Public Company Limited)	Auto leasing	99.55
Ayudhya Development Leasing Company Limited	Leasing	90.00
Ayudhya Securities Public Company Limited	Finance	86.33

As at December 31, 2006

Subsidiaries	Business Type	Percentage of Holdings
Siam Realty and Services Company Limited	Car rent and personnel services	99.99
K.S. Law Office Company Limited	Legal advisory services	99.99
Ayudhya Asset Management Company Limited	Assets management	99.99
Ayudhya Fund Management Company Limited (Formerly Ayudhya JF Asset Management Company Limited)	Investment management	99.99
Ayudhya Capital Lease Company Limited	Auto leasing	99.99
Ayudhya Development Leasing Company Limited	Leasing	86.73
Ayudhya Securities Public Company Limited	Finance	86.33
Ayudhya Auto Lease Public Company Limited (Formerly Ayudhya Investment and Trust Public Company Limited)	Auto leasing	79.33
Ayudhya International Factors Company Limited	Factoring	50.63

As at December 31, 2007 and December 31, 2006, Ayudhya Auto Lease Public Company Limited (formerly Ayudhya Investment and Trust Public Company Limited) held 2,478,750 ordinary shares of the Bank. The acquisition cost was Baht 98 million which was presented as long-term investments-net in the consolidated balance sheets. Such investment was not deducted from shareholders' equity as the amount was immaterial.

Ayudhya Derivatives Company Limited, the Company's subsidiary, held 99.99% ordinary share by Ayudhya Securities Public Company Limited. The Company's main business is derivatives trading and the Company has paid-up share capital of Baht 120 million and an investment cost of Baht 120 million as at December 31, 2007.

All material intercompany transactions and balances have been eliminated.

- 2.3 The consolidated financial statements for the years ended December 31, 2007 and December 31, 2006, included gain (loss) on equity of subsidiaries and associated companies, which have not been audited as follows:

	Baht : '000 For the year ended December 31, 2007
Subsidiaries	
1. K.S. Law Office Company Limited	(14,719)
2. Ayudhya Fund Management Company Limited (Formerly Ayudhya JF Asset Management Company Limited)	34,169
Associated companies	
1. Krungsriayudhya Card Company Limited	(197)
	<u>19,253</u>

Baht : '000
For the year ended
December 31, 2006

Subsidiaries

1. Siam Realty and Services Company Limited	6,670
2. K.S. Law Office Company Limited	992
3. Ayudhya Fund Management Company Limited (Formerly Ayudhya JF Asset Management Company Limited)	(195,299)

Associated companies

1. Krungsriayudhya Card Company Limited	29,998
	<u>(157,639)</u>

2.4 Change in accounting policy for investments in subsidiaries and associated companies

The Bank changed its accounting policy effective January 1, 2007 for its investment in subsidiaries and associated companies in the separate financial statements from the equity method to the cost method in compliance with the Notification of Federation of Accounting Professions No.26/2549 regarding Thai Accounting Standard No. 44 "Consolidated Financial Statements and Accounting for Investments in Subsidiaries" and the Notification of Federation of Accounting Professions No. 32/2549 regarding the explanation for Thai Accounting Standard No. 44 "Consolidated Financial Statements and Accounting for investments in subsidiaries and Thai Accounting Standard No. 45 "Accounting for investments in Associates". This change in accounting policy has been accounted for retroactively in the separate financial statements for the year ended December 31, 2006 and the balance sheet as at December 31, 2006.

The change in such accounting policy affects in the Bank's financial statements only, with no effect on the preparation of the consolidated financial statements. Comparative information for the separate statements of income for the year ended December 31, 2006 and the balance sheet as at December 31, 2006 has been restated to reflect the effect of the change to the cost method as follows:

Unit : Million Baht
As at December 31, 2006

Balance sheet:

Decrease in investments in subsidiaries and associated companies	666
Increase in retained earnings at end of the year	1,675

For the year ended
December 31, 2006

Statements of income:

Increase in interest and dividend income	25
Decrease in share of loss from subsidiaries and associated companies	3,827
Decrease in gain on investments (Allowance for impairment of investments in subsidiaries and associated companies)	<u>(2,835)</u>
Increase in net income	<u>1,017</u>
Increase in basic earnings per share	0.35
Increase in diluted earnings per share	0.28

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Cash and cash equivalents

For the Bank, cash and cash equivalents consists of cash on hand and cash on collection.

For the subsidiary companies, cash and cash equivalents represent cash on hand and deposits at financial institutions excluding negotiable certificate of deposits, in accordance with the Notification of the BOT. In the statements of cash flows, cash and deposits at financial institutions used as collateral are not included in cash and cash equivalents but are included in other assets.

3.2 Investments in securities

The Bank's investments consisting of debt securities and equity securities are classified as either trading securities, available-for-sale securities, held-to-maturity securities or general investments.

In addition, the Bank complies with BOT's Notification dated May 10, 2001, regarding the balance sheet and statements of income of commercial banks requiring commercial banks to present the investments as current investments-net, long-term investments-net and investments in subsidiaries and associated companies-net.

Trading securities which represent securities acquired with the intent to hold as short-term are current investments and management acquires those instruments with the intent to hold them for a short period of time in order to take advantage of anticipated changes in market values. Trading securities are carried at fair value. Realized gains and losses from the sales of trading securities and unrealized gain and loss on the changes in fair value are recognized as non-interest income. Interest earned and dividend on trading securities is recognized using the accrual basis of accounting as interest and dividend income.

Debt securities the Bank has the intent and ability to hold until maturity are classified as held-to-maturity and carried at the amortized cost, net of valuation allowances for impairment, if any, and are presented as long-term investments except for maturities less than one year. Valuation allowances are established by recognizing an unrealized loss when the impairment is identified by management. In addition, the Bank classifies the rights of the Bank over the receivable and unreceived non-negotiable promissory notes, which are availed by the Financial Institutions Development Fund (FIDF) issued by the Thai Asset Management Corporation (TAMC) under the Asset Transfer Agreement for transfer of sub-quality assets, as long-term investment in the category of debt securities held-to-maturity.

Debt and equity securities with readily determinable market values that are not classified as either held-to-maturity securities or trading securities are classified as available-for-sale securities and are presented as short-term or long-term investments depending on the intent of management and carried at fair value. The unrealized gains or losses related to available-for-sale securities are reported as a component of shareholders' equity until realized. Gains or losses on available-for-sale securities are recognized in the statements of income upon the sale or disposition of such securities.

Non-marketable equity securities and marketable equity securities acquired from troubled debt restructuring are classified as general investments and presented as long-term investments, carried at

cost, net of valuation allowances for impairment, if applicable. Valuation allowances are established by recognizing an unrealized loss in the statements of income when the impairment of a security is determined by management.

Foreign sector debt securities include investments in Collateralized Debt Obligations and Structured Deposits which are classified as securities for trading and carried at fair value. Gain and loss on the changes in fair value are recognized as non-interest income. However, the Bank intends to hold the Collateralized Debt Obligations until maturity.

Premiums and discounts are amortized and accreted into income as adjustments to interest income using the effective interest rate method.

In the consolidated financial statements, investments in subsidiaries and associated companies are accounted by the equity method. In the separate financial statements, investments in subsidiaries and associated companies are accounted by the cost method.

When an investment is assessed as being impaired, the amount of impairment is recognized as expense in the statements of income.

Fair value or market value of securities is calculated on the following basis:

- 1) For Government bonds and state enterprises bonds, the fair values of these securities were estimated by using the BOT formula, based on reference yield from The Thai Bond Market Association on the last business day of the year.
- 2) For private sector debt and equity securities which are listed securities and securities in The Thai Bond Market Association, market values are estimated using the bidding prices at the Stock Exchange of Thailand and The Thai Bond Market Association on the last business day of the year.
- 3) For private sector debt securities which are non-listed securities, the last closing prices of The Thai Bond Market Association are used to estimate fair value. In the absence of such prices, fair value is estimated by applying the aforementioned risk adjusted yield curve, in accordance with the criteria established by the BOT.
- 4) Foreign sector debt securities are derived from the Arranger or Calculation Agent.

Equity securities which are non-listed securities are stated at cost, except in the case where a permanent decline in value is deemed to have occurred with the loss charged to the statements of income.

Cost of securities sold during the year is computed using the weighted average method. Realized gain and loss from sales of debt and equity securities are included in non-interest income.

3.3 Loans

Overdrafts are stated at the drawn amounts including interest. Other loans are stated at the principal amounts.

Unearned discounts on notes receivable are presented at the net amount in loans.

3.4 Allowance for doubtful accounts

BOT guidelines require banks to categorize their loan portfolios into six categories and determine allowance for doubtful accounts subject to different levels of provisioning. Additional allowance for doubtful accounts is also required for loans classified as doubtful of loss which have not been restructured or taken into the lawsuit process, starting in the second half of 2004 (see Note 4.7). In addition, the BOT revised the guidelines on qualitative review of loans and all commitments for commercial banks including their related reports. The Bank has made such qualitative reviews of its loans in accordance with the revised guidelines.

In December 2007, the BOT issued a new guideline for provision on loans effective from the second half of 2007. The allowance rate is 100 percent of the difference between the outstanding loan value and the present value of expected cashflow from collection or present value of expected cashflow from proceeds of collateralised assets according to the calculation methods provided by the BOT. Commercial banks are required to provide allowance for doubtful accounts according to the following schedule:

- 1) For loans that have passed legal process or loans during law enforcement and debtors loans under legal process, the allowance for doubtful accounts was required to be provided by the second half of 2006.
- 2) For loans classified as “doubtful of loss” and “doubtful”, the allowance for doubtful accounts was required to be provided by the first half of 2007.
- 3) For loans classified as “substandard”, the allowance for doubtful accounts was required to be provided by the second half of 2007.

The Bank provided the necessary allowance by using the method provided by the BOT in the calculation of present value of expected cashflow from proceeds of collateralised assets with the exception of collateral in the form of machinery which is excluded.

The Bank estimated the minimum total allowance in accordance with BOT Guidelines. The Bank also provides additional reserves based on management’s assessment of the ultimate collectibility of loan and interest receivables.

Loans are written off in the year that they are determined to be unrecoverable. Bad debts recovered are recorded as income in the statements of income when received.

Bad debts written off during the year are recorded as a deduction from the allowance for doubtful accounts.

Bad debt and doubtful accounts are shown as an expense in the statements of income.

A significant factor in the determination of the allowance for doubtful accounts is the value of collateral. Collateral pledged as support for loans typically consists of land, buildings, and buildings under construction. Value of such collateral is based on independent and/or internally performed appraisals.

3.5 Troubled debt restructuring

Losses on troubled debt restructurings resulting from the reduction of principal and accrued interest and other restructuring methodologies including modification of terms, asset transfers, equity securities transfers, etc. are recognized as expenses in the statements of income.

For troubled debt restructurings with a modification of terms, the Bank has applied the BOT's criteria requiring the Bank to choose between the collateral method by which a loss amount is to be estimated or the net present value method which represents expected cash flow in the future applying the discount market interest rates on the restructuring date. Losses from such debt restructurings are recognized in the statements of income.

The Bank has recalculated the fair value of restructured debts based on the aforementioned discount interest rate as of the date of the quarterly financial statements and adjusted the valuation on debt restructured, if appropriate, in accordance with the BOT's criteria. The adjustment of valuation on restructured debt shall not cause the book value of restructured debt to exceed the investment value on restructured debt.

Restructured debt, assets or equity securities transferred for debt repayment either in whole or in part are recorded at the fair value, net of estimated selling expenses, not to exceed the investment value on such debt and the right-to-claim interest income in accordance with Thai Accounting Standard No. 34 "Accounting for Troubled Debt Restructuring (Revised in 2002)".

For investments in receivables subsequently restructured, the Bank has calculated the fair value of restructured debt as of the restructuring date and recognized the difference between book value and fair value on that date as gain or loss in the statements of income for the period and classified investments in receivables as loans in accordance with the BOT's criteria.

3.6 Properties foreclosed

Properties foreclosed consist of immovable and movable properties which are recorded at the lower of net investment in the loan plus accrued interest (including previously unrecognized contractual interest) or fair value of the property as of the date of foreclosure. If the carrying value of a property foreclosed becomes impaired, management establishes an impairment allowance.

Gains or losses on such properties are realized upon disposition of the underlying asset and are included in non-interest income in the statements of income.

3.7 Property, premises and equipment

Land and premises are stated at the appraised value and equipment is stated at cost less accumulated depreciation.

3.7.1 Revaluation of assets

Land and premises have been revalued by independent premises appraisers based on market value for land and depreciated replacement cost for premises. For the portion of land and premises which have

been revalued, the increments above the previous appraisal are recorded in land revaluation surplus and premises revaluation surplus accounts. In case of revaluation decrease, the decline in value is deducted from such revaluation surplus to the extent that the new value is above original cost and recognized in the statements of income for the decrease in value below original cost.

Suite units in condominiums used as branch offices have been revalued by independent premises appraisers in accordance with BOT guidelines using depreciated replacement cost. The Bank has recorded the increment per appraisal of premises as revaluation surplus. Any revaluation decrease in excess of the original cost is recorded by deducting from the revaluation surplus.

3.7.2 Depreciation

Depreciation of premises and equipment is calculated on the straight-line method, based on the estimated useful lives of the assets as follows:

Premises	20 – 50 years
Equipment	5 – 10 years

Depreciation of premises appraisal increase is recorded by reducing the premises revaluation surplus.

3.8 Intangible assets

The auto leasing subsidiary has intangible assets which are stated at cost less accumulated amortization and allowance for impairment (if any). Intangible assets are amortized on a straight-line basis over 10 years.

3.9 Recognition of income

The Bank and its subsidiaries have been required by the BOT to stop accruing interest income for debtors more than three months past due and reverse this accrued interest income from interest income. Thereafter, interest income from these debtors shall be recognized on cash basis.

The asset management subsidiary recognizes interest income from investment in receivable and loans by using the market interest rate plus a risk premium that represent the discounted rate in calculating present value of future cash flows expected to be collected from receivables.

Except for certain receivables doubtful of collection, the Company recognizes interest income from such investments in receivable and loans on a cash basis.

The leasing business subsidiary recognizes the income from finance leases using the effective interest rate, lease income from operating leases is recognized on a straight-line basis over the lease term and hire-purchase income is calculated using the effective interest method resulting in a constant rate of return on the outstanding balance of debt over the life of the agreement, except where income is overdue more than 6 months, such income is recognized when received.

Interest and dividend income on investment is recognized on an accrual basis.

Gains and losses on the sale of debt and equity securities are computed by the weighted average method and are included in non-interest income in the statements of income.

3.10 Recognition of expenses

Interest expenses is recognized on an accrual basis.

3.11 Provident fund and pension fund

The contributions to the provident fund made by the Bank are recorded as an expense in the statements of income.

The Bank has recorded accrued pension costs in addition to the provident fund for employees who have been in service before January 1, 1998, and their length of service exceeds 10 years as expense in the statements of income.

3.12 Contributions to the Financial Institutions Development Fund

Contributions to the Financial Institutions Development Fund are recognized as expense in the statements of income.

3.13 Income tax

Income tax expense, if any, is based on tax paid and accrued for the year.

3.14 Earnings (loss) per share

Basic earnings (loss) per share are calculated by dividing net income (loss) by the number of weighted average ordinary shares outstanding during the year.

Diluted earnings (loss) per share are calculated by dividing net income (loss) by warrants and the weighted average number of ordinary shares, on the assumption that conversion of all ordinary share equivalents have been made at the beginning of the year. Ordinary share equivalents consist of warrants.

3.15 Foreign currency transactions

Transactions during the period denominated in foreign currencies are translated into Baht at the rate of exchange on the transaction date. Monetary assets and liabilities at the end of the year denominated in foreign currencies are translated into Baht at the exchange rates announced by Bank of Thailand on that date.

All foreign exchange gains or losses are recognized as income and expense in non-interest income in the statements of income.

3.16 Derivatives

Trading and hedging derivatives financial instruments are measured at fair value except for derivatives financial instruments relating to interest rate swap contracts which are measured on an accrual basis. Changes in fair value which include realized and unrealized gain or loss are recognized in the statements of income as part of gain or loss on exchange.

Hybrid Instruments

Hybrid instruments are recorded following the Bank of Thailand's notifications No. Phor Nor Sor.(21) Wor. 178/2550 and No. Phor Nor Sor.(21) Wor. 179/2550 for Structured Products and Collateralized Debt Obligation Instruments which mandate that the Bank should early adopt IAS 39 to record an embedded derivative separately from the host contract and carry the embedded derivative at fair value, if and only if:

1. The economic characteristics and risks of the host contract and the embedded derivative are not closely related;
2. A separate instrument with the same terms as the embedded derivative would meet the definition of a derivative and;
3. The hybrid instrument is not recognized at fair value through the statements of income.

If an embedded derivative is not separated, the hybrid instrument shall be accounted for under the classification of the host contract. Changes in the fair value of separate embedded derivatives are recognized in the statements of income.

If the fair value of an embedded derivative cannot be determined reliably, the hybrid instrument is designated at fair value through profit and loss.

3.17 Translation of the financial statements of the foreign branches

The financial statements of foreign branches are translated into Baht using the reference exchange rate established by the BOT at the end of the year for the translation of foreign monetary items, the historical exchange rate for the translation of foreign non-monetary items and the average exchange rate for the translation of transactions in the statements of income. Differences in exchange rates from the translation of the financial statements of foreign branches are recognized as a gain or loss on foreign exchange in the statements of income.

3.18 Use of accounting estimates

Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

3.19 Contingent liabilities

Contingent liabilities are recognized as liabilities in the balance sheet when it is probable that an obligation has been incurred as a result of a past event, it is possible that an outflow of economic benefits will be required to settle the obligation and the amount of the obligation can be reasonably estimated.

The Bank provided reserves for off-balance sheet obligations with high credit risk such as loan guarantees, avals, etc, at the same rate as that provided for those debtors on the balance sheet.

4. ADDITIONAL INFORMATION

4.1 Supplementary disclosures of cash flow information

4.1.1 Cash paid for interest and income tax for the years ended December 31, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2007 Baht	2006 Baht	2007 Baht	2006 Baht
Interest	15,864,470,731	15,272,132,110	15,743,997,474	15,047,679,465
Income tax	230,760,538	232,005,832	134,049,640	107,332,844

4.1.2 Non-cash transactions for the years ended December 31, are as follows :

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2007 Baht	2006 Baht	2007 Baht	2006 Baht
Revaluation deficit on investments decrease presented as item in shareholder's equity	944,343,786	247,131,335	944,844,402	250,797,419
Accumulated depreciation of premises appraisal which was set up and deducted from premises revaluation surplus	171,188,092	171,841,339	171,188,092	171,841,339
Properties foreclosed acquired from debt repayment	1,369,587,716	307,769,148	1,322,087,716	262,170,326
Property and premises transferred to be properties foreclosed	32,308,074	97,747,585	32,308,074	97,747,585

4.1.3 Non-cash transactions of property, premises and equipment for the years ended December 31, are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2007	2006	2007	2006
	Baht	Baht	Baht	Baht
Property, premises and equipment payable at the beginning of the year	15,910,306*	3,939,071	-	-
Purchase of property, premises and equipment	1,329,856,674	1,935,215,410	1,019,889,884	1,542,244,852
Less: Cash payment	(1,330,524,884)	(1,922,527,486)	(1,008,746,840)	(1,542,244,852)
Property, premises and equipment payable at the end of the year	<u>15,242,096</u>	<u>16,626,995</u>	<u>11,143,044</u>	<u>-</u>

* The property, premises and equipment payable at the beginning of 2007, excluded property, premises and equipment payable of Ayudhya International Factors Company Limited (AIF) for Baht 716,689, when the Bank sold the subsidiary on January 31, 2007, since the amount was immaterial.

4.1.4 Acquisition of investments in subsidiaries

For the year ended December 31, 2006, the Bank acquired an additional 38.33% in a subsidiary amounting to Baht 10 million, increasing the Bank's holdings to 76.66% of the subsidiary's outstanding common shares.

As of the acquisition date, assets and liabilities of the subsidiary at fair value and cash payment are as follows:

	Unit : Baht
SEPARATE FINANCIAL STATEMENTS	
Cash	1,030,000
Assets	196,130,396
Less: Liabilities	(141,047,913)
Net assets before minority interest	56,112,483
Less: Minority interest	(13,096,653)
Net assets	43,015,830
Less: Investments in subsidiaries	
prior to additional acquisition	(21,507,915)
Negative goodwill from acquisition	
of subsidiary companies	(11,507,915)
Cash payment to acquire additional shares	<u>10,000,000</u>
CONSOLIDATED FINANCIAL STATEMENTS	
Cash payment to acquire additional shares	10,000,000
Less: Cash	(1,030,000)
Net cash payment	<u>8,970,000</u>

4.1.5 Realized and unrealized gain (loss) on foreign exchange

For the cash flows statements, realized gain (loss) on exchange is subject to specific business tax. Unrealized gain (loss) on foreign exchange is based on the amount of debt in foreign currencies recorded in each account and based on the amount of assets in foreign currencies as recorded in each category.

4.2 Interbank and money market items

(1) Domestic items

CONSOLIDATED FINANCIAL STATEMENTS						
	2007			2006		
	At Call Baht	Time Baht	Total Baht	At Call Baht	Time Baht	Total Baht
Bank of Thailand and Financial Institutions						
Development Fund	5,073,333,425	223	5,073,333,648	4,843,395,510	223	4,843,395,733
Commercial banks	587,771,718	3,916,000,000	4,503,771,718	585,671,495	2,967,355,151	3,553,026,646
Other banks	1,717,176	-	1,717,176	110,643,850	-	110,643,850
Finance companies, securities companies and credit foncier companies	-	420,000,000	420,000,000	4,799,306	-	4,799,306
Other financial institutions	-	12,394,695	12,394,695	-	172,953,584	172,953,584
Total domestic items	5,662,822,319	4,348,394,918	10,011,217,237	5,544,510,161	3,140,308,958	8,684,819,119
Add: Accrued interest receivables	-	217,753	217,753	-	100,439	100,439
Less: Allowance for doubtful accounts	-	(39,532,727)	(39,532,727)	-	(31,814,214)	(31,814,214)
Total	5,662,822,319	4,309,079,944	9,971,902,263	5,544,510,161	3,108,595,183	8,653,105,344

SEPARATE FINANCIAL STATEMENTS						
	2007			2006		
	At Call Baht	Time Baht	Total Baht	At Call Baht	Time Baht	Total Baht
Bank of Thailand and Financial Institutions						
Development Fund	5,073,333,425	223	5,073,333,648	4,843,395,510	223	4,843,395,733
Commercial banks	353,700,239	3,916,000,000	4,269,700,239	447,884,588	3,070,000,000	3,517,884,588
Other banks	465,745	-	465,745	519,401	-	519,401
Finance companies, securities companies and credit foncier companies	-	445,000,000	445,000,000	-	-	-
Other financial institutions	-	12,394,695	12,394,695	-	172,953,584	172,953,584
Total domestic items	5,427,499,409	4,373,394,918	9,800,894,327	5,291,799,499	3,242,953,807	8,534,753,306
Add: Accrued interest receivables	-	217,753	217,753	-	100,439	100,439
Less: Allowance for doubtful accounts	-	(39,532,727)	(39,532,727)	-	(31,814,214)	(31,814,214)
Total	5,427,499,409	4,334,079,944	9,761,579,353	5,291,799,499	3,211,240,032	8,503,039,531

(2) Foreign items

CONSOLIDATED FINANCIAL STATEMENTS						
	2007			2006		
	At Call	Time	Total	At Call	Time	Total
	Baht	Baht	Baht	Baht	Baht	Baht
US Dollar	509,929,571	21,990,919,446	22,500,849,017	3,344,162,257	65,404,283,026	68,748,445,283
Yen	113,897,371	-	113,897,371	141,678,417	-	141,678,417
Other currencies	790,807,499	13,063,150	803,870,649	673,296,391	17,302,085	690,598,476
Total foreign items	1,414,634,441	22,003,982,596	23,418,617,037	4,159,137,065	65,421,585,111	69,580,722,176
Add: Accrued interest receivable	-	51,989,331	51,989,331	-	266,976,514	266,976,514
Total	1,414,634,441	22,055,971,927	23,470,606,368	4,159,137,065	65,688,561,625	69,847,698,690
Total domestic and foreign items	7,077,456,760	26,365,051,871	33,442,508,631	9,703,647,226	68,797,156,808	78,500,804,034

SEPARATE FINANCIAL STATEMENTS						
	2007			2006		
	At Call	Time	Total	At Call	Time	Total
	Baht	Baht	Baht	Baht	Baht	Baht
US Dollar	509,929,571	21,990,919,446	22,500,849,017	3,344,162,257	65,404,283,026	68,748,445,283
Yen	113,897,371	-	113,897,371	141,678,417	-	141,678,417
Other currencies	790,807,499	13,063,150	803,870,649	673,296,391	17,302,085	690,598,476
Total foreign items	1,414,634,441	22,003,982,596	23,418,617,037	4,159,137,065	65,421,585,111	69,580,722,176
Add: Accrued interest receivable	-	51,989,331	51,989,331	-	266,976,514	266,976,514
Total	1,414,634,441	22,055,971,927	23,470,606,368	4,159,137,065	65,688,561,625	69,847,698,690
Total domestic and foreign items	6,842,133,850	26,390,051,871	33,232,185,721	9,450,936,564	68,899,801,657	78,350,738,221

4.3 Securities purchased under resale agreements

Securities purchased under resale agreements classified by type of securities and the related repurchase market are as follows :

CONSOLIDATED FINANCIAL STATEMENTS						
	2007			2006		
	Repurchase	Other	Total	Repurchase	Other	Total
	Market at Bank	Repurchase		Market at Bank	Repurchase	
	of Thailand	Market		of Thailand	Market	
	Baht	Baht	Baht	Baht	Baht	Baht
Government bond and Bank of Thailand bond	74,300,000,000	-	74,300,000,000	6,000,000,000	-	6,000,000,000
Financial Institutions						
Development Fund bonds	1,700,000,000	-	1,700,000,000	7,000,000,000	-	7,000,000,000
Total	76,000,000,000	-	76,000,000,000	13,000,000,000	-	13,000,000,000

SEPARATE FINANCIAL STATEMENTS						
	2007			2006		
	Repurchase	Other	Total	Repurchase	Other	Total
	Market at Bank	Repurchase		Market at Bank	Repurchase	
	of Thailand	Market		of Thailand	Market	
	Baht	Baht	Baht	Baht	Baht	Baht
Government bond and						
Bank of Thailand bond	74,300,000,000	-	74,300,000,000	6,000,000,000	-	6,000,000,000
Financial Institutions						
Development Fund bonds	1,700,000,000	-	1,700,000,000	7,000,000,000	-	7,000,000,000
Total	76,000,000,000	-	76,000,000,000	13,000,000,000	-	13,000,000,000

4.4 Investments

4.4.1 Current Investments

CONSOLIDATED FINANCIAL STATEMENTS								
	2007				2006			
	Cost/	Unrealized	Unrealized	Fair	Cost/	Unrealized	Unrealized	Fair
	Amortized Cost	Gains	Losses	Value	Amortized Cost	Gains	Losses	Value
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Securities for Trading								
Government and state								
enterprise securities	1,579,431,028	4,245,600	(7,105,403)	1,576,571,225	1,426,858,414	1,731,597	(3,218,072)	1,425,371,939
Private sector's debt securities	30,059,177	-	(11,932)	30,047,245	989,339	-	(10,051)	979,288
Foreign sector's debt securities	4,893,315,000	-	(638,332,088)	4,254,982,912	-	-	-	-
Domestic marketable equity								
securities	456,228,844	1,014,244	(107,797,698)	349,445,390	661,245,039	62,725	(109,157,703)	552,150,061
	6,959,034,049	5,259,844	(753,247,121)	6,211,046,772	2,089,092,792	1,794,322	(112,385,826)	1,978,501,288
Less: Revaluation allowance	(747,987,277)			-	(110,591,504)			-
Total	6,211,046,772			6,211,046,772	1,978,501,288			1,978,501,288
Securities Available-for-Sale								
Government and state								
enterprise securities	14,156,750,896	19,297,862	(7,414,302)	14,168,634,456	15,289,983,324	2,582,141	(25,925,199)	15,266,640,266
Private sector's debt securities	2,010,482,862	2,566,116	(2,178,424)	2,010,870,554	740,001,680	54,265	(2,359,794)	737,696,151
Domestic marketable equity								
securities	-	-	-	-	1,636,810	1,551,027	-	3,187,837
Foreign sector's debt securities	-	-	-	-	9,850,863,675	-	(4,677,641)	9,846,186,034
	16,167,233,758	21,863,978	(9,592,726)	16,179,505,010	25,882,485,489	4,187,433	(32,962,634)	25,853,710,288
Add (less): Revaluation allowance	12,271,252			-	(28,775,201)			-
Less: Allowance for impairment	(278,793,666)			(278,793,666)	-			-
Total	15,900,711,344			15,900,711,344	25,853,710,288			25,853,710,288

CONSOLIDATED FINANCIAL STATEMENTS								
	2007				2006			
	Cost/	Unrealized	Unrealized	Fair	Cost/	Unrealized	Unrealized	Fair
	Amortized Cost	Gains	Losses	Value	Amortized Cost	Gains	Losses	Value
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Securities Held-to-Maturity								
Government and state enterprise securities	392,000,000	151,368	-	392,151,368	-			-
Private sector's debt securities	346,318,960	-	(137,573)	346,181,387	455,104,892			455,104,892
Total	738,318,960	151,368	(137,573)	738,332,755	455,104,892			455,104,892
<u>Less: Allowance for impairment</u>	<u>(50,000,000)</u>			<u>(50,000,000)</u>	<u>(50,000,000)</u>			<u>(50,000,000)</u>
Total	688,318,960			688,332,755	405,104,892			405,104,892
Total Current Investments, net	22,800,077,076			22,800,090,871	28,237,316,468			28,237,316,468

SEPARATE FINANCIAL STATEMENTS								
	2007				2006			
	Cost/	Unrealized	Unrealized	Fair	Cost/	Unrealized	Unrealized	Fair
	Amortized Cost	Gains	Losses	Value	Amortized Cost	Gains	Losses	Value
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Securities for Trading								
Government and state enterprise securities	1,579,431,028	4,245,600	(7,105,403)	1,576,571,225	1,426,858,414	1,731,597	(3,218,072)	1,425,371,939
Private sector's debt securities	30,059,177	-	(11,932)	30,047,245	989,339	-	(10,051)	979,288
Foreign sector's debt securities	4,893,315,000	-	(638,332,088)	4,254,982,912	-	-	-	-
Domestic marketable equity securities	392,327,999	983,301	(107,797,698)	285,513,602	432,125,386	62,725	(109,157,703)	323,030,408
	6,895,133,204	5,228,901	(753,247,121)	6,147,114,984	1,859,973,139	1,794,322	(112,385,826)	1,749,381,635
<u>Less: Revaluation allowance</u>	<u>(748,018,220)</u>			<u>-</u>	<u>(110,591,504)</u>			<u>-</u>
Total	6,147,114,984			6,147,114,984	1,749,381,635			1,749,381,635
Securities Available-for-Sale								
Government and state enterprise securities	14,116,950,240	19,297,862	(7,329,766)	14,128,918,336	14,231,934,372	2,582,141	(24,280,680)	14,210,235,833
Private sector's debt securities	1,731,689,196	2,566,116	(2,178,424)	1,732,076,888	740,001,680	54,265	(2,359,794)	737,696,151
Foreign sector's debt securities	-	-	-	-	9,850,863,675	-	(4,677,641)	9,846,186,034
	15,848,639,436	21,863,978	(9,508,190)	15,860,995,224	24,822,799,727	2,636,406	(31,318,115)	24,794,118,018
<u>Add (less): Revaluation allowance</u>	<u>12,355,788</u>			<u>-</u>	<u>(28,681,709)</u>			<u>-</u>
Total	15,860,995,224			15,860,995,224	24,794,118,018			24,794,118,018
Securities Held-to-Maturity								
Government and state enterprise securities	392,000,000	151,368	-	392,151,368	-			-
Private sector's debt securities	204,578,699	-	(137,573)	204,441,126	455,104,892			455,104,892
Total	596,578,699	151,368	(137,573)	596,592,494	455,104,892			455,104,892
<u>Less: Allowance for impairment</u>	<u>(50,000,000)</u>			<u>(50,000,000)</u>	<u>(50,000,000)</u>			<u>(50,000,000)</u>
Total	546,578,699			546,592,494	405,104,892			405,104,892
Total Current Investments, net	22,554,688,907			22,554,702,702	26,948,604,545			26,948,604,545

4.4.2 Long-Term Investments

CONSOLIDATED FINANCIAL STATEMENTS								
	2007				2006			
	Cost/	Unrealized	Unrealized	Fair	Cost/	Unrealized	Unrealized	Fair
	Amortized Cost	Gains	Losses	Value	Amortized Cost	Gains	Losses	Value
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Securities Available-for-Sale								
Government and state enterprise securities	12,115,959,890	65,029,844	(88,658,223)	12,092,331,511	16,384,751,381	32,377,273	(257,199,843)	16,159,928,811
Private sector's debt securities	2,738,712,555	21,040,066	(13,135,016)	2,746,617,605	2,932,139,340	3,271,125	(30,746,094)	2,904,664,371
Domestic marketable equity securities	3,246,495,703	226,539,098	(185,172,822)	3,287,861,979	3,213,265,141	45,592,113	(666,474,092)	2,592,383,162
Foreign sector's debt securities	2,856,801,773	22,389,877	(7,073,544)	2,872,118,106	5,153,998,186	76,079	(17,356,912)	5,136,717,353
	20,957,969,921	334,998,885	(294,039,605)	20,998,929,201	27,684,154,048	81,316,590	(971,776,941)	26,793,693,697
Add (less): Revaluation allowance	40,959,280			-	(890,460,351)			-
Less: Allowance for impairment	(463,013,579)			(463,013,579)	(346,793,666)			(346,793,666)
Total	<u>20,535,915,622</u>			<u>20,535,915,622</u>	<u>26,446,900,031</u>			<u>26,446,900,031</u>
Securities Held-to-Maturity								
Government and state enterprise securities	6,089,832,998	-	(20,104,712)	6,069,728,286	6,884,577,766	-	(99,375,491)	6,785,202,275
Private sector's debt securities	18,500,000	-	(85,549)	18,414,451	411,417,097	-	-	411,417,097
Foreign sector's debt securities	-	-	-	-	3,063,740,000	-	(1,293,980)	3,062,446,020
Total	<u>6,108,332,998</u>	<u>-</u>	<u>(20,190,261)</u>	<u>6,088,142,737</u>	<u>10,359,734,863</u>	<u>-</u>	<u>(100,669,471)</u>	<u>10,259,065,392</u>
Securities for General Investments								
Domestic non-marketable equity securities	5,096,368,681			5,450,745,783	5,592,109,656			5,278,637,069
Foreign non-marketable equity securities	26,499,403			19,839,600	26,692,985			19,531,879
Total	<u>5,122,868,084</u>			<u>5,470,585,383</u>	<u>5,618,802,641</u>			<u>5,298,168,948</u>
Less: Allowance for impairment	<u>(284,762,797)</u>			<u>-</u>	<u>(359,882,993)</u>			<u>-</u>
Total	<u>4,838,105,287</u>			<u>5,470,585,383</u>	<u>5,258,919,648</u>			<u>5,298,168,948</u>
Total Long-term Investments, net	<u>31,482,353,907</u>			<u>32,094,643,742</u>	<u>42,065,554,542</u>			<u>42,004,134,371</u>

SEPARATE FINANCIAL STATEMENTS								
	2007				2006			
	Cost/	Unrealized	Unrealized	Fair	Cost/	Unrealized	Unrealized	Fair
	Amortized Cost	Gains	Losses	Value	Amortized Cost	Gains	Losses	Value
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Securities Available-for-Sale								
Government and state enterprise securities	12,115,959,890	65,029,844	(88,658,223)	12,092,331,511	16,384,751,381	32,377,273	(257,199,843)	16,159,928,811
Private sector's debt securities	2,670,712,555	21,040,066	(13,135,016)	2,678,617,605	2,585,345,675	3,271,125	(30,746,094)	2,557,870,706
Domestic marketable equity securities	3,143,363,882	192,649,627	(149,713,706)	3,186,299,803	3,049,642,786	33,736,142	(608,893,025)	2,474,485,903
Foreign sector's debt securities	2,856,801,773	22,389,877	(7,073,544)	2,872,218,106	5,153,998,186	76,079	(17,356,912)	5,136,717,353
	20,786,838,100	301,109,414	(258,580,489)	20,829,367,025	27,173,738,028	69,460,619	(914,195,874)	26,329,002,773
Add (less): Revaluation allowance	42,528,925			-	(844,735,255)			-
Less: Allowance for impairment	(395,013,579)			(395,013,579)	-			-
Total	20,434,353,446			20,434,353,446	26,329,002,773			26,329,002,773
Securities Held-to-Maturity								
Government and state enterprise securities	6,089,832,998	-	(20,104,712)	6,069,728,286	6,884,577,766	-	(99,375,491)	6,785,202,275
Private sector's debt securities	18,500,000	-	(85,549)	18,414,451	337,927,055	-	-	337,927,055
Foreign sector's debt securities	-	-	-	-	3,063,740,000	-	(1,293,980)	3,062,446,020
Total	6,108,332,998	-	(20,190,261)	6,088,142,737	10,286,244,821	-	(100,669,471)	10,185,575,350
Securities for General Investments								
Domestic non-marketable equity securities	5,028,912,611			5,342,598,594	5,536,394,041			5,132,432,480
Foreign non-marketable equity securities	26,499,403			19,839,600	26,692,985			19,531,879
Total	5,055,412,014			5,362,438,194	5,563,087,026			5,151,964,359
Less: Allowance for impairment	(268,762,797)			-	(359,882,993)			-
Total	4,786,649,217			5,362,438,194	5,203,204,033			5,151,964,359
Total Long-term Investments, net	31,329,335,661			31,884,934,377	41,818,451,627			41,666,542,482

As at December 31, 2007 and December 31, 2006, long-term investments classified as debt securities held-to-maturity (as government and state enterprise securities) included the promissory note and the right over the promissory note in consolidated financial statements and in the separate financial statements of Baht 4,380 million and Baht 4,799 million, respectively, issued by the Thai Asset Management Corporation (TAMC) for assets transferred to TAMC. As at December 31, 2007 and December 31, 2006, the Bank had promissory notes of Baht 4,379 million and Baht

4,798 million, respectively. During the year 2007, TAMC redeemed promissory notes of the Bank of Baht 387 million. During the year 2006, TAMC redeemed promissory notes of the Bank of Baht 1,058 million. The rest is being validated and confirmed by TAMC prior to issuing the 10 year term non-negotiable promissory notes availed by Financial Institutions Development Fund to the Bank and its subsidiary.

As of December 31, 2007, foreign sector debt securities investments comprise investments in Collateralized Debt Obligations and Structured Deposits, the fair value is Baht 4,255 million. The loss on the mark-to-market is recognized in the statements of income for Baht 638.3 million. Detail are as follows:

	Unit : Million Baht		
	Cost	Unrealized loss	Fair value
CDO	2,868.5	(589.5)	2,279.0
Structured Deposit	<u>2,024.8</u>	<u>(48.8)</u>	<u>1,976.0</u>
	<u>4,893.3</u>	<u>(638.3)</u>	<u>4,255.0</u>

Investment in Collateralized Debt Obligations is regarded as a Synthetic IG Corporate CDO totalling USD 85 million and managed by leading CDO Asset Managers. All CDO Investment Tranches are rated by Standard & Poor's (S&P) at "A" and above. Their reference credit assets are 85%-90% investment grade. The tranches are well diversified in more than 20 industries in U.S., Europe and Emerging Markets. Maturity dates range from December 30, 2012 to September 20, 2013.

The Bank's total capital adequacy ratio was decreased by 0.14% as a result of this mark-to-market loss.

For the years ended December 31, 2007 and December 31, 2006, gain (loss) on investments in the statements of income consists of the following:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2007	2006	2007	2006
	Baht	Baht	Baht	Baht
Gain (Loss) on sale of securities				
- Securities for trading	119,639,173	96,657,382	38,232,211	21,794,697
- Securities available-for-sale	209,454,241	426,690,604	203,965,160	705,040,327
- Securities for general Investments	(136,634,625)	565,306,089	(136,634,625)	563,787,817
- Securities for subsidiaries	77,811,690	258,936	77,811,690	258,936
	<u>270,270,479</u>	<u>1,088,913,011</u>	<u>183,374,436</u>	<u>1,290,881,777</u>
Loss on impairment of securities (Reverse)	349,970,007	(130,006,026)	473,836,286	2,644,690,014
Unrealized gain (loss) on securities for trading	3,042,295	(11,299,908)	3,011,352	(11,299,908)
Unrealized loss on hybrid instruments	637,506,628	-	637,506,628	-
Loss on derivative instruments	185,965	3,150,800	-	-
Gain on reclassification from investments in receivables to loans	45,834,526	201,434,845	-	-

For the years ended December 31, 2007 and December 31, 2006, revaluation surplus (deficit) on investments presented in shareholders' equity consists of the following:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2007	2006	2007	2006
	Baht	Baht	Baht	Baht
Beginning balance	(947,083,866)	(1,194,215,201)	(945,229,496)	(1,196,026,915)
Decrease during the year	944,343,786	247,131,335	944,844,402	250,797,419
Ending balance	<u>(2,740,080)</u>	<u>(947,083,866)</u>	<u>(385,094)</u>	<u>(945,229,496)</u>

For the year ended December 31, 2006, the Bank transferred the held-to-maturity securities to available-for-sales securities and sold those securities as follows:

	Unit : Million Baht
Amortized Cost	595.0
Realized Gain	8.2

4.4.3 The remaining maturities of debt securities

CONSOLIDATED FINANCIAL STATEMENTS								
	2007				2006			
	Due within				Due within			
	1 Year	Greater than 1 Year-5 Years	Greater than 5 Years	Total	1 Year	Greater than 1 Year-5 Years	Greater than 5 Years	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Securities Available-for-Sale								
Government and state enterprise securities	14,156,750,896	12,115,959,890	-	26,272,710,786	15,248,322,852	16,208,886,720	217,525,133	31,674,734,705
Private sector's debt securities	2,010,482,862	2,621,523,230	117,189,325	4,749,195,417	1,018,795,345	2,653,345,675	-	3,672,141,020
Foreign sector's debt securities	-	2,856,801,773	-	2,856,801,773	9,850,863,675	5,153,998,186	-	15,004,861,861
Total	16,167,233,758	17,594,284,893	117,189,325	33,878,707,976	26,117,981,872	24,016,230,581	217,525,133	50,351,737,586
Add (less): Revaluation allowances	12,271,253	5,424,480	(5,831,477)	11,864,256	(29,088,770)	(243,203,580)	(27,612,250)	(299,904,600)
Less: Allowances for impairment	(278,793,666)	(68,000,000)	-	(346,793,666)	(278,793,666)	(68,000,000)	-	(346,793,666)
Total	15,900,711,345	17,531,709,373	111,357,848	33,543,778,566	25,810,099,436	23,705,027,001	189,912,883	49,705,039,320
Securities Held-to-Maturity								
Government and state enterprise securities	392,000,000	5,701,329,213	388,503,785	6,481,832,998	-	2,085,799,774	4,798,777,992	6,884,577,766
Private sector's debt securities	346,318,960	18,500,000	-	364,818,960	528,594,934	337,927,055	-	866,521,989
Foreign sector's debt securities	-	-	-	-	-	-	3,063,740,000	3,063,740,000
Total	738,318,960	5,719,829,213	388,503,785	6,846,651,958	528,594,934	2,423,726,829	7,862,517,992	10,814,839,755
Less: Allowances for impairment	(50,000,000)	-	-	(50,000,000)	(50,000,000)	-	-	(50,000,000)
Total	688,318,960	5,719,829,213	388,503,785	6,796,651,958	478,594,934	2,423,726,829	7,862,517,992	10,764,839,755
Total Debt Securities	16,589,030,305	23,251,538,586	499,861,633	40,340,430,524	26,288,694,370	26,128,753,830	8,052,430,875	60,469,879,075
SEPARATE FINANCIAL STATEMENTS								
	2007				2006			
	Due within				Due within			
	1 Year	Greater than 1 Year-5 Years	Greater than 5 Years	Total	1 Year	Greater than 1 Year-5 Years	Greater than 5 Years	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Securities Available-for-Sale								
Government and state enterprise securities	14,116,950,240	12,115,959,890	-	26,232,910,130	14,231,934,372	16,167,226,248	217,525,133	30,616,685,753
Private sector's debt securities	1,731,689,196	2,553,523,230	117,189,325	4,402,401,751	740,001,680	2,585,345,675	-	3,325,347,355
Foreign sector's debt securities	-	2,856,801,773	-	2,856,801,773	9,850,863,675	5,153,998,186	-	15,004,861,861
Total	15,848,639,436	17,526,284,893	117,189,325	33,492,113,654	24,822,799,727	23,906,570,109	217,525,133	48,946,894,969
Add (less): Revaluation allowances	12,355,789	5,424,480	(5,831,477)	11,948,792	(28,681,709)	(241,966,122)	(27,612,250)	(298,260,081)
Total	15,860,995,225	17,531,709,373	111,357,848	33,504,062,446	24,794,118,018	23,664,603,987	189,912,883	48,648,634,888
Securities Held-to-Maturity								
Government and state enterprise securities	392,000,000	5,701,329,213	388,503,785	6,481,832,998	-	2,085,799,774	4,798,777,992	6,884,577,766
Private sector's debt securities	204,578,699	18,500,000	-	223,078,699	455,104,892	337,927,055	-	793,031,947
Foreign sector's debt securities	-	-	-	-	-	-	3,063,740,000	3,063,740,000
Total	596,578,699	5,719,829,213	388,503,785	6,704,911,697	455,104,892	2,423,726,829	7,862,517,992	10,741,349,713
Less: Allowances for impairment	(50,000,000)	-	-	(50,000,000)	(50,000,000)	-	-	(50,000,000)
Total	546,578,699	5,719,829,213	388,503,785	6,654,911,697	405,104,892	2,423,726,829	7,862,517,992	10,691,349,713
Total Debt Securities	16,407,573,924	23,251,538,586	499,861,633	40,158,974,143	25,199,222,910	26,088,330,816	8,052,430,875	59,339,984,601

4.4.4 Investment in subsidiaries and associated companies

The Bank's investment in companies in which the Bank holds more than 20% of the paid-up capital, with the percentage of beneficial ownership and amount of investments, are as follows:

CONSOLIDATED FINANCIAL STATEMENTS					
Company Name	Business Type	2007			
		Securities	%	Investment	
		Investment	Ownership	Cost	Equity
		Type		Baht	Baht
Associated company					
Krungsriyudhya Card Company Limited	Credit card	Common stock	49.99%	549,999,960	785,053,120
Investments in subsidiaries and associated companies, net				<u>549,999,960</u>	<u>785,053,120</u>
CONSOLIDATED FINANCIAL STATEMENTS					
Company Name	Business Type	2006			
		Securities	%	Investment	
		Investment	Ownership	Cost	Equity
		Type		Baht	Baht
Associated company					
Krungsriyudhya Card Company Limited	Credit card	Common stock	49.99%	549,999,960	785,250,429
Investments in subsidiaries and associated companies, net				<u>549,999,960</u>	<u>785,250,429</u>
SEPARATE FINANCIAL STATEMENTS					
Company Name	Business Type	2007			
		Securities	%	Investment Cost	
		Investment Type	Ownership	Baht	
Subsidiary companies					
Siam Realty and Services Company Limited	Car rent and personel service	Common stock	99.99%	99,999,400	
K.S. Law Office Company Limited	Legal advisory services	Common stock	99.99%	31,999,940	
Ayudhya Asset Management Company Limited	Assets management	Common stock	99.99%	5,999,999,940	
Ayudhya Fund Management Company Limited (Formerly Ayudhya JF Asset Management Company Limited)	Investment management	Common stock	99.99%	267,350,150	
Ayudhya Capital Lease Company Limited	Auto leasing	Common stock	99.99%	2,999,999,940	
Ayudhya Factoring Company Limited	Factoring	Common stock	99.99%	99,999,940	
Ayudhya Auto Lease Public Company Limited (Formerly Ayudhya Investment and Trust Public Company Limited)	Auto leasing	Common stock } Preferred stock } Warrant	99.55%	2,230,512,893 500,000,000 11,685,529	
Ayudhya Development Leasing Company Limited	Leasing	Common stock	90.00%	795,756,020	
Ayudhya Securities Public Company Limited	Finance	Common stock	86.33%	637,139,225	

SEPARATE FINANCIAL STATEMENTS				
2007				
Company Name	Business Type	Securities Investment Type	% Ownership	Investment Cost Baht
Associated companies				
Krungsriayudhya Card Company Limited	Credit card	Common stock	49.99%	549,999,960
Investments in subsidiaries and associated companies				14,224,442,937
<u>Less:</u> General reserve for subsidiaries and associated company				(2,998,138,943)
Investments in subsidiaries and associated companies, net				11,226,303,994
SEPARATE FINANCIAL STATEMENTS				
2006				
Company Name	Business Type	Securities Investment Type	% Ownership	Investment Cost Baht
Subsidiary companies				
Siam Realty and Services	Car rent and personel service	Common stock	99.99%	99,999,400
K.S. Law Office Company Limited	Legal advisory servieces	Common stock	99.99%	31,999,940
Ayudhya Asset Management Company Limited	Assets management	Common stock	99.99%	1,999,999,940
Ayudhya Fund Management Company Limited (Formerly Ayudhya JF Asset Management Company Limited)	Investment management	Common stock	99.99%	267,350,150
Ayudhya Capital Lease Company Limited	Auto leasing	Common stock	99.99%	1,997,999,953
Ayudhya Development Leasing Company Limited	Leasing	Common stock	86.73%	761,396,020
Ayudhya Securities Public Company Limited	Finance	Common stock	86.33%	637,139,225
Ayudhya Auto Lease Public Company Limited (Formerly Ayudhya Investment and Trust Public Company Limited)	Auto leasing	Common stock } Preferred stock } Warrant	79.33%	1,739,429,834 500,000,000 1
Ayudhya International Factors Company Limited	Factoring	Common stock	50.93%	150,006,660
Associated companies				
Krungsriayudhya Card Company Limited	Credit card	Common stock	49.99%	549,999,960
Investments in subsidiaries and associated companies				8,735,319,083
<u>Less:</u> General reserve for subsidiaries and associated company				(2,834,696,039)
Investments in subsidiaries and associated company, net				5,900,623,044

Information about financial position and the results of operations are summarized from the financial statements of associated companies as follows:

KRUNGSRIAYUDHYA CARD COMPANY LIMITED
CONDENSED BALANCE SHEETS
AS AT DECEMBER 31,

	BAHT	
	2007	2006
	“UNAUDITED”	“AUDITED”
ASSETS	<u>15,524,969,270</u>	<u>15,740,312,210</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities	13,954,858,007	14,031,061,657
Shareholders' equity	<u>1,570,111,263</u>	<u>1,709,250,553</u>
	<u>15,524,969,270</u>	<u>15,740,312,210</u>

KRUNGSRIAYUDHYA CARD COMPANY LIMITED
CONDENSED STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31,

	BAHT	
	2007	2006
	“UNAUDITED”	“AUDITED”
REVENUES	2,534,538,281	3,097,271,087
EXPENSES	<u>2,673,677,571</u>	<u>2,912,731,560</u>
NET INCOME (LOSS)	<u>(139,139,290)</u>	<u>184,539,527</u>
BASIC EARNINGS (LOSS) PER SHARE	(1.26)	1.68

Information about financial position, results of operations and cash flow which is summarized from the financial statements of Ayudhya Asset Management Company Limited is as follows:

AYUDHYA ASSET MANAGEMENT COMPANY LIMITED
CONDENSED BALANCE SHEETS
AS AT DECEMBER 31,
“AUDITED”

	BAHT	
	2007	2006
ASSETS		
Cash and deposits at financial institutions	169,816,394	62,462,061
Investments, net	663,383	-
Investments in receivables, net	10,118,934,245	12,931,736,252
Loans, and accrued interest receivable, net	1,814,758,348	2,160,711,697
Properties foreclosed, net	7,884,198,716	7,790,523,261
Equipment, net	4,549,179	6,850,367
Amounts due from parent company	523,188,215	725,634,526
Cash advance	143,964,494	169,267,997
Other assets	<u>246,584,605</u>	<u>53,562,728</u>
TOTAL ASSETS	<u><u>20,906,657,579</u></u>	<u><u>23,900,748,889</u></u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Borrowings	19,052,558,231	26,080,045,797
Other liabilities	174,756,871	163,489,570
Shareholders' equity	<u>1,679,342,477</u>	<u>(2,342,786,478)</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u><u>20,906,657,579</u></u>	<u><u>23,900,748,889</u></u>

AYUDHYA ASSET MANAGEMENT COMPANY LIMITED
CONDENSED STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31,
“AUDITED”

	BAHT	
	2007	2006
INTEREST AND DIVIDEND INCOME	508,665,160	603,630,279
INTEREST EXPENSES	<u>587,772,691</u>	<u>409,607,703</u>
NET INTEREST AND DIVIDEND INCOME	(79,107,531)	194,022,576
BAD DEBT AND DOUBTFUL ACCOUNTS	487,376,076	4,819,916,433
LOSS ON DEBT RESTRUCTURING (Reversal)	<u>(531,191)</u>	<u>683,125</u>
NET INTEREST AND DIVIDEND INCOME AFTER BAD DEBT AND DOUBTFUL ACCOUNTS AND LOSS ON DEBT RESTRUCTURING	(565,952,416)	(4,626,576,982)
NON-INTEREST INCOME	1,049,258,399	1,573,270,494
NON-INTEREST EXPENSES	<u>460,750,156</u>	<u>624,214,855</u>
NET INCOME (LOSS)	<u>22,555,827</u>	<u>(3,677,521,343)</u>
BASIC EARNINGS (LOSS) PER SHARE	0.05	(18.39)

AYUDHYA ASSET MANAGEMENT COMPANY LIMITED
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,
“AUDITED”

	BAHT	
	2007	2006
Cash flows from operation activities		
Net gain (loss)	22,555,827	(3,677,521,343)
Adjustments to reconcile net gain (loss) to net cash flows from operating activities		
Bad debt and doubtful accounts	487,376,076	4,819,916,433
Loss on debt restructuring (reversal)	(531,191)	683,125
Gain on reclassification from investment in receivable to loans	(45,834,526)	(201,434,845)
Other income	(154,482)	-
Depreciation and amortization	3,147,893	3,264,711
Interest income from assets acquired from debt repayment	-	(3,367,271)
Loss on impairment of properties foreclosed	80,294,762	181,663,434
Gain on sales of properties foreclosed	(458,212,378)	(328,449,884)
Gain on sales of general investment	-	(543,941)
Increase (decrease) in accrued interest expenses	961,651	(832,543)
Increase in pension fund	1,922,176	479,985
Loss on sales of amortization of fixed assets	19,768	33,204
Decrease in other accrued expenses	(95,391,143)	(236,590,121)
Income (loss) from operations before change in operating assets and liabilities	(3,845,567)	557,300,944
Increase (decrease) in operating assets		
General investment	-	4,499,300
Investment in receivables	522,790,537	(787,466,750)
Loans and receivable	298,691,737	241,898,149
Properties foreclosed	1,958,698,077	1,219,623,758
Amounts due from parent company	556,536,146	455,097,614
Cash advance	25,303,503	11,416,845
Other assets	(193,615,423)	(14,751,036)
Increase (decrease) in operating liabilities		
Amounts due to parent company	(11,709,284)	(28,002,139)
Retention for rent assets	132,967	(45,700)
Deposits for purchasing of properties foreclosed	(18,012,000)	(32,489,880)
Other liabilities	957,835	396,741
Net cash provided by operating activities	<u>3,135,928,528</u>	<u>1,627,477,846</u>
Cash flows from investing activities		
Cash paid for purchase of computer software	(84,209)	(498,484)
Cash paid for purchase of equipment	(1,002,420)	(2,448,454)
Net cash used in investing activities	<u>(1,086,629)</u>	<u>(2,946,938)</u>
Cash flows from financing activities		
Decrease in borrowings	(7,027,487,566)	(1,577,325,361)
Proceeds from increase in capital	4,000,000,000	-
Net cash used in financing activities	<u>(3,027,487,566)</u>	<u>(1,577,325,361)</u>
Net increase in cash and cash equivalents	107,354,333	47,205,547
Cash and cash equivalents as at January 1,	62,462,061	15,256,514
Cash and cash equivalents as at December 31,	<u>169,816,394</u>	<u>62,462,061</u>
Supplementary disclosures of cash flow information		
Cash paid for interest and income tax		
Interest expense	586,811,040	410,440,246
Income tax	19,265,645	23,720,326

Investments in companies in which the Bank and its subsidiaries hold more than 10% of the paid-up capital in each company, classified according to industry groups, are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2007	2006	2007	2006
	Baht	Baht	Baht	Baht
Manufacturing	30,525,000	41,141,530	30,525,000	41,141,530
Banking and finance	10,625,000	25,000,000	10,625,000	25,000,000
Services	-	33,789,253	-	33,789,253
Others	-	44,995	-	44,995
Total	<u>41,150,000</u>	<u>99,975,778</u>	<u>41,150,000</u>	<u>99,975,778</u>

As at December 31, 2007 and December 31, 2006, securities available-for-sale and general investments in the separate financial statements included investments in companies to be delisted from SET with investment in common shares for 3 companies as at December 31, 2007, and December 31, 2006, with a total cost of Baht 13 million and a market price of Baht 0. In the consolidated financial statements as at December 31, 2007 and December 31, 2006, investments in common shares of 4 companies and 5 companies totalled a cost of Baht 15 million and Baht 18 million and a market price of Baht 1 million and Baht 4 million, respectively.

According to the SEC's notification of the Securities and Exchange Commission No. Kor.Jor. 1/2008 dated January 28, 2008 Re: Rules, Conditions and Procedures Governing the Disclosure of Financial Status and Result of Business Operation of the Issuing Securities Companies, the Bank and its subsidiaries' purchase and sale of investments in securities of 2007 and December 31, 2006, are reported as follows:

	CONSOLIDATED FINANCIAL	
	STATEMENTS	
	2007	2006
	Baht	Baht
Purchase of investment in securities	63,003,689,078	50,472,551,166
Sale of investment in securities	<u>(63,041,664,199)</u>	<u>50,325,768,681</u>
Net purchase (sale) of investment in securities	<u>(37,975,121)</u>	<u>146,782,485</u>

Most of the transactions are from a subsidiary with its main business related to the securities business.

4.5 Securities used as collateral

Government and state enterprise securities with a face value of Baht 567 million and Baht 632 million were used as collateral for other commitments with government departments and state enterprises as at December 31, 2007 and December 31, 2006, respectively.

4.6 Loans and accrued interest receivables

(1) Classified by products

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2007 Baht	2006 Baht	2007 Baht	2006 Baht
Overdrafts	50,673,643,291	52,905,281,457	46,718,713,673	48,061,374,753
Loan against contract	246,185,044,504	258,742,401,099	279,465,086,618	283,662,279,240
Trade bill	118,835,447,510	125,512,469,294	117,610,439,704	124,159,005,477
Hire purchase	29,971,749,981	15,004,038,170	-	-
Lease contract receivable	6,513,686,160	5,324,564,880	-	-
Factoring receivable	237,796,431	1,677,384,515	-	-
Others	2,681,878,195	3,583,806,732	1,281,740,965	3,427,760,769
Total	455,099,246,072	462,749,946,147	445,075,980,960	459,310,420,239
Less: Unearned discount				
on loans	(4,951,811,573)	(2,461,630,910)	(113,483,246)	(43,719,906)
Total	450,147,434,499	460,288,315,237	444,962,497,714	459,266,700,333
Add: Accrued interest				
receivable	2,071,836,930	2,397,293,970	1,863,504,385	2,178,816,411
Less: Allowance for				
doubtful accounts	(33,980,181,364)	(28,321,929,970)	(28,271,415,580)	(22,332,343,577)
Revaluation allowance				
for debt restructuring	(1,238,770,792)	(489,640,390)	(1,237,920,947)	(488,259,353)
Total	417,000,319,273	433,874,038,847	417,316,665,572	438,624,913,814

(2) Classified by remaining maturity

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2007 Baht	2006 Baht	2007 Baht	2006 Baht
Not over 1 year*	172,327,048,228	188,684,649,722	144,212,397,910	165,338,899,967
Over 1 year	282,772,197,844	274,065,296,425	300,863,583,050	293,971,520,272
Total	455,099,246,072	462,749,946,147	445,075,980,960	459,310,420,239
Less: Unearned discount				
on loans	(4,951,811,573)	(2,461,630,910)	(113,483,246)	(43,719,906)
Total	450,147,434,499	460,288,315,237	444,962,497,714	459,266,700,333
Add: Accrued interest				
receivable	2,071,836,930	2,397,293,970	1,863,504,385	2,178,816,411
Total	452,219,271,429	462,685,609,207	446,826,002,099	461,445,516,744

* Included those without agreements and past due agreements

(3) Classified by currency and residence of debtors

CONSOLIDATED FINANCIAL STATEMENTS						
	2007			2006		
	Domestic Baht	Foreign Baht	Total Baht	Domestic Baht	Foreign Baht	Total Baht
Baht	447,009,964,509	80,015,797	447,089,980,306	453,963,694,082	45,711,961	454,009,406,043
US Dollar	7,221,039,002	179,424,358	7,400,463,360	7,960,672,718	131,413,337	8,092,086,055
Other currencies	316,267,287	292,535,119	608,802,406	475,785,113	172,668,936	648,454,049
Total	454,547,270,798	551,975,274	455,099,246,072	462,400,151,913	349,794,234	462,749,946,147
Less: Unearned discount on loans			(4,951,811,573)			(2,461,630,910)
Total			450,147,434,499			460,288,315,237
Add: Accrued interest receivable			2,071,836,930			2,397,293,970
Total			452,219,271,429			462,685,609,207

SEPARATE FINANCIAL STATEMENTS						
	2007			2006		
	Domestic Baht	Foreign Baht	Total Baht	Domestic Baht	Foreign Baht	Total Baht
Baht	436,986,699,397	80,015,797	437,066,715,194	450,524,168,174	45,711,961	450,569,880,135
US Dollar	7,221,039,002	179,424,358	7,400,463,360	7,960,672,718	131,413,337	8,092,086,055
Other currencies	316,267,287	292,535,119	608,802,406	475,785,113	172,668,936	648,454,049
Total	444,524,005,686	551,975,274	445,075,980,960	458,960,626,005	349,794,234	459,310,420,239
Less: Unearned discount on loans			(113,483,246)			(43,719,906)
Total			444,962,497,714			459,266,700,333
Add: Accrued interest receivable			1,863,504,385			2,178,816,411
Total			446,826,002,099			461,445,516,744

(4) Classified by business type and classification

CONSOLIDATED FINANCIAL STATEMENTS						
	2007					
	Normal Baht	Special Mention Baht	Substandard Baht	Doubtful Baht	Doubtful of Loss Baht	Total Baht
Agriculture and mining	8,138,194,821	722,480,089	385,129,254	310,167,242	1,943,959,479	11,499,930,885
Manufacturing and trading	167,154,622,253	4,602,801,853	7,804,783,575	5,138,975,198	23,285,860,836	207,987,043,715
Real estate and construction	30,809,225,987	1,620,440,934	1,954,165,377	2,244,053,828	8,025,422,091	44,653,308,217
Public utilities and services	68,117,606,455	2,172,173,098	1,942,306,014	1,755,794,337	4,462,831,097	78,450,711,001
Housing loans	54,525,667,219	1,327,289,776	1,217,230,954	1,068,855,381	3,536,506,978	61,675,550,308
Others	43,218,309,257	1,950,196,053	4,063,428,963	394,098,166	1,206,669,507	50,832,701,946
Total	371,963,625,992	12,395,381,803	17,367,044,137	10,911,944,152	42,461,249,988	455,099,246,072
Less: Unearned discount on loans						(4,951,811,573)
Total						450,147,434,499
Add: Accrued interest receivable						2,071,836,930
Total						452,219,271,429

CONSOLIDATED FINANCIAL STATEMENTS						
2006						
	Normal	Special	Substandard	Doubtful	Doubtful	Total
	Baht	Mention	Baht	Baht	of Loss	Baht
	Baht	Baht	Baht	Baht	Baht	Baht
Agriculture and mining	9,767,081,732	317,913,863	158,080,653	460,389,411	1,850,993,775	12,554,459,434
Manufacturing and trading	190,348,198,116	3,728,597,549	4,543,826,990	4,721,070,228	22,287,676,527	225,629,369,410
Real estate and construction	34,832,653,772	917,136,092	1,461,493,872	2,494,620,012	9,943,938,855	49,649,842,603
Public utilities and services	79,350,448,574	1,011,732,220	1,870,239,223	1,321,492,834	4,139,712,477	87,693,625,328
Housing loans	41,922,501,383	1,074,887,138	699,203,869	929,721,661	4,604,143,912	49,230,457,963
Others	35,437,142,570	787,051,413	231,586,388	312,969,476	1,223,441,562	37,992,191,409
Total	391,658,026,147	7,837,318,275	8,964,430,995	10,240,263,622	44,049,907,108	462,749,946,147
Less: Unearned discount on loans						(2,461,630,910)
Total						460,288,315,237
Add: Accrued interest receivable						2,397,293,970
Total						462,685,609,207

SEPARATE FINANCIAL STATEMENTS						
2007						
	Normal	Special	Substandard	Doubtful	Doubtful	Total
	Baht	Mention	Baht	Baht	of Loss	Baht
	Baht	Baht	Baht	Baht	Baht	Baht
Agriculture and mining	8,009,357,504	720,971,501	383,815,600	287,507,726	1,068,184,244	10,469,836,575
Manufacturing and trading	163,116,488,607	4,332,654,181	7,715,787,344	4,968,127,095	15,561,873,917	195,694,931,144
Real estate and construction	29,624,128,325	1,573,015,403	1,925,776,382	2,208,870,608	5,101,951,995	40,433,742,713
Public utilities and services	66,223,512,726	2,136,140,824	1,938,031,343	1,746,220,143	2,851,685,373	74,895,590,409
Housing loans	54,381,482,798	1,298,272,428	1,191,918,252	1,009,784,928	1,150,777,368	59,032,235,774
Others	59,771,088,080	210,947,590	3,813,073,805	165,004,190	589,530,680	64,549,644,345
Total	381,126,058,040	10,272,001,927	16,968,402,726	10,385,514,690	26,324,003,577	445,075,980,960
Less: Unearned discount on loans						(113,483,246)
Total						444,962,497,714
Add: Accrued interest receivable						1,863,504,385
Total						446,826,002,099

SEPARATE FINANCIAL STATEMENTS						
2006						
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Total
	Baht	Baht	Baht	Baht	Baht	Baht
Agriculture and mining	9,723,210,501	304,439,627	153,617,124	395,239,039	834,624,900	11,411,131,191
Manufacturing and trading	187,932,641,119	3,580,695,520	4,454,297,494	4,483,225,714	13,190,491,408	213,641,351,255
Real estate and construction	34,533,449,696	886,824,143	1,439,552,561	2,481,485,093	6,744,228,986	46,085,540,479
Public utilities and services	75,943,037,876	885,767,607	1,798,309,086	1,277,218,071	2,452,476,832	82,356,809,472
Housing loans	41,702,496,564	1,035,773,590	636,828,794	838,081,060	1,448,996,073	45,662,176,081
Others	58,931,372,260	255,971,614	149,409,568	194,876,341	621,781,978	60,153,411,761
Total	<u>408,766,208,016</u>	<u>6,949,472,101</u>	<u>8,632,014,627</u>	<u>9,670,125,318</u>	<u>25,292,600,177</u>	459,310,420,239
Less: Unearned discount on loans						(43,719,906)
Total						459,266,700,333
Add: Accrued interest receivable						2,178,816,411
Total						<u>461,445,516,744</u>

(5) Classified by type of classification

CONSOLIDATED FINANCIAL STATEMENTS				
2007				
	Loans and Accrued Interest Receivable	Outstanding Balance after Deduction of Collateral	% Minimum set up	Allowance
	Baht	Baht		Baht
Normal-securities business receivable	367,400,984	367,400,984	-	-
Normal	367,842,594,626	117,612,869,848	1	1,300,963,448
Special mention	12,206,466,776	1,974,412,726	2	292,338,652
Substandard	17,807,610,068	4,578,178,010	100	4,578,178,010
Doubtful	11,021,495,966	4,940,030,840	100	4,940,030,840
Doubtful of loss	<u>42,973,703,009</u>	<u>17,132,492,376</u>	100	<u>17,487,740,976</u>
Total	<u>452,219,271,429</u>	<u>146,605,384,784</u>		28,599,251,926**
Surplus reserve				<u>5,380,929,438*</u>
				<u>33,980,181,364</u>

CONSOLIDATED FINANCIAL STATEMENTS

	2006			
	Loans and Accrued Interest Receivable	Outstanding Balance after Deduction of Collateral	% Minimum set up	BOT's Requirement Effective December 31, 2006
	Baht	Baht		Baht
Normal-securities business receivable	402,569,740	402,569,740	-	-
Normal	390,374,420,323	128,921,065,280	1	1,545,749,294
Special mention	7,866,742,383	1,177,762,283	2	26,880,506
Substandard				
Non-applied IAS 39	5,666,925,710	813,859,524	20	163,237,853
Applied IAS 39	3,417,351,075	1,804,727,149	100	1,831,088,050
Doubtful				
Non-applied IAS 39	6,670,707,261	2,395,719,418	50	1,597,344,044
Applied IAS 39	3,663,053,939	1,619,211,852	100	1,619,211,852
Doubtful of loss				
Non-applied IAS 39	3,320,564,315	1,118,811,464	100	1,263,977,999
Applied IAS 39	41,303,274,461	16,529,651,985	100	16,965,213,858
Total	<u>462,685,609,207</u>	<u>154,783,378,695</u>		25,012,703,456**
Surplus reserve				<u>3,309,226,514*</u>
				<u>28,321,929,970</u>

(* Including allowance for doubtful accounts of loans granted to subsidiaries as at December 31, 2007 and December 31, 2006, at the rate of 1% of Baht 45,128 million and Baht 39,456 million equaling Baht 451 million and Baht 395 million, respectively which are eliminated from loans classified as normal in consolidated financial statements.)

(** Excluding revaluation allowance for debt restructuring as at December 31, 2007 and December 31, 2006, of Baht 1,218 million and Baht 311 million, respectively and excluding allowance for doubtful accounts for interbank and money market items as at December 31, 2007 and December 31, 2006, of Baht 40 million and Baht 32 million, respectively.)

SEPARATE FINANCIAL STATEMENTS AND AYUDHYA ASSET MANAGEMENT COMPANY LIMITED

	2007			
	Loans and Accrued Interest Receivable	Outstanding Balance after Deduction of Collateral	% Minimum set up	Allowance
	Baht	Baht		Baht
Normal	363,330,152,978	130,597,767,068	1	1,428,423,693
Special mention	10,425,728,969	946,935,326	2	271,789,104
Substandard	17,566,098,116	4,441,074,437	100	4,441,074,437
Doubtful	10,744,269,213	4,829,939,864	100	4,829,939,864
Doubtful of loss	42,667,002,428	16,915,317,056	100	17,270,565,655
Total	<u>444,733,251,704</u>	<u>157,731,033,751</u>		28,241,792,753
Surplus reserve				<u>5,059,065,224*</u>
				<u>33,300,857,977</u>

**SEPARATE FINANCIAL STATEMENTS AND AYUDHYA
ASSET MANAGEMENT COMPANY LIMITED**

	2006			
	Loans and Accrued Interest Receivable	Outstanding Balance after Deduction of Collateral	% Minimum set up	BOT's Requirement Effective December 31, 2006
	Baht	Baht		Baht
Normal	385,282,423,585	128,006,400,347	1	1,544,173,210
Special mention	7,218,136,250	679,409,782	2	16,913,456
Substandard				
Non-applied IAS 39	5,594,863,676	741,797,490	20	148,825,447
Applied IAS 39	3,371,808,572	1,804,727,149	100	1,831,088,050
Doubtful				
Non-applied IAS 39	6,568,971,865	2,293,984,021	50	1,546,476,345
Applied IAS 39	3,629,496,343	1,619,211,852	100	1,619,211,852
Doubtful of loss				
Non-applied IAS 39	3,250,695,624	1,050,711,562	100	1,202,479,652
Applied IAS 39	<u>41,160,898,640</u>	<u>16,529,651,985</u>	100	<u>16,913,846,047</u>
Total	<u>456,077,294,555</u>	<u>152,725,894,188</u>		<u>24,823,014,059</u>
Surplus reserve				<u>3,130,539,488*</u>
				<u>27,953,553,547</u>

(* Including allowance for doubtful accounts of loans granted to Ayudhya Asset Management Company Limited as at December 31, 2007 and December 31, 2006, at the rate of 1% of Baht 19,053 million and Baht 26,080 million equaling Baht 191 million and Baht 261 million, respectively which are eliminated from loans classified as normal in consolidated financial statements.)

SEPARATE FINANCIAL STATEMENTS

	2007			
	Loans and Accrued Interest Receivable	Outstanding Balance after Deduction of Collateral	% Minimum set up	Allowance
	Baht	Baht		Baht
Normal	381,833,939,105	149,559,368,440	1	1,618,039,707**
Special mention	10,343,916,149	924,752,287	2	271,345,443
Substandard	17,447,412,253	4,401,232,757	100	4,401,232,757
Doubtful	10,540,909,195	4,772,689,289	100	4,772,689,289
Doubtful of loss	<u>26,659,825,397</u>	<u>13,167,918,762</u>	100	<u>13,336,932,322</u>
Total	<u>446,826,002,099</u>	<u>172,825,961,535</u>		<u>24,400,239,518***</u>
Surplus reserve				<u>3,871,176,062</u>
				<u>28,271,415,580</u>

SEPARATE FINANCIAL STATEMENTS				
2006				
	Loans and Accrued Interest Receivable	Outstanding Balance after Deduction of Collateral	% Minimum set up	BOT's Requirement Effective December 31, 2006
	Baht	Baht		Baht
Normal	410,223,693,460	153,808,505,461	1	1,802,194,262**
Special mention	7,046,761,046	644,136,472	2	16,207,990
Substandard				
Non-applied IAS 39	5,594,863,676	741,797,490	20	148,825,447
Applied IAS 39	3,166,882,379	1,731,708,217	100	1,758,069,118
Doubtful				
Non-applied IAS 39	6,568,971,865	2,293,984,021	50	1,546,476,345
Applied IAS 39	3,205,638,887	1,496,235,970	100	1,496,235,970
Doubtful of loss				
Non-applied IAS 39	3,250,695,624	1,050,711,562	100	1,202,479,652
Applied IAS 39	22,388,009,807	11,803,040,317	100	11,815,174,425
Total	<u>461,445,516,744</u>	<u>173,570,119,510</u>		19,785,663,209***
Surplus reserve				<u>2,546,680,368</u>
				<u>22,332,343,577</u>

(** Including allowance for doubtful accounts of loans granted to subsidiaries as at December 31, 2007 and December 31, 2006, at the rate of 1% of Baht 45,128 million and Baht 39,456 million equaling Baht 451 million and Baht 395 million, respectively.)

(*** Excluding revaluation allowance for debt restructuring as at December 31, 2007 and December 31, 2006, of Baht 1,217 million and Baht 310 million, respectively excluding allowance for doubtful accounts for interbank and money market items as at December 31, 2007 and December 31, 2006, of Baht 40 million and Baht 32 million, respectively.)

As at December 31, 2007 and December 31, 2006, the amount of unearned discounts are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2007	2006	2007	2006
	Baht	Baht	Baht	Baht
Unearned discounts	4,951,811,573	2,461,630,910	113,483,246	43,719,906

For the year ended December 31, 2007, the Bank entered into an agreement to sell NPLs with a book value of Baht 3,745 million to a third party for the amount of Baht 2,001 million. A deposit has been received. Loss on the sale for Baht 1,744 million was recorded as a deduction of allowance for doubtful accounts. In addition, the resolution of Board of Directors Extraordinary Meeting No. 2/2550 date of December 12, 2007, has approved sale of additional NPLs with a book value of Baht 6,270 million and a net book value of Baht 2,160 million to a related party for the amount of Baht 2,160 million pending shareholder approval.

Non-performing loans (NPLs) represents loans classified as substandard, doubtful, doubtful of loss and loss in accordance with guideline given by BOT's Notification regarding the worthless or irrecoverable assets or assets which are doubtful of being worthless or irrecoverable of banks.

As at December 31, 2007 and December 31, 2006, the Bank and Ayudhya Asset Management Company (AMC) had non-performing loans included interbank and money market items as follows:

Unit : Million Baht			
2007			
	Bank only	AMC	The Bank and AMC
Non-performing loans	53,678	16,130	69,808
Percentage of total loans	11.95	96.21	14.98
Non-performing loans, net	30,095	12,285	42,380
Percentage of total loans, net	7.07	95.09	9.66

Unit : Million Baht			
2006			
	Bank only	AMC	The Bank and AMC
Non-performing loans	43,595	19,168	62,763
Percentage of total loans	9.43	93.59	12.99
Non-performing loans, net	25,463	14,245	39,708
Percentage of total loans, net	5.73	91.56	8.63

As at December 31, 2007 and December 31, 2006, the Bank's and its subsidiaries' non-performing loans classified as substandard, doubtful, doubtful of loss and loss are Baht 70,633 million and Baht 63,187 million, respectively.

In determining an allowance for doubtful accounts, a major factor taken into consideration is the value of collateral. Collateral supporting either certain significant loans or a portion of classified loans were reappraised by either internal appraisers of the Bank or independent appraisers approved by the BOT. According to the BOT's guideline dated December 21, 2006, effective as of December 31, 2006, Banks are required to calculate present value of cash flow expected from the sale of collateral in order to be deducted from the debtor's balance before determining the allowance. This is applied to collateral of the following categories: immovable assets, leasehold, machines, and vehicles. For collateral against substandard assets, doubtful assets, and doubtful of loss assets, its value has to be reappraised every 3 years in order to be deducted from the debtor's balance before determining the allowance.

(6) Troubled debt restructuring

For the year ended December 31, 2007, the Bank and its subsidiaries have restructured the following debts :

	CONSOLIDATED FINANCIAL STATEMENTS	
	Number	Amount of Debt before Restructuring (Million Baht)
Total debt restructured during the year ended December 31, 2007	3,770	22,014
Total debtors as at December 31, 2007	178,713	452,219

Details of restructured debts of the Bank and its subsidiaries for the year ended December 31, 2007 are as follows:

Form of Restructuring	CONSOLIDATED FINANCIAL STATEMENTS			
	Number	Debt per the Accounts before Restructuring (Million Baht)	Type of Assets Acquired	Fair Value (Million Baht)
Transfer of assets	7	91	Land, Building and Condominium	118
Modification of terms	2,629	6,334		
Reduction of principal and interest	623	4,903		
Various forms of restructuring (including modification of terms)	511	10,686	Land and Building	1,703
Total	3,770	22,014		1,821

For the year ended December 31, 2007, the Bank and its subsidiaries calculate the net realizable value for troubled debts restructured by the modification of terms using the present value of future cash flows under the restructured loan agreement, discounted by the market rate, together with the fair value of collateral as follows:

Method	CONSOLIDATED FINANCIAL STATEMENTS			
	Average Aging	Number	Amount of Debt before Restructuring (Million Baht)	Amount of Debt after Restructuring (Million Baht)
Present value of future cash flows	2.42	874	2,062	1,631
Fair value of collateral	7.61	1,755	4,272	4,028

As at December 31, 2007, the Bank and its subsidiaries had Baht 10,528 million of debtors who have been restructured by modification of repayment terms.

As at December 31, 2007, the Bank and its subsidiaries had restructured debt of Baht 60,953 million, including debts restructured for the year of Baht 13,580 million. For the year ended December 31, 2007, the Bank and its subsidiaries recognized interest received from debt restructured of Baht 2,062 million. The loss on debt restructuring of Baht 3,776 million, has been recognized in the statements of income.

As at December 31, 2007, the balance of such debt restructured included non-performing loans of Baht 33,667 million.

For the year ended December 31, 2006, the Bank and its subsidiaries have restructured the following debts:

	CONSOLIDATED FINANCIAL STATEMENTS	
	Number	Amount of Debt before Restructuring (Million Baht)
Total debt restructured during the year ended December 31, 2006	6,229	23,214
Total debtors as at December 31, 2006	216,856	462,686

Details of restructured debts of the Bank and its subsidiaries for the year ended December 31, 2006 are as follows:

Form of Restructuring	CONSOLIDATED FINANCIAL STATEMENTS			
	Number	Debt per the Accounts before Restructuring (Million Baht)	Type of Assets Acquired	Fair Value (Million Baht)
Transfer of assets	10	135	Land, Building and Condominium	145
Conversion to equity	6	7		
Modification of terms	4,640	10,220		
Reduction of principal and interest	99	1,176		
Various forms of restructuring (including modification of terms)	1,474	11,676	Land and Building	357
Total	6,229	23,214		502

For the year ended December 31, 2006, the Bank and its subsidiaries calculate the net realizable value for troubled debts restructured by the modification of terms using the present value of future cash flows under the restructured loan agreement, discounted by the market rate, together with the fair value of collateral as follows:

Method	CONSOLIDATED FINANCIAL STATEMENTS			
	Average Aging	Number	Amount of Debt before Restructuring (Million Baht)	Amount of Debt after Restructuring (Million Baht)
Present value of future cash flows	2.81	1,115	3,172	2,455
Fair value of collateral	6.75	3,525	7,048	6,394

As at December 31, 2006, the Bank and its subsidiaries had Baht 10,740 million of debtors who have been restructured by modification of repayment terms.

As at December 31, 2006, the Bank and its subsidiaries had the balance of the restructured debt of Baht 67,891 million, including debts restructured during the year of Baht 19,014 million. For the year ended December 31, 2006, the Bank and its subsidiaries recognized interest received from debt restructured of Baht 2,092 million and loss on debt restructuring of Baht 291 million has been recognized in the statements of income.

As at December 31, 2006, the balance of such debt restructured included non-performing loans of Baht 27,270 million.

For the year ended December 31, 2007, the Bank has restructured the following debts:

	SEPARATE FINANCIAL STATEMENTS	
	Number	Amount of Debt before Restructuring (Million Baht)
Total debt restructured during the year ended December 31, 2007	3,030	21,292
Total debtors as at December 31, 2007	161,723	446,826

Details of restructured debts of the Bank are as follows:

Form of Restructuring	SEPARATE FINANCIAL STATEMENTS			
	Number	Debt per the Accounts before Restructuring (Million Baht)	Type of Assets Acquired	Fair Value (Million Baht)
Transfer of assets	6	46	Land, Building	39
Modification of terms	1,890	5,657		
Reduction of principal and interest	623	4,903		
Various forms of restructuring (including modification of terms)	511	10,686	Land, Building	1,703
Total	3,030	21,292		1,742

For the year ended December 31, 2007, the Bank calculates the net realizable value for troubled debts restructured by the modification of terms using the present value of future cash flows under the restructured loan agreement, discounted by the market rate, together with the fair value of collateral as follows:

Method	SEPARATE FINANCIAL STATEMENTS			
	Average Aging	Number	Amount of Debt before Restructuring (Million Baht)	Amount of Debt after Restructuring (Million Baht)
Present value of future cash flows	12.76	135	1,385	1,377
Fair value of collateral	7.61	1,755	4,272	4,028

As at December 31, 2007, the Bank had Baht 10,292 million of debtors who have been restructured by modification of repayment terms.

As at December 31, 2007, the Bank has the balance of the restructured debt of Baht 58,648 million, including debts restructured during the year of Baht 13,344 million. For the year ended December 31, 2007, the Bank recognized interest received from debt restructured of Baht 1,988 million. The loss on debt restructuring of Baht 3,777 million, has been recognized in the statements of income.

As at December 31, 2007, the balance of such debt restructured included non-performing loans of Baht 31,997 million.

For the year ended December 31, 2006, the Bank has restructured the following debts:

	SEPARATE FINANCIAL STATEMENTS	
	Number	Amount of Debt before Restructuring (Million Baht)
Total debt restructured during the year ended December 31, 2006	5,218	21,447
Total debtors as at December 31, 2006	154,174	461,446

Details of restructured debts of the Bank are as follows:

Form of Restructuring	SEPARATE FINANCIAL STATEMENTS			
	Number	Debt per the Accounts before Restructuring (Million Baht)	Type of Assets Acquired	Fair Value (Million Baht)
Transfer of assets	5	118	Land, Building and Condominium	122
Conversion to equity	6	7		
Modification of terms	3,634	8,470		
Reduction of principal and interest	99	1,176		
Various forms of restructuring (including modification of terms)	1,474	11,676	Land and Building	357
Total	5,218	21,447		479

For the year ended December 31, 2006, the Bank calculates the net realizable value for troubled debts restructured by the modification of terms using the present value of future cash flows under the restructured loan agreement, discounted by the market rate, together with the fair value of collateral as follows:

Method	SEPARATE FINANCIAL STATEMENTS			
	Average Aging	Number	Amount of Debt Before Restructuring (Million Baht)	Amount of Debt after Restructuring (Million Baht)
Present value of future cash flows	11.04	109	1,422	1,413
Fair value of collateral	6.75	3,525	7,048	6,394

As at December 31, 2006, the Bank had Baht 9,749 million of debtors who have been restructured by modification of repayment terms.

As at December 31, 2006, the Bank has a balance of restructured debt of Baht 65,288 million, including restructured debts during the year of Baht 18,016 million. For the year ended December 31, 2006, the Bank recognized interest received from restructured debt of Baht 1,999 million and loss on debt restructuring of Baht 361 million has been recognized in the statements of income.

As at December 31, 2006, the balance of such restructured debt included non-performing loans of Baht 25,981 million.

4.7 Allowance for doubtful accounts

CONSOLIDATED FINANCIAL STATEMENTS							
2007							
	Normal	Special	Substandard	Doubtful	Doubtful	General	Total
	Baht	Mention	Baht	Baht	of Loss	Reserve	Baht
	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Beginning balance	1,940,306,519	26,880,506	1,994,325,903	3,216,555,896	18,229,191,857	2,914,669,289	28,321,929,970
Doubtful accounts	(178,486,835)	265,454,905	2,587,167,611	1,741,659,690	2,275,222,421	1,866,203,870	8,557,221,662
Bad debts written off	-	-	-	-	(1,274,222,007)	-	(1,274,222,007)
Bad debts written off from NPLs for sales	-	-	(1,607,586,630)	(120,096,465)	(16,356,408)	-	(1,744,039,503)
Allowance for doubtful accounts transferred from - GE Money Retail Bank Public Company Limited	220,101	3,241	445,068	1,385,456	455,679	143,647,934	146,157,479
Allowance for doubtful of subsidiary companies as at sale on Investment	(9,795,282)	-	(3,760,572)	(19,570,202)	(17,076,033)	-	(50,202,089)
Other	-	-	-	-	18,208,562	5,127,290	23,335,852
Ending balance	<u>1,752,244,503</u>	<u>292,338,652</u>	<u>2,970,591,380</u>	<u>4,819,934,375</u>	<u>19,215,424,071</u>	<u>4,929,648,383</u>	<u>33,980,181,364</u>

CONSOLIDATED FINANCIAL STATEMENTS							
2006							
	Normal	Special	Substandard	Doubtful	Doubtful	General	Total
	Baht	Mention	Baht	Baht	of Loss	Reserve	Baht
	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Beginning balance	1,710,955,737	43,401,378	664,391,357	2,729,526,953	9,785,471,902	5,511,393,165	20,445,140,492
Doubtful accounts	259,488,182	(14,609,704)	1,329,947,981	499,680,571	11,310,888,144	(2,396,144,558)	10,989,250,616
Bad debts written off	(89,767,771)	(2,324,110)	(13,435)	(12,651,628)	(2,871,218,907)	(192,774,246)	(3,168,750,097)
Allowance for doubtful accounts transferred to - Thai Asset Management Corporation	-	-	-	-	(476,847)	-	(476,847)
Allowance for doubtful accounts transferred from - Ayudhya Auto Lease Public Company Limited (Formerly Ayudhya Investment and Trust Public Company Limited)	59,630,371	412,942	-	-	-	-	60,043,313
Other	-	-	-	-	4,527,565	(7,805,072)	(3,277,507)
Ending balance	<u>1,940,306,519</u>	<u>26,880,506</u>	<u>1,994,325,903</u>	<u>3,216,555,896</u>	<u>18,229,191,857</u>	<u>2,914,669,289</u>	<u>28,321,929,970</u>

SEPARATE FINANCIAL STATEMENTS							
2007							
	Normal	Special	Substandard	Doubtful	Doubtful	General	Total
	Baht	Mention	Baht	Baht	of Loss	Reserve	Baht
	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Beginning balance	1,802,194,262	16,207,990	1,906,894,565	3,042,712,315	13,017,654,077	2,546,680,368	22,332,343,577
Doubtful accounts	(184,374,656)	255,134,212	2,493,893,124	1,728,591,518	2,240,922,449	1,181,251,824	7,715,418,471
Bad debts written off	-	-	-	-	(178,060,380)	-	(178,060,380)
Bad debts written off from NPLs for sales	-	-	(1,607,586,630)	(120,096,465)	(16,356,408)	-	(1,744,039,503)
Allowance for doubtful accounts transferred from - GE Money Retail Bank Public Company Limited	220,101	3,241	445,068	1,385,456	455,679	143,647,934	146,157,479
Other	-	-	-	-	-	(404,064)	(404,064)
Ending balance	1,618,039,707	271,345,443	2,793,646,127	4,652,592,824	15,064,615,417	3,871,176,062	28,271,415,580

SEPARATE FINANCIAL STATEMENTS							
2006							
	Normal	Special	Substandard	Doubtful	Doubtful	General	Total
	Baht	Mention	Baht	Baht	of Loss	Reserve	Baht
	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Beginning balance	1,558,889,295	35,484,551	623,568,484	2,691,119,796	8,411,913,502	4,498,819,523	17,819,795,151
Doubtful accounts	160,246,787	(19,689,503)	1,283,326,081	351,592,519	6,042,467,083	(1,920,979,653)	5,896,963,314
Bad debts written off	-	-	-	-	(1,436,249,661)	-	(1,436,249,661)
Allowance for doubtful accounts transferred to - Thai Asset Management Corporation	-	-	-	-	(476,847)	-	(476,847)
Allowance for doubtful accounts transferred from - Ayudhya Auto Lease Public Company Limited (Formerly Ayudhya Investment and Trust Public Company Limited)	59,630,371	412,942	-	-	-	-	60,043,313
Cumulative effect of change in accounting policy	23,427,809	-	-	-	-	(23,427,809)	-
Other	-	-	-	-	-	(7,731,693)	(7,731,693)
Ending balance	1,802,194,262	16,207,990	1,906,894,565	3,042,712,315	13,017,654,077	2,546,680,368	22,332,343,577

As at December 31, 2007 and December 31, 2006, the Bank estimated the minimum total allowance* under BOT Guidelines of Baht 29,856 million and Baht 25,356 million, respectively for the consolidated financial statements and Baht 25,657 million and Baht 20,128 million, respectively for the separate financial statements.

The Bank and its subsidiaries recorded allowance for doubtful accounts in financial statements as follows:

	Unit : Million Baht	
	2007	2006
Consolidated financial statements	35,258	28,843
The Bank and Ayudhya Asset Management Company Limited	34,579	28,474
Separate financial statements	29,549	22,852

(* Such allowance for doubtful accounts consists of allowance for doubtful accounts for loans and accrued interest receivable, allowance for doubtful accounts for interbank and money market items and revaluation allowance for debt restructuring.)

As at December 31, 2007 and December 31, 2006, the Bank and its subsidiaries had loans and accrued interest receivables to companies which have certain problems in financial position and result of operations as defined in the Guideline of SET dated July 8, 1998, regarding the Quality of Assets and Transactions with Related Parties and an allowance for doubtful accounts for such loans as follows:

CONSOLIDATED FINANCIAL STATEMENTS				
2007				
Number	Outstanding	Appraisal	Allowance	
		Value of	for Doubtful	
		Collateral	Accounts	
	Baht	Baht	Baht	
Companies subject to be delisted by SET	7	343,522,787	1,506,922,000	16,981,900
Total	7	343,522,787	1,506,922,000	16,981,900

CONSOLIDATED FINANCIAL STATEMENTS				
2006				
Number	Outstanding	Appraisal	Allowance	
		Value of	for Doubtful	
		Collateral	Accounts	
	Baht	Baht	Baht	
Companies subject to be delisted by SET	7	1,635,043,991	7,556,000,000	16,611,878
Total	7	1,635,043,991	7,556,000,000	16,611,878

SEPARATE FINANCIAL STATEMENTS			
2007			
Number	Outstanding	Appraisal Value of Collateral	Allowance for Doubtful Accounts
	Baht	Baht	Baht
Companies subject to be delisted by SET	5	343,522,787	1,506,922,000
Total	5	343,522,787	1,506,922,000

SEPARATE FINANCIAL STATEMENTS			
2006			
Number	Outstanding	Appraisal Value of Collateral	Allowance for Doubtful Accounts
	Baht	Baht	Baht
Companies subject to be delisted by SET	5	1,635,043,991	7,556,000,000
Total	5	1,635,043,991	7,556,000,000

4.8 Revaluation allowance for debt restructuring

CONSOLIDATED FINANCIAL STATEMENTS		
	2007 Baht	2006 Baht
Beginning Balance	489,640,390	520,121,747
Increase during the year	3,776,331,823	290,544,116
Amortization	(3,027,201,421)	(321,025,473)
Ending Balance	1,238,770,792	489,640,390

SEPARATE FINANCIAL STATEMENTS		
	2007 Baht	2006 Baht
Beginning Balance	488,259,353	445,934,430
Increase during the year	3,776,863,014	361,333,527
Amortization	(3,027,201,420)	(319,008,604)
Ending Balance	1,237,920,947	488,259,353

4.9 Properties foreclosed, net

CONSOLIDATED FINANCIAL STATEMENTS				
Type of Properties Foreclosed	January 1, 2007 Baht	Acquisition Baht	Disposition Baht	December 31, 2007 Baht
1. Assets acquired from debt repayment				
1.1 Immovable	24,797,142,698	3,543,629,448	(3,411,550,520)	24,929,221,626
1.2 Movable	200,072,440	209,549,874	(358,938,976)	50,683,338
Total	24,997,215,138	3,753,179,322	(3,770,489,496)	24,979,904,964
2. Others	54,435,513	32,314,014	(3,304,125)	83,445,402
Total properties foreclosed	25,051,650,651	3,785,493,336	(3,773,793,621)	25,063,350,366
Less: Provision for impairment	(1,221,135,761)	(382,173,137)	62,882,059	(1,540,426,839)
Total properties foreclosed	23,830,514,890	3,403,320,199	(3,710,911,562)	23,522,923,527

CONSOLIDATED FINANCIAL STATEMENTS				
Type of Properties Foreclosed	January 1, 2006 Baht	Acquisition Baht	Disposition Baht	December 31, 2006 Baht
1. Assets acquired from debt repayment				
1.1 Immovable	25,171,336,062	3,947,272,489	(4,321,465,853)	24,797,142,698
1.2 Movable	186,391,199	104,534,241	(90,853,000)	200,072,440
Total	25,357,727,261	4,051,806,730	(4,412,318,853)	24,997,215,138
2. Others	37,965,523	98,284,042	(81,814,052)	54,435,513
Total properties foreclosed	25,395,692,784	4,150,090,772	(4,494,132,905)	25,051,650,651
Less: Provision for impairment	(764,589,082)	(478,897,606)	22,350,927	(1,221,135,761)
Total properties foreclosed	24,631,103,702	3,671,193,166	(4,471,781,978)	23,830,514,890

Type of Properties Foreclosed	SEPARATE FINANCIAL STATEMENTS			
	January 1, 2007	Acquisition	Disposition	December 31, 2007
	Baht	Baht	Baht	Baht
1. Assets acquired from debt repayment				
1.1 Immovable	16,331,462,667	2,036,375,222	(2,053,172,737)	16,314,665,152
1.2 Movable	175,014,640	-	(161,521,640)	13,493,000
Total	16,506,477,307	2,036,375,222	(2,214,694,377)	16,328,158,152
2. Others	54,435,513	32,314,014	(3,304,125)	83,445,402
Total properties foreclosed	16,560,912,820	2,068,689,236	(2,217,998,502)	16,411,603,554
Less: Provision for impairment	(940,137,441)	(258,103,151)	23,562,662	(1,174,677,930)
Total properties foreclosed	15,620,775,379	1,810,586,085	(2,194,435,840)	15,236,925,624

Type of Properties Foreclosed	SEPARATE FINANCIAL STATEMENTS			
	January 1, 2006	Acquisition	Disposition	December 31, 2006
	Baht	Baht	Baht	Baht
1. Assets acquired from debt repayment				
1.1 Immovable	17,362,858,526	1,390,039,551	(2,421,435,410)	16,331,462,667
1.2 Movable	175,014,640	-	-	175,014,640
Total	17,537,873,166	1,390,039,551	(2,421,435,410)	16,506,477,307
2. Others	30,890,923	98,284,042	(74,739,452)	54,435,513
Total properties foreclosed	17,568,764,089	1,488,323,593	(2,496,174,862)	16,560,912,820
Less: Provision for impairment	(667,284,271)	(286,857,030)	14,003,860	(940,137,441)
Total properties foreclosed	16,901,479,818	1,201,466,563	(2,482,171,002)	15,620,775,379

For the year ended December 31, 2007 and December 31, 2006, the Bank entered into an agreement to sell the impaired assets and the rights to Ayudhya Asset Management Company Limited (AMC), a wholly owned subsidiary, and sold the immovable properties foreclosed having a book value of Baht 21 million and Baht 120 million, respectively.

4.10 Property, premises and equipment, net

CONSOLIDATED FINANCIAL STATEMENTS						
	January 1, 2007	Increase	Decrease	Balance of Subsidiary Companies as at Investment Disposals Date	Others	December 31, 2007
	Baht	Baht	Baht	Baht	Baht	Baht
Land						
Cost	3,659,277,083	2,112,054	-	(3,417,277)	7,018,299	3,664,990,159
Appraisal increase	2,906,641,798	-	-	-	(1,603,652)	2,905,038,146
Appraisal decrease	(231,537,651)	-	-	-	6,495,127	(225,042,524)
Premises						
Cost	5,393,538,688	19,834,622	-	(37,457,987)	112,208,632	5,488,123,955
Appraisal increase	4,715,712,157	-	-	-	(1,904,305)	4,713,807,852
Appraisal decrease	(86,336,711)	-	-	-	-	(86,336,711)
Equipment	8,916,636,052	1,003,600,239	(342,476,414)	(19,518,682)	(220,915,731)	9,337,325,464
Construction in progress	521,235,040	291,264,505	-	-	(625,980,030)	186,519,515
Leasehold improvement	194,674,821	13,045,254	-	-	281,182,572	488,902,647
Total	25,989,841,277	1,329,856,674	(342,476,414)	(60,393,946)	(443,499,088)	26,473,328,503
Less: Accumulated depreciation						
Premises						
- Cost	(1,961,644,513)	(174,503,574)	-	12,051,654	1,120,637	(2,122,975,796)
- Appraisal increase	(1,814,951,555)	-	-	-	(167,680,135)	(1,982,631,690)
Equipment	(5,776,569,745)	(1,114,246,386)	284,023,210	16,174,833	327,531,012	(6,263,087,076)
Leasehold improvement	(74,208,717)	(137,592,372)	-	-	41,213	(211,759,876)
Total	(9,627,374,530)	(1,426,342,332)	284,023,210	28,226,487	161,012,727	(10,580,454,438)
Property, premises and equipment, net	16,362,466,747					15,892,874,065

Depreciation for the year

2007	2006
Baht	Baht
1,426,342,332	1,275,708,618

SEPARATE FINANCIAL STATEMENTS					
	January 1, 2007 Baht	Increase Baht	Decrease Baht	Others Baht	December 31, 2007 Baht
Land					
Cost	3,645,036,542	2,112,054	-	7,018,299	3,654,166,895
Appraisal increase	2,906,641,798	-	-	(1,603,652)	2,905,038,146
Appraisal decrease	(231,537,651)	-	-	6,495,127	(225,042,524)
Premises					
Cost	5,331,744,360	19,834,622	-	112,208,632	5,463,787,614
Appraisal increase	4,715,712,157	-	-	(1,904,305)	4,713,807,852
Appraisal decrease	(86,336,711)	-	-	-	(86,336,711)
Equipment	7,143,120,825	693,752,029	(75,519,643)	(231,281,676)	7,530,071,535
Construction in progress	520,784,220	291,145,925	-	(625,410,630)	186,519,515
Leasehold improvement	194,524,821	13,045,254	-	281,332,572	488,902,647
Total	24,139,690,361	1,019,889,884	(75,519,643)	(453,145,633)	24,630,914,969
Less: Accumulated depreciation					
Premises					
- Cost	(1,934,836,952)	(173,287,757)	-	1,120,637	(2,107,004,072)
- Appraisal increase	(1,814,951,555)	-	-	(167,680,135)	(1,982,631,690)
Equipment	(4,891,365,155)	(786,731,411)	74,773,628	327,618,371	(5,275,704,567)
Leasehold improvement	(74,183,717)	(137,554,872)	-	(21,287)	(211,759,876)
Total	(8,715,337,379)	(1,097,574,040)	74,773,628	161,037,586	(9,577,100,205)
Property, premises and equipment, net	15,424,352,982				15,053,814,764

Depreciation for the year

2007	2006
Baht	Baht
1,097,574,040	988,740,387

4.11 Deposits

(1) Classified by product

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2007	2006	2007	2006
	Baht	Baht	Baht	Baht
Current deposit	14,313,613,443	13,197,512,318	14,548,521,109	13,274,147,778
Savings deposit	162,979,702,364	159,490,175,162	163,523,646,342	159,590,590,222
Time deposit				
- Less than 6 months	135,507,681,712	153,253,504,944	135,507,686,610	153,253,509,718
- 6 months and less than 1 year	65,074,579,865	95,833,592,432	65,074,579,865	95,833,592,432
- 1 year and over 1 year	121,751,600,292	141,721,152,440	121,751,600,292	141,721,259,854
Total	<u>499,627,177,676</u>	<u>563,495,937,296</u>	<u>500,406,034,218</u>	<u>563,673,100,004</u>

(2) Classified by remaining maturity

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2007	2006	2007	2006
	Baht	Baht	Baht	Baht
Not over 1 year*	474,110,476,641	539,522,172,135	474,889,333,183	539,699,227,428
Over 1 year	<u>25,516,701,035</u>	<u>23,973,765,161</u>	<u>25,516,701,035</u>	<u>23,973,872,576</u>
Total	<u>499,627,177,676</u>	<u>563,495,937,296</u>	<u>500,406,034,218</u>	<u>563,673,100,004</u>

* Including matured time deposits

(3) Classified by currency and residence of depositors

	CONSOLIDATED FINANCIAL STATEMENTS					
	2007			2006		
	Domestic Baht	Foreign Baht	Total Baht	Domestic Baht	Foreign Baht	Total Baht
Baht	497,068,093,799	222,404,122	497,290,497,921	561,162,237,728	190,646,181	561,352,883,909
US Dollar	685,217,688	1,308,255,059	1,993,472,747	887,998,925	1,071,349,257	1,959,348,182
Other currencies	79,691,402	263,515,606	343,207,008	50,704,885	133,000,320	183,705,205
Total	<u>497,833,002,889</u>	<u>1,794,174,787</u>	<u>499,627,177,676</u>	<u>562,100,941,538</u>	<u>1,394,995,758</u>	<u>563,495,937,296</u>

SEPARATE FINANCIAL STATEMENTS						
	2007			2006		
	Domestic	Foreign	Total	Domestic	Foreign	Total
	Baht	Baht	Baht	Baht	Baht	Baht
Baht	497,846,950,341	222,404,122	498,069,354,463	561,339,400,436	190,646,181	561,530,046,617
US Dollar	685,217,688	1,308,255,059	1,993,472,747	887,998,925	1,071,349,257	1,959,348,182
Other currencies	79,691,402	263,515,606	343,207,008	50,704,885	133,000,320	183,705,205
Total	<u>498,611,859,431</u>	<u>1,794,174,787</u>	<u>500,406,034,218</u>	<u>562,278,104,246</u>	<u>1,394,995,758</u>	<u>563,673,100,004</u>

4.12 Interbank and money market items

(1) Domestic items

CONSOLIDATED FINANCIAL STATEMENTS						
	2007			2006		
	At Call	Time	Total	At Call	Time	Total
	Baht	Baht	Baht	Baht	Baht	Baht
Bank of Thailand and Financial Institutions						
Development Fund	–	4,348,599,330	4,348,599,330	–	7,758,093,000	7,758,093,000
Commercial banks	1,126,810,774	1,110,637,182	2,237,447,956	2,078,731,888	1,495,611,657	3,574,343,545
Other banks	50,424,161	3,129,872,000	3,180,296,161	60,001,285	1,067,172,000	1,127,173,285
Finance companies, securities companies and credit foncier companies	1,039,378,776	33,556,267	1,072,935,043	305,137,969	5,275,557	310,413,526
Other financial institutions	1,746,427,519	5,094,289,707	6,840,717,226	2,166,055,816	4,525,719,361	6,691,775,177
Total domestic items	<u>3,963,041,230</u>	<u>13,716,954,486</u>	<u>17,679,995,716</u>	<u>4,609,926,958</u>	<u>14,851,871,575</u>	<u>19,461,798,533</u>

SEPARATE FINANCIAL STATEMENTS						
	2007			2006		
	At Call	Time	Total	At Call	Time	Total
	Baht	Baht	Baht	Baht	Baht	Baht
Bank of Thailand and Financial Institutions						
Development Fund	–	4,348,599,330	4,348,599,330	–	7,758,093,000	7,758,093,000
Commercial banks	1,153,561,106	60,000,000	1,213,561,106	939,891,835	60,000,000	999,891,835
Other banks	50,424,161	3,129,872,000	3,180,296,161	60,001,285	1,067,172,000	1,127,173,285
Finance companies, securities companies and credit foncier companies	1,061,717,374	33,566,842	1,095,284,216	444,553,800	5,275,557	449,829,357
Other financial institutions	1,746,427,519	4,475,158,067	6,221,585,586	2,166,055,816	3,906,550,482	6,072,606,298
Total domestic items	<u>4,012,130,160</u>	<u>12,047,196,239</u>	<u>16,059,326,399</u>	<u>3,610,502,736</u>	<u>12,797,091,039</u>	<u>16,407,593,775</u>

(2) Foreign items

CONSOLIDATED FINANCIAL STATEMENTS						
	2007			2006		
	At Call	Time	Total	At Call	Time	Total
	Baht	Baht	Baht	Baht	Baht	Baht
US Dollar	1,099,362,247	1,505,279,852	2,604,642,099	990,779,906	-	990,779,906
Other currencies	37,913,566	-	37,913,566	45,482,036	-	45,482,036
Total foreign items	1,137,275,813	1,505,279,852	2,642,555,665	1,036,261,942	-	1,036,261,942
Total domestic and foreign items	5,100,317,043	15,222,234,338	20,322,551,381	5,646,188,900	14,851,871,575	20,498,060,475

SEPARATE FINANCIAL STATEMENTS						
	2007			2006		
	At Call	Time	Total	At Call	Time	Total
	Baht	Baht	Baht	Baht	Baht	Baht
US Dollar	1,099,362,247	1,505,279,852	2,604,642,099	990,779,906	-	990,779,906
Other currencies	37,913,566	-	37,913,566	45,482,036	-	45,482,036
Total foreign items	1,137,275,813	1,505,279,852	2,642,555,665	1,036,261,942	-	1,036,261,942
Total domestic and foreign items	5,149,405,973	13,552,476,091	18,701,882,064	4,646,764,678	12,797,091,039	17,443,855,717

On August 11, 2006 and September 5, 2006, the Bank had Baht 600 million of borrowings under promissory notes with embedded derivatives (Structured Borrowings). The maturities are on August 11, 2011 and September 5, 2011 and the interest is payable semi-annually in arrears.

As of December 31, 2007, the borrowings are carried at fair value derived from a counter party or a calculation agent. However, the Bank has tested the fair value calculation by using a well-known technique of value appraisal with no significant difference from the price taken from the aforesaid counter party. The change in fair value of borrowings is recognized as a mark-to-market loss in the statements of income for Baht 48.93 million which equals the mark-to-market gain on the hedging instruments.

4.13 Short-Term Borrowings

4.13.1 On December 15, 2006, the Bank issued short-term borrowings in the amount of Baht 343 million and 386 million, respectively with maturity on April 16, 2007 at the fixed interest rate of 4.625% and 4.70% per annum, respectively. The Bank has already made the payment.

On December 26, 2006, the Bank issued short-term borrowings in the amount of Baht 124 million and 30 million, respectively with maturity on April 26, 2007 at the fixed interest rate of 4.625% and 4.70% per annum, respectively. The Bank has already made the payment.

4.13.2 On June 18, 2007 to June 27, 2007, the Bank issued short-term borrowings in the amount of Baht 1,185 million, with a maturity of September 27, 2007 at the fixed interest rate of 2.80% per annum. The Bank has already made the payment.

- 4.13.3 On December 28, 2006, the Bank has Baht 1,998 million of borrowings under a bill of exchange from Ayudhya Capital Lease Company Limited. The interest rate is 4.50% per annum with a maturity date of January 3, 2007. The Bank has already made the payment.
- 4.13.4 On September 13, 2007, the Bank issued short-term borrowings in the amount of Baht 300 million, with a maturity of December 13, 2007 at the fixed interest rate of 3.15% per annum. The Bank has already made the payment.
- 4.13.5 On October 3, 2007, the Bank issued short-term borrowings in the amount of Baht 1,000 million and Baht 500 million, with maturities on January 3, 2008 and November 27, 2007 at the fixed interest rate of 3.25% and 3.05% per annum, respectively. Short-term borrowings in the amount of Baht 500 million, the Bank has already made the payment.
- 4.13.6 On April 20, 2006, the Bank has Baht 600 million of borrowings under promissory notes with embedded derivatives (Structured Borrowings). The maturity is on April 20, 2007 and the interest is payable semi-annually at the LIBOR-6 month interest rate in April and October. The Bank has already made the payment.
- 4.13.7 On November 2, 2007 to December 28, 2007, the Bank has Baht 5,278 million of borrowings under bills of exchange. The interest rate is 2.60%-3.00% per annum with maturity dates of February 1, 2008 to September 26, 2008.
- 4.13.8 On February 17, 2006 and August 23, 2006, the Bank has Baht 400 million of borrowings under promissory notes with embedded derivatives (Structured Borrowings). The maturities are on February 18, 2008 and August 25, 2008 and the interest is payable semi-annually at the LIBOR-6 month interest rate in February and August. On February 19, 2007, the borrowings with a maturity date of February 18, 2008 were redeemed.

As of December 31, 2007, the borrowings are carried at a fair value derived from a counter party or calculation agent. However, the Bank has calculated the fair value by using a well-known technique of value appraisal with no significant difference from the price taken from the aforesaid counter party. The change in fair value of borrowings is recognized as a mark-to-market loss in the statements of income for Baht 1.8 million which equals the mark-to-market gain on the hedging instruments.

- 4.13.9 On August 5, 2005 and August 26, 2005, the Bank's subsidiary has Baht 210 million and 90 million of borrowings under bills of exchange from Ayudhya Insurance Public Company Limited, a related party, respectively with maturities of August 2, 2008 and August 26, 2008 at a fixed interest rate of 4.50% per annum.

4.14 Long-Term Borrowings

CONSOLIDATED FINANCIAL STATEMENTS						
	2007			2006		
	Domestic Baht	Foreign Baht	Total Baht	Domestic Baht	Foreign Baht	Total Baht
Subordinated Debentures #5	12,000,000,000	-	12,000,000,000	12,000,000,000	-	12,000,000,000
Senior securities floating rate notes (US\$ 150.0 million)	-	5,066,814,167	5,066,814,167	-	5,414,181,183	5,414,181,183
Senior securities	11,531,800,000	-	11,531,800,000	-	-	-
Other borrowings	-	-	-	680,831,121	-	680,831,121
Total long-term borrowings	<u>23,531,800,000</u>	<u>5,066,814,167</u>	<u>28,598,614,167</u>	<u>12,680,831,121</u>	<u>5,414,181,183</u>	<u>18,095,012,304</u>
SEPARATE FINANCIAL STATEMENTS						
	2007			2006		
	Domestic Baht	Foreign Baht	Total Baht	Domestic Baht	Foreign Baht	Total Baht
Subordinated Debentures #5	12,000,000,000	-	12,000,000,000	12,000,000,000	-	12,000,000,000
Senior securities floating rate notes (US\$ 150.0 million)	-	5,066,814,167	5,066,814,167	-	5,414,181,183	5,414,181,183
Senior securities	11,531,800,000	-	11,531,800,000	-	-	-
Other borrowings	-	-	-	400,000,000	-	400,000,000
Total long-term borrowings	<u>23,531,800,000</u>	<u>5,066,814,167</u>	<u>28,598,614,167</u>	<u>12,400,000,000</u>	<u>5,414,181,183</u>	<u>17,814,181,183</u>

Long-Term Borrowings consist of the following :

4.14.1 On November 5, 2003, the Bank issued subordinated debentures #5 in the amount of Baht 12,000 million with a maturity in 2013 at the fixed rate of 4% per annum for the years 1-5 and a rate of 4.75% per annum for the years 6-10, payable quarterly on the fifth of February, May, August and November of each year. However, the Bank has the right to redeem the debentures #5 before the maturity date under the approval of BOT.

4.14.2 On November 14, 2006, the Bank issued senior securities floating rate notes in the amount of USD 150 million with a maturity in 2009 and carrying an interest rate of six-month LIBOR plus 0.24% per annum, payable semi-annually of May and November of each year.

4.14.3 On October 26, 2007, the Bank issued senior securities in the amounts of Baht 6,898.6 million and 4,633.2 million, respectively with maturities of October 26, 2010 and 2011 at a fixed interest rate of 4.25% and 4.50% per annum respectively, payable quarterly of January, April, July and October of each year.

4.15 Provisions

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	2007 Baht	2006 Baht
Brought forward balance as at January 1,	314,653,143	469,820,745
Increase during the year	297,586,972	(155,167,602)
Ending balance as at December 31,	612,240,115	314,653,143

4.16 Share capital

	2007 Baht	2006 Baht
Registered capital	70,893,927,550	70,893,927,550
Issued and paid-up share capital	57,477,468,400	29,408,124,750

4.16.1 Capital funds

The Bank is subject to various capital and regulatory requirements administered by the BOT. Under these capital adequacy guidelines and the regulatory framework for prompt corrective action, the Bank must satisfy specific capital guidelines that involve quantitative measures of its assets, liabilities and certain off-balance sheet items as calculated in accordance with regulatory accounting practices. In addition, the Bank's capital amounts and classification are also subject to qualitative judgements by the BOT in regard to components, risk weightings, and other factors. As at December 31, 2007 and December 31, 2006, the Bank met all capital adequacy requirements. However, these capital and regulatory requirements are subject to change, as considered necessary by the BOT.

The Bank maintains its capital funds as a proportion of risk assets in accordance with the criteria, methodologies, and conditions prescribed by the Bank of Thailand. As at December 31, 2007 and December 31, 2006, the Bank's total capital funds can be categorized as follows:

	2007 Baht	2006 Baht
Tier 1 capital		
Issued and paid-up share capital	57,477,468,400	29,408,124,750
Premium on share capital	13,149,422,040	180,974,950
Statutory reserve	435,500,000	352,000,000
Net profit after appropriations	(927,584,401)	6,039,673,212
Total Tier 1 capital	70,134,806,039	35,980,772,912

	2007	2006
	Baht	Baht
Tier 2 capital		
Assets revaluation surplus	3,386,996,584	3,472,911,361
Subordinated unsecured floating rate notes	12,000,000,000	12,000,000,000
Investment revaluation surplus (net) in securities available-for-sale	19,321,165	-
Reserve for normal assets	5,598,654,812	4,971,101,217
Total Tier 2 capital	21,004,972,561	20,444,012,578
Total capital before deductions	91,139,778,600	56,424,785,490
Less: Investment revaluation discretion (net) in securities available-for-sale	-	575,156,882
Total capital fund	91,139,778,600	55,849,628,608

As at December 31, 2007 and December 31, 2006, the Bank maintained its capital adequacy ratio to total risk assets and commitments according to the BOT's regulation and procedures as follows:

	Percentage	
	2007	2006
Total capital	20.35	11.67
Tier 1 capital	15.66	7.52

The above ratios excluded net profit for the 6-month period ended December 31, 2007, in the amount of Baht 4,082 million as the amount is to be approved in the ordinary shareholders meeting before inclusion in the calculation of tier 1 capital. If the aforementioned net profit and 14,789,616 units of warrants exercised for ordinary shares amounting to Baht 177 million (see note 4.16.2) is included, the Bank's total capital adequacy ratio as at December 31, 2007, would be 21.30% and tier 1 capital ratio would be 16.61%.

4.16.2 Warrants

In August 2003, the Bank offered to sell 1,000 million new ordinary shares at Baht 10 per share (amount of capital increase Baht 10,000 million) to institutional investors or specific investors according to the Notification of the Securities and Exchange Commission together with the right to be allocated with warrants to exercise for ordinary shares of the Bank at the offered price of Baht 0 per unit at the ratio of two new capital increase ordinary shares to one unit of warrant which amounted to 500 million units of warrants. In addition, the Bank offered to sell the warrants to exercise for ordinary shares of the Bank in the amount of 739.07 million units to the existing shareholders at the ratio of five existing shares to two units of warrants at the offered price of Baht 0 per unit. In total the warrants offered to sell amounted to 1,239.07 million units. The Bank has received the proceeds and registered the increase of paid-up capital with the Ministry of Commerce on August 29, 2003.

The significant details of warrants are summarized as follows:

Exercise ratio	: One unit of warrant will be entitled to the purchase of one ordinary share
Number of ordinary shares issued to accommodate the warrants	: 1,239.07 million shares
Exercise price	: Baht 12.00 per share
Term of warrant	: 5 years
Exercise period	: 4 times per year, on the last business day of March, June, September and December of each year throughout the warrant's term. The first exercise date shall be on March 31, 2004

During the year 2006, 532,351,032 units of warrants were exercised for ordinary shares amounting to Baht 6,388 million in proceeds. As at December 31, 2006, the exercised warrants of 463,117,001 units amounting to Baht 5,557 million in proceeds which were reported under the shareholder's equity and have been registered as increased capital. On January 3, 2007, these proceeds were registered with the Ministry of Commerce.

For the year ended December 31, 2007, 358,606,980 units of warrants were exercised for ordinary shares amounting to Baht 4,303 million of proceeds. As at December 31, 2007, the exercised warrant proceeds of 14,789,616 units amounting to Baht 177 million which were reported under the shareholder's equity and have not yet been registered as increased capital. On January 8, 2008, these proceeds were registered with the Ministry of Commerce. As of December 31, 2007 and December 31, 2006, the remaining number of warrants with the right to exercise for ordinary shares of the Bank totaled 326,856,299 units and 685,463,279 units, respectively.

On January 3, 2007, the Bank completed the registration process to increase the paid-up capital of the Bank from Baht 29,408,124,750 to Baht 47,949,294,760 with the Ministry of Commerce ("MOC"). The increase of paid-up capital in the amount of Baht 18,541,170,010 resulted from the Bank's offer to sell ordinary shares to GE Capital International Holdings Corporation ("GECIH") totaling 1,391 million shares, at the par value of Baht 10 each, amounting to capital fund of Baht 13,910,000,000 at the selling price of Baht 16 per share, amounting to total proceeds of Baht 22,256,000,000. After the registration of the increase of paid-up capital with the MOC, GECIH held shares amounting to 29.01 percent of total issued and paid-up shares of the Bank based on the purchase of the Initial Subscription Shares, and the shareholding shall be no more than 25.40 percent of the total number of shares sold after the exercise of its entire warrants for ordinary shares of the Bank by September 3, 2008.

On July 2, 2007, the Bank completed the registration process to increase the paid-up capital of the Bank from Baht 49,565,752,010 to Baht 55,626,053,820 with the MOC. The increase of paid-up capital in the amount of Baht 6,060,301,810 resulted from the exercise of warrants for the Bank's ordinary shares for 161,370,405 shares, at the par value of Baht 10 each, amounting to capital fund of Baht 1,613,704,050 and the Bank's offer for sale of ordinary shares to GE Capital International Holdings Corporation

("GECIH") totaling 444,659,776 shares, at the par value of Baht 10 each, amounting to capital fund of Baht 4,446,597,760 at the selling price of Baht 16 per share, amounting to total proceeds of Baht 7,114,556,416. After the registration of the increase of paid-up capital with the MOC, GECIH held shares amounting to 33 percent of total issued and paid –up shares of the Bank as of July 2, 2007, and the shareholding shall be no more than 31 percent of the total number of shares sold after the exercise of its entire warrants for ordinary shares of the Bank.

On September 18, 2007, the Bank completed the registration process to increase the paid-up capital of the Bank from Baht 55,626,053,820 to Baht 57,269,456,060 with the MOC. The increase of paid-up capital in the amount of Baht 1,643,402,240 resulted from the Bank's offer to sell ordinary shares to GE Capital International Holdings Corporation ("GECIH") totaling 164,340,224 million shares, at the par value of Baht 10 each, amounting to capital fund of Baht 1,643,402,240 at the selling price of Baht 16 per share, amounting to total proceeds of Baht 2,629,443,584. After the registration of the increase of paid-up capital with the MOC, GECIH held shares amounting to 34.92 percent of total issued and paid-up shares of the Bank as of September 18, 2007, and the shareholding shall be no more than 32.84 percent of the total number of shares sold after the exercise of its entire warrants for ordinary shares of the Bank.

As at December 31, 2007, premium on ordinary share capital is as follows:

	Baht
Beginning balance	180,974,950
Additions during the year	13,613,868,730
Less: Expenses from capital raising process	<u>(645,421,640)</u>
Ending balance	<u>13,149,422,040</u>

4.17 Statutory reserve and other reserve

4.17.1 Pursuant to the Public Limited Companies Act B.E. 2535 (1992) the Bank must allocate to a reserve fund from the annual net profit, not less than five percent of the annual net profit deducted by the total accumulated loss brought forward (if any) until the reserve fund reaches an amount not less than ten percent of the registered capital.

4.17.2 The Bank appropriated a part of annual profit as other reserve, which is treated as general reserve with no specific purpose.

4.18 Dividend payment

At the General Shareholders' meeting held on April 11, 2007, the shareholders approved a resolution authorizing a dividend payment for the second half year ended December 2006 to the shareholders of 4,794,929,476 ordinary shares at Baht 0.20 per share which totalled Baht 958.99 million. At the General Shareholders' meeting held on April 27, 2006, the shareholders approved a resolution authorizing a dividend payment for the second half year ended December 2005 to the shareholders of 2,871,578,444 ordinary shares at Baht 0.40 per share which amounted to Baht 1,148.63 million. Including the interim dividend payment at the rate of Baht 0.40 per share from the operating results for the first half of the year 2005 with a payment made on September 23, 2005, the Bank's dividend payment for the year totalled Baht 0.80 per share.

4.19 Income tax

Income tax for the years ended December 31, 2007 and December 31, 2006, consisted of income tax for foreign branches calculated separately from head office.

4.20 Contingencies

CONSOLIDATED FINANCIAL STATEMENTS						
	2007			2006		
	Baht	Foreign Currencies Baht	Total Baht	Baht	Foreign Currencies Baht	Total Baht
Avals to bills	2,667,049,568	-	2,667,049,568	1,680,676,269	-	1,680,676,269
Guarantees of loans	21,268,051	556,825,500	578,093,551	26,782,494	702,858,000	729,640,494
Other guarantees	32,112,818,744	1,211,812,004	33,324,630,748	33,590,246,426	879,114,266	34,469,360,692
Letters of credit	248,110,423	7,463,329,308	7,711,439,731	410,902,022	5,591,880,031	6,002,782,053
Exchange rate contracts						
Bought	-	52,368,328,115	52,368,328,115	-	66,039,384,358	66,039,384,358
Sold	-	77,689,152,285	77,689,152,285	-	146,306,114,439	146,306,114,439
Currency swap contracts						
Bought	7,850,000,000	1,848,931,466	9,698,931,466	13,582,800,000	2,132,202,087	15,715,002,087
Sold	846,000,000	7,895,051,027	8,741,051,027	1,010,000,000	13,481,493,113	14,491,493,113
Interest rate swap						
Bought	5,800,000,000	7,248,855,600	13,048,855,600	4,818,000,000	8,282,911,200	13,100,911,200
Sold	5,800,000,000	7,248,855,600	13,048,855,600	4,818,000,000	8,282,911,200	13,100,911,200
Unused overdraft limit	43,987,955,057	-	43,987,955,057	43,806,294,995	-	43,806,294,995
Other	-	5,434,247,675	5,434,247,675	29,498,510	3,672,508,104	3,702,006,614
Total	99,333,201,843	168,965,388,580	268,298,590,423	103,773,200,716	255,371,376,798	359,144,577,514

SEPARATE FINANCIAL STATEMENTS						
	2007			2006		
	Baht	Foreign Currencies Baht	Total Baht	Baht	Foreign Currencies Baht	Total Baht
Avals to bills	3,267,049,568	-	3,267,049,568	2,280,676,269	-	2,280,676,269
Guarantees of loans	21,268,051	556,825,500	578,093,551	26,782,494	702,858,000	729,640,494
Other guarantees	32,125,412,589	1,211,812,004	33,337,224,593	33,599,523,689	879,114,266	34,478,637,955
Letters of credit	248,110,423	7,415,829,135	7,663,939,558	410,902,022	5,591,880,031	6,002,782,053
Exchange rate contracts						
Bought	-	52,368,328,115	52,368,328,115	-	66,039,384,358	66,039,384,358
Sold	-	77,689,152,285	77,689,152,285	-	146,306,114,439	146,306,114,439
Currency swap contracts						
Bought	7,850,000,000	1,848,931,466	9,698,931,466	13,582,800,000	2,132,202,087	15,715,002,087
Sold	846,000,000	7,895,051,027	8,741,051,027	1,010,000,000	13,481,493,113	14,491,493,113
Interest rate swap						
Bought	6,500,000,000	7,248,855,600	13,748,855,600	7,518,000,000	8,282,911,200	15,800,911,200
Sold	6,500,000,000	7,248,855,600	13,748,855,600	7,518,000,000	8,282,911,200	15,800,911,200
Unused overdraft limit	43,987,955,057	-	43,987,955,057	43,806,294,995	-	43,806,294,995
Others	-	5,434,247,675	5,434,247,675	29,498,510	3,672,508,104	3,702,006,614
Total	101,345,795,688	168,917,888,407	270,263,684,095	109,782,477,979	255,371,376,798	365,153,854,777

As at December 31, 2007 and December 31, 2006, the Bank has commitments for information technology in the amount of Baht 175 million and Baht 54 million, respectively.

On April 21, 2006, the Bank entered into an Information Technology Service Agreement for services to be provided until April 20, 2009. As of December 31, 2007, the Bank has a future commitment to pay a service fee totalling Baht 302 million.

4.21 Earnings (loss) per share

Earnings (loss) per share for the years ended December 31, 2007 and December 31, 2006, are calculated as follows:

CONSOLIDATED FINANCIAL STATEMENTS						
	Net Income (loss)		Weighted Average Number of Common Shares		Earnings (loss) Per Share	
	Million Baht		Million Shares		Baht	
	2007	2006	2007	2006	2007	2006
Basic earnings (loss) per share						
net income (loss)	(3,992)	1,666	5,259	2,891	(0.76)	0.58
Effect of diluted equivalent ordinary shares warrant	-	-	327	686		
Diluted earnings (loss) per share	<u>(3,992)</u>	<u>1,666</u>	<u>5,586</u>	<u>3,577</u>	<u>(0.71)</u>	<u>0.47</u>

SEPARATE FINANCIAL STATEMENTS						
	Net Income (loss)		Weighted Average Number of Common Shares		Earnings (loss) Per Share	
	Million Baht		Million Shares		Baht	
	2007	2006	2007	2006	2007	2006
Basic earnings (loss) per share						
net income (loss)	(3,518)	2,684	5,259	2,891	(0.67)	0.93
Effect of diluted equivalent ordinary shares warrant	-	-	327	686		
Diluted earnings (loss) per share	<u>(3,518)</u>	<u>2,684</u>	<u>5,586</u>	<u>3,577</u>	<u>(0.63)</u>	<u>0.75</u>

4.22 Long-term lease

December 31, 2007

TYPE OF LEASE	PERIOD	RENTAL	
		CONSOLIDATED FINANCIAL STATEMENTS	SEPARATE FINANCIAL STATEMENTS
		Baht	Baht
Land and/or premises	Jan. 1, 2008 – Dec. 31, 2008	182,640,680	151,486,543
	Jan. 1, 2009 – Dec. 31, 2009	108,364,224	82,748,224
	Jan. 1, 2010 – Dec. 31, 2010	39,252,714	30,007,464
	Jan. 1, 2011 – Dec. 31, 2011	17,552,151	16,172,151
	Jan. 1, 2012 – Dec. 31, 2012	16,190,077	16,190,077
	Jan. 1, 2013 – Dec. 31, 2013	16,373,427	16,373,427
	Jan. 1, 2014 – Aug. 31, 2035	174,166,233	174,166,233
		<u>554,539,506</u>	<u>487,144,119</u>

December 31, 2006

TYPE OF LEASE	PERIOD	RENTAL	
		CONSOLIDATED FINANCIAL STATEMENTS	SEPARATE FINANCIAL STATEMENTS
		Baht	Baht
Land and/or premises	Jan. 1, 2007 – Dec. 31, 2007	161,607,044	138,856,228
	Jan. 1, 2008 – Dec. 31, 2008	108,060,009	98,136,569
	Jan. 1, 2009 – Dec. 31, 2009	52,496,365	48,303,565
	Jan. 1, 2010 – Dec. 31, 2010	18,383,741	18,383,741
	Jan. 1, 2011 – Dec. 31, 2011	18,448,418	18,448,418
	Jan. 1, 2012 – Dec. 31, 2012	18,346,420	18,346,420
	Jan. 1, 2013 – Aug. 31, 2035	162,480,853	162,480,853
		<u>539,822,850</u>	<u>502,955,794</u>

4.23 Related-party transactions

The Bank has business transactions with subsidiaries, associated and related companies. These transactions are with companies that have shareholding and/or major shareholders and/or joint directors in common with the Bank. Such related transactions are priced on an arms-length basis in the normal course of business for the Bank with the same conditions as other customers, including the allowance for doubtful accounts policy. The Bank has complied with the same BOT regulations as those granted to other debtors.

4.23.1 Loans and commitment with certain officers from the level of departmental chief upward and the companies in which they and/or the Bank directors and/or the Bank owned 10% or more of each company's paid-up capital are as follows:

	SEPARATE FINANCIAL STATEMENTS	
	2007 Baht	2006 Baht
Loans		
Balance as at December 31,	48,737,581,143	43,132,418,409
Average balance at the end of the month	44,170,561,873	43,303,508,871
Allowance for doubtful accounts as at December 31,	796,143,333	427,462,356
Commitments		
Balance as at December 31,	1,314,102,500	3,393,654,538
Average balance at the end of the month	2,274,387,625	4,621,006,366

Certain information related to the aforementioned loans and commitments as at December 31, 2007 and December 31, 2006, are as follows:

December 31, 2007

	Total Amount (Million Baht)	Maturity Date	Outstanding Balance	
			Secured (Million Baht)	Unsecured (Million Baht)
Loans	48,738	Jul. 6, 2007 to Sep. 30, 2034	443	49,609
Commitments	1,314	Dec. 14, 2007 to Apr. 4, 2010		

As at December 31, 2007, the Bank charges interest rates of 2.00%–15.00% on loans to these related parties.

December 31, 2006

	Total Amount (Million Baht)	Maturity Date	Outstanding Balance	
			Secured (Million Baht)	Unsecured (Million Baht)
Loans	43,132	Jan. 5, 2007 to Feb. 29, 2020	386	46,140
Commitments	3,394	Nov. 24, 2006 to Feb. 29, 2020		

As at December 31, 2006, the Bank charges interest rates of 1.50%–10.00% on loans to these related parties.

4.23.2 In addition to 4.23.1, the Bank has loans and commitments to the companies which are related to the directors and/or major shareholders of the Bank as identified by having the same executive officers as the Bank and/or the companies in which the directors and/or shareholders of the Bank having significant voting right both direct and indirect.

	SEPARATE FINANCIAL STATEMENTS	
	2007 Baht	2006 Baht
Loans		
Balance as at December 31,	1,271,000,000	1,162,694,316
Average balance at the end of the month	748,783,333	1,220,735,291
Allowance for doubtful accounts as at December 31,	12,710,000	5,747,143
Commitments		
Balance as at December 31,	315,044,848	171,516,505
Average balance at the end of the month	294,679,518	334,508,298

Certain information related to the aforementioned loans and commitments as at December 31, 2007 and December 31, 2006, are as follows:

December 31, 2007

	Total Amount (Million Baht)	Maturity Date	Outstanding Balance	
			Secured (Million Baht)	Unsecured (Million Baht)
Loans	1,271	Jan. 4, 2008 to Oct. 31, 2012	204	1,382
Commitments	315	Nov. 23, 2007 to May. 22, 2017		

December 31, 2006

	Total Amount (Million Baht)	Maturity Date	Outstanding Balance	
			Secured (Million Baht)	Unsecured (Million Baht)
Loans	1,163	Jan. 5, 2007 to Oct. 31, 2012	588	746
Commitments	171	Oct. 20, 2006 to Apr. 30, 2014		

Interest rates of loans as at December 31, 2007 and December 31, 2006, are equal to 4.00%–7.13% and 5.40%–8.50%, respectively.

4.23.3 The Bank has investments in and loans to subsidiaries, associated and related companies as follows:

1. Investment in associated and related companies

December 31, 2007

CONSOLIDATED FINANCIAL STATEMENTS						
Business Type	Registered Share Capital Baht	Ownership	Investment Cost Baht	Equity Baht	Dividend Amount Baht	
Associated companies						
Krungsriyudhya Card Company Limited	Credit card	1,100,000,000	49.99%	549,999,960	785,053,120	-
Investment in subsidiaries and associated companies, net				<u>549,999,960</u>	<u>785,053,120</u>	<u>-</u>
Related companies (10%-20% holding)						
Ayudhya Insurance Public Company Limited	Insurance	250,000,000	10.92%	418,983,303	-	38,204,180
Asian Trade and Leasing Company Limited	Service	150,000,000	10.00%	- 0 -	-	-
Primavest Asset Management Company Limited	Investment management	250,000,000	10.00%	10,625,000	-	-
P.P. Parawood Company Limited	Manufacturing	95,000,000	10.00%	9,500,000	-	-

December 31, 2006

CONSOLIDATED FINANCIAL STATEMENTS						
Business Type	Registered Share Capital Baht	Ownership	Investment Cost Baht	Equity Baht	Dividend Amount Baht	
Associated companies						
Krungsriyudhya Card Company Limited	Credit card	1,100,000,000	49.99%	549,999,960	785,250,429	-
Investment in subsidiaries and associated companies, net				<u>549,999,960</u>	<u>785,250,429</u>	<u>-</u>
Related companies (10%-20% holding)						
Ayudhya Insurance Public Company Limited	Insurance	250,000,000	10.92%	418,983,303	-	35,475,310
Asian Trade and Leasing Company Limited	Service	150,000,000	10.00%	- 0 -	-	-
Primavest Asset Management Company Limited	Investment management	250,000,000	10.00%	25,000,000	-	-
P.P. Parawood Company Limited	Manufacturing	95,000,000	10.00%	9,500,000	-	-

December 31, 2007

SEPARATE FINANCIAL STATEMENTS					
	Business Type	Registered Share Capital Baht	Ownership Investment Cost Baht	Dividend Amount Baht	
Subsidiaries					
Siam Realty and Service Company Limited	Car rent and personel service	100,000,000	99.99%	99,999,400	-
K.S.Law Office Company Limited	Legal advisory service	32,000,000	99.99%	31,999,940	-
Ayudhya Asset Management Company Limited	Assets management	6,000,000,000	99.99%	5,999,999,940	-
Ayudhya Fund Management Company Limited (Formerly Ayudhya JF Asset Management Company Limited)	Investment management	350,000,000	99.99%	267,350,150	-
Ayudhya Capital Lease Company Limited	Auto leasing	3,000,000,000	99.99%	2,999,999,940	-
Ayudhya Factoring Company Limited	Factoring	100,000,000	99.99%	99,999,940	-
Ayudhya Auto Lease Public Company Limited (Formerly Ayudhya Investment and Trust Public Company Limited)	Auto leasing	2,850,000,000	99.55%	2,742,198,422	-
Ayudhya Development Leasing Company Limited	Leasing	705,000,000	90.00%	795,756,020	30,573,750
Ayudhya Securuties Public Company Limited	Finance	600,000,000	86.33%	637,139,225	-
Associated companies					
Krungsriayudhya Card Company Limited	Credit card	1,100,000,000	49.99%	549,999,960	-
Less: General reserve for subsidiaries and associated company				(2,998,138,943)	
Investment in subsidiaries and associated companies, net				<u>11,226,303,994</u>	<u>30,573,750</u>
Related companies (10%-20% holding)					
Ayudhya Insurance Public Company Limited	Insurance	250,000,000	10.92%	418,983,303	38,204,180
Asian Trade and Leasing Company Limited	Service	150,000,000	10.00%	- 0 -	-
Primavest Asset Management Company Limited	Investment management	250,000,000	10.00%	10,625,000	-
P.P. Parawood Company Limited	Manufacturing	95,000,000	10.00%	9,500,000	-

December 31, 2006

SEPARATE FINANCIAL STATEMENTS					
	Business Type	Registered Share Capital Baht	Ownership Investment Cost Baht	Dividend Amount Baht	
Subsidiaries					
Siam Realty and Services Company Limited	Car rent and personnel services	100,000,000	99.99%	99,999,400	-
K.S.Law Office Company Limited	Legal advisory services	32,000,000	99.99%	31,999,940	-
Ayudhya Asset Management Company Limited	Assets management	2,000,000,000	99.99%	1,999,999,940	-
Ayudhya Fund Management Company Limited (Formerly Ayudhya JF Asset Management Company Limited)	Investment management	350,000,000	99.99%	267,350,150	-
Ayudhya Capital Lease Company Limited	Auto leasing	1,998,000,000	99.99%	1,997,999,953	-
Ayudhya Development Leasing Company Limited	Leasing	705,000,000	86.73%	761,394,020	22,170,215
Ayudhya Securuties Public Company Limited	Finance	600,000,000	86.33%	637,139,225	-
Ayudhya Auto Lease Public Company Limited (Formerly Ayudhya Investment and Trust Public Company Limited)	Auto leasing	2,850,000,000	79.33%	2,239,429,835	-
Ayudhya International Factors Company Limited	Factoring	250,000,000	50.63%	150,006,660	2,531,315
Associated companies					
Krungsriayudhya Card Company Limited	Credit card	1,100,000,000	49.99%	549,999,960	-
Less: General reserve for subsidiaries and associated company				(2,834,696,039)	
Investment in subsidiaries and associated companies, net				5,900,623,044	24,701,530
Related companies (10%-20% holding)					
Ayudhya Insurance Public Company Limited	Insurance	250,000,000	10.92%	418,983,303	35,475,310
Asian Trade and Leasing Company Limited	Service	150,000,000	10.00%	- 0 -	-
Primavest Asset Management Company Limited	Investment management	250,000,000	10.00%	25,000,000	-
P.P. Parawood Company Limited	Manufacturing	95,000,000	10.00%	9,500,000	-

2. Loans to the subsidiaries, associated and related companies and allowance for doubtful accounts.

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2007	2006	2007	2006
	Baht	Baht	Baht	Baht
Subsidiaries				
Ayudhya Asset Management Company Limited	-	-	19,052,558,231	26,080,046,000
Siam Realty and Services Company Limited	-	-	200,000,000	210,000,000
Ayudhya International Factors Company Limited	-	-	-	101,325,320
Ayudhya Development Leasing Company Limited	-	-	1,211,047,300	751,198,775
Ayudhya Factoring Company Limited	-	-	194,500,000	-
Ayudhya Auto Lease Public Company Limited (Formerly Ayudhya Investment and Trust Public Company Limited)	-	-	7,170,000,000	12,300,000,000
Ayudhya Capital Lease Company Limited	-	-	17,300,000,000	-
Ayudhya Fund Management Company Limited (Formerly Ayudhya JF Asset Management Company Limited)	-	-	25,000,000	100,000,000
Total	-	-	45,153,105,531	39,542,570,095
<u>Less: Allowance for doubtful accounts</u>	-	-	451,531,055	395,425,700
Total	-	-	44,701,574,476	39,147,144,395
Associated companies				
Krungsriayudhya Card Company Limited	3,000,000,000	3,033,082,121	3,000,000,000	3,033,082,121
Total	3,000,000,000	3,033,082,121	3,000,000,000	3,033,082,121
<u>Less: Allowance for doubtful account</u>	30,000,000	30,330,821	30,000,000	30,330,821
Total	2,970,000,000	3,002,751,300	2,970,000,000	3,002,751,300
Related companies (10%-20% holding)				
P.P. Parawood Company Limited	546,800,583	539,794,162	546,800,583	539,794,162
Total	546,800,583	539,794,162	546,800,583	539,794,162
<u>Less: Allowance for doubtful account</u>	314,584,683	1,701,232	314,584,683	1,701,232
Total	232,215,900	538,092,930	232,215,900	538,092,930
Related companies having joint major shareholders or directors				
BBTV Equity Company Limited	-	383,680,000	-	383,680,000
Conwood Company Limited	271,000,000	379,000,000	271,000,000	379,000,000
Siam City Concrete Company Limited	502,707	3,056,328	-	-
Siam City Cement Public Company Limited	1,000,000,000	405,769,540	1,000,000,000	400,000,000
Media of Medias Public Company Limited	-	14,316	-	14,316
Total	1,271,502,707	1,171,520,184	1,271,000,000	1,162,694,316
<u>Less: Allowance for doubtful accounts</u>	12,710,000	5,747,000	12,710,000	5,747,000
Total	1,258,792,707	1,165,773,184	1,258,290,000	1,156,947,316

The aforementioned loans carry interest at substantially the same rates and are subject substantially to the same conditions as those granted to other customers.

As at December 31, 2007 and December 31, 2006, the Bank loaned to Ayudhya Asset Management Company Limited Baht 16,953 million and Baht 23,406 million, respectively for a 10-year term loan and Baht 2,075 million and Baht 2,629 million, respectively for a 5-year term loan. The interest rates are a minimum of fixed deposit interest rate (3-month), not over 4% per annum and savings deposit interest rate, adding 1% per annum.

In addition, for the years ended December 31, 2007 and December 31, 2006, the Bank extended loaned to Ayudhya Asset Management Company Limited of Baht 25 million and Baht 45 million, respectively, for short term promissory notes bearing a minimum of fixed deposit interest rate (3-month), not over 4% per annum and savings deposit interest rate, adding 1% per annum.

4.23.4 Account balances between the Bank and its subsidiaries, associated and related companies as at December 31, 2007 and December 31, 2006, in the balance sheet and for the years ended December 31, 2007 and December 31, 2006, in statements of income are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2007 Baht	2006 Baht	2007 Baht	2006 Baht
Balance Sheets				
Subsidiaries				
Cash advance	-	-	90,210,813	108,803,411
Other assets	-	-	84,083,681	27,513,736
Deposit	-	-	778,885,882	176,382,299
Interbank and money				
market items (liabilities)	-	-	78,870,070	230,589,854
Short-term borrowings	-	-	-	1,997,882,614
Other liabilities	-	-	547,784,895	733,077,173
Contingencies	-	-	1,313,728,447	3,313,405,369
Associated companies				
Other assets	54,175,439	102,042,566	54,175,439	102,042,566
Deposit	467,985,869	395,221,207	467,985,869	395,221,207
Other liabilities	122,311	278,086	122,311	278,086
Related companies				
Other liabilities	300,000,000	400,000,000	-	-

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2007 Baht	2006 Baht	2007 Baht	2006 Baht
Statements of Income				
Subsidiaries				
Interest and dividend income	-	-	1,427,933,274	1,033,070,234
Interest expenses	-	-	6,845,361	3,399,409
Non-interest income	-	-	77,554,289	50,730,206
Non-interest expenses	-	-	665,240,309	576,545,506
Associated companies				
Interest and dividend income	209,033,425	192,378,082	209,033,425	192,378,082
Interest expenses	1,619,174	1,770,734	1,619,174	1,770,734
Non-interest income	52,127,220	100,304,210	52,127,220	100,304,210
Non-interest expenses	-	1,254,987	-	1,254,987

Significant transactions between the Bank, subsidiaries, associated and related companies are determined using the borrowing cost as in the normal business practice and same conditions as other customers.

4.23.5 For the year ended December 31, 2006, the Bank entered into an Asset Transfer Agreement with Ayudhya Asset Management Company Limited in order to transfer impaired assets including collateral rights of which its net book value at the date of transfer was Baht 2,735 million. The Bank has already collected such amount in full.

For the years ended December 31, 2007 and December 31, 2006, the Bank entered into an agreement to sell impaired assets and collateral rights to Ayudhya Asset Management Company Limited (AMC), a wholly owned subsidiary, and sold immovable properties foreclosed having a book value of Baht 21 million and Baht 120 million, respectively, and the Bank has already collected the transferred amount in full.

The Bank sold these impaired assets to its subsidiary without any obligation to refund or buy back or transfer back.

4.23.6 On January 3, 2007, the Bank recorded the transfer of assets and liabilities from GE Money Retail Bank Public Company Limited and has already made the payment as follows:

	Unit : Million Baht
Loans	2,036
Fixed Assets	43
Deposits	(1,061)
Interest	2
Purchase price paid	<u>1,020</u>

4.23.7 For the year ended December 31, 2007, the Bank has made a payment in the amount of Baht 316 million to the General Electric Company Group (“GE”). The expenses were in connection with improvements in the effectiveness of management and operations of the Bank. The price and conditions are in line with the agreement. The expenses have been recognized in the statements of income.

4.23.8 On September 26, 2007, the Extraordinary General Meeting of Shareholders No. 1/2007 resolved to approve the Bank to execute the following transaction:

1. The transactions relating to the purchase of all issued shares in GE Capital Auto Lease Plc. (“GECAL”) from General Electric Capital Asia Investment, Inc. (“GECAI”) and other shareholders including the Hire Purchase Portfolio of Total Services Solution Plc. (“TSS”) that will be transferred to GECAL prior to the acquisition (“Acquisition Transaction”) with the total amount of THB 17,000 million, subject to an adjustment price mechanism to reflect changes in the net book value of GECAL at the completion of share purchase, but in any case shall not be more than THB 17,250 million.
2. The entering into the services agreement for the services to be provided by GE and/or its affiliated (“GE Group”) to GECAL, on an arm’s length term basis, necessary to enable the continuing of the operation of automobile hire purchase and leasing business after the Acquisition Transaction.
3. The transactions relating to the Bank’s financing to GECAL namely 1) the payment of a guarantee fee to General Electric Capital Corporation (“GECC”) under the guarantee of bonds issued by GECAL in an outstanding amount of Baht 400 million 2) GE and/or its affiliates will loan to GECAL an amount of not more than THB 31,000 million for a period of no more than 4 years on arm’s length terms to be agreed. For avoidance of doubt, the financial assistance in this paragraph is inclusive of the guarantee amount provided by GE in 1) above 3) the Bank will provide loan or obtain outside financing loan to GECAL as appropriate, up to a maximum of Baht 45,000 million in order for GECAL to refinance to GE.

The transactions as specified in No. 1 – No. 3 above are subject to the conditions and/or requirements in the approvals granted by the Ministry of Finance, the Bank of Thailand (the “BOT”), the Securities and Exchange Commission (the “SEC”), the Office of the Securities and

Exchange Commission (the “Office of the SEC”), the Stock Exchange of Thailand (the “SET”) and/or other relevant agencies (if any).

On December 26, 2007, approval to purchase GE Capital Auto Lease Public Company Limited from General Electric Capital Asia Investments, Inc. (“GECAI”) was granted by the BOT and the Bank executed the Share Sale Agreement with GECAI in the amount of Baht 16,180 million on January 31, 2008, and the transaction was completed on February 14, 2008.

4.24 Benefits given to the Directors and Executive Officers

The Bank has no special benefits given to the directors and executive officers beyond the general benefits made as usual, i.e. remuneration, transportation, salary and bonus (if any).

4.25 Position and results of operations classified by domestic and foreign business.

(1) Position classified by type of business segment

CONSOLIDATED FINANCIAL STATEMENTS				
2007				
	Domestic Baht	Foreign Baht	Elimination Baht	Total Baht
Total assets	646,829,931,619	11,810,472,982	6,253,161,597	652,387,243,004
Interbank and money market items	33,234,074,815	208,433,816	–	33,442,508,631
Investments, net	50,812,501,191	4,254,982,912	–	55,067,484,103
Loans	449,595,459,225	551,975,274	–	450,147,434,499
Deposits	499,357,374,114	269,803,562	–	499,627,177,676
Interbank and money market items	18,817,271,529	1,505,279,852	–	20,322,551,381
Borrowings	30,302,224,102	5,066,814,167	–	35,369,038,269
Total commitments	267,998,705,896	299,884,527	–	268,298,590,423

CONSOLIDATED FINANCIAL STATEMENTS				
2006				
	Domestic Baht	Foreign Baht	Elimination Baht	Total Baht
Total assets	660,159,397,769	12,399,210,952	6,217,007,033	666,341,601,688
Interbank and money market items	77,997,633,239	503,170,795	–	78,500,804,034
Investments, net	64,960,226,549	6,127,894,890	–	71,088,121,439
Loans	459,938,521,003	349,794,234	–	460,288,315,237
Deposits	563,137,844,056	358,093,240	–	563,495,937,296
Interbank and money market items	20,498,060,475	–	–	20,498,060,475
Borrowings	14,163,931,121	5,414,181,183	–	19,578,112,304
Total commitments	354,189,593,956	4,954,983,558	–	359,144,577,514

SEPARATE FINANCIAL STATEMENTS				
2007				
	Domestic	Foreign	Elimination	Total
	Baht	Baht	Baht	Baht
Total assets	645,066,096,533	11,810,472,982	6,253,161,597	650,623,407,918
Interbank and money market items	33,023,751,905	208,433,816	-	33,232,185,721
Investments, net	60,855,345,650	4,254,982,912	-	65,110,328,562
Loans	444,410,522,440	551,975,274	-	444,962,497,714
Deposits	500,136,230,656	269,803,562	-	500,406,034,218
Interbank and money market items	17,196,602,212	1,505,279,852	-	18,701,882,064
Borrowings	30,009,500,000	5,066,814,167	-	35,076,314,167
Total commitments	269,963,799,568	299,884,527	-	270,263,684,095

SEPARATE FINANCIAL STATEMENTS				
2006				
	Domestic	Foreign	Elimination	Total
	Baht	Baht	Baht	Baht
Total assets	658,375,552,671	12,399,210,952	6,217,007,033	664,557,756,590
Interbank and money market items	77,847,567,426	503,170,795	-	78,350,738,221
Investments, net	68,539,784,326	6,127,894,890	-	74,667,679,216
Loans	458,916,906,099	349,794,234	-	459,266,700,333
Deposits	563,315,006,764	358,093,240	-	563,673,100,004
Interbank and money market items	17,443,855,717	-	-	17,443,855,717
Borrowings	15,881,475,000	5,414,181,183	-	21,295,656,183
Total commitments	360,198,871,219	4,954,983,558	-	365,153,854,777

(2) Results of operations classified by type of business segment

THE CONSOLIDATED FINANCIAL STATEMENTS				
2007				
	Domestic	Foreign	Elimination	Total
	Baht	Baht	Baht	Baht
Interest and dividend income	34,707,065,722	357,372,101	-	35,064,437,823
Interest expenses	15,148,090,650	294,109,228	-	15,442,199,878
Net interest income	19,558,975,072	63,262,873	-	19,622,237,945
Non-interest income	21,325,920,237	366,769,234	14,145,975,796	7,546,713,675
Non-interest expenses	44,141,968,879	1,032,481,409	14,145,975,796	31,028,474,492
Loss before tax	(3,257,073,570)	(602,449,302)	-	(3,859,522,872)

THE CONSOLIDATED FINANCIAL STATEMENTS				
2006				
	Domestic	Foreign	Elimination	Total
	Baht	Baht	Baht	Baht
Interest and dividend income	35,236,706,741	488,859,804	-	35,725,566,545
Interest expenses	16,551,889,633	125,926,714	-	16,677,816,347
Net interest income	18,684,817,108	362,933,090	-	19,047,750,198
Non-interest income	23,595,347,376	207,136,626	14,648,671,622	9,153,812,380
Non-interest expenses	40,843,416,030	432,778,998	14,648,671,622	26,627,523,406
Income before tax	1,436,748,454	137,290,718	-	1,574,039,172

SEPARATE FINANCIAL STATEMENTS				
2007				
	Domestic	Foreign	Elimination	Total
	Baht	Baht	Baht	Baht
Interest and dividend income	33,920,513,074	357,372,101	-	34,277,885,175
Interest expenses	15,029,404,315	294,109,228	-	15,323,513,543
Net interest income	18,891,108,759	63,262,873	-	18,954,371,632
Non-interest income	19,166,634,576	366,769,234	14,145,975,796	5,387,428,014
Non-interest expense	40,964,555,871	1,032,481,409	14,145,975,796	27,851,061,484
Loss before tax	(2,906,812,536)	(602,449,302)	-	(3,509,261,838)

SEPARATE FINANCIAL STATEMENTS				
2006				
	Domestic	Foreign	Elimination	Total
	Baht	Baht	Baht	Baht
Interest and dividend income	34,186,705,889	488,859,804	-	34,675,565,693
Interest expenses	16,348,332,558	125,926,714	-	16,474,259,272
Net interest income	17,838,373,331	362,933,090	-	18,201,306,421
Non-interest income	18,629,591,074	207,136,626	14,648,671,622	4,188,056,078
Non-interest expenses	33,913,852,401	432,778,998	14,648,671,622	19,697,959,777
Income before tax	2,554,112,004	137,290,718	-	2,691,402,722

Income and expenses between the head office and branches or inter-branches are determined by the head office at the rate which approximates actual cost.

4.26 Provident and pension funds

The Bank has both a staff leaving gratuities plan where employees receive a pension and a provident fund for its employees who are required to make contributions. The pension shall be paid to employees leaving after having completed at least 10 years of continuous service determined on the basis of length of service and the amount of the last pay received. The staff leaving gratuities plan shall be effective for employees who have been in service before January 1, 1998 only. As of December 31, 2005, the Bank had the

reserve for pension under staff leaving gratuities plan transferred in amount of Baht 1,850 million to the provident fund which has already been registered.

On January 1, 1998, the Bank established the provident fund for its employees to replace the staff leaving gratuities plan. Every employee is required to make contributions at the rate of not less than 3% of salary but not more than the Bank's contribution. The Bank will contribute 3% for employees whose service periods are less than 10 years, 7% and 10% for those employees whose service periods reach 10 years and 20 years, respectively. The Bank's contributions are recorded as an expense in the statements of income. The fund is managed by an authorized fund manager.

After the establishment of the provident fund, the amount to be paid to a departing employee shall first be disbursed from the provident fund. If the estimated contributions made by the Bank and interest thereon are less than the pension receivable under the staff leaving gratuities plan, the Bank shall make payment for the difference through disbursement from the pension fund.

4.27 Disclosure of Financial Instruments

The Bank has disclosed the financial instruments both on-balance sheet and off-balance sheet in accordance with Thai Accounting Standard No. 48, Presentations and Disclosure of Financial Instruments.

For off-balance sheet financial instruments, the Bank is a party to financial instruments with off-balance sheet risk in the normal course of business to meet the financing needs of its customers for investment purpose and to reduce its own exposure to fluctuations in interest rates and foreign exchange rates. These financial instruments include commitments to extend credit, standby letters of credit, financial guarantees, interest rate swap and forward foreign exchange contracts. Those instruments involve, to varying degrees, elements of credit and foreign exchange risk in excess of the amount recognized in the financial statements. The contract or notional amounts of those instruments reflect the extent of the Bank's involvement in particular classes of financial instruments.

Off-balance sheet financial derivative transactions are performed in accordance with the policies and guidelines from the Board of Directors and approved by the related committee such as the assets and liabilities management committee. The reporting and operating processes are also provided for risk control.

Accounting policies

Details of significant accounting policies and methods adopted, including criteria of recognition, the basis of measurement and the basis on which revenues and expenses are recognized, in respect of each class of financial assets and financial liabilities are disclosed in Note 3.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Bank. The Bank has adopted the policy of dealing with counterparts and obtaining

sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial losses from defaults.

In the case of recognized financial assets, the carrying amount of the assets recorded in the balance sheet, net of a portion of allowance for doubtful accounts (see Note 4.7), represents the Bank's maximum exposure to credit risk.

The Bank considers that there is no significant concentration of credit risk due to a large number of customers and counterparties in different industries.

Credit risk also arises from the possibility that the counterparty to off-balance-sheet financial instrument will not adhere to the terms of the contract with the Bank when settlement becomes due.

The Bank's exposure to credit loss in the event of non-performance by the other party to the financial instruments for commitments to extend credit, standby letters of credit, and financial guarantees written is represented by the contractual notional amount of those instruments. The Bank uses the same credit policies in making commitments and conditional obligations as it does for on-balance sheet instruments. For interest rate swap and forward foreign exchange contracts, the contract or notional amounts do not represent exposure to credit loss. The Bank controls the credit risk of its derivatives instruments through prudent credit approvals, limits, and strict monitoring procedures.

As at December 31, 2007 and December 31, 2006, the Bank has credit equivalent of off-balance sheet financial instruments which remained open as follows:

	Unit : Million Baht	
	2007	2006
Spot and forward foreign bought exchange contracts	126	532
Spot and forward foreign sold exchange contracts	351	1,370

Interest rate risk

Interest rate risk in the balance sheet arises from the potential for a change in interest rates to have an adverse effect on the net interest earnings of the Bank in the current reporting period, and in future years. Interest rate risk arises from the structure and characteristics of the Bank's assets, liabilities and equity, and in the mismatch in repricing dates of its assets and liabilities.

Foreign exchange rate risk

The Bank serves primarily as intermediary agent in foreign exchange transactions to its customers. For asset and liability management purposes, the Bank manages foreign exchange risk and interest rate risk by entering into forward foreign exchange contracts and currency and interest rate swap contracts.

The Bank enters into forward foreign exchange contracts as part of its risk management strategy primarily to manage the market risk arising from the Bank underlying assets and liabilities and to offset risk

created by its customers. The utilization of forward foreign exchange contracts for these purposes is governed by policies and guidelines approved by the Board of Directors and controlling procedures set by the relevant departments and committees.

The Bank and its subsidiaries have summarized financial assets and liabilities classified on maturity of interest repricing periods as at December 31, 2007 and December 31, 2006, as follows:

CONSOLIDATED FINANCIAL STATEMENTS							
2007							
	0-3 Months	3-12 Months	1-5 Years	Greater than 5 Years	Non-Performing Loans	Non-Interest Bearing	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Financial assets							
Interbank and money market items and securities purchased under resale agreements	102,352,711,274	10,575	-	-	-	7,089,786,782	109,442,508,631
Investments, net	9,987,000,318	12,384,103,933	23,325,257,007	505,670,647	-	8,865,452,198	55,067,484,103
Loans	293,117,099,028	15,496,135,560	24,380,247,326	46,440,636,678	70,632,834,663	80,481,244	450,147,434,499
Financial liabilities							
Deposits	358,140,564,695	101,487,148,115	25,514,810,643	1,890,392	-	14,482,763,831	499,627,177,676
Interbank and money market items and securities sold under repurchased agreements	12,115,063,840	1,235,937,132	4,506,122,120	105,552,000	-	2,359,876,289	20,322,551,381
Borrowings	6,187,300,000	17,649,938,269	11,531,800,000	-	-	-	35,369,038,269
CONSOLIDATED FINANCIAL STATEMENTS							
2006							
	0-3 Months	3-12 Months	1-5 Years	Greater than 5 Years	Non-Performing Loans	Non-Interest Bearing	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Financial assets							
Interbank and money market items and securities purchased under resale agreements	75,699,584,583	6,127,490,170	-	-	-	9,673,729,281	91,500,804,034
Investments, net	13,260,558,381	14,384,112,982	29,547,644,884	4,713,914,056	-	9,181,891,136	71,088,121,439
Loans	341,300,578,532	18,249,607,404	17,545,170,101	19,870,464,942	63,186,519,973	135,974,285	460,288,315,237
Financial liabilities							
Deposits	397,629,578,927	128,695,080,890	23,962,337,968	11,427,194	-	13,197,512,317	563,495,937,296
Interbank and money market items and securities sold under repurchased agreements	14,511,838,351	2,503,931,366	1,523,341,299	263,171,000	-	1,695,778,459	20,498,060,475
Borrowings	883,100,000	5,414,181,183	13,280,831,121	-	-	-	19,578,112,304

SEPARATE FINANCIAL STATEMENTS						
2007						
0-3 Months	3-12 Months	1-5 Years	Greater than 5 Years	Non-Performing Loans	Non-Interest Bearing	Total
Baht	Baht	Baht	Baht	Baht	Baht	Baht
Financial assets						
Interbank and money market items and securities purchased under resale agreements	102,322,702,806	-	-	-	6,909,482,915	109,232,185,721
Investments, net	9,845,260,057	12,344,387,813	23,325,257,007	505,670,647	19,089,753,038	65,110,328,562
Loans	316,748,820,175	16,030,026,839	13,131,342,230	45,374,430,610	53,677,877,860	444,962,497,714
Financial liabilities						
Deposits	358,853,663,959	101,487,148,115	25,514,810,643	1,890,392	14,548,521,109	500,406,034,218
Interbank and money market items and securities sold under repurchased agreements	11,494,832,168	1,235,937,132	3,495,484,939	105,552,000	2,370,075,825	18,701,882,064
Borrowings	6,187,300,000	17,357,214,167	11,531,800,000	-	-	35,076,314,167

SEPARATE FINANCIAL STATEMENTS						
2006						
0-3 Months	3-12 Months	1-5 Years	Greater than 5 Years	Non-Performing Loans	Non-Interest Bearing	Total
Baht	Baht	Baht	Baht	Baht	Baht	Baht
Financial assets						
Interbank and money market items and securities purchased under resale agreements	75,695,391,714	6,127,480,000	-	-	9,527,866,507	91,350,738,221
Investments, net	12,194,576,961	14,384,112,982	29,514,154,842	4,673,491,043	13,901,343,388	74,667,679,216
Loans	377,529,862,176	16,794,405,963	2,925,434,859	18,422,257,213	43,594,740,122	459,266,700,333
Financial liabilities						
Deposits	397,729,998,760	128,695,080,890	23,962,445,382	11,427,194	13,274,147,778	563,673,100,004
Interbank and money market items and securities sold under repurchased agreements	13,112,354,797	1,338,589,534	1,001,121,209	263,171,000	1,728,619,177	17,443,855,717
Borrowings	2,881,475,000	5,414,181,183	13,000,000,000	-	-	21,295,656,183

Interest bearing financial instruments

The following table presents the Bank's average balance and interest amount for the years ended December 31, 2007 and December 31, 2006, as follows:

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	2007			2006		
	Average Balance (12 months)	Interest Amount	Average Rate %	Average Balance (12 months)	Interest Amount	Average Rate %
Interest bearing financial assets						
Interbank and money market items	57,292	2,992	5.2	66,463	3,180	4.8
Securities purchased						
under resale agreements	34,168	1,250	3.7	26,108	1,491	5.7
Investments	66,370	2,885	4.3	54,070	2,220	4.1
Loans	434,747	27,141	6.3	433,584	27,524	6.3
Total	<u>592,577</u>	<u>34,268</u>		<u>580,225</u>	<u>34,415</u>	
Interest bearing financial liabilities						
Deposits	519,836	14,111	2.7	558,986	15,729	2.8
Interbank and money market items	11,013	297	2.7	15,074	287	1.9
Borrowings	22,151	932	4.2	14,965	650	4.3
Total	<u>553,000</u>	<u>15,340</u>		<u>589,025</u>	<u>16,666</u>	

Unit : Million Baht

	SEPARATE FINANCIAL STATEMENTS					
	2007			2006		
	Average Balance (12 months)	Interest Amount	Average Rate %	Average Balance (12 months)	Interest Amount	Average Rate %
Interest bearing financial assets						
Interbank and money market items	56,639	2,987	5.3	66,408	3,184	4.8
Securities purchased						
under resale agreements	34,168	1,250	3.7	24,859	1,432	5.8
Investments	66,063	2,874	4.4	53,104	2,183	4.1
Loans	452,701	26,984	6.0	451,324	27,079	6.0
Total	<u>609,571</u>	<u>34,095</u>		<u>595,695</u>	<u>33,878</u>	
Interest bearing financial liabilities						
Deposits	520,614	14,117	2.7	557,483	15,665	2.8
Interbank and money market items	13,915	272	2.0	11,681	166	1.4
Borrowings	22,151	932	4.2	14,836	643	4.3
Total	<u>556,680</u>	<u>15,321</u>		<u>584,000</u>	<u>16,474</u>	

Maturities of financial assets and liabilities

The following table presents the Bank and its subsidiaries' maturities of financial assets and liabilities as at December 31, 2007 and December 31, 2006, as follows :

CONSOLIDATED FINANCIAL STATEMENTS								
2007								
	Call	0-3 Months	3-12 Months	1-5 Years	Greater than 5 Years	Non-Performing Loans	No Maturity	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Financial assets								
Interbank and money market items and securities purchased under resale agreements	7,077,456,760	102,284,288,718	12,330,334	-	-	-	68,432,819	109,442,508,631
Investments, net	117,000,000	7,822,852,968	10,176,268,372	25,301,207,142	2,784,703,423	-	8,865,452,198	55,067,484,103
Loans	5,792,924,916	88,964,236,331	58,656,625,267	93,125,716,370	132,975,096,952	70,632,834,663	-	450,147,434,499
Financial liabilities								
Deposits	177,293,315,808	195,330,012,718	101,487,148,115	25,514,810,643	1,890,392	-	-	499,627,177,676
Interbank and money market items and securities sold under repurchase agreements	5,100,317,044	9,336,937,995	1,596,684,828	4,178,568,181	110,043,333	-	-	20,322,551,381
Borrowings	-	6,187,300,000	583,124,102	16,598,614,167	12,000,000,000	-	-	35,369,038,269
CONSOLIDATED FINANCIAL STATEMENTS								
2006								
	Call	0-3 Months	3-12 Months	1-5 Years	Greater than 5 Years	Non-Performing Loans	No Maturity	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Financial assets								
Interbank and money market items and securities purchased under resale agreements	9,700,992,208	75,671,694,604	6,050,439,754	-	-	-	77,677,468	91,500,804,034
Investments, net	50,000,000	13,210,558,381	14,384,112,982	29,591,255,733	4,673,491,043	-	9,178,703,300	71,088,121,439
Loans	4,327,894,892	98,182,730,052	59,590,206,671	71,303,653,634	163,697,310,015	63,186,519,973	-	460,288,315,237
Financial liabilities								
Deposits	172,687,687,480	238,139,403,765	128,695,080,890	23,962,337,967	11,427,194	-	-	563,495,937,296
Interbank and money market items and securities sold under repurchase agreements	5,643,533,881	10,441,082,929	2,494,931,366	1,655,341,299	263,171,000	-	-	20,498,060,475
Borrowings	-	-	883,100,000	6,695,012,304	12,000,000,000	-	-	19,578,112,304

SEPARATE FINANCIAL STATEMENTS								
2007								
	Call	0-3 Months	3-12 Months	1-5 Years	Greater than 5 Years	Non-Performing Loans	No Maturity	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Financial assets								
Interbank and money market items and securities purchased under resale agreements	6,842,133,850	102,309,288,718	12,330,334	-	-	-	68,432,819	109,232,185,721
Investments, net	-	7,822,852,968	10,111,811,991	25,301,207,142	2,784,703,423	-	19,089,753,038	65,110,328,562
Loans	7,289,521,902	92,705,148,830	52,887,372,772	73,743,133,455	164,659,442,895	53,677,877,860	-	444,962,497,714
Financial liabilities								
Deposits	178,072,167,451	195,330,017,617	101,487,148,115	25,514,810,643	1,890,392	-	-	500,406,034,218
Interbank and money market items and securities sold under repurchased agreements	5,149,405,973	8,691,810,354	1,235,937,132	3,514,685,272	110,043,333	-	-	18,701,882,064
Borrowings	-	6,187,300,000	290,400,000	16,598,614,167	12,000,000,000	-	-	35,076,314,167

SEPARATE FINANCIAL STATEMENTS								
2006								
	Call	0-3 Months	3-12 Months	1-5 Years	Greater than 5 Years	Non-Performing Loans	No Maturity	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Financial assets								
Interbank and money market items and securities purchased under resale agreements	9,450,936,565	75,671,694,604	6,150,429,584	-	-	-	77,677,468	91,350,738,221
Investments, net	-	12,194,576,961	14,384,112,982	29,514,154,842	4,673,491,043	-	13,901,343,388	74,667,679,216
Loans	4,291,920,608	106,789,067,511	55,420,401,523	65,669,024,642	183,501,545,927	43,594,740,122	-	459,266,700,333
Financial liabilities								
Deposits	172,864,738,000	238,139,408,538	128,695,080,890	23,962,445,382	11,427,194	-	-	563,673,100,004
Interbank and money market items and securities sold under repurchased agreements	4,646,764,678	10,254,209,296	1,278,589,534	1,001,121,209	263,171,000	-	-	17,443,855,717
Borrowings	-	1,998,375,000	883,100,000	6,414,181,183	12,000,000,000	-	-	21,295,656,183

Estimated fair value of financial instruments

The fair value of financial instruments has been estimated by the Bank using available market information and appropriate valuation methodologies for each type of financial instrument. A summary of carrying amounts and fair value of financial instruments as at December 31, 2007 and December 31, 2006, is as follows:

	CONSOLIDATED FINANCIAL STATEMENTS			
	2007		2006	
	Carrying Amount Baht	Fair Value Baht	Carrying Amount Baht	Fair Value Baht
Financial assets:				
Cash, interbank and money market items	52,642,039,741	52,642,039,741	98,058,802,980	98,058,802,980
Securities purchased under resale agreements	76,000,000,000	76,000,000,000	13,000,000,000	13,000,000,000
Current investments, net	22,800,077,076	22,800,090,871	28,237,316,468	28,237,316,468
Long-term investment, net	31,482,353,907	32,094,643,742	42,065,554,542	42,004,134,371
Loans and accrued interest receivable, net	417,000,319,273	417,008,864,041	433,874,038,847	433,609,409,426
Customers' liabilities under acceptances	1,646,697,037	1,646,697,037	1,967,248,098	1,967,248,098
Financial liabilities:				
Deposits	499,627,177,676	497,299,026,343	563,495,937,296	558,693,304,963
Interbank and money market items	20,322,551,381	27,235,592,120	20,498,060,475	19,932,132,265
Liabilities payable on demand	2,140,946,739	2,140,946,739	1,363,560,795	1,363,560,795
Borrowings	35,369,038,269	33,954,512,945	19,578,112,304	17,619,106,059
Bank's liabilities under acceptances	1,646,697,037	1,646,697,037	1,967,248,098	1,967,248,098
Accrued interest payable	2,654,645,603	2,654,645,603	3,076,916,456	3,076,916,456

	SEPARATE FINANCIAL STATEMENTS			
	2007		2006	
	Carrying Amount Baht	Fair Value Baht	Carrying Amount Baht	Fair Value Baht
Financial assets:				
Cash, interbank and money market items	52,429,317,028	52,429,317,028	97,898,877,823	97,898,877,823
Securities purchased under resale agreements	76,000,000,000	76,000,000,000	13,000,000,000	13,000,000,000
Current investments, net	22,554,688,907	22,554,702,702	26,948,604,545	26,948,604,545
Long-term investment, net	31,329,335,661	31,884,934,377	41,818,451,627	41,666,542,482
Loans and accrued interest receivable, net	417,316,665,572	417,316,665,572	438,624,913,814	438,624,913,814
Customers' liabilities under acceptances	1,646,697,037	1,646,697,037	1,967,248,098	1,967,248,098
Financial liabilities:				
Deposits	500,406,034,218	498,077,882,885	563,673,100,004	558,870,467,671
Interbank and money market items	18,701,882,064	18,686,491,542	17,443,855,717	17,443,855,717
Liabilities payable on demand	2,140,946,739	2,140,946,739	1,363,560,795	1,363,560,795
Borrowings	35,076,314,167	33,671,918,279	21,295,656,183	19,336,649,938
Bank's liabilities under acceptances	1,646,697,037	1,646,697,037	1,967,248,098	1,967,248,098
Accrued interest payable	2,649,237,167	2,649,237,167	3,069,721,098	3,069,721,098

Off-balance sheet financial instruments

Unit : Million Baht

	2007					
	Notional < 1 year	Market Value	Fair Value	Notional > 1 year	Market Value	Fair Value
Spot and forward bought foreign exchange contracts	46,896	46,656	(240)	10	10	-
Spot and forward sold foreign exchange contracts	71,791	72,020	229	-	-	-

Unit : Million Baht

	2006					
	Notional < 1 year	Market Value	Fair Value	Notional > 1 year	Market Value	Fair Value
Spot and forward bought foreign exchange contracts	49,819	49,892	73	917	871	(46)
Spot and forward sold foreign exchange contracts	129,918	129,705	(213)	555	501	(54)

The Bank has estimated the fair value of the above instruments to be estimated from notional amount less market value at the end of year.

Methods and assumptions in estimating fair value of financial instruments

The following methods and assumptions were used by the Bank in estimating fair value of financial instruments as disclosed herein.

Cash, interbank and money market items

The carrying amounts of cash and interbank and money market items presented in the balance sheet approximates fair value.

Securities purchased under resale agreements

The carrying value of securities purchased under resale agreements presented in the balance sheet approximates fair value.

Current investments, net

Fair value for current investments, net, is as disclosed in note 3.2 to the financial statements.

Long-term investments, net

The determination of fair value for long-term investments, net, is as disclosed in note 3.2 to the financial statements except for non-listed equity securities which are presented at net book value and listed equity securities acquired from troubled debt restructurings and having an obligation to hold such securities according to debt restructuring agreements which are presented at cost.

Loans and accrued interest receivables

The Bank's loans and accrued interest receivables include variable interest rate loans, fixed rate loans with relatively short maturities and non-performing loans. Most loans carry a floating interest rate. As at December 31, 2007 and December 31, 2006, the fair value is the outstanding balance of loans and accrued interest receivables less allowance for doubtful accounts per book.

Customers' liabilities under acceptances

The carrying amount of customers' liabilities under acceptances presented in the balance sheet approximates fair value.

Deposits

The carrying amount of deposits presented in the balance sheet approximates fair value, except for deposits with a term of more than 90 days where the fair value is calculated based on discounted cash flows.

Interbank and money market items (liabilities)

The carrying amount of interbank and money market items (liabilities) presented in the balance sheet approximates fair value, except for floating rate certificates of deposit (FRCD) which are based on quoted market prices.

Liabilities payable on demand

The carrying amount of liabilities payable on demand presented in the balance sheet approximates fair value.

Securities sold under repurchased agreements

The carrying value of securities under repurchased agreements presented in the balance sheet approximates fair value.

Borrowings

The carrying amount of borrowings presented in the balance sheet approximates fair value, except for subordinated floating rate notes which are based on the actual market price.

Accrued interest payable

The carrying amount of accrued interest payable presented in the balance sheet approximates fair value due to its short term of maturity.

Derivative financial instruments

Derivative financial instruments mainly comprise forward foreign exchange contracts which derive their value from underlying interest rates and foreign exchange rates. The fair value of derivatives are determined using quoted market prices for instruments with similar characteristics and maturities.

4.28 Transfer of Impaired Assets to Thai Asset Management Corporation

On October 12, 2001, the Bank and its subsidiary entered into Assets Transfer Agreements with the Thai Asset Management Corporation (TAMC) in order to transfer sub-quality assets including rights over the collateral as specified in the agreements. The sub-quality assets to be transferred have outstanding balances as at December 31, 2000, and possess certain characteristics as specified in the Emergency Decree on TAMC B.E. 2544 (TAMC Decree). The price of the sub-quality assets shall equal the value of the collateral which should not exceed the loan value less allowance for doubtful accounts, as determined based on BOT guidelines. The Bank and its subsidiary will receive non-negotiable promissory notes when TAMC confirms the price. The notes mature in 10 years and bear the interest rate calculated based on the average rate of deposits, payable annually. The notes are availed by the Financial Institutions Development Fund.

The Bank, its subsidiary and TAMC agreed to allocate any profits or losses from managing the sub-quality assets at the end of the fifth and the tenth year starting from July 1, 2001. Profits and losses are calculated based on the amount collected on a cash basis less TAMC's costs of transfer and operations including the total interests which have to be paid by TAMC to the Bank and its subsidiary. In addition, pursuant to the TAMC Decree, when profits are realized, the first portion of the profits, not exceeding

20% of the transfer price of the impaired assets transferred to TAMC, will be allocated equally between TAMC, the Bank and its subsidiary. The second portion of the profits will be allocated in full to the Bank and its subsidiary. The two portions of the profits combined together shall not exceed the difference between the book value and the transfer price of the impaired assets transferred to TAMC. The residual amount of the profits after allocation of the second portions will be given to TAMC. Realized losses will be shared between TAMC, the Bank and its subsidiary. The Bank and its subsidiary will absorb the first portion of the losses, not exceeding 20% of the transfer price of the impaired assets transferred to TAMC. For the second portion of losses which is the residual amount of the first portion, an amount not exceeding 20% of the transfer price of the impaired assets transferred to TAMC will be shared equally between the Bank and its subsidiary. The residual amount of the losses after allocation of the second portions will be absorbed by TAMC. The calculation of such profits and losses by TAMC is based on the fully repaid sub-quality assets or the transfer of assets for repayment purposes.

4.29 Reclassifications

Certain reclassifications in the financial statements for the year ended December 31, 2006 have been made to comply with the classifications used in the financial statements for the year ended December 31, 2007 as follows:

The presentation of the financial statements As at December 31, 2007	The presentation of the financial statements As at December 31, 2006
- Other assets	- Loans
- Property, premises and equipment, net	- Other assets
- Investment	- Interbank and money market (assets)
- Provision for other assets	- Allowance for doubtful accounts
- Borrowing	- Interbank and money market (liabilities)
- Deposit	- Interbank and money market (liabilities)
For the year ended December 31, 2007	For the year ended December 31, 2006
- Other income	- Interest and dividend income (interbank and money market)
- Interest and dividend income (investment)	- Interest and dividend income (interbank and money market)
- Other income	- Interest and dividend income (investment)
- Interest expenses (interbank and money market)	- Interest expenses (deposit)
- Interest expenses (borrowing)	- Interest expenses (interbank and money market)
- Other expenses	- Bad debt and doubtful accounts

4.30 Event after the Balance Sheet Date

4.30.1 On January 24, 2008, the Bank invested and holds shares in Ayudhya Hire Purchase Company Limited ("AYHP") representing 99.99% of the total sold shares of AYHP, as approved by the Board of Directors' Meeting of the Bank dated December 17, 2007. The main business includes operating a sale-and-lease back business.

4.30.2 On February 11, 2008, the Bank acquired an additional 10% in Ayudhya Development Leasing Company Limited ("ADLC") amounting to Baht 132.82 million with the Bank holding 99.99% of the subsidiary's outstanding common shares.

4.31 An approval of Financial Statements

These financial statements were approved for issuance by the Bank's authorized directors and the Audit Committee on February 14, 2008.

1. Audit fees*

The Bank and its subsidiaries paid the following audit fees:

- To the Bank and its subsidiaries' auditors, 14,553,000 Baht.
- To auditing firms, individuals or businesses whom the Bank's auditors employed, 1,719,976.90 Baht.

2. Non-audit fees

The Bank and its subsidiaries paid non-audit fees for services including the preparation of special reports as required by the Bank of Thailand and for tax return preparation for the year ended December 31, 2007, to:

The Bank and its subsidiaries' auditors

- In the past year, no money was paid, and in the future, no money will be paid for services previously agreed upon but not yet fully provided.

Auditing firms, individuals, or businesses whom the Bank's auditors employed

- In the past year, no money was paid, and in the future, an additional sum of 681,505.10 Baht will be paid for services agreed upon in the previous year but not yet fully provided.

* Audit fees do not include other actual expenses, such as transportation and per diem payments.

Company Information

Name of company	:	Bank of Ayudhya Public Company Limited
Registration number	:	0107536001079
Business type	:	Commercial bank
Head office address	:	1222 Rama III Road, Bang Phongphang, Yannawa, Bangkok 10120
Telephone	:	0-2296-2000
Facsimile	:	0-2683-1304
Call center	:	1572
Website	:	www.krungsri.com

Nature of Business

The Bank engages in businesses covered by Commercial Banking Act, Securities Act, Securities and Exchange Commission's regulations, the Stock Exchange of Thailand's regulations, and related notices. The Bank's services are classified into 3 core categories:

1. Deposit service – The Bank accepts deposits from individuals and business organizations. Deposits are divided into 4 types:
 - Current account
 - Savings account
 - Time deposit
 - Foreign currency deposit
2. Loan service – The Bank provides different loan services as follows.
 - Overdraft (O/D)
 - Loan including promissory notes and term loans to business customers
 - Housing loans and personal loans to retail customers
 - Loans in foreign currency
 - Trade finance credit
 - Other loan services such as aval/acceptance, letter of guarantee/Bank guarantee, letter of credit and financial status certification issue, etc.
3. Other services
 - Banking service through e-channel
 - Domestic money transfer services
 - International money transfer services
 - International trade electronic banking service “Krungsri Trade Link”
 - Automatic account debit and credit (Autopayment), life insurance and non-life insurance
 - Investment banking service
 - Securities business service
 - Cash management service
 - Foreign currency purchase/sale in advance and financial tools for risk management, exchange rate and interest rate
 - Government bonds, treasury bills, and state enterprise bonds

Bank's securities (as of December 31, 2007)

- **Ordinary share**

Registered capital (as of December 31, 2007)	Amount: 70,893.93 million Baht
Number of shares: 7,089.39 million shares	Par value: 10 Baht
Issued and Paid-up capital (as of December 31, 2007)	Amount: 57,477.47 million Baht
Number of Shares: 5,747.75 million shares	Par value: 10 Baht

- **Warrant**

Features of the Warrant can be summarized as follows.

Type of securities	: Warrants in named certificate to purchase new ordinary shares of Bank of Ayudhya Public Company Limited
Allocation and offering	: Offer to general investors who subscribe for the Bank's newly issued ordinary shares and existing shareholders
Offering price	: 0 Baht per unit
Number of warrants	: First issue: 1,239.07 million units As of December 31, 2007, there are 326.86 million units.
Issuance date	: 3 September 2003
Term of warrant	: 5 years starting from the warrant issued date
Exercise ratio	: One unit of warrant is entitled to buy one ordinary share
No. of reserved shares for exercise	: 1,239.07 million shares As of December 31, 2007, there are 326.86 million shares
Exercise price	: 12 Baht per share
First exercise date	: 31 March 2004
Expiration date	: 3 September 2008
Exercise period	: Last working day of March, June, September, and December of every year
Exercise place	: Bank of Ayudhya Public Company Limited Head office and all branches

- **Issuance and offering of shares or other convertible securities**

- 1) Issuance and offering shares and convertible securities to Thai Trust Fund - None -
- 2) Issuance of NVDR

As of December 28, 2007 Thai NVDR Company Limited has issued a total of 1,028.04 million shares or 17.89% of the Bank's total ordinary shares as NVDRs (Non-Voting Depository Receipts). Despite the fact that NVDR holders will entirely benefit from the Bank's shares, they have no right to vote in shareholders' meetings. The right belongs to Thai NVDR Company Limited with no effect to the shareholding proportion and Thai NVDR Company Limited will not exercise its right to vote in shareholders' meetings unless the vote is on delisting from the Stock Exchange. Therefore, if the Bank's shares are used to issue NVDRs in a great number, it will affect the number of voting shares in the shareholders' meeting due to the number of voting shares decreasing. Consequently, it will cause the proportion of voting rights of other shareholders to increase. In addition, the number of shares used in NVDR issuance may change without any control from the Bank. Investors may check the number of shares which are NVDRs from the Stock Exchange's website at www.set.or.th/nvdr.

- **Binding obligations for future share issuance**

The Bank is obliged to issue 3 billion new ordinary shares with 10 baht par value following the resolution of the 92nd Annual General Meeting dated April 27, 2004 as follows:

1) Allocation of 2 billion new ordinary shares to offer to specific investors or institutional investors or in private placement in accordance with related announcements of Securities and Exchange Commission.

In addition, the Extraordinary General Meeting No. 1/2549 dated on September 20, 2006 permitted the Bank to offer 2,000 million newly issued ordinary shares to GE Capital International Holdings Corporation (GECIH). The Bank hereby reports that as of September 18, 2007 GECIH holds 2,000 million shares of the Bank, representing 34.92% of total issued shares of the Bank.

2) Allocation of 1,000 million newly issued ordinary shares for a rights offering. Existing shareholders may reserve the right to buy shares in excess of their existing rights. As at the end of 2007, the Bank had not made any allocation in this regard.

- **Debt instruments**

Date of issuance	Type	Amount (million Baht)	Maturity	Interest rate	Maturity date
Nov 2003	Subordinated debt	12,000	10 years	Year 1-5 = 4.0% per annum Year 6-10 = 4.75% per annum	5 Nov 2013
Nov 2006	Senior debt (Floating Rate Note)	150 million US. dollar	3 years	LIBOR 6-month + 0.24% per annum	14 Nov 2009
Oct 2007	Senior debt	8,206.30	3 years	4.25% per annum	26 Oct 2010
Oct 2007	Senior debt	5,788.20	4 years	4.50% per annum	26 Oct 2011
Oct 2007	Short-term debt	300	92 days	3.25% per annum	3 Jan 2008
Nov 2007	Bill of Exchange	4,794	3 months	2.6%-3.0% per annum	1-29 Feb 2008
Dec 2007	Bill of Exchange	484	3 and 9 months	2.75%-3.2% per annum	21 Mar-26 Sep 2008

Dividend Payout Policy

The Bank's Dividend Payout Policy

The policy of the Bank is to pay dividend to its shareholders in the range of 30%-60% of the Bank's net profit as determined by the Bank's Board of Directors. This policy is in compliance with Article 41 of the Bank's Articles of Association that states: "Dividend shall not be paid from sources other than profit. The company shall allocate as reserves a portion of net annual profit not less than the proportion specified by the Laws. The profits remaining thereafter may be allocated as reserves of various kinds, as the Board of Directors may deem proper, after approval from the shareholders' meeting.

The Board of Directors may from time to time pay to the shareholders such interim dividends, if the directors believe that the profits of the Company justify such payment. The payment of interim dividends shall be reported to the shareholders at the next general meeting of shareholders.

The payment of dividends shall be made within the period prescribed by the Laws, starting from the date that a resolution is passed by the general meeting of shareholders or the Board of Directors, as the case may be. A written notice shall also be sent to shareholders and a publication of the notice of such payment of dividends shall be made in a newspaper.”

The Bank’s Subsidiaries’ Dividend Payout Policy

All dividends payments by the Bank’s subsidiaries must be approved by a resolution of a shareholders meeting. In each case, the company must allocate not less than one-twentieth of net profit as reserves until the total amount allocated is equal to or more than one-tenth of the company’s capital.

Referral Parties

Registrar of Subordinated Debentures/ Short-term Debentures of Bank of Ayudhya Pcl.	: Bank of Ayudhya Public Company Limited 1222 Rama III Road, Bang Phongphang Yan Nawa, Bangkok 10120 Telephone 0-2296-4442 Facsimile 0-2683-1460
Auditor	: Mr. Permsak Jerajakwattana Certified Public Accountant Registered No. 3427 Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd Rajanakarn Building, 25 th Floor 183 South Sathorn Road, Yannawa Sathorn, Bangkok 10120 Telephone 0-2676-5700 Facsimile 0-2676-5757
Legal Advisors	: Mr. Sa-win Akkharayut Bank of Ayudhya Public Company Limited 1222 Rama III Road, Bang Phongphang, Yannawa, Bangkok 10120 Telephone 0-2296-3871-2 Facsimile 0-2683-1466 : Mr. Kanok Indrambarya Bank of Ayudhya Public Company Limited 1222 Rama III Road, Bang Phongphang, Yannawa, Bangkok 10120 Telephone 0-2296-3881-2 Facsimile 0-2683-1466
Registrar of Ordinary Shares/Warrants	: Thailand Securities Depository Company Limited The Stock Exchange of Thailand Building 62 Rachadapisek Road, Klongtoey, Bangkok 10110 Telephone 0-2229-2800 Facsimile 0-2359-1259

Group of Companies

• Subsidiaries and Associated Companies

1. Ayudhya Asset Management Company Limited (AAMC)
Bank of Ayudhya Public Company Limited Floor 11, 1222 Rama III Road, Bang Phongphang, Yannawa, Bangkok 10120
Telephone 0-2296-4129 Facsimile 0-2683-1400
2. Siam Realty and Services Company Limited (SRS)
Bank of Ayudhya Public Company Limited Ploenchit Office, Floor 5, 550 Ploenchit Road, Lumpini, Patumwan, Bangkok 10330
Telephone 0-2208-2465-9, 0-2208-2449 Facsimile 0-2253-8609
3. K.S. Law Office Company Limited
Bank of Ayudhya Public Company Limited Ploenchit Office, Floor 3-6, 550 Lumpini, Patumwan, Bangkok 10330
Telephone 0-2208-2607 Facsimile 0-2251-6581
4. Ayudhya Capital Lease Company Limited (AYCL)
Ploenchit Tower Building, Floor 16, 898 Ploenchit Road, Lumpini, Patumwan, Bangkok 10330
Telephone 0-2673-3777 Facsimile 0-2673-3773
5. Ayudhya Fund Management Company Limited (AYF)
Ploenchit Tower Building, Floor 12, 898 Ploenchit Road, Lumpini, Patumwan, Bangkok 10330
Telephone 0-2657-5757 Facsimile 0-2657-5777
6. Ayudhya Factoring Company Limited (AIF)
Bank of Ayudhya Public Company Limited Ploenchit Office, Floor 3, 550 Ploenchit Road, Lumpini, Patumwan, Bangkok 10330
Telephone 0-2208-2888 Facsimile 0-2208-2858
7. Ayudhya Auto Lease Public Company Limited (AYAL)
Ploenchit Tower Building, Floor 3, 898 Ploenchit Road, Lumpini, Patumwan, Bangkok 10330
Telephone 0-2209-8333 Facsimile 0-2209-8388
8. Ayudhya Development Leasing Company Limited (ADLC)
Chamnan-Phenjati Business Center, Floor 22, 65/182-185 Rama IX Road, Huay Kwang, Bangkok 10320
Telephone 0-2643-1980 Facsimile 0-2643-1059-60
9. Ayudhya Securities Public Company Limited (AYS)
Central World Building, Floor 12, 999/9 Rama I Road, Patumwan, Bangkok 10330
Telephone 0-2659-70000 Facsimile 0-2646-1100
10. Krungsriayudhya Card Company Limited (KCC)
Capital Tower, All Seasons Place Floor 1-6, 8-11, 87/1 Wireless Road, Lumpini, Patumwan, Bangkok 10330
Telephone 0-2646-3000 Facsimile 0-2646-3001

• **Related Companies**

1. The Ayudhya Insurance Public Company Limited
Ploenchit Tower, Floor 7, 898 Ploenchit Road, Lumpini, Patumwan, Bangkok 10330
Telephone 0-2263-0335 Facsimile 0-2263-0589
2. P.P. Parawood Company Limited
111/1 Moo 1 Tambonbanchang, Phanatnikom, Chonburi 20140
Telephone (038) 464-268-80 Facsimile (038) 464-261-2
3. Prima Vest Asset Management Company Limited
Tonson Tower, Floor 5, 900 Ploenchit Road, Lumpini, Patumwan, Bangkok 10330
Telephone 0-2257-0555 Facsimile 0-2257-0360
4. Asian Trade and Leasing Company Limited
Golden Land Building, Floor 5, 153/3 Soi Mahadlekluang 1, Rachadumri, Lumpini, Patumwan, Bangkok 10330
Telephone 0-2652-1199 Facsimile 0-2652-1577-8

• **Companies whose shares were acquired from debt restructuring**

1. Siam Bangkok Post Limited
51/1 Moo 3 Poochao Samingphrai Road, Bang Ya Phraek, Phra Pradaeng, Samutprakan 10130
Telephone 0-2263-0335 Facsimile 0-2263-0589
2. Time Regency Company Limited
63/3 Soi Taweemit, Rama IX Road, Huay Khwang, Bangkok 10310
Telephone 0-2246-2323
3. Lenso Phonecard Company Limited
292 Srinakarin Road, Huamak, Bangkok 10240
Telephone 0-2351-8116 Facsimile 0-2351-8009
4. Wongpaitoon Group Public Company Limited
70/19 Moo 6 Ekkachai Road, Bang Bon, Bangkok 10150
Telephone 0-2416-4647-9, 0-2415-8680 Facsimile 0-2416-1850
5. Wongpaitoon Planner Company Limited
70/19 Moo 6 Ekkachai Road, Bang Bon, Bangkok 10150
Telephone 0-2416-4642 Facsimile 0-2416-1850
6. UMC Metals Limited
Sino-Thai Tower, Floor 15, 32/37 Sukhumvit 21 Road, North Klongteoy, Wattana, Bangkok 10110
Telephone 0-2259-2942-5 Facsimile 0-2259-2946

Senior Executive Officers

as at March 1, 2008

Name	Title	Functional Group
1. Mr. Tan Kong Khoon	President and Chief Executive Officer	
2. Mrs. Janice Rae Van Ekeren	Chief Financial Officer	Finance
3. Mr. Pongpinit Tejagupta	Head of Distribution	Distribution
4. Mr. Virojn Srethapramotaya	Head of Corporate Banking	Corporate Banking
5. Mr. Poomchai Wacharapong	Head of SME Banking	SME Banking
6. Mr. Roy Agustinus Gunara	Head of Consumer Banking	Consumer Banking
7. Mr. Tinnawat Mahatharadol	Head of Treasury	Treasury
8. Mr. Chandrashekar Subramanian Krishnoolndmangalam	Chief Risk Officer	Risk Management
9. Mrs. Wanna Thamsirisup	Head of Operations	Operations
10. Miss Phawana Niemloy	General Counsel	Legal and Compliance
11. Mr. Chalernpol Vuttisombut	Head of Audit	Audit
12. Mr. Sudargo Harsono	Chief Marketing Officer	Corporate Marketing
13. Mr. Apirom Noi-Am	Head of Information Technology	Information Technology
14. Mr. Somrit Srithongdee	Head of Human Resources	Human Resources
15. Mrs. Yaowalak Poolthong	Head of Corporate Communications & Investor Relations	Corporate Communications and Investor Relations
16. Miss Nopporn Tirawattanagool	Deputy Chief Financial Officer	Finance
17. Mrs. Arpavadee Meekun-Iam	First Executive Vice President	Treasury
18. Mr. Nuttawit Boonyawat	First Executive Vice President	Risk Management
19. Mr. Sansrit Yenbamrung	First Executive Vice President	Risk Management
20. Mrs. Preeprame Seriwongse	First Executive Vice President	Operations
21. Mrs. Savitri Chatsirivichaikul	Executive Vice President	Corporate Banking
22. Mr. Sirichai Leelakitkul	Executive Vice President	Corporate Banking
23. Mr. Kriengkrai Viriyaatthakit	Executive Vice President	SME Banking
24. Mr. Pisuthi Amyongka	Executive Vice President	SME Banking
25. Mr. Nanthasit Leksrisakul	Executive Vice President	Consumer Banking
26. Mr. Tak Bunnag	Executive Vice President	Treasury
27. Mr. Kamol Boondiskulchok	Executive Vice President	Risk Management
28. Miss Maleewan Phongsathorn	Executive Vice President	Risk Management
29. Mrs. Praralee Ratanaprasartporn	Executive Vice President	Risk Management
30. Mr. Kaitisak Lohitanon	Executive Vice President	Distribution
31. Mr. John Howard Harker	Executive Vice President	Finance
32. Mr. Sindre Ulvund	Executive Vice President	Finance
33. Miss Duangdao Wongpanitkrit	Executive Vice President	Finance
34. Mr. Tanyapong Thamavaranukupt	Executive Vice President	Corporate Marketing
35. Mrs. Krongthip Suthasoonthorn	Executive Vice President	Operations
36. Mrs. Siriporn Ambhanwong	Executive Vice President	Operations
37. Mr. Saengchart Wanichwatphibun	Executive Vice President	Legal and Compliance
38. Mr. Thodsaporn Rattanamastip	Executive Vice President	Legal and Compliance

Directory of the Distribution Network

Bank of Ayudhya Public Company Limited

Head Office

1222 Rama III Road, Bang Phongphang,
Yannawa, Bangkok 10120
Telephone: 0 2296 2000
Facsimile: 0 2683 1304
Krungsri Call Center: 1572
Website: www.krungsri.com

Branch and Financial Services Center

Number of branches in Thailand	566 branches
Greater Bangkok and vicinity	269 branches
Upcountry	297 branches
Number of branches outside Thailand	3 branches
Exclusive Banking Center	2 centers
Foreign Currency Exchange Booth	79 booths
Greater Bangkok and vicinity	15 booths
Upcountry	64 booths
International Business Center	18 centers
Greater Bangkok and vicinity	10 booths
Upcountry	8 booths

No. OFFICE TEL

Domestic Branches

BANGKOK

1	ALL SEASONS PLACE	0-2250-1240-1	0-2250-1244
		0-2685-3032-3	
2	ARUN-AMARIN	0-2412-6186-8	
3	ASSUMPTION UNIVERSITY (HUA MARK)	0-2300-4452-3	
4	BANGBON	0-2416-8010-1	
5	BANGMOD	0-2428-4389-90	
6	BANGSUE	0-2587-0635-6	
7	BANGKAPI	0-2377-1724	0-2377-5352
8	BANG KHAIE	0-2454-2947-50	
9	BANG KHEN	0-2561-3017	0-2579-1619
10	BANGKOK NOI	0-2424-0599	0-2424-0600
11	BANG KRABUE	0-2243-3256	0-2243-3262
12	BANG LAMPOO	0-2282-8253-4	
13	BANG OR	0-2424-0948	0-2435-2257
14	BANG RAK	0-2237-7177	0-2237-7148
15	BITEC BANGNA	0-2389-9834-5	0-2398-9837
16	CENTRAL LADPHRAO*	0-2541-1176-7	
17	CENTRAL PINKLAO*	0-2433-4830-1	0-2433-4836
18	CENTRAL RAMA II	0-2872-1478-80	
19	CENTRAL WONGSAWANG	0-2585-9990-1	0-2585-7352
20	CENTRAL WORLD	0-2264-5078-82	
21	CENTURY PLAZA*	0-2245-9517-9	
22	CHAENG WATTHANA 14	0-2574-6174-6	
23	CHAKKRAWAT	0-2222-1677	0-2222-1848
24	CHAKRAPHATPHONG	0-2280-1757-8	
25	CHARU MUANG	0-2214-2352-3	
26	CHOKCHAI 4	0-2530-1696	0-2530-3790
27	CHULALONGKORN 42*	0-2219-1624-6	
28	DAOKHANONG	0-2476-0036	0-2476-5369
29	DINDAENG	0-2245-4241-2	0-2642-8839
30	DONMUANG (NEW BRIDGE)	0-2972-5644-7	
31	EKAMAI	0-2714-0082-5	
32	EMPIRE TOWER*	0-2670-1648-50	
33	ESPLANADE RATCHADA	0-2660-9120-2	
34	FASHION ISLAND*	0-2947-5140-2	
35	FORTUNE TOWN	0-2248-3380-3	
36	FUTURE MART RAMA III	0-2292-0673-4	0-2289-1141
37	GEMOPOLIS INDUSTRIAL ESTATE*	0-2727-0420-1	
38	HOME PRO PETCHKASEM*	0-2421-1628	0-2421-1638
		0-2421-1663	
39	HOME PRO RAMA II*	0-2895-4204-6	
40	HOME PRO RAMKHAMHAENG	0-2370-1160-2	
41	HUAMARK	0-2314-6746-7	
42	J J MALL*	0-2265-9544-6	
43	J-AVENUE THONGLOR*	0-2381-9507-9	
44	KASEMRAD PRACHACHUEN HOSPITAL*	0-2587-4240-1	
45	KASETSART	0-2561-3490-1	
46	KING MONGKUT'S INSTITUTE OF TECHNOLOGY LADKRABANG*	0-23264715-7	

No.	OFFICE	TEL.	
47	KLONG PRAPA	0-2270-0829	0-2271-3171
48	KLONG SARN	0-2437-1377	0-2437-2646
49	KLONG TEOY	0-2249-8012-4	
50	LADKRABANG	0-2326-8815-8	
51	LADPHRAO 102	0-2539-4508-11	
52	LUMPINI	0-2285-6696-9	
53	MINBURI	0-2517-9897-9	
54	MOOBAN NAKKILA	0-2368-2437	0-2368-2471
	LAEMTHONG*	0-2368-2474	
55	NEIGHBOUR CENTRE	0-2791-9782-4	
	VACHARAPHOL*		
56	NONG KHAEM	0-2444-2958-9	
57	ON NUJ 23	0-2332-2737	0-2332-2837
58	ON NUJ 69	0-2726-0475-8	
59	PAKKLONG TALAD	0-2223-0530	0-2222-6937
60	PETCHBURI NEW EXT. ROAD	0-2308-0041-5	
61	PETCHKASEM AVENUE*	0-2809-2961-2	0-2809-2403
62	PHAHURAD	0-2221-1604	0-2221-7740
63	PHRAN NOK	0-2411-4543	0-2418-2515
64	PLOENCHIT OFFICE	0-2208-2194-5	0-2208-2027
65	PLOENCHIT TOWER	0-2263-0667-9	
66	PRACHA NIWET 1	0-2954-3880-2	
67	PRAI-SANEE KLANG	0-2233-4372-3	
68	PRATUNAM	0-2251-3277	0-2253-8963
69	PTT BANG NA EXPRESS WAY	0-2311-5460	0-2311-5470
	(OUTBOUND)*		
70	PTT KLUAINAMTHAI*	0-2381-4772-4	
71	PTT NONG KHAEM*	0-2421-0236	0-2421-0270
72	PTT PRAKHANONG	0-2249-2853	0-2249-2859
	OIL TERMINAL*		
73	PTT SUKHUMVIT 62*	0-2311-5890-2	
74	PTT THANON CHALONG	0-2360-5213-5	
	KRUNG*		
75	PTT THANON KANCHANA-	0-2455-9316-8	
	PHISEK*		
76	PTT THANON KASETNAWAMIN*	0-2553-2031-3	
77	PTT THANON LADPLAKHAO*	0-2570-2169	0-2570-2172
78	PTT THANON PHATTHA-	0-2322-1278-80	
	NAKAN*		
79	PTT THANON RAMINDRA	0-2540-5044-5	0-2540-5066
	KM.11*		
80	PTT THANON RATCHAPHRUEK*	0-2432-2223-5	
81	PTT THANON SRINAKARIN*	0-2330-9335-7	
82	PTT THANON VIBHAVADI	0-2279-9322-4	
	RANGSIT*		
83	Q.HOUSE CONVENT*	0-2234-5475-7	
84	Q.HOUSE LUMPINI*	0-2343-8791-3	
85	QUEEN SIRIKIT NATIONAL	0-2229-5592-3	
	CONVENTION CENTER		
86	RAJAMANGLA UNIVERSITY	0-2286-0324	0-2286-0341
	OF TECHNOLOGY KRUNGTHAP*		
87	RAJAVAT	0-2241-3978	0-2241-4143
88	RAJWONGSE	0-2224-5510	0-2224-5626
89	RAMA II (KHEHA THON	0-2451-4094-8	
	BURI 3)		
90	RAMA III OFFICE	0-2296-4206	0-2296-4218
91	RAMA IX-SRINAKARIN	0-2300-1642	0-2300-1645

No.	OFFICE	TEL.	
92	RAJBURANA	0-2464-1445-6	
93	RATCHADAPHISEK	0-2275-4906-10	
	(HUA KHUANG)		
94	RATCHADAPHISEK	0-2477-9692-4	
	(THAPHRA-TAKSIN)		
95	RAJCHATHEVI	0-2653-6720-2	
96	SALA DAENG	0-2237-7143-4	
97	SAM LIAM DINDAENG	0-2642-4020-1	
98	SAM YOD	0-2223-7855-7	
99	SAMRAY	0-2438-6811-2	
100	SAMYAEK	0-2221-1520-7	
101	SANAM PAO	0-2615-0198-9	
102	SAO CHINGCHA	0-2222-5206	0-2224-8805
103	SAPHAN KWAI	0-2272-2993-4	
104	SAPHAN LUANG	0-2215-4593-4	
105	SAPHAN PHA PINKLAO	0-2443-0085-8	
106	SAPHAN PHRACHAO TAKSIN	0-2437-0230	0-2438-7726
107	SF WANG-HIN*	0-2570-2413	0-2570-2415
108	SIAM PARAGON	0-2129-4560-5	
109	SIAM SQUARE	0-2255-1116-7	
110	SIYAEK ASOK	0-2261-8119-21	
111	SIYAEK SAPHAN KRUNGTHON	0-2424-0125	0-2424-5023
112	SIYAEK SUAPA	0-2223-5334-5	
113	SIYAEK WANG-HIN	0-2570-5584-5	
114	SIYAEK WISUTKASAT	0-2282-4688-9	
115	SOI CHARAN SANITWONG 13	0-2864-0977-8	
116	SOI THONGLOR	0-2392-2838	0-2381-6428-9
117	SRINAKARIND-ON NUJ	0-2321-1584	0-2321-8838
118	SUAN DUSIT RAJABHAT	0-2241-8325-7	
	UNIVERSITY*		
119	SUAN MALI	0-2223-5413	0-2223-7305
120	SUAN PHLU	0-2287-3011-3	
121	SUKHUMVIT 101/1	0-2730-5549-51	
	(PIYAROM PLACE)		
122	SUKHUMVIT 103	0-2383-8793-7	
	(UDOM SUK)		
123	SUKHUMVIT 23	0-2261-1914-7	
124	SUKHUMVIT 31	0-2662-0211	
125	SUKHUMVIT 35	0-2259-0020-3	
126	SURAWONG	0-2631-4050-9	
127	SUTTHISAN	0-2270-0164-5	
128	TALAT MINBURI	0-2517-1022-3	0-2517-1025
129	TALAT PHLU	0-2466-9766	0-2466-9672
130	TALAT WONGSAKORN*	0-2563-5341-2	0-2563-5350
131	TAO POON	0-2587-1318	0-2911-2132-3
132	TESCO LOTUS	0-2509-0043	0-2509-3206
	WATCHARAPHON*		
133	THA DINDAENG	0-2437-2509	0-2437-3359
134	THA PHRA	0-2457-0067	0-2457-0534
135	THAI SUMMIT TOWER*	0-2251-3114-6	
136	THANON BANG KHUNTHIAN	0-2416-3481-2	
137	THANON BANG KHUNTHIAN	0-2894-6537-8	
	-CHAI THALE*		
138	THANON BANGNA-TRAD	0-2361-0625-6	
	CENTRAL CITY)		
139	THANON BANGNA-TRAD	0-2751-4036-9	
	(NATION TOWER)		

No.	OFFICE	TEL.	
140	THANON BOROMARAJA-JONANI (PINKLAO)	0-2433-1468	0-2433-4985
141	THANON BOROMARAJA-JONANI (TALING CHAN)	0-2433-3417	0-2433-6910
142	THANON CHAN	0-2287-4384-8	
143	THANON CHAROEN NAKHON SOI 35	0-2439-1104	0-2439-6448
144	THANON CHAROEN NAKHON SOI 4	0-2437-9978-9	
145	THANON CHOM THONG	0-2468-5740	0-2468-8096
146	THANON KHEHA ROMKLAO*	0-2557-1033-5	
147	THANON NANG LINCHI	0-2678-3016-8	
148	THANON PHAHONYOTHIN 26 (ELEPHANT TOWER)	0-2937-4983-4	
149	THANON PHATTHANAKAN	0-2319-9282	0-2314-7700
150	THANON PHETKASEM 55	0-2454-6969	0-2454-9966
151	THANON PHETKASEM (FUTURE PARK PLAZA)	0-2454-8700-7	
152	RAMA IV (KLONGTEOY)	0-2260-9506-8	
153	THANON PRACHA-UTHID	0-2427-1041	0-2427-1415
154	THANON PRACHARAT SAI 1	0-2585-2610	0-2586-8897
155	THANON RAMINDRA KM.2	0-2971-6678-82	
156	THANON RAMINDRA KM.8	0-2509-5880-3	
157	THANON RAMINDRA -VACHARAPHOL	0-2509-5071	0-2509-5095
158	THANON RAMKHAMHAENG 19	0-2718-9302-3	0-2718-9139
159	THANON RAMKHAMHAENG 2*	0-2317-1185-6	0-2739-9388
160	THANON RAJBURANA (BANG PAKOK)	0-2428-4534	0-2428-4537-8
161	THANON RATCHADAPHISEK (CENTRAL RAMA III)	0-2673-6309-14	
162	THANON RATCHADAPHISEK (OLYMPIA THAI TOWER)	0-2513-8731-4	
163	THANON SATHORN NUA (A.I.A. CENTER)	0-2637-7276-8	
164	THANON SATHUPRADIT	0-2295-1104-5	
165	THANON SONG PRAPHA (DON MUANG)	0-2566-4291-3	
166	THANON SRINAKARIN (SERI CENTER)	0-2746-0194-9	
167	THANON KRUNGTHEP-KRITHA	0-2375-1249	0-2375-5503
168	THANON SUKHAPHIBAN 1	0-2375-5801-2	
169	THANON SUKHAPHIBAN 2	0-2374-1935-8	
170	THANON SUKHAPHIBAN 3	0-2373-4740-2	
171	THANON SUKHUMVIT 63	0-2711-4600-5	
172	THANON SUKHUMVIT 71	0-2390-1936	0-2381-2171
173	THANON THIAM RUAM MIT	0-2274-4008-10	
174	THANON VIBHAVADIRANGSIT (SUN TOWERS)	0-2617-6486-90	
175	THE AVENUE CHAENG WATTHANA*	0-2573-8106-8	
176	THE MALL BANG KAPI*	0-2374-6177-8	0-2374-6294
177	THE MALL BANG KHAE*	0-2455-3930-1	0-2455-3921
178	THE THAI BAR ASSOCIATION*	0-2448-3413	0-2448-3526
179	TOPS RAMA III*	0-2213-0796-7	

No.	OFFICE	TEL.	
180	TOPS CHAROENKRUNG*	0-2291-1602	0-2291-1782
181	UNION MALL LADPHRAO	0-2511-3149	0-2511-1698
182	URUPHONG	0-2215-7000-1	
183	VORACHAK	0-2221-7678	0-2223-7118
184	WONGWIEN 22 KARAKADA	0-2222-7585	0-2223-0760
185	WONGWIENYAI	0-2439-6186-7	0-2437-0174
186	YAOWARAT	0-2223-5336-7	
187	ZUELLIG HOUSE	0-2233-5134-6	
BANGKOK SUBURBAN			
CHACHOENGSAO			
188	BANG PAKONG	0-3853-1250-1	
189	WELLGROW INDUSTRIAL ESTATE*	0-3857-1820-1	0-3884-2253
NAKHON PATHOM			
190	KAMPHAENG SAEN	0-3435-1706	0-3435-1809-10
191	NAKHON CHAISRI	0-3433-3640	0-3433-3642-4
192	NAKHON PATHOM	0-3425-1155-7	
193	PHRAPRATHON	0-3424-2826-7	
194	PTT THANON PHUTTHAMONTHON SAI 4*	0-2429-2051	0-2429-2104
195	SAM PHRAN	0-3432-2796-9	
196	SILPAKORN UNIVERSITY (SANAM CHANDRA PALACE CAMPUS)*	0-3427-1133	0-3427-1484
197	THANON RATCHAWITTHI NAKHON PATHOM*	0-3427-5020-1	0-3428-0282
NONTHABURI			
198	BANG BUA THONG	0-2571-3530-4	
199	BANG YAI	0-2594-0608-9	
200	CENTRAL RATTANATHIBET*	0-2525-4546-8	
201	GRAND CANAL*	0-2575-2163-4	
202	HOME PRO CHAENG WATTHANA*	0-2584-1411	0-2584-1432
203	HOME PRO RATCHAPHRUEK*	0-2423-3645-8	
204	IMPACT MUANG THONG THANI	0-2504-5162-4	
205	INDEX LIVING MALL BANG YAI*	0-2595-0420-1	
206	KASEMRAD RATTANATIBETH HOSPITAL*	0-2594-0937-9	
207	MAJOR HOLLYWOOD CHAENG WATANA*	0-2582-2534-5	0-2582-2492
208	NONTHABURI	0-2967-2000-1	0-2526-4059
209	PAKKRET	0-2960-7961-2	
210	PRACHANIWET 3*	0-2589-9678	0-2589-9769
		0-2589-9792	
211	PTT THANON KRUNGTHEP-NONTHABURI*	0-2525-4750-2	
212	PTT THANON TIWANON*	0-2584-5501-3	
213	SAPHAN PRANANGKLAO	0-2527-0241-4	
214	SOCIAL SECURITY OFFICE*	0-2526-9610-2	
215	THANON CHAENG WATTHANA (SOFTWARE PARK)	0-2962-3104-5	
216	THANON NGAMWONGWAN	0-2951-8403-4	0-2591-6676
217	THANON PHUTTHAMONTHON SAI 5*	0-2420-7715	0-2420-7720
		0-2420-7723	

No.	OFFICE	TEL.	
218	THANON RATCHAPHRUEK	0-2423-0181-3	
219	THANON TIWANON (KHLONGBANG TALAT)	0-2580-6611	0-2580-6622
220	THE MALL NGAMWONGWAN*	0-2550-0630-1	0-2550-0905
221	TIWANON (KHAERAI)	0-2588-3986	0-2588-4638
222	TOPS RIVER PLAZA*	0-2527-7508-10	
PATHUM THANI			
223	MAJOR RANGSIT	0-2567-5010	0-2567-5046
224	BANG PHUN*	0-2581-8545-7	
225	NAVA NAKHON INDUSTRIAL PROMOTION ZONE*	0-2529-1295	0-2529-3266
226	NAVANAKHON	0-2529-2076-8	
227	PATHUM THANI	0-2581-3908-10	
228	PTT LAD LUM KAE0*	0-2598-3932-5	
229	PTT THANON RANGSIT- NAKHON NAYOK (KHLONG 7)*	0-2577-4636-8	
230	RAJAMANGALA UNIVERSITY OF TECHNOLOGY THANUABURI	0-2577-4504	0-2927-4744
231	RANGSIT	0-2958-0245-9	
232	TALAAD THAI*	0-2529-1121	0-2529-1960
233	TALAT SI MUMMUANG	0-2536-8154-6	
234	THANON LAM LUK KA (KLONG 2)	0-2523-3933-5	
235	THANON RANGSIT-NAKHON NAYOK (KLONG 2)	0-2966-0916-8	
236	VALAYA ALONGKORN RAJABHAT UNIVERSITY*	0-2529-5254	0-2529-5346
PHRANAKHON SI AYUTTHAYA			
237	PHATUNAM PHRA-IN	0-3521-9851-4	
SAMUTPRAKAN			
238	AIRCRAFT MAINTENANCE THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED*	0-2134-2472-4	
239	ASSUMPTION UNIVERSITY (THANON BANGNA-TRAD KM.26)	0-2707-0350-4	
240	BANG BOR	0-2708-5395	0-2708-5419
241	BANG PU	0-2323-9838-9	0-2323-9842
242	BANG PHLI PLAZA*		
243	BANG SAO THONG*	0-2313-4547-9	
244	HOME PRO BANGNA*	0-2325-1167-9	
245	HUA CHIEW CHALERM- PRAKIET UNIVERSITY*	0-2312-6625	0-2312-6719
246	IMPERIAL WORLD SAMRONG	0-2380-6214-6	
247	OPERATION CENTER THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED	0-2134-1795-7	
248	PHRA-PRADAENG	0-2463-5230	0-2463-1012
249	PTT THANON BANGNA-TRAD KM.14*	0-2312-5915-7	
250	PTT THANON THEPHARAK*	0-2385-5986-8	
251	SAMRONG	0-2384-3623-4	
252	SAMUTPRAKAN	0-2387-1814-5	
253	SUARNABHUMI AIRPORT (BUS TERMINAL)*	0-2134-1868-70	
254	SUARNABHUMI AIRPORT (FREE ZONE)*	0-2134-2467-9	
255	THANON MUEANGMAI BANGPHLI 2*	0-2315-1112-4	

No.	OFFICE	TEL.	
256	THANON PHRAEKSA SAMUTPRAKAN	0-2387-0081-2	
257	THANON SRINAKARIN- SUKHUMVIT	0-2389-1443	0-2389-1465
258	THANON SRINAKARIN- THEPHARAK	0-2385-7120-1	0-2385-7923-4
259	THANON SUKSAWAT 53	0-2463-2510	0-2463-2920
260	THANON THEPHARAK	0-2385-0975-9	
261	THANON WAT KINGKAE0	0-2316-9495-6	
262	THANON WAT KINGKAE0 (RACHA TEWA)	0-2312-4795-7	
SAMUTSAKHON			
263	KHLONG KHRU SANMUTSAKHON*	0-3442-8916-7	0-3442-8930
264	KRATHUMBAEN	0-3447-2580-1	
265	OM NOI	0-2431-0131-6	
266	PTT THANON EKKACHAI*	0-3441-8190-2	
267	SAMUTSAKHON	0-3441-1986-7	
268	THANON KIJMANEE SAMUTSAKHON*	0-3445-5120	0-3445-5122
269	THANON RAT BANCHOP SAMUTSAKHON	0-3442-8126-7	
PROVINCE			
CENTRAL			
ANGTHONG			
1	ANGTHONG	0-3562-5150-1	
CHAINAT			
2	CHAINAT	0-5641-2696	0-5641-1064-5
LOPBURI			
3	LAM NARAI	03646-1994-5	
4	LOPBURI	0-3641-1599	0-3641-1600
5	PHATTHANA NIKHOM SOI 12*	0-3643-6066	0-3643-6114
6	WONG WIEN SA KAE0 LOPBURI*	0-3642-2601-2	
PHRANAKHON SRI AYUTTHAYA			
7	AYUDHYA	03524-5718	0-3524-5720
8	BANG PA-IN	0-3522-1071-2	0-3522-1074
9	BANG SAI	0-3574-1111-5	
10	HI-TECH INDUSTRIAL ESTATE*	0-3531-4337-9	
11	LAD BUA LUANG	0-3537-9350-1	
12	ROJANA INDUSTRIAL PARK*	0-3533-0515	0-3533-0525
13	SENA	0-3520-2009	0-3520-2279
14	THA RUA	0-3534-1969-70	
15	WANG NOI	0-3527-1882-3	
SARABURI			
16	DONPHUT*	0-3638-5112-4	
17	HIN-KONG	0-3637-9013-4	0-3637-1634
18	KAENG KHOI	0-3624-5320-3	
19	MUAKLEK	0-3634-1076-7	
20	NONG DON	0-3639-7225-8	
21	NONG KHEA	0-3632-6400-3	
22	PHRABUDHABATH	0-3626-8022-4	
23	SARABURI	0-3622-2277	0-3622-2279
24	THANON PHAHON- YOTHIN SARABURI	0-3631-8401-4	

No.	OFFICE	TEL.
SINGBURI		
25	KHAI BANG RACHAN*	0-3659-7050-2
26	SINGBURI	0-3652-0697-8
EAST		
CHACHOENGSAO		
27	BAN PHO CHACHOENGSAO*	0-3857-8685-7
28	BANG KHLA	0-3854-2014-6
29	CHACHOENGSAO	0-3851-4272-3
30	PHANOM SARAKHAM	0-3855-1840-1 0-3855-1843
CHANTABURI		
31	CHANTABURI	0-3934-6385-8
32	SIYAEK KHAO RAI YA	0-3933-5398-9
CHONBURI		
33	AMATA NAKORN INDUSTRIAL	0-3845-8950-2
34	AO UDOM	0-3835-2466-9
35	BAN BUNG	0-3844-4019-20
36	BAN RONG PO	0-3824-1031-4
37	BANGKOK PATTAYA HOSPITAL*	0-3842-2514 0-3842-2526
38	CHONBURI	0-3879-2318-9 0-3879-2320
39	DON HUALO (AMATA NAKHON CHONBURI)*	0-3845-3049-51
40	HOME PRO CHONBURI*	0-3838-7901-3
41	KO PHO CHONBURI*	0-3820-9787-9
42	LAM CHABANG*	0-3849-3542-3 0-3849-3556
43	NOEN TENG	0-3826-1101-3
44	PATTAYA	0-3842-6907-8
45	PHANAT	0-3846-1378-9
46	PINTHONG INDUSTRIAL ESTATE*	0-3834-8184-6
47	PTT THANON THEPPRASIT PATTAYA*	0-3890-6623-5
48	ROBINSON SRIRACHA*	0-3832-2067 0-3832-2107 0-3832-2322
49	SAHA GROUP INDUSTRIAL PARK SRIRACHA*	0-3848-2325 0-3848-2334
50	SATTAHIP	0-3843-7781-3
51	SRIRACHA	0-3831-1375 0-3831-1852
52	SI YAEK PAK RUAM*	0-3833-7245-6
53	SOI BOONSAMPAN PATTAYA*	0-3840-6683-7
54	SOI BUAKHAO PATTAYA*	0-3841-5873-5
55	SOI NAKLUEA 16 PATTAYA*	0-3841-6617-9
56	SOI NOEN PLUB WAN PATTAYA*	0-3840-6272-3
57	TESCO LOTUS PATTAYA (NORTH)*	0-3842-3399 0-3842-3044
58	THANON CHALOEM PHRA KIAT SAI 3*	0-3841-3485-7
59	THANON PATTAYA TAI	0-3842-5524-5
60	THANON PHRAYASATCHA CHONBURI*	0-3827-2319-20
61	THANON SUKHUMVIT CHONBURI	0-3827-4520-1
62	THANON SUKHUMVIT PATTAYA*	0-3842-4376 0-3842-4722-3

No.	OFFICE	TEL.
63	THANON SURASAK 1 SIRACHA	0-3832-4272-6
64	THE AVENUE PATTAYA*	0-3805-2003-5
NAKHON NAYOK		
65	NAKHON NAYOK	0-3731-2644-5
66	ONGKHARAK	0-3732-2268-9
PRACHINBURI		
67	304 INDUSTRIAL PARK PRACHINBURI*	0-3727-4300-1 0-3720-8314
68	KABINBURI	0-3720-3015-9
69	KABINBURI INDUSTRIAL ZONE*	0-3745-5334 0-3745-5502-3
70	PRACHINBURI	0-3721-3217-8
RAYONG		
71	EASTERN SEABOARD INDUSTRIAL ESTATE*	0-3865-6256-7 0-3895-4704
72	EASTERN SEABOARD INDUSTRIAL ESTATE 2*	0-3865-6446-8
73	KACHET*	0-3864-8295-6
74	KLAENG	0-3867-4427-8
75	MAP TA PHUT	0-3860-8891-4
76	NIKHOM PHATTHANA	0-3863-7585-6 0-3889-7504
77	RAYONG*	0-3861-6072 0-3861-1534
78	SIAM EASTERN INDUSTRIAL PARK*	0-3866-0000-2
79	STAR PLAZA RAYONG*	0-3862-3842-4
80	TPI RAYONG*	0-3862-3839-41
SA KAE0		
81	SA KAE0	0-3724-1810-3
TRAD		
82	KO CHANG*	0-3955-1431-3
83	THANON SUKHUMVIT-TRAD	0-3952-0969 0-3952-0993
84	TRAD	0-3952-1151-3
NORTHEAST		
AMNAT CHAROEN		
85	AMNAT CHAROEN	0-4551-1731-4
BURIRAM		
86	BURIRAM	0-4461-4128-30
87	BURIRAM RAJABHAT UNIVERSITY*	0-4460-1519 0-4461-4159
88	NANGRONG	0-4462-4318-22
89	PHUTTHAISONG	0-4468-9114-5
CHAIYAPHOOM		
90	CHAIYAPHOOM	0-4482-1339 0-4482-1340
KALASIN		
91	KALASIN	0-4381-1556-7
KHON KAEN		
92	BANPHAI	0-4327-2108 0-4327-2680
93	CHUM PHAE	0-4331-1309-10
94	HOMEPRO KHON KAEN*	0-4327-1624-6
95	KHON KAEN UNIVERSITY*	0-4320-2260-1 0-4334-2388
96	KHON KAEN	0-4322-1293 0-4322-1711
97	NAM PHONG	0-4343-1341-2
98	PHU WIANG	0-4329-1290-2
99	THA PHRA KHON KAEN*	0-4326-1661-5

No.	OFFICE	TEL.	
100	THANON BANKOK KHON KAEN*	0-4327-0455-7	
101	THANON KLANGMUEANG KHON KHEN*	0-4322-2588	0-4322-2799
102	THANON MALIWAN	0-4323-7952	0-4324-2565
103	THANON MITTRAPHAP KHON KAEN	0-4332-5411-5	
LOEI			
104	LOEI	0-4281-2619-20	
MAHASARAKHAM			
105	MAHA SARAKHAM	0-4372-2227-8	
MUKDAHAN			
106	MUKDAHAN	0-4261-3035-6	
NAKHON PHANOM			
107	NAKHON PHANOM	0-4251-3082-5	
108	PHON SAWAN*	0-4259-5119	0-4259-5091
NAKHONRATCHASIMA			
109	HUA THALE NAKHON- RATCHASIMA	0-4426-6042-6	
110	NAKHONRATCHASIMA RAJABHAT UNIVERSITY	0-4424-8405-6	
111	NAKHONRATCHASIMA	0-4425-1340-2	0-4424-2388
112	NONSUNG	0-4437-9111-2	
113	PAKCHONG	0-4431-3908-9	
114	PTT SIKHIO*	0-4432-5722-4	
115	PTT THANON SURANARAI NAKHONRATCHASIMA	0-4425-7061-3	
116	SIKHU	0-4441-2465-6	
117	THANON MITTRAPHAP (NAKHONRATCHASIMA)	0-4425-6866	0-4425-6899
118	THANON MITTRAPHAP YAEK PAK THONG CHAI*	0-4427-7324-5	
119	TALAT SAVE ONE NAKHON RATCHASIMA*	0-4422-2131	0-4422-2141
NONG BUA LAM PHU			
120	NA KLANG	0-4235-9023-4	
121	NONG BUA LAM PHU	0-4231-2536-9	
NONGKHAI			
122	NONGKHAI	0-4242-0743-4	
123	SRI CHIENGMAI	0-4245-1336-8	
ROI ET			
124	PHANOMPHRAI	0-4359-1141-2	
125	PHONTHONG	0-4357-1035-7	
126	ROI ET	0-4351-1615-6	
127	THANON HAI SOKE ROI ET*	0-4351-5002	0-4351-3307
SAKONNAKHON			
128	KASETSART UNIVERSITY (SAKONNAKHON)*	0-4275-4228-30	
129	SAKONNAKHON RAJABHAT UNIVERSITY*	0-4271-4303	0-4271-6887
130	SAKONNAKHON	0-4271-3001-2	
131	WANONNIWAT	0-4279-1165-6	
SI SAKET			
132	SI SAKET	0-4561-2293-4	
SURIN			
133	SURIN	0-4451-5061-2	

No.	OFFICE	TEL.	
UBONRATCHATHANI			
134	DEJ-UDOM	0-4536-1001-2	
135	MUANG SAMSIP*	0-4548-9004-5	
136	PHIBUN MANGSAHAN	0-4544-1400-1	
137	PTT WARIN CHAMRAP*	0-4532-3770	0-4532-3772-3
138	THANON CHAYANGKUN	0-4524-4594-5	
UBONRATCHATHANI			
139	UBONRATCHATHANI	0-4524-4885	0-4525-4064
140	UBONRATCHATHANI RAJABHAT	0-4525-5416	0-4525-5537
UNIVERSITY*			
141	WARIN CHAMRAP	0-4526-9470-4	
UDONTHANI			
142	BIG C UDONTHANI	0-4221-2733	0-4220-4920
143	HOMEPRO UDONTHANI*	0-4224-6000	0-4224-6733
144	NONG BUA UDONTHANI	0-4224-3434	0-4224-8494
145	THANON PHO SI UDONTHANI	0-4224-9736-7	
146	UDONTHANI	0-4224-6511	0-4222-1497
YASOTHON			
147	YASOTHON	0-4571-2954-6	
NORTH			
CHIANGMAI			
148	CENTRAL AIRPORT	0-5328-1660-2	
CHIANGMAI*			
149	CHIANGMAI	0-5325-1811-2	
150	FANG	0-5338-2813-4	
151	HANG DONG*	0-5344-1986-7	
152	MAE RIM	0-5329-9916-9	
153	NONG PRATHP CHIANGMAI	0-5324-0241-3	
154	PRATU CHANG PHUAK	0-5321-1700-1	
155	SAN KAMPHAENC	0-5339-2592-6	
156	SIYAEK SANAM BIN	0-5328-0525-7	
CHIANGMAI			
157	THANON CHANG KHLAN	0-5327-0431-2	
CHIANGMAI			
158	THANON CHOTANA	0-5340-9420-4	
CHIANGMAI			
159	THANON HUAI KAE0	0-5321-9805-6	
CHIANGMAI*			
160	THANON MAHIDOL	0-5380-1700-3	
(SI YAEK NONG HOI)*			
CHIANGRAI			
161	CHIANGRAI	0-5374-4641-3	
162	CHIANGRAI RAJABHAT	0-5377-6038	0-5377-6066
UNIVERSITY*			
163	HA YAEK PHOKHUN MENGRAI*	0-5371-1292	0-5371-1793
164	MAE FAH LUANG UNIVERSITY*	0-5391-2121-3	
165	MAE SAI	0-5364-0770-5	
166	PHAN	0-5372-1251-2	
167	PTT RIMKOK CHIANGRAI*	0-5371-8383	0-5371-8830
KAMPHAENGPHET			
168	KAMPHAENGPHET	0-5571-3013-4	
169	PTT KHONGWILAI	0-5578-1471-2	0-5578-1666
KHLONG KHLUNG*			
LAMPANG			
170	LAMPANG	0-5432-3270-2	

No.	OFFICE	TEL.
171	LAMPANG RAJABHAT UNIVERSITY*	0-5431-7950-2
172	THANON BOONYAWAT LAMPANG*	0-5422-8184-6
LAMPHUN		
173	LAMPHUN	0-5351-0246-7
174	NORTHERN REGION	0-5358-2112-4
MAE HONG SORN		
175	MAE HONG SORN	0-5361-1868-9
176	PAI*	0-5369-9062 0-5369-9097
177	PTT PAI*	0-5369-8131-2 0-5369-9077
NAKHONSAWAN		
178	CHUMSAENG	0-5628-2247-8
179	NAKHONSAWAN	0-5622-8017-8
180	NAKHONSAWAN RAJABHAT UNIVERSITY	0-5623-3444-6
181	TAKHLI	0-5626-1249 0-5626-1530
182	THANON SAWAN WITHI NAKHONSAWAN	0-5622-7866-7
NAN		
183	NAN	0-5477-2584-6
PHAYAO		
184	PHAYAO	0-5448-1863-4
PHETCHABUN		
185	LOMSAK	0-5670-2009-11
186	NONG PHAI	0-5678-1411-5
187	PETCHABOON	0-5672-2572-3
188	THANON SUEKSA CHAROEN PHETCHABOON	0-5674-4154-5
PHICHIT		
189	BANG MUN NAK	0-5663-1844-7
190	PHICHIT	0-5661-2512-4
191	TAPHAN-HIN	0-5662-2312-4
PHITSANULOK		
192	HOMEPRO PHITSANULOK*	0-5522-1962-3
193	NARAESUAN UNIVERSITY	0-5526-1125-6
194	PHITSANULOK	0-5530-2533 0-5530-2600-3
195	THANON AKATOSAROT PHITSANULOK*	0-5522-5173-7
PHRAE		
196	PHRAE	0-5451-1595-6
SUKHOTHAI		
197	SUKHOTHAI	0-5561-2671-2
TAK		
198	BAN TAK*	0-5559-1249-50
199	MAE SOT	0-5553-3781-3
200	TAK	0-5551-3511-3
UTHAITHANI		
201	UTHAI THANI	0-5651-2561-2 0-5651-2564
UTTARADIT		
202	UTTARADIT	0-5541-1357 0-5541-1457
203	UTTARADIT RAJABHAT UNIVERSITY	0-5541-3736 0-5541-7505
WEST		
KANCHANABURI		
204	BO PHLOI	0-3458-1055-6

No.	OFFICE	TEL.
205	KANCHANABURI	0-3451-5058-9
206	LUK KAE	0-3456-6423-4
207	THA MUANG	0-3461-1412-3
208	THA RUA PHRA THAEN	0-3456-2005-6
PHETCHABURI		
209	CHA-AM	0-3247-2047-8 0-3247-2050-1
210	KHAO YOI	0-3256-2057-8 0-3243-9811-3
211	PHETCHABURI	0-3242-8611-2
212	SAPHAN CHOM KLAO PHETCHABURI*	0-3241-3185-7
213	THA YANG	0-3246-1826-7
PRACHUAP KHIRIKHAN		
214	BANG SAPHAN	0-3254-8404-7
215	HUA HIN	0-3251-1120 0-3251-1442
216	NONGKAE HUA HIN PRACHUAP KHIRIKHAN	0-3261-1980-1
217	PRANBURI	0-3254-4105-6
218	PTT KUI BURI*	0-3268-2700 0-3268-1087
219	THANON CHOMSIN HUA HIN*	0-3251-5370-1 0-3251-5406
220	THANON PHETKASEM HUA HIN*	0-3251-3927 0-3251-3932
RATCHABURI		
221	BAN PONG	0-3220-1949-50
222	HUAI KRA BOK*	0-3229-1091-3 0-3229-1237-8
223	PHOTHARAM	0-3235-4317-8
224	RATCHABURI	0-3232-5650-2
225	THANON ROTFAI RATCHABURI*	0-3232-2388-9
SAMUT SONGKHRAM		
226	SAMUT SONGKHRAM	0-3471-3039-40
SUPANBURI		
227	BANG PLA MA	0-3558-7088 0-3558-7624
228	SONGPHINONG	0-3553-1491-2
229	SUPHANBURI	0-3552-3961-3
230	THANONPHRAPHANVASA SUPHANBURI*	0-3552-5128-32
231	U THONG	0-3555-1080 0-3555-2108
SOUTH		
CHUMPHON		
232	CHUMPHON	0-7751-1491 0-7751-1493
233	LANG SUAN	0-7758-2513-5
234	THANON SALADAENG CHUMPHON*	0-7750-5032 0-7750-5069
KRABI		
235	AO NANG KRABI*	0-7569-5429-31
236	KRABI	0-7562-1258-61
237	PHI PHI ISLAND*	0-7560-1010-1
NAKHON SI THAMMARAT		
238	NAKHON SI THAMMARAT	0-7534-2789 0-7534-6125
239	THANON PHATTHANAKARN KHU KWANG-	0-7531-7841-5
240	NAKHON SI THAMMARAT	0-7534-2789 0-7534-6125
241	THUNG YAI	0-7548-9004-5
242	TUNGSONG	0-7541-2684-5
NARATHIWAT		
243	NARATHIWAT	0-7351-1202-3

No.	OFFICE	TEL.
244	SUNGAI KOLOK	0-7361-5741-3
PATTANI		
245	PATTANI	0-7333-2772-3
PHANG-NGA		
246	KHAOLAK PHANG-NGA*	0-7648-5425-7
247	PHANG-NGA	0-7641-1989 0-7641-2444
248	THAP PUT	0-7644-2228-30
PHATTHALUNG		
249	PHATTHALUNG	0-7461-1365-6
250	SI BANPHOT*	0-7468-9164-6
PHUKET		
251	BAN SAI YUAN (RAWAI)*	0-7638-8804-6
252	CENTRAL FESTIVAL PHUKET*	0-7636-7005-7
253	CHOENG THALAE PHUKET*	0-7632-5062 0-7632-5139
254	HAYA EK CHALONG PHUKET*	0-7638-4034-6
255	INDEX LIVING MALL PHUKET*	0-7621-2619 0-7621-2656
256	JUNGCEYLON PHUKET*	0-7636-6029-31
257	KAMALA BEACH PHUKET*	0-7627-8113-4 0-7638-6126
258	KATA*	0-7633-3518-20
259	PATONG	0-7634-0809-10
260	PHUKET	0-7621-1592 0-7621-1811
261	PAKHLOK PHUKET*	0-7637-9851-3
262	PTT THANON	0-7637-7514 0-7637-7584
	THEPKRASATTRI PHUKET*	
263	SAMKONG PHUKET*	0-7652-3200-2
264	THANON CHALOEM- PHRAKIAT PHUKET*	0-7637-6001-2
265	THANON NANAI PATONG*	0-7634-5161 0-7634-5163-4
266	THANON PATAK (KARON)*	0-7639-8249-53
267	THANON CHAO FA (EAST) PHUKET*	0-7652-5071-3
268	THANON PHRABARAMI PHUKET*	0-7632-2179-81
269	THANON POONPHOL PHUKET	0-7622-1284-6
270	THANON THAWIWONG (PATONG)*	0-7634-6074-6
271	THANON THEPKRASATTRI PHUKET	0-7623-6337-8
RANONG		
272	RANONG	0-7781-1777 0-7782-1205
SATUN		
273	KHUANDON*	0-7473-5271-5
274	SATUN	0-7472-2500-2
SONGKHLA		
275	HATYAI	0-7424-3051 0-7424-4715
276	SONGKHLA	0-7432-1077-9
277	THANON KANCHANAWANIT HATYAI	0-7421-7111-3
278	THANON KANCHANAWANIT SONGKHLA*	0-7432-5806-8
279	THANON PHETKASEM HATYAI	0-7423-0557-8
280	THANON PHUWANAT HATYAI	0-7422-1003-5
SURATTHANI		
281	BANGKOK SAMUI HOSPITAL*	0-7741-4033 0-7741-4058-9
282	BEACH ROAD (CHAWENG)*	0-7741-3464 0-7741-3468
283	BOPHUT*	0-7742-7540-2

No.	OFFICE	TEL.
284	CHAWENG BEACH	0-7741-3736-8
285	CHOENGMON BEACH*	0-7748-4223
286	KANCHANADIT	0-7737-9028-30
287	KOH PHA-NGAN*	0-7737-7276 0-7737-7627
288	KOH SAMUI	0-7742-0176-7
289	LAMAI BEACH*	0-7741-9017-8 0-7723-0821
290	MAENAM*	0-7742-7787-9
291	MAKHAM TIA	0-7728-8750-3
292	PHUNPHIN	0-7731-1523 0-7731-1967
293	SURATTHANI	0-7728-3116-9
294	WIANGSA	0-7736-1958 0-7736-1960
TRANG		
295	TRANG	0-7522-2461-7
YALA		
296	YALA	0-7321-1688-9
297	BETONG	0-7324-5861-2
*domestic sub-branch		
OVERSEAS BRANCHES		
VIENTIANE BRANCH		(856-21) 214575-7 (856-21) 213520
CAYMAN ISLANDS BRANCH		(345) 949-2001 (345) 949-7097 (02) 296-4426 (02) 683-1467
HONG KONG BRANCH		(852) 2525-7398-9 (852) 2525-4445
FOREIGN EXCHANGE OFFICES		
BANGKOK		
BANG LAM POO BRANCH		0-2282-8253-4
FORTUNA		0-2254-4650
GOLD PLACE PLAZA		0-2254-6476
NARAI PHAND		0-2251-7462
PATPONG		0-2235-2007
PRATUNAM BRANCH		
RIVER CITY		0-2234-9154
SIAM PARAGON		0-2129-4873
SIAM PARAGON (MAIN LEVEL)		
SUAN RIM NAM		0-2237-3496
SUKHUMVIT 14		0-2229-5865-6
SUKHUMVIT 22		0-2258-5668
SUKHUMVIT 24		0-2261-2515-6
THANON PHRA ATHIT		0-2281-2277
BANGKOK SUBURBAN		
ABAC MALL		0-2313-4503-4
PROVINCES		
WEST		
PHETCHABURI		
CHA-AM		0-3247-2274
PRACHUAPKHIRIKHAN		
DAMNERN KASEM		0-3251-2408
HUA HIN BRANCH		0-3251-1120
HUA HIN COMPLEX		0-3251-1386

No.	OFFICE	TEL.
	HUA HIN SEASIDE	0-3251-2320
	NARESDAMRI	0-3251-1715
	RATCHABURI	
	DAMNERN SADAUK FLOATING MARKET	0-3224-6112
	EAST	
	CHONBURI	
	CENTRAL PATTAYA	0-3842-0905
	PATTAYA SOI 13	0-3842-0274
	SOUTH PATTAYA	0-3842-7484
	SAMITVEJ SRIRACHA HOSPITAL	0-3831-3566
	THE AVENUE PATTAYA SUB BRANCH	
	THANON PATTAYA TAI BRANCH	
	TRAD	
	BANG BAO	0-3955-8091
	KOH CHANG SUB BRANCH	0-3955-1431-3
	NORTHEAST	
	KALASIN	
	KALASIN PLAZA	0-4381-6401
	KHONKAEN	
	KHONKAEN AIRPORT	0-4324-7597
	UDONTHANI	
	UDONTHANI AIRPORT	0-4224-0802
	UBONRATCHATHANI	
	UBONRATCHATHANI AIRPORT	0-4525-6137
	SOUTH	
	KRABI	
	AO-NANG	0-7563-7771-2
	AO-NANG 2	0-7569-5433
	PHI PHI ANDAMAN	0-7560-1150
	PHI PHI ISLAND	0-7560-1146
	PHI PHI ISLAND SUB BRANCH	0-7560-1010-2
	PHANG-NGA	
	BAN KHOLAK	0-7642-0811
	KHOLAK PHANG-NGA SUB BRANCH	0-7642-5022-4
	PHUKET	
	ABSOLUTE SEAPEARL PATONG	0-7634-5771
	BAN SAI YUAN (RAWAI) SUB BRANCH	
	KAMALA BEACH	0-7638-6021-2
	KAMALA BEACH PHUKET	0-7627-8113-4
	SUB BRANCH	
	KATA SUB BRANCH	0-7633-3518-20
	PATONG BRANCH	0-7634-0809-10
	PATONG 2	0-7634-5757
	PATONG 3	0-7634-5054
	PATONG OTOP	0-7634-0793
	SOI TON TARN KATA BEACH	0-7633-0119
	THANON NANAI PATONG	0-7634-5163-4
	SUB BRANCH	
	THANON PATAK (KARON)	0-7639-8305
	SURATTHANI	
	BEACH ROAD (CHAWENG)	0-7741-3464
	SUB BRANCH	
	CHAWENG BEACH	0-7742-2493
	CHAWENG BEACH 2	0-7742-2203

No.	OFFICE	TEL.
	CHENGMON BEACH	0-7743-0039
	CHENGMON BEACH SUB BRANCH	0-7748-4223
	LAMAI BEACH	0-7742-4386
	LAMAI BEACH 2	0-7741-8656
	HAD RIN	0-7737-5551
	HAD SAIREE	0-7745-6132
	HAD YAO	0-7734-9291-2
	IT COMPLEX	0-7745-8170-1
	KHAO YAI NOI	0-7741-3419
	KOH PHA-NGAN	
	LIVING SQUARE	0-7741-3851
	LOTUS CENTER	0-7748-4586-7
	SURATTHANI AIRPORT	0-7744-1250
	THONGSALA KOH PHA-NGAN	0-7737-7044
	TRADEWINDS	0-7741-3425-6
	NORTH	
	CHIANGMAI BRANCH	0-5325-1811-2
	CHIANGMAI NIGHT BAZAAR	0-5323-4657-8
	CHIANGMAI NIGHT SAFARI	0-5326-1639-40
	THANON CHANGKHLAN BRANCH	0-5327-0431-4
	THANON LOIKROH 2	0-5328-0322-3
	THANON MOONMUANG	0-5327-7266
	MAE HONG SON	
	PAI	0-5369-9781
	PAI SUB BRANCH	0-5369-9062
	FOREIGN BUSINESS CENTERS	
	BANGKOK	
	HEAD OFFICE	0-2296-2222 0-2683-1217
	BANGNA-TRAD	0-2751-4043-4 0-2751-4045
	BANGRAK	0-2235-5968 0-2235-4956
		0-2237-7182-3
	CHAROEN NAKHON	0-2437-0936 0-2438-3389
		0-2438-3389
	CHOKCHAI 4	0-2539-8615-6 0-2539-8614
		0-2538-9492
	GEMOPOLIS INDUSTRIAL ESTATE	0-2727-0425-6 0-2727-0427
	NONG KHAEM	0-2444-4336-7 0-2444-4338
	PLOENCHIT	0-2208-2133-6 0-2253-8615
	SAMYAEK	0-2221-1528-9 0-2222-4563
	THANON VIBHAVADI RANGSIT (SUN TOWER)	0-2273-8856-7 0-2273-8858
	PROVINCES	
	CHONBURI	0-3828-9137-8 0-3879-0377
	HATYAI	0-7423-7690-1 0-7423-6512
	LAEM CHABANG	0-3849-4905-6 0-3849-4907
	MAP TA PHUT	0-3860-8906-7 0-3860-8908
	PHUKET	0-7621-3899 0-7621-8441
	PRATUNAM PHRA-IN	0-3535-4141-3 0-3535-4141
	SAMUTSAKHON	0-3481-0641-2 0-3481-0643
	SIYAEK SANAM BIN CHAINGMAI	0-5320-0150 0-5328-5348
		0-5328-5347-8

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