krungsri
กรุงศรี

Delivering Simplicity

ANNUAL REPORT 2012

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MESSAGE FROM THE CHAIRMAN & THE PRESIDENT AND CHIEF EXECUTIVE OFFICER

The year 2012 was a banner year for Bank of Ayudhya Pcl. (Krungsri), marked by impressive growth and profitability, with resounding achievements and crucial operational milestones that helped us deliver on our promise to 'Make Life Simple' for our customers. It was a year that tested our resolve with global financial market volatility, but also one that allowed us to demonstrate how our focus on customer centricity can help us manage through both external shocks and increasing competition to deliver greater value to our stakeholders.

The year began as a story of recovery and growth, following the devastating floods that wreaked havoc on the lives of millions of Thai people – and the economy – in late 2011. Flood-related repairs and consumption drove the economy throughout the first quarter. Subsequently, domestic demand-driven growth, from both domestic investment and increased consumption, kicked in to drive the economy further along the road to recovery.

Krungsri benefited from a number of government policies aimed at stimulating growth in the retail segment, including a minimum wage hike as well as tax incentives for first-car and first-home buyers. Thanks to the strength of both our consumer franchise and capital position, the acquisition of HSBC Thailand's retail banking business was successfully completed in the first quarter of the year. With the combination of strong organic growth and the HSBC acquisition, our growth exceeded the industry average for the year and we attained new records in terms of asset size, net profits and return on equity.

With a robust performing loan growth of 17.2%, Krungsri posted THB 14.67 billion in net profits, up 58% from last year – a new milestone in our financial performance that also made Krungsri one of the top performing banks in terms of net profit growth. Meanwhile, non-performing loans were reduced from 3.7% to 2.4% of total loans, the Bank's coverage increased sharply to 146%, and our net interest margin (NIM) was maintained at a healthy 4.33%.

2012 also saw the brand's promise to 'Make Life Simple' become a reality, as the Bank began to deliver on this promise in deep, meaningful and innovative ways that are having a positive impact on the lives of our customers across the banking spectrum. New innovations this year included products such as the 'Mee Tae Dai' savings scheme and the 'Instantly Insured' insurance offering, along with new branch format rollouts, mobile payment solutions and 'Simple Q' to streamline service at branches and deliver simplicity to our customers.

During the latter part of 2012, the financial markets were surprised by the unexpected news concerning GE Capital's partial sale of its shares in our bank. However, when the execution of the 7.60% share sale and disclosure of GE Capital's intention to explore strategic options for the remaining 25.33% were announced, the Board, the management and staff took the development calmly, recognizing that there would be no adverse effect on the Bank's financial posture. Furthermore, in the current business environment, successful management of large, fully capitalized financial institutions lies in the vision and operating competence of the Board and management / staff, respectively. The operating concept of "one for all and all for one" that was instilled in the Bank during the last several years contributed to drive excellent results. In this context the Bank will be resilient in the face of a change in a major shareholder.

Most of all, our achievements in 2012 demonstrate that we listen to our customers and act to deliver simple solutions tailored to meet or exceed their needs. We continue to be first to market in terms of adopting cutting-edge technology to serve customers – a commitment that will continue in 2013. The innovative products and services we have introduced also benefit Krungsri as a group through lower costs, enhanced cross-sell capabilities, economies of scale and greater efficiencies through intelligent use of technology and data.

The outlook for the economic and financial sectors reveals a picture of continued strong retail growth, with structural changes, increasing urbanization and government policies all playing a role. For Krungsri's part, we will continue on our journey to deliver simplicity to all of our stakeholders, investing in new information technologies and fostering the development of our corporate culture – what we like to call the Krungsri Way. E-business and development will be a key enabler on the next phase of our journey. We also mark the commencement of our 'regional strategy' which we will communicate more fully in the months ahead.

As we look to the future, the Bank is well positioned to enter 2013 under the sound leadership of our new incoming CEO and President who, while stepping into new roles, are both familiar faces in the Krungsri senior management team. They bring a history of commitment and dedication to the Bank. We are confident that they will continue to build on the momentum we have created in 2012 to achieve new heights in 2013.

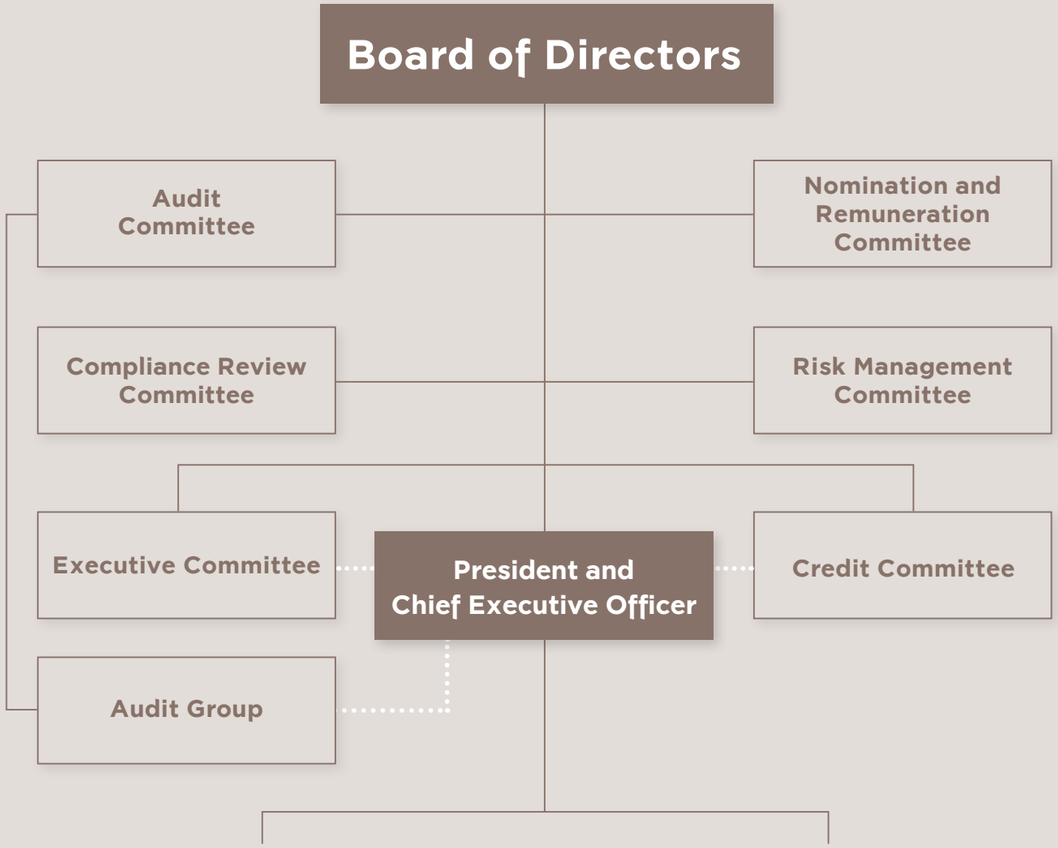
Lastly, the Board wishes to take this opportunity to express our sincere thanks to the entire Krungsri team for the way they have stood behind our new brand promise and brought it vividly to life, and to all of our stakeholders and customers for their continued support.

Veraphan Teepsuwan
Chairman

Mark Arnold
President and Chief Executive Officer

OUR ORGANIZATION

ORGANIZATION STRUCTURE



Business Units

- Corporate Banking Group
- SME Banking Group
- Transaction Banking Business Group
- E-Business Group
- Consumer Banking Group
- Distribution Group
- Treasury Group

Support Units

- Marketing and Cross Sell Group
- Operations Group
- Information Technology Group
- Finance Group
- Risk Management Group
- Business Transformation Group
- Transformation Group
- Corporate Communications and Public Relations Group
- Human Resources Group
- Legal and Compliance Group*

* Compliance-related matters are reported directly to the Board of Directors

BOARD OF DIRECTORS

1 **Mr. Veraphan Teepsuwan**
Chairman

2 **Mr. Mark Arnold**
Director

President and Chief Executive Officer

Chairman of the Risk Management Committee

3 **Mr. Karun Kittisataporn**
Independent Director

Chairman of the Nomination and Remuneration Committee

4 **Mr. Virat Phairatphiboon**
Independent Director

Audit Committee Member

Nomination and Remuneration Committee Member

5 **Mr. Pornsanong Tuchinda**
Director

Risk Management Committee Member

6 **Mrs. Janice Van Ekeren**
Director

Risk Management Committee Member

Compliance Review Committee Member

7 **Mr. Pongpinit Tejagupta**
Director

8 **Mr. Xavier Pascal Durand**
Director

Chairman of the Compliance Review Committee

9 **Mr. Virojn Srethapramotaya**
Director

10 **Miss Potjanee Thanavaranit**
Independent Director

Chairman of the Audit Committee

11 **Mr. Phong-adul Kristnaraj**
Independent Director

Audit Committee Member

12 **Miss Nopporn Tirawattanagool**
Director

Nomination and Remuneration Committee Member

SENIOR MANAGEMENT

1 **Mr. Mark Arnold**
President and
Chief Executive Officer

2 **Mrs. Janice Van Ekeren**
Chief Financial Officer

3 **Mr. Pornsanong Tuchinda**
Head of Corporate Banking

4 **Mr. Philip Tan Chen Chong**
Head of E-Business

5 **Miss Phawana Niemloy**
General Counsel

6 **Mr. Phonganant Thanattrai**
Head of Distribution

7 **Mr. Sudargo Harsono**
Head of Marketing and Cross Sell

8 **Mrs. Wanna Thamsirisup**
Head of Operations

9 **Mr. Rohit Khanna**
Head of Business Transformation

10 **Mr. Sayam Prasitsirigul**
Head of SME Banking

11 **Miss Anuttara Panpothong**
Head of Human Resources

12 **Mr. Thakorn Piyapan**
Executive Vice President,
Office of the President & CEO

13 **Mr. Chandrashekar Subramanian Krishoolndmangalam**
Chief Risk Officer

14 **Mrs. Voranuch Dejakaisaya**
Head of Information Technology

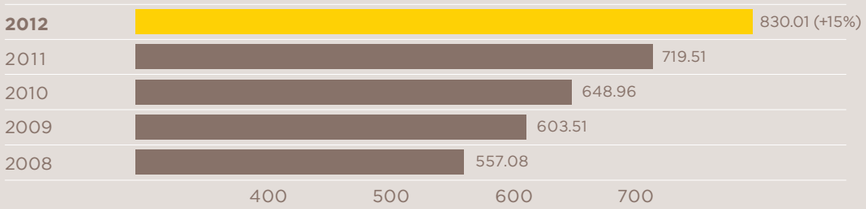
15 **Miss Puntipa Hannoraseth**
Head of Audit

16 **Mr. Pipat Assamongkol**
Head of Transaction Banking Business

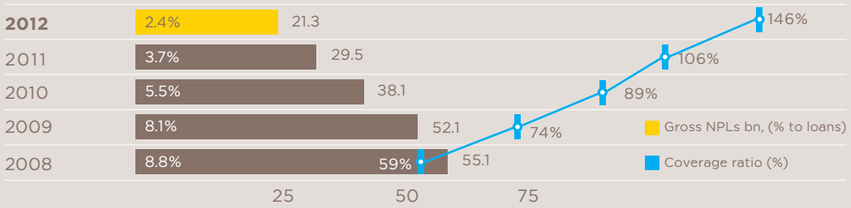
17 **Mr. Kris Chantanotoke**
Executive Vice President of Wealth
Management Division

FINANCIAL HIGHLIGHTS
(Consolidated)

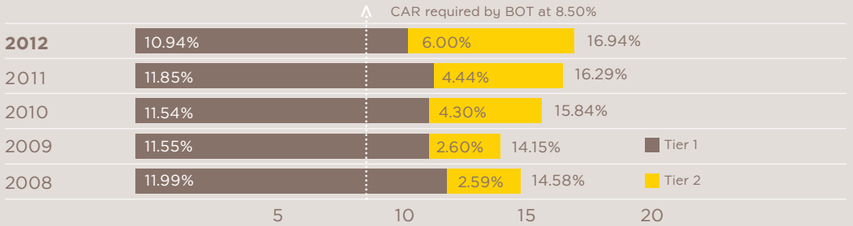
LOANS
(THB billion)



NPLs & COVERAGE RATIO
(THB billion)

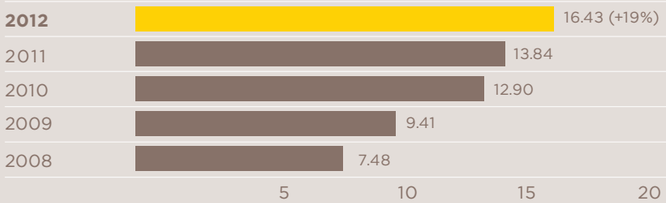


STRONG CAPITAL BASE
(Percent)

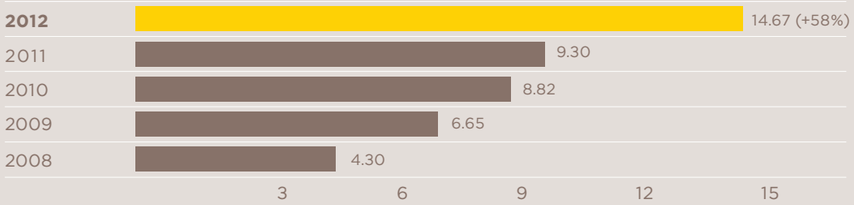


NET INTEREST MARGIN (NIM)
(Percent)

FEES & SERVICE INCOME
(THB billion)



NET PROFIT
(THB billion)



		2012	2011	2010	2009	2008 (Restated)
Financial position (THB million)						
Assets		**1,071,965**	947,797	869,834	780,132	747,885
Loans to customers		**830,008**	719,507	648,960	603,508	557,077
Allowance for doubtful accounts		**31,029**	31,279	33,953	38,600	32,308
Net NPLs		**11,835**	18,763	23,832	32,370	32,954
Gross NPLs		**21,292**	29,536	38,149	52,080	55,137
Liabilities		**958,479**	845,102	770,730	687,547	661,570
Deposits		**687,159**	560,540	576,479	520,515	537,354
Shareholders' equity		**113,486**	102,696	99,104	92,585	86,314
Operating performance (THB million) [1/]						
Interest income		**64,640**	56,428	47,275	38,183	40,043
Interest expense		**24,687**	18,963	12,647	13,138	16,657
Interest income, net		**39,953**	37,465	34,628	25,045	23,386
Fees and service income, net		**12,735**	10,787	10,080	7,193	5,978
Non-interest and non-fee income		**8,501**	7,052	6,819	4,775	691
Other operating expenses		**30,798**	27,477	26,796	18,636	16,767
Impairment loss of loans and debt securities		**11,385**	12,214	12,391	10,216	7,790
Net profit [2/]		**14,625**	9,264	8,793	6,659	4,299
Financial ratios						
Return on average assets	(%)	**1.45**	1.02	1.07	0.87	0.61
Return on average equity	(%)	**13.53**	9.18	9.17	7.44	5.23
Net profit per share	(Baht)	**2.41**	1.53	1.45	1.10	0.73
Cost / income ratio [1/]	(%)	**50.33**	49.68	52.00	50.35	55.79
Capital adequacy ratio [3/]	(%)	**16.94**	16.29	15.84	14.15	14.58
Tier 1 capital to risk assets ratio [3/]	(%)	**10.94**	11.85	11.54	11.55	11.99
Book value per share	(Baht)	**18.68**	16.91	16.32	15.24	14.21
Loans to deposit ratio	(%)	**120.79**	128.36	112.57	115.94	103.67
Loans to deposit plus debentures and bills of exchange ratio	(%)	**102.87**	96.89	98.98	99.78	92.58
Net NPLs / loan [4/]	(%)	**1.34**	2.41	3.48	5.18	5.45
Gross NPLs / loan [5/]	(%)	**2.39**	3.74	5.45	8.08	8.80
Coverage ratio	(%)	**146.19**	106.20	89.09	74.12	58.69

[1/] Presents the reclassification in compliance with new financial statement format of the Bank of Thailand's announcement no. SNS. 11/2010
[2/] Attributable to equity holders of the Bank
[3/] Bank only (BASEL II)
[4/] Represents percentage of net NPLs divided by loans including money market loans less NPLs reserves
[5/] Represents percentage of gross NPLs divided by loans including money market loans

DELIVERING SIMPLICITY: 2012 AT A GLANCE

Our success in 2012 was driven by our continued pursuit of new products to simplify life for our customers, new processes to streamline the work of our employees, and new brand touchpoints to strengthen our engagement with our customers.

LAUNCHING NEW PRODUCTS AND INNOVATIONS

- **Mee Tae Dai** – A high-yield savings account with attractive rates and greater flexibility now makes saving even more simple.
Result: THB 150 billion in deposits, with over 60% representing new funds.
- **Jad Hai** – This new savings account/debit card package was developed to respond to customer requests for greater flexibility and convenience.
Result: 200,000 customers, of which over 75% are new.
- **Instantly Insured** – An out-of-the-box product that streamlines the process of buying life insurance for people of all ages and demographic groups.
Result: Approval in minutes rather than days, with more than 200,000 policies sold this year alone.
- **Srisawad Ngern Sip Lor** –A new truck refinancing product that established a formal alternative lending channel for truck operators who need capital.
Result: Operators no longer have to turn to informal moneylenders, and Krungsri has become the market leader in truck refinancing.
- **Krungsri Quick Pay** – An innovative mobile payment solutions gateway that turns smartphones or tablets into secure mobile points of sale on the go.
Result: Merchants can now accept payments by Krungsri credit cards anytime, anywhere.
- **Electronic gift cards** – New prepaid cards provide an alternative, cash-free means of paying for goods and services.
Result: Added security and greater flexibility, with cards that can be used anywhere Visa cards are accepted.
- **Krungsri mobile app** – We soft launched our new smartphone application in December, offering access to all financial products and account types, including special location-based services and exclusive merchant privileges.
Result: Customers can manage everything from savings accounts and credit card transactions to personal loans, auto financing and mutual funds 24 hours a day.
- **Krungsri Value Chain Solutions** – An innovative vendor financing program with attractive interest rates and special loan conditions.
Result: Increased the uptake of SME loans and supported the expansion of current and savings account deposits and other banking products.

PRIORITIZING PEOPLE AND SIMPLIFYING PROCESSES

- **Simple Q** – New branch automation technology means our customers can now swipe their ID cards, select their service, and have forms filled in automatically.
Result: Productivity increased to over 500,000 transactions per month.
- **One-Scan Technology** – Launched in October, this digitized solution offers our employees the power to easily and quickly scan and track SME loan applications.
Result: Approval times have been reduced from 10 days to 3 days.
- **Simple (EDC) account opening** – We incorporated this greatly simplified process that uses customer IDs and EDC machines to more products throughout 2012, including savings and current accounts as well as time deposits.
Result: New accounts can now be opened in under 10 minutes.
- **Lead Management (LM) system** – This system improved our ability to capture customer behavior and to run it through our analytics engine to generate hot leads for our branch staff.
Result: Cross sell at the branch level tripled in 2012.
- **SMS notification and banking** – A focused rollout of this technology in 2012 increased our SMS penetration from single digits to 25% within 10 months.
Result: 1.2 million subscribers to date.

STRENGTHENING OUR BRAND AND WIDENING DISTRIBUTION

- **Launch of flagship branches** – We proudly unveiled new design formats and branch automation technologies for our two flagship branches at Asoke, Sukhumvit 35, Thonglor, and All Seasons Place.
Result: Effectively repositioned Krungsri at the forefront of innovation in Thailand's retail banking sector.
- **Krungsri First Choice X-press** – An original market innovation to deliver faster, easier and more convenient services to our customers, this mobile van operates as a roving branch, offering cash loans to customers.
Result: Loan approvals can be granted on-site within 30 minutes.
- **Krungsri SME Troop** – Developed and deployed a mobile team of SME experts that provides custom loan consulting to SME clients.
Result: Rolled out to 20 major cities nationwide in 2012.
- **Improved Net Promoter Scores** – Continued our commitment to customer centricity through superior customer service and strong product knowledge.
Result: The Bank's Net Promoter Score rose 32% to 48 in 2012.
- **Expanded EDC and ATM network** – We increased our total number of ATMs nationwide and raised the number of EDCs installed.
Result: We now offer more customer touchpoints than ever before, with 4,278 ATMs and 19,588 installed EDCs.

INVESTING IN TECHNOLOGY TO OPTIMIZE OPERATIONS

- **ATM switching migration** – Successfully migrated from Base24 to S1/Postilion.
Result: Greater flexibility and more centralized control over our ATM network.
- **Vision+ system upgrade** – We implemented an upgrade to the world's most advanced consumer banking platform.
Result: Krungsri is the only bank in the Thai market to offer this technology for credit card transaction processing.
- **New website launch** – As part of our continued brand transformation, Krungsri launched its new website in 2012, featuring a fresh new design and a number of new features.
Result: An increase in customer engagement and online transactions.
- **Image Check Clearing and Archive System (ICAS) introduced** – Became the first Thai bank to introduce one-day check clearing nationwide.
Result: Greatly simplified a process that previously took three to five days down to only one day.
- **Data center consolidation** – Reduced our data centers from 5 to 2 in 2012.
Result: Has helped us mitigate risks, maximize business continuity and streamline our data center operations.

"We had a fantastic 2012 – all the numbers are new records. This is a measure of our people, momentum, brand, IT, and the management team coming together to execute on the vision to Make Life Simple."

Mr. Mark Arnold
President and Chief Executive Officer

AWARDS AND RECOGNITION

2012 was a year that saw the Bank further strengthen its reputation for pioneering new standards in corporate governance and service excellence.

SET Top Governance Report Award 2012
In recognition of our high standards of transparency, the Stock Exchange of Thailand presented Krungsri with the Top Governance Report Award 2012 for the second year running. The award recognizes listed companies that produce outstanding corporate governance reports that are disclosed to the public through various channels such as the annual report, company website and Report of the Annual General Meeting of Shareholders.

8th Corporate Governance Asia Annual Recognition Award 2012
Krungsri proudly won the Corporate Governance Asia Annual Recognition Award 2012 from Corporate Governance Asia magazine for furthering the development of corporate governance in the region. The award also reaffirmed the Bank's emphasis on the importance of corporate governance in all aspects of its business operations as a key enabler to sustainable growth.

Superbrands Thailand
For the second consecutive year, Krungsri Auto was named one of Thailand's Superbrands, noted for performing above and beyond other brands within its market. The award reaffirms Krungsri Auto's persistence in building brand quality, brand affinity, and brand personality.

Thailand's Most Admired Brand
Krungsri Auto was also named Thailand's Most Admired Brand by BrandAge, taking the top honor in the categories of auto loans and auto-secured loans for its Krungsri Car for Cash brand.

Thailand ICT Excellence Award 2011-2012
Krungsri Auto took home a Thailand ICT Excellence Award in the category of Business Enabler Projects for its iBuddy Tablet for Sales Force. The award reflects the limitless potential for using information and communications technology (ICT) to drive business growth.

Asia's Best CFO (Investor Relations)
For her efforts as the Bank's Chief Financial Officer over the past year, Krungsri CFO (and incoming CEO) Janice Van Ekeren was named Asia's Best CFO (Investor Relations) in the 3rd Asian Excellence Recognition Awards, bestowed by Corporate Governance Asia. The Asian Excellence Recognition Awards highlight outstanding executive achievement in investor relations, in particular investor communications, which are instrumental in providing timely updates of latest information and business development to keep the shareholders informed.

Bank of the Year – Financial Inclusion 2012 Award
CFG Services, best known for its Srisawad Ngern Tid Lor truck refinancing product, was proudly recognized with the Bank of the Year – Financial Inclusion 2012 Award from The Banker, the world-renowned banking magazine published by the Financial Times Group. The honor recognizes Krungsri's excellence in strategic service development and our capacity for connecting with customers through a wide range of products and services. Two services in particular were noted by the award's presenters – our unsecured loans for wet market traders, which help vendors access revolving loans with fair interest rates and transparent arrangement, and motorcycles for cash, a loan aimed at lower-income earners who own motorcycles.

2012 Brand Conqueror
CFG Services was also proud to be named one of the 2012 Brand Conquerors from BrandAge magazine, one of the top marketing magazines in Thailand. The Award reflects high brand achievement in the following aspects: marketing strategy, marketing communications, variety of innovations and the effectiveness of overall marketing strategy in terms of 'share of voice' and/or 'share of pocket'.

Western Union Agent of the Year 2012
Krungsri was named Western Union Agent of the Year 2012 for best overall performance at the agent network level as well as receiving the highest score in the following criteria: volume growth, incremental volume, locations, activity participation and POS audit scores.

Citibank Payment Excellence Award
Citibank presented Krungsri with the Straight Through Processing (STP) US dollar Transfer Excellence Award in recognition of the outstanding quality of its MT103 Commercial Payment Transactions. Krungsri was also the only bank in Thailand to receive a Citibank Treasury Payment Transactions in MT202 Award.

Visa Credit Portfolio Award
For the second year in a row, Krungsri Consumer won the Visa Credit Portfolio Award from Visa International for delivering the largest number of entry-level Visa card products and the highest payment volume in Thailand.

PIKANAS Award
Krungsri received the PIKANAS Award of Distinction in the Outstanding Organization category for the Bank's daily Jod Mai Hed Krungsri program. This award honors individuals or organizations that play a key role producing creative television and radio programs that promote the preservation of Thailand's cultural heritage. Krungsri accepted the award at the first annual National Television and Radio Award Presentation Ceremony organized by the Broadcaster and Journalist Assembly of Thailand.

Simplifying today. Getting the most out of tomorrow. Krungsri is dedicated to becoming Thailand's number one preferred bank.

OUR STRATEGY AND BUSINESS MODEL

Our promise to continue Delivering Simplicity focuses on four core dynamics: simplicity, speed, efficiency, and digitization.

OUR STORY

A solid foundation. A bright future. Krungsri has a long history of forging new paths in Thailand's financial landscape to achieve continued, lasting success – for our customers, our people, our shareholders, and our brand.

Bank of Ayudhya Public Company Limited (BAY or Krungsri Group) officially opened our doors on April 1, 1945. The Bank quickly carved out a solid niche in the market, grew rapidly and listed on the Stock Exchange of Thailand on September 26, 1977. We are proud to have maintained this trajectory of steady growth to the present day. As of December 31, 2012, Krungsri Group had a total registered capital of THB 70,894 million, with THB 60,741 million in paid-up capital.

Today, Krungsri is Thailand's fifth-largest universal bank in terms of assets and loans. Our major shareholders are General Electric (GE) and the Ratanarak Group, with shareholding representations of 33% and 25%, respectively.

With these two major shareholders, Krungsri is able to leverage GE's globally renowned best practices and product innovations together with the Ratanarak Group's local expertise and established business relationships. Our strong market positioning was further enhanced in early 2012 through our acquisition of HSBC Thailand's retail banking business.

In September 2012, GE announced the sale of 7.60% of its stake in Krungsri via a number of block trades, reducing their ownership to 25.33%. This sale improved our liquidity, raising the free float by 7.60%, strengthening our MSCI EM weighting. Furthermore, there have been no changes to our business direction, medium-term goals, robust performance, or momentum as a result of the sale. Indeed, we continue to grow from strength to strength.

Krungsri is constantly evolving to provide for the ever-changing needs of our broad customer base by offering a comprehensive range of universal banking financial products and services to three key target groups: Corporate, SME and Consumer. We also provide related financial services through our subsidiaries, which are involved in wealth management, credit cards, life and non-life insurance, asset management, securities trading, auto hire purchase, equipment leasing, factoring, micro-finance and installment loans.

OUR PROMISE

As a financial institution, contracts are important to us. They represent an unbreakable bond, forged in mutual respect. Here's ours to you.

In 2011, we developed the new Krungsri brand around our promise to Make Life Simple for customers. During 2012, we sought to enhance our ability to deliver on this promise by concentrating our strategic and tactical efforts on Delivering Simplicity.

Our promise to continue Delivering Simplicity focuses on four core dynamics:

Simplicity – Our products and services must not only be simple to understand and easy to use; they must also deliver solutions that meet the individual requirements of our diverse range of customers.

Speed – Time is money. That is why we are committed to forging creative solutions that our customers can employ quickly to stay on top of the fast-changing financial environment.

Efficiency – We focus on minimizing the hassle for our customers while maximizing the results they receive.

Digitization – Krungsri will continue to develop new technologies and applications that streamline the delivery of our products and services across all touchpoints: branches, call center, ATMs, online banking and smartphone applications.

Delivering Simplicity and achieving our goals depends on crucial factors and critical skills: technology and business intelligence, excellence through IT investment optimization, continued people development and engagement, and a fresh and simplified branch and customer touchpoint experience.

"Our goal is to ensure that as they go through each phase of their lives, we have products that are designed specifically to meet the needs of our customers."

Mrs. Janice Van Ekeren

Chief Financial Officer
Incoming CEO (2013)

OUR DRIVING FORCE

Actions speak louder than words. That's why we keep our eye on the horizon, always looking for tangible ways to make life simple.

Four pillars form the foundation for Krungsri Group's accomplishments today and will continue to guide our success well into the future: Brand, Technology, People and Branch.

These four pillars are the key to achieving our promise of Delivering Simplicity and maintaining Krungsri's industry-leading reputation for service and innovation. They keep Krungsri at the vanguard of the Thai banking industry.

BUILDING A BRAND THAT SPEAKS FOR ITSELF

Understanding the evolving banking needs of our customers, we launched the Make Life Simple market positioning in 2011 with the aim of making financial products and services easy to understand. In 2012, we sought to further streamline the customer experience at all touchpoints, guided by the promise of Delivering Simplicity to our customers.

A strong and united brand also builds on our existing customer perceptions of Krungsri Group as trustworthy and helpful. In line with this goal, branding and communications have been employed to enhance our visibility, simplify our brand architecture and align our image with the streamlined and innovative entity that is Krungsri Group today. The new logo and colors lend freshness, warmth and friendliness to one of Thailand's most trusted brands – a contemporary update that respects a proud history, points to a bright future and reminds us to practice what we preach. That's why we are passionate about plain speaking and straight talking – and that's what Delivering Simplicity is all about.

HARNESSING TECHNOLOGY TO SHAPE THE FUTURE

IT investment optimization remained a focus in 2012, giving us an adaptable platform upon which we can continue to deliver all that we promise. A simplified customer experience was implemented across all brand touchpoints. This included the enhancement and upgrade of our core banking system and support applications for branches, enhancement and expansion of electronic banking services, an upgrade of branch equipment and tools, continued investment in and enhancement of IT security and compliance, and improvement of operating systems. These technology initiatives and projects aimed to facilitate business conduct and activities, improve and simplify processes, eliminate redundancies and unnecessary processes, automate systems and increase flexibility and enhance our capability to deliver convenient, simple banking products and services to our customers with a world-class security system.

The implementation of an advanced Enterprise Data Management (EDM) system has also been key to this strategy. EDM is a robust enterprise data warehouse equipped with a globally recognized banking data model to ensure data integrity and to effectively support business functions such as sales, marketing, cross-selling, Customer Relationship Management (CRM), risk management and regulatory reporting. Launched in 2011, our EDM project has continued to roll out over the course of 2012 and is set for full implementation by May 2013.

EMPOWERING OUR PEOPLE

Our brand promise begins and ends with our people. Delivering Simplicity depends upon each team member understanding the brand, embracing its values and living them every day. These core values are: Integrity, Team Spirit, Passion for Excellence, Customer Centricity and Embracing Change.

The right foundations – Brand, Technology, People and Branch – are critical to Krungsri Group's mission to be one of Thailand's top-three banks based on RoE.

Krungsri Group also introduced a bold pay-for-performance and revenue-sharing scheme, aligning employees' performance and rewards to the Bank's financial targets.

EXPANDING OUR REACH THROUGH BRANCH TRANSFORMATION

To ensure our points of sale focus on Delivering Simplicity to meet customer expectations, our ongoing branch redesign and upgrade process has been key to keeping Krungsri modern, friendly, accessible and relevant to the lives of our customers. Creating a contemporary yet friendly look and feel continues to guide our redesign. Meanwhile, improved accessibility and greater convenience in both physical branches and an expanding array of alternative channels have also been the focus of an ongoing effort. Key to this initiative has been the launch of mini-branches for sales finance and auto hire purchase at modern trade outlets and gas/petrol stations through Krungsri First Choice Kiosks and Krungsri Auto Express outlets.

Our extensive footprint into the consumer banking market continued to grow in 2012, positioning Krungsri as a leader in this field. In 2012, we increased our customer touchpoints to 17,368 outlets, up from 13,196 outlets in 2011.

In addition, our Net Promoter Score in 2012 increased 32%, a further testament to our continued consumer appeal.

Delivering simplicity means charting a steady course through an ever-changing financial landscape.

OPERATING ENVIRONMENT

The Thai economy is expected to sustain its momentum throughout 2013.

THAI ECONOMY IN 2012 AND OUTLOOK FOR 2013

In 2012, the Thai economy achieved a strong recovery from the shock resulting from severe flooding that inundated large swathes of the country in late 2011.

2012 ECONOMIC REVIEW

Despite economic turmoil in the global economy, most notably in Europe and the US, the Thai domestic economy returned to its previous levels of healthy growth, with strong domestic consumer demand and a revival in domestic production driving a 6.4% increase in the overall economy.

Steady increases in post-flooding consumption as well as investment in reconstruction and rehabilitation catalyzed economic recovery in the first half of the year. In addition, government stimulus measures – notably, raising the minimum wage, launching new incentives for first-time car and home buyers, and the lowering of corporate income tax rates – helped restore consumer confidence and spending.

Growth slowed in the second half of the year as the weakening global economy dragged on export-related production. Manufacturing in export-oriented industries started to contract in March 2012 in line with reduced demand from key markets in the US, Europe and Japan. To guard against significant risks caused by the sluggish global outlook, the Bank of Thailand's Monetary Policy Committee lowered the policy rate by 0.25% to 2.75% in October 2012, having previously reduced the rate by the same order in January.

Despite the negative external economic environment, domestic private consumption and investment continued to accelerate in the second half of the year, buoyed by increased government expenditure. Meanwhile, sustained robust domestic demand helped offset impacts from the relatively weaker global economy. Recovery in the automobile industry is of particular note, with revived demand boosted by the government's first-time car buyer program resulting in record production of 2.4 million units and record sales of 1.4 million units in 2012, an increase of 68.3% and 80.9% from 2011, respectively.

2013 ECONOMIC OUTLOOK

The Thai economy is expected to sustain its momentum throughout 2013, with growth supported by the central bank's monetary policy, forecast at 4.8–5.3%. Higher domestic demand, in terms of both consumption and investment, and an anticipated export revival toward the second half of the year will be key drivers. Private consumption will continue to be the key contributor to economic growth, underpinned by strong employment conditions, rising household incomes and government stimulus measures, in particular, raising the minimum wage to THB 300 per day nationwide.

Private investment will benefit from a renewed capital expenditure cycle and increased foreign direct investment activities, a positive trend that is reflected in both the rising number of applications for investment incentives from the Board of Investment (BoI) as well as the value of investment projects to which the BoI granted incentives in 2012, which surged 29.7% and 131% from the previous year, respectively. Meanwhile, public investment is also likely to grow at an accelerated rate, bolstered by the government's plans to invest in large-scale infrastructure projects, notably the THB 350 billion earmarked for water resource management and logistics projects. Moreover, a further cut in corporate income tax, 3G mobile telecommunications network investments, and preparation for the move towards the ASEAN Economic Community (AEC) – a unified trade and investment bloc, whose formation is planned for late-2015 – are likely to spur a demand for investment.

On the external front, risks and uncertainties in the global economy will persist throughout the year, with the Eurozone's sovereign debt crisis and US fiscal consolidation likely to be key factors. However, easing monetary policy in major advanced economies and stimulus measures in emerging economies will likely mitigate the downside risks and retain the potential to spur global growth in 2013. Expected improvements in global economic conditions should see Thai exports grow by 6.5–8.5%, higher than in the previous year.

While the cost of living in Thailand is likely to continue to rise, mainly due to the hike in the minimum wage, higher domestic product prices will partly be offset by softer global oil prices, with resulting inflation expected to stay moderate at 2.8–3.3% for 2013. Thus, with pressure on prices edging down, the policy rate is expected to remain accommodative at 2.75% throughout 2013.

"As the Thai economy continues to strengthen, our customers are looking for newer experiences of banking to match their lifestyles. Delivering that level of customer centricity is how we will continue to grow."

Mr. Philip Tan Chen Chong

Head of E-Business
Incoming President (2013)

BANKING BUSINESS IN 2012 AND OUTLOOK FOR 2013

Despite global financial volatility, 2012 was a positive year for the Thai banking sector.

2012 MARKET OVERVIEW

Thailand's commercial banking sector remained robust and delivered solid performance throughout 2012. In spite of global financial downturns and a challenging and highly competitive domestic environment – which saw the imposition of Financial Institutions Development Fund (FIDF) fees on deposits, bills of exchange (B/E) and debentures during the year and experienced accumulated policy rate cuts of half a percentage point – Thai commercial banks posted strong loan and deposit growth of 13.7%, and 27.2% respectively.

Commercial loans increased strongly by 10.6% mainly due to a significant expansion in private investment, strong demand for working capital and spending related to the recovery from 2011's floods. The sectors with the greatest demand for term loans were wholesale, retail, infranstructure and agriculture. Strong growth in lending to SMEs was driven by a favorable operating environment and flood-related rehabilitation and reconstruction financing, which was underpinned by the Bank of Thailand's soft loans program.

At the same time, consumer loans grew sharply by 21.6%, mainly due to a revival in domestic spending, which strengthened in line with improved economic conditions and robust income growth and, to a lesser extent, post-flood consumption. Robust growth in auto hire-purchase loans and mortgages, which rose by 39.0% and 11.7%, respectively, reflected the combination of current demand and stimulus from the government's tax incentives for first-time car and home buyers.

Deposits also grew strongly by 27.2%, mainly due to efforts by commercial banks to mobilize funds to support their strong lending growth and, to a lesser extent, the conversion of bills of exchange into deposits. Consequently, bills of exchange declined sharply by 77.4% during the year. Throughout 2012, commercial banks successfully mobilized funds through the issuance of subordinated debentures, which will contribute to their Tier-2 capital. Most Thai banks remain well capitalized as a result of these activities.

As a result of strong loan growth, liquidity in the banking system tightened in 2012, however, remained sufficient to support demand, with a loans-to-deposit (including bills of exchange) ratio of 93.1%, up from 89.9% the previous year. Asset quality continued to improve throughout the year, with the non-performing loan (NPL)-to-gross-loans ratio declining from 2.7% in 2011 to 2.3% in 2012, reflecting improved economic and operating environments.

Non-interest income continued to improve throughout the year as banks diversified their earnings from traditional interest income, predominantly by leveraging fees and wealth franchises. Fee and service income accounted for 24.7% of total bank revenues by year-end.

Thai banks reported record net profits of THB 173.9 billion, up THB 30.4 billion from the previous year, despite impact from the forbearance program extended to customers affected by floods in late 2011, higher FIDF contributions, and the slowdown in Thai exports. Net interest margin maintained at 2.5% and average return on assets improved to 1.2%. Years of accumulated retained earnings combined with subordinated debentures issuances in 2012 contributed to favorable capital levels, with a Bank of International Settlements (BIS) ratio of 16.3% and a Tier-1 ratio of 11.8%, both of which are among the highest in the region and well above the Bank of Thailand's minimum requirements of 8.5%.

2013 MARKET OUTLOOK

The outlook for Thai banks in 2013 remains strong and will be supported by an accommodative monetary policy, government investment projects and further stimulus spending. Investment from renewed capital expenditure cycles and healthy consumer demand will be the key drivers of growth.

Government plans to invest in large-scale infrastructure projects – notably, the much-needed THB 350 billion that will be injected into water resource management and logistics projects – are of particular importance and will act as key catalysts for private investment. Meanwhile, the introduction of a national minimum wage of THB 300 per day will help catalyze domestic confidence and spending in 2013 and beyond. Consequently, rising incomes supported by increased urbanization should see retail loan growth continue to outpace commercial loan growth.

Non-interest income – in particular, fee income – will continue to grow strongly in line with loan growth, especially loan-related fees and service income. Furthermore, low penetration of insurance and wealth management products among the Thai population will continue to support strong fee income growth in the medium term.

The positive outlook for Thai banks in 2013 will be balanced against key risks from increased global financial volatility and greater competition for funds, both from commercial banks and specialized financial institutions. Commercial banks will continue to compete for funds to support expansion of their loan portfolio. In addition, government demand for funds to finance its budget deficit and the water resource management and other infrastructure development projects may affect the system's overall liquidity.

The outlook for Thai banks in 2013 remains strong.

Looking beyond 2013, liberalization of the financial services sector under the Bank of Thailand's Financial Sector Master Plan Phase II, as well as Thailand's commitment to joining its regional neighbors in the AEC, will not only bring new entrants into the local banking environment, it will likely foster greater liberalization of cross-border trade in financial products and services, leading to the industry's further consolidation.

A number of mergers and acquisitions within the Thai banking sector took place in 2012, including Krungsri's acquisition of the retail banking business from HSBC (Thailand), Kiatnakin Bank and Phatra Capital Group's merger, and Thanachart Bank's sale of its life insurance business to Prudential Life Assurance (Thailand). Further consolidation within the commercial banking sector is expected given supportive regulations and growing competitive pressure.

Thai banks should sustain their robust position and continue to grow strongly, with forecast sector-wide loan growth of 9–11% in 2013, despite the structural and regulatory challenges that are anticipated during the year.

Transforming the lives of our customers – and the market – with innovations that deliver simplicity.

COMPETITIVE CAPABILITY

Krungsri's human approach to business enables us to deliver the best products and services to our customers.

DELIVERING SIMPLICITY TO THE CUSTOMERS WE SERVE

Swipe, select, go – creating new ways to help customers navigate their financial landscape.

Delivering simplicity to our customers guided the development of our people, products and brand & distribution touchpoints throughout 2012. Drawing on experiences and insights gained from our customers enabled us to design products and services that not only enhanced the experience and benefits for our customers, but also strengthened Krungsri's competitive position as a leader in the market.

We believe that delivering simplicity is all about finding the most effective ways to help our customers streamline their interactions with the financial world – an environment that is all too often the domain of complex banking products and unnecessary jargon. That's why we strive to create financial services that not only fulfill the needs and requirements of our customers, but also are simple to understand and incorporate into their daily lives. Krungsri delivers this goal through our focus on maintaining open conversations with our customers that communicate the key benefits of our products and services in a simple, direct and friendly manner.

This simple yet sophisticated approach is a key feature of every customer touchpoint across the Group, ensuring that all of our businesses, products and services stay true to our brand promise of delivering simplicity, and maintain our competitive edge in the banking market. Making life simple, however, is much more than a mantra – it also encompasses developing cutting-edge systems and technologies. These innovations help us to analyze our customer's behavior in order to better understand their needs and requirements so that we can continuously improve and fine-tune our products and services.

In 2012, Krungsri successfully delivered simplicity to customers thanks to the strength of our **people, products and brand & distribution.**

PEOPLE

Our people are our most important asset. We believe it is Krungsri's human approach to business that enables us to deliver the best products and services to customers. Our people are central to this aim, which is why we focus on nurturing an environment that attracts and produces engaging, energy-giving approachable staff. Only by ensuring our people are happy and work in a productive and rewarding environment can we be sure that they will continue to deliver simplicity to customers.

During 2012, we built on the 'pay for performance scheme' that was introduced in 2011. Initiatives and projects from the human resources development group continued to strengthen the "Krungsri Way," which epitomizes our high-performance culture. The design of our annual performance evaluations and related systems were also refined so that they better synchronize with training programs that support the development of our workforce's functional and leadership skills. These changes help us pinpoint where each individual needs help to strengthen their skills and delivers appropriate training to enable them to provide better service to customers while enhancing their own abilities and career development.

Concrete results from our human resource development and management initiatives provide testament to how we enhanced our people capacity throughout 2012. These include improved customer satisfaction scores, as measured by our Net Promoter Scores, which rose to 48, and our employee engagement score, as measured by the Gallup Q12, increased from 4.03 in 2011 to 4.17 in 2012 from a total score of 5.00.

PRODUCTS

A diverse range of innovative deposit, insurance and loan products was introduced in 2012. Not only were these products designed to meet the financial and service requirements of customers, they were also streamlined to deliver simplicity:

- **Mee Tae Dai** – an innovative savings product combines higher interest rates with greater flexibility allowing customers to access their accounts through any of our channels at any time.
- **Jad Hai** – a new savings account/debit card package offers the convenience of unlimited ATM transactions at any ATM machine in Thailand along with five free bill payments every month. As an added convenience, Jad Hai has no minimum balance requirement.

Both savings account proved highly popular with our customers, Mee Tae Dai generated deposit totaling THB 150 billion, while Jad Hai attracting 200,000 new accounts respectively by year-end.

- **Instantly Insured** – a simple-to-purchase life insurance product with no health check and instant coverage that places special emphasis on its easy activation process and benefits, which are tailored to meet the needs of different age groups.
- **Krungsri Value Chain Solutions** – our innovative vendor-financing program helps SMEs who are buyers or suppliers of our large corporate customers to improve their liquidity and grow their businesses by providing credit lines with attractive interest rates and special loan conditions.
- **Srisawad Ngern Sip Lor** – designed specifically for truck owners, this is a truck refinancing product that provides an alternative source of working capital for them, who too often have to resort to borrowing from money lenders on the black market. As a testament to Krungsri's responsible lending and transparent pricing policy, Srisawad Ngern Sip Lor has already become the market leader for the truck refinancing business within a year of its introduction.

BRAND & DISTRIBUTION

Krungsri rolled out new branch designs, signage, ATMs and Foreign Exchange booths during 2012 to reinforce our new brand identity and to attract customers from a broader demographic. Our new distribution channels and touchpoints clearly demonstrate how we have simplified customer banking experiences across the Group. The new design also reflects Krungsri's renewed focus on retail services and our strong, modern but friendly and approachable character. Interior design integrates technology and functionality to create inviting, relaxed environments that enhance the customer experience.

- **Simple Q** provides one of the best examples of how the new Krungsri brand identity enshrines the concept of Delivering Simplicity. With the swipe of their ATM card or passbook, customers can use Simple Q's "Swipe, Select, Go" queue-management technology to select the service they require and go directly to the counter without having to fill in any forms. Currently, this cutting-edge service, which significantly reduces waiting times and slashes customer processes, is available at all of our 601 branches.
- **Krungsri SME Troop**, launched to service provincial SME customers, was rolled out to 20 major cities during 2012. This mobile team of SME experts provides custom loan consulting services to SME customers. In addition, SME clinics and business strategy and investment seminars were organized throughout the year in 20 provinces. SME clinics were run in partnership with the Thai Credit Guarantee Corporation to provide financial consultancy services to local SMEs. Business strategy and investment seminars offered business advisory, industry insights and economic forecasts for Krungsri SME customers.
- **Krungsri Quick Pay** is our latest mobile card acceptance solution, which enables any smartphone or tablet to be used as a secure payment device on the go. A card reader is plugged into the phone or tablet allowing merchants to accept payments made with Krungsri credit cards at any location, any time.

DELIVERING SIMPLICITY ACROSS THE MARKET SPECTRUM

From the largest corporation to the corner shop, from multi-millionaire retiree to new graduate, every client is important to us. We offer financial solutions tailored to each of their unique banking needs.

CORPORATE BANKING GROUP

Krungsri's Corporate Banking Group provides a wide range of financial services to meet the varied and complex needs of our increasingly diverse body of domestic and international corporate clients, who each have an annual turnover of more than THB 500 million. We provide these large-scale customers with short-term and long-term loans, project-finance facilities, supply-chain financing, cash-management products, hedging solutions and investment banking services, such as debt capital markets, equity capital markets, syndicated lending and structured finance. To add value, we also collaborate closely with businesses across the Krungsri family to provide a comprehensive portfolio of tailored solutions for these clients. In so doing, we ensure that each corporate client is served by officers with the appropriate skills and expertise to meet their varied demands.

Corporate banking is one of the Bank's key revenue streams, combining interest and fee income from credit facilities and cross-selling relevant products. The Group's assets totaled THB 212 billion, or 25% of Krungsri's total loan portfolio, at the end of 2012. Throughout the year, we continued to restructure the Corporate Banking Group with a focus on streamlining and simplifying internal workflows to maximize efficiency and increase productivity. Once this restructuring has been completed, our relationship managers and product teams will have more time to serve existing clients and to expand into new markets.

We are constantly developing our human resources to prepare for these forthcoming changes and to ensure that clients always remain the focus of our business as our people embrace the transition to the new platform. With greater knowledge and enhanced relevant skills, our staff will be fully equipped to serve and understand our corporate clients and to address their growing needs through an appropriately tailored portfolio of finance solutions.

The Group successfully expanded our loan portfolio throughout the year by maintaining our longstanding relationships within the corporate banking sector while actively seeking to forge new connections. We also arranged a steady stream of seminars to keep clients up to date on relevant local, regional and global economic developments and to inform them about how these dynamics could affect their businesses. These activities provided us with an opportunity to strengthen relations and build trust with customers by working more closely with them to develop their business opportunities. In 2012, the Bank was also proud to open 2 new Krungsri Business Centers in the Eastern Seaboard Industrial Estate, bringing the total number of such centers to 24 in Thailand.

Our product teams also recorded many successes during the year, including the overseas banking team winning a service excellence award for its cross-border fund transfer capabilities for the fourth consecutive year. The investment banking team raised further debt capital for its clients by underwriting more than THB 15 billion of debentures for PTT Plc, Thai Airways Plc, Quality House Plc, and Mitr Phol Sugar Plc. Meanwhile, the Bank generated significant demand from investors through its issuance of THB 30 billion of senior and subordinated debt. In the public sector, Krungsri was selected as CAT Telecom Plc's partner to promote and develop E-Guarantee and E-Government Procurement systems.

THB 212bn
in total Corporate Banking assets

THB 30bn
in senior and subordinated debt

24
Corporate Banking business centers nationwide

Looking ahead, we will continue steady growth on all fronts during 2013 by expanding and diversifying our product portfolio.

Furthermore, we will increasingly draw upon the strengths and expertise of other businesses across Krungsri to develop a more consolidated approach to our overall banking business.

Delivering the highest possible levels of customer satisfaction, with utmost speed, efficiency and simplicity will remain a core focus for us throughout the year.

SME BANKING GROUP

Krungsri's SME Banking Group drove customer acquisitions during the year through the development of innovative products, customized services and a proactive marketing strategy. This dynamic strategy was underpinned by our commitment to improving process efficiency and building the capacity of our high-caliber relationship managers.

In 2012, our total loans grew by 12.6% to THB 213 billion, up from THB 189 billion the previous year. Newly acquired customers accounted for 60% of our total client base, which have been serviced through 48 SME business centers and 601 branches nationwide.

We were proud to lead the market in the development and provision of customized SME products to

"The key to our success in 2012 was our ability to build a total relationship – becoming a business partner for our clients, offering them advice, and helping them to see the kinds of changes they'll need to make to face the challenges of the future."

Mr. Pornsanong Tuchinda
Head of Corporate Banking

48
SME Banking business centers nationwide

+12.6%
growth in SME loan

help SME businesses cope with fallout from the flooding in late 2011. These products included Krungsri SME **Tun Jai Loan** and **BIG Bag Loan**, which provided full financial assistance for SMEs. Krungsri also facilitated low interest rates from the Bank of Thailand's soft loans program and credit guarantees from the Thai Credit Guarantee Corporation for flood-affected SMEs.

Our SME Banking Group further bolstered support for Thai SMEs during the second-half of 2012 by launching the **Ju Jai Loan** scheme for small-sized SMEs. Adapted from our original Tun Jai Loan, which was created for retail-sized SMEs, the Ju Jai Loan was designed to more accurately respond to the needs of smaller-sized SMEs. Among its key features are a minimum collateral requirement of just 30% of the total credit line as well as low interest rates.

In 2012, we successfully increased our SME customer base, loan expansion and customer product uptake through the launch of three campaigns. **Krungsri SME O/D Utilization** stimulated borrowing from existing customers by offering them a **Krungsri Gift Card** when usage of their overdraft facility met our minimum requirements. **Krungsri SME Smart Package** also targeted existing customers by providing an all-in-one business account package for SMEs. Activities to expand our customer base included **Koo Ngai Dai Rod**, an acquisition campaign that offered customers whose applications for a Krungsri SME long-term loan were approved during the promotional period the chance to win a pickup truck and motorcycle via a monthly lucky draw with prizes totaling THB 3.2 million.

In addition, Krungsri also offers products and services to support SME vendors, including:

Multiple Cards on 1 Account was launched to make life easier for customers who want to enable other people to execute transactions via their account without having to provide authorization on each occasion. Four supplementary cards can be issued for each account, with each cardholder empowered to access the full range of banking services available. In addition, **Krungsri Debit Smart Card** was specially developed to provide more convenience for SME customers by allowing them to withdraw money via any bank's ATM free of charge.

Krungsri's **Credit Card Merchant Sales & Marketing Department** also offers a wide range of domestic and global credit and debit card-related services for SME customers. These services enable businesses to expand their acceptance of payments beyond cash – a measure that helps them enhance sales opportunities and reduce the risk of theft by minimizing cash kept on premises. Merchants can further access a range of payment acceptance channels for goods and services depending on the needs of their specific business operations. These include:

- Credit/debit card acceptance at point of sale via electronic data capture (EDC) machines, supporting both full and installment payments
- Recurring payments
- Credit/debit card acceptance by mail, telephone and/or fax
- Online credit/debit card acceptance (Krungsri E-Payment) through a portal that meets international security standards and the Payment Card Industry Data Security Standard (PCI DSS)
- Krungsri Virtual EDC (VEDC) system
- Dynamic Currency Conversion at points of sale (EDC), which enables cardholders to pay in their domestic currency. Conversion of THB balances into foreign currency balances is available for 12 currencies: USD, CHF, EUR, JPY, GBP, AUD, HKD, SGD, NOK, DKK, SEK and CNY.

To provide working capital for dealers and suppliers who service larger companies, we created Krungsri Value Chain Solutions. Now, eligible firms can borrow at low interest rates with no minimum collateral requirements. To further streamline this process, our credit analysis system evaluates applications on a portfolio basis rather than individually, which has resulted in significantly shorter approval times.

We further strengthened our ability to support SME growth covering the entire supply chain with the launch of **Krungsri Value Chain Solutions**. This new service provides working capital for dealers and suppliers, enabling them to supply large companies. We also developed a credit analysis system to shorten SME loan approval processes by evaluating on a portfolio rather than individual basis. During the year, we signed agreements with some of our key clients, including Siam City Cement, LG Electronics (Thailand), Ek-Chai Distribution System (Tesco Lotus) and Siam Kubota Corporation, to provide Krungsri Value Chain Solutions services. Not only did these strategic alliances help to generate more SME loan customers, they also generated more current and savings account deposits as well as usage of other Krungsri banking products.

We understand that our SME customers are on the go. That's why we rolled out a new suite of mobile banking solutions to make life simple for entrepreneurs and business owners. Our **One-Scan system** was developed as a key part of our digitization initiative at Krungsri this year. This digital technology uses QR codes to improve application and approval processes. By scanning the QR code linked to their account, a customer can automatically fill in

Goal: to streamline payments and financing options for entrepreneurs. Solution: Mobile Banking solutions that deliver simplicity to small businesses.

application forms while expediting the document delivery process and facilitating a tracking system at the same time. This enables us to make credit decisions more rapidly – connecting entrepreneurs to financing with greater efficiency.

In 2012, we also launched Krungsri Quick Pay, a new highly secure service that uses a plug-and-play dongle to transform a smartphone or tablet into a credit card payment acceptance device. This will provide a range of businesses – from market traders and mobile noodle vendors to nationwide chains – to collect non-cash payments simply and securely.

Building new bridges while strengthening the relationships we value most, we took Krungsri's full range of services on the road to deliver simplicity to those who need it most.

Krungsri **SME Troop** was launched as an aggressive nationwide marketing campaign aimed at building brand awareness for Krungsri's SME Banking Group, to boost growth and expand our customer base. These mobile SME consulting services were rolled out to 20 major cities around the Kingdom by year-end. We also increased our penetration in each location by arranging SME clinics in partnership with the Thai Credit Guarantee Corporation to provide financial consultancy services for local SMEs.

THB 8.5bn
insurance premiums sold

1.2 million
SMS Banking customers

THB 250bn
Online Banking transaction volume

Meanwhile, we brought business strategy and investment seminars to various locations to inform SMEs about local, regional and global economic issues that could affect their businesses, while providing us with a channel to help clients access financing and develop their capacity for brand building. The campaign strengthened Krungsri SME's brand with entrepreneurs and supported further loan expansion.

In 2013, we will continue our drive to make our products and services simpler for customers to understand and use with the core aim of becoming Thailand's top financial provider for SMEs by 2017.

CONSUMER BANKING

Our Consumer Banking division provides a diverse range of products and services to suit the needs, lifestyles and investment appetites of consumer groups and individual customers. Our core service areas are wealth management, which includes savings and investments; bancassurance; Krungsri Exclusive for high net worth individuals; ATM, debit and credit card services; personal loans, overdrafts, auto loans and mortgages; and microfinance.

To support our consumer clientele, the E-business Group has been driving digitization as a core element of Krungsri's Delivering Simplicity strategy, which has been further strengthened by the expansion of our financial transaction service channels.

Wealth management

Deposits and investments
Customer segmentation became significantly more important in developing new products in 2012 than in previous years due to global economic uncertainties. We were keenly aware of how high net worth clients and general retail customers have distinctly different needs for wealth management, and we customized our services for each segment accordingly. Wealthier customers required instruments that enhanced their returns in the low-interest environment, and we responded with **Mee Tae Dai**, a new savings product that offers higher interest rates and greater flexibility. Moreover, we offered various tenors of attractive fixed deposits as well as stepped-interest debentures to target customers with longer-term investment horizons. For clients with a greater risk appetite, we recommended diversifying their portfolio to include foreign investment fixed income funds or equity funds as investment options to enhance the returns on their portfolios.

Later in the year, we launched **Jad Hai**, a new savings account and debit card package that allows customers unlimited zero-fee ATM withdrawals via any bank, as well as five free bill payments every month with only a minimal annual fee. We received a very strong market response to this product as it enabled customers to better manage – and even reduce – their transaction expenses.

Bancassurance
Innovation continued as the driving force behind our bancassurance business in 2012. Early in the year, we launched **Instantly Insured**, which provides coverage within five minutes. We also successfully upgraded and completed our non-life product range, including accident, health, property and auto insurance, under the same simplified five-minute application and approval process. Customers responded positively to both product lines, and we sold over 200,000 policies during the year.

The business continued its solid upward growth trend supported by a healthy increase in customer acquisitions, with premiums sold totaling THB 8.5 billion, up 42% from the previous year. The key drivers of this success were our well-trained and skillful branch staff and a wide range of products to meet customer needs.

Krungsri Exclusive
We rejuvenated Krungsri Exclusive by modernizing the brand and redefining the privileges offered. A more holistic client experience has been created through a series of exclusive events, including tournaments at Thailand's most prestigious private golf clubs, unforgettable culinary experiences crafted by renowned chefs as well as special gift selections from our leading partners.

Our financial advisory platform was enhanced through the introduction of an investment consultancy service to assist clients in managing their investments according to their risk tolerance. By helping clients better understand how economic conditions, investment scenarios and risks are related, we enabled them to make more accurate investment decisions. This is central to our goal of providing clients with personalized wealth advisory solutions that are tailored to their individual needs and long-term aspirations.

ATM and debit card services

Developing financial products and banking services that make life easier for consumers is central to Krungsri's business. To achieve this goal, we embarked on a number of collaborative efforts across the business, including developing the Krungsri Debit **Jad Hai Savings Card,** a new product that integrates a debit card and savings account with financial transaction services. This all-in-one card makes account management simpler and more convenient through such privileges as five zero-fee bill payments per month and free-of-charge ATM withdrawals from any bank nationwide.

Our **electronic gift card**, another digital innovation, was designed to replace the gift checks that are traditionally used on occasions such as Chinese New Year and Mother's Day. In addition to being used for gifting purposes, it also provides an alternative means of paying for goods and services at all shops across Thailand that accept Visa.

We continued to diversify our range of products and services to cater to the specific needs of different customer groups as we identified them throughout the year. Multiple Cards on 1 Account makes life easier for consumer and business customers who want to enable other people to execute transactions via their account without the need to provide authorization on each occasion. Four supplementary cards can be issued for each account, with each cardholder empowered to access the full range of banking services available.

During the year, Krungsri also became the first bank in the Kingdom to provide non-residents with a Thai Baht account and ATM card services, enabling foreign customers who are non-residents to make cash withdrawals and balance enquiries at cashpoints worldwide.

Mortgage loans

As a result of significant flooding in late 2011, Thailand's housing property market in 2012 continued to face challenges as real estate developers navigated through factors that were both advantageous and adverse.

On the positive side, the market was boosted by the first-homebuyer policy of the government, and the THB 300 billion financial support scheme for 2011 flood victims (BOT soft loans) by the Bank of Thailand.

However, real estate developers were hindered by adverse factors namely, the lack of consumers' confidence – especially for housing projects in the severely flooded areas during the previous year, the rise of minimum wages, higher construction material costs, and the extra cost for housing projects of any necessary flood prevention infrastructures.

Building new bridges while strengthening the relationships we value most, we took Krungsri's full range of services on the road to deliver simplicity to those who need it most.

Based on these elements, listed real estate companies as well as new players, which own land in the heart of the city and plots of land along the extended routes of the skytrain, tended to launch more condominium projects. Average price per square meter for condominium projects skyrocketed to over a hundred thousand THB per square meter. This movement led to innovative ideas and the birth of multi-functional design concepts for smaller room space.

The Bank is well aware of the shifting trend and the remarkable growth of the condominium segment in the past two years. Therefore, Krungsri Home Loan put extra effort on condominium projects, which saw the highest growth in 2012 and contributed to the robust growth of mortgage loans. The Bank has launched loan products which best responded to the demand of high-yield target groups to increase market share. Our mortgage loans consist of various offers to draw diverse customers, including loans at 100% of loan to value, 0% or attractive interest rates, and 3-year step-up, fixed interest rates.

In addition, the Bank opted to advertise and promote Krungsri Home Loan by directly focusing on potential customers who are interested in buying condominium units which delovered a cost-effective and highly-efficient marketing approach.

For other property segments such as detached houses and townhouses, the Bank, via its strong branch network, worked closely with leading property companies in Thailand throughout the year to offer mortgage loans to our customers.

In addition to Krungsri's branches nationwide, the Bank has established the Direct Sales Agent, an additional channel with over 100 staff, to focus on a more proactive service. The Application Online system was also developed to provide customers with an option for them to apply for a loan directly. Moreover, the Bank has implemented the One-Scan/SmartFlow system to enhance the efficiency of home loan application management as well as other loan applications received at our 601 branches across Thailand. With the One-Scan/SmartFlow system, our customers can check the status and progress of their application at any time and the Bank is equipped with improved tools to ensure a high standard is a achieved at each step of the loan process.

E-business

Our E-business Group was created to ensure we deliver on our commitment to provide the best user experience possible through product innovation and accelerating the digitization of operational processes and banking services across the Krungsri family, with the goal of becoming Thailand's number one preferred bank.

Online transactions have surged in recent years. Today, more than THB 250 billion per year is processed in online transactions via our world-class secure system, and the number of customers making online transactions soared 200% over 2011. In addition, we have 1.2 million Krungsri SMS Banking users in 2012, which generated THB 1 billion in fee income.

We believe innovation brings simplicity and that our streamlined financial services clearly differentiate Krungsri from other banks in the market. Key E-business milestones achieved during the year include:

- **Krungsri Quick Pay** – electronic payment solutions via a secure smartphone/tablet dongle for merchants ranging from sole traders to major retail chains.
- **Krungsri Online** – seamless internet banking bolstered by our first-mover development of easy-to-use widgets, including new features for Krungsri Exclusive customers, who can now access their fund management and portfolio portals with a few clicks.
- **Krungsri Mobile Application** – garnering recognition as the best mobile banking app in Asia, this is one of our best E-solutions and a paragon of our policy of making life simple. The application supports all of our financial products and services, from normal savings accounts and credit card transactions to handling personal loans, auto financing and mutual funds.

Expanding financial service channels

Several new financial transaction services were developed throughout the year to facilitate faster, more convenient consumer banking. Key initiatives included:

- Reducing red tape for Krungsri Auto Loan and CFG Services (Srisawad Ngern Tid Lor) loan installment payments. Customers can now make payments at any Krungsri branch by using their national ID card number, eliminating the need for invoices.
- New electronic channels, including ATMs, internet banking and telephone banking, were implemented to make the auto-payment of bills easier and more convenient for customers.
- Additional electronic service enhancements include streamlining the transaction screen for Krungsri ATMs to make transactions faster and simpler, and introducing new screens for growing customer groups, such as the implementation of Burmese-language ATM services.

In 2013, Krungsri will continue to expand its network and services to facilitate financial transactions and electronic payments via ATMs in other countries as we develop our service offering in line with the international trend towards network integration and the need to ready ourselves for the launch of the ASEAN Economic Community in 2015. This will also contribute to higher efficiency and lower costs for financial transactions between member countries.

DELIVERING SIMPLICITY TO OUR BUSINESS OPERATIONS

Our quest to make life simple extends to the way we run our own business.

MARKETING

Simplifying the customer experience is central to our effort to become the top bank in Thailand – as is telling the world how we do it.

Krungsri is dedicated to elevating our brand, products and services to become Thailand's number one preferred bank. To achieve this ambitious goal, we must constantly innovate, improve, differentiate and amplify our brand every day.

Superior products

Krungsri's secret for success is simple – we continually strive to understand our customers' needs better than anyone else and to deliver superior products and services to meet those needs. Customer insight and feedback are the key dynamics driving our product development. We have built a rigorous system for testing product concepts and to identify our customers' unmet and unspoken needs to ensure we deliver the financial solutions they want.

Market-leading savings accounts
Me Tae Dai and Jad Hai were our core savings product launches for 2012. Both accounts offered features that were previously unavailable from the Thai banking sector. Mee Tae Dai offers interest rates similar to high-yield term deposits while providing much greater levels of liquidity. Customers can access their accounts any time from any of our channels while enjoying high returns on their investments. Jad Hai answers the call from customers to simplify bill payment by developing a full spectrum of relevant transactional services that are accessible via ATM. With the aim of becoming the most convenient savings account available in the market, Jad Hai allows customers to pay monthly bills without incurring transaction fees, while also allowing them to withdraw money from any ATM in Thailand free of charge. Better still, neither account requires a minimum balance. The phenomenal success of these two products helped us significantly expand our customer base and low-cost deposits throughout 2012.

"Simplicity touches many aspects – process, interaction with customers, service, reducing waiting time and eliminating forms – we believe that's all simplicity. We make things easy so that when our customers walk into a branch, they feel like this is a different kind of bank."

Mr. Sudargo Harsono

Head of Marketing and Cross Sell

Saving time through innovation
Krungsri continuously develops new initiatives to deliver innovative hassle-free products and services for our customers. We slash the time you spend banking so you can get on with the more important things in your life.

Take, for example, the tedious process of filling out forms. Required by many Thai banks to process the simplest of transactions in a branch office, these forms are clearly a major inconvenience for most bank customers. We responded to this with Simple Q, a cutting-edge digitized service that helps customers complete in-branch banking transactions by simply selecting the service they require on our simple-to-use kiosk and swiping their ATM card or passbook. Our relationship managers then have access to all the information they require for the chosen transaction, saving our customers valuable time and precious resources. Simple Q is now available at all of our 601 branches.

Krungsri's mobile application is also the first of its kind in the Thai market to facilitate a wide range of financial services, from savings account and credit card transactions, to selling mutual funds or even applying for a loan.

Instant life insurance is another breakthrough product that offers immediate life insurance approval to applicants within five minutes and without the need for a medical examination.

Developing key service signatures
We work around the clock to engage all of our customers through continuous upgrades and enhancements to the customer experience across all touchpoints.

Why? Because engaged customers use our products more, generate greater revenue and profits, and are much more likely to recommend our brand to others. We developed Krungsri's service signature to deliver a unique, simplified customer journey at our branch. Our "7-touch customer journey" seeks to make the customer experience seamless – from the second they enter a branch to the moment they leave.

Under our rebranding as Krungsri, we have rolled out new designs for branches, signage, ATMs and Foreign Exchange booths nationwide to appeal to a wider range of customers with our more appealing and approachable identity. This fresh design positions Krungsri as a retail bank you can trust, with a distinctive contemporary and approachable character. The branch interiors have been designed to fully integrate technology and functionality in order to enhance the customer experience and demonstrate that Krungsri is in step with the increasingly digital lifestyles of our customers.

During 2012, we launched our flagship branches at Sukhumvit 35 and Asoke, which have effectively repositioned Krungsri at the forefront of Thailand's retail banking sector. The rebranding of our full portfolio of 601 properties is due to be completed in 2013.

Krungsri brand preference has increased threefold since 2009.

Simple and direct communication
The Krungsri way focuses on having open and honest friendly conversations with customers.

At Krungsri we believe in the value of communicating with stakeholders in the most simple and direct way possible. Straightforward communication is the most effective way of ensuring all parties can understand the features, benefits – and risks – of the various financial products and services on offer. The need to communicate in plain language is all the more important considering how the business of banking is becoming increasingly complex and sophisticated. We strive to make our products and services easy-to-understand for our customers so that they can focus on how best to use these services to manage their hard-earned capital and to save for the future.

Since rebranding as Krungsri, we have continually tracked and monitored customer feedback to our repositioning. The response? Overwhelmingly positive, with the majority of our customers now feeling closer to the Krungsri brand than ever before. As an even better indicator of our success, the number of consumers who consider using Krungsri has increased threefold since 2009.

Customer relationship management

We see strengthening our relationships with customers as the best way to maintain and enhance our competitive advantage.

At Krungsri, we have continued our strong focus on customer

We see strengthening our relationships with customers as the best way to maintain and enhance our competitive advantage.

relationship management (CRM). The ability of our highly trained relationship managers to cross-sell products and services from across the Krungsri family enables us to meet and exceed customer expectations, as demonstrated by results from our Lead Management system, which explains how cross sell at the branch level tripled in 2012. To build on this success, we rolled out the Lead Management system for SME banking and Krungsri Exclusive Relationship Managers to elevate their cross-selling capability. Our ATM channel has also been enhanced so that it can now handle four times more cross-sell campaigns, enabling us to better tailor product offerings to the needs of individual customers.

We enhanced our CRM platform throughout the year and boosted the efficiency of our campaign execution by 30%. Our new analytical modeling has also increased our success rate for cross-selling products while at the same time improving customer satisfaction. Furthermore, in alignment with our approach to deliver simplicity, the processes for cross selling have been simplified for both our customers and our staff.

Other CRM developments during the year included the launch of birthday greetings for customers across all touchpoints – branches, ATMs, Call Centers and Krungsri Online – all of which received positive customer response. Meanwhile, improved customer value analysis enabled us to segment customers by their value contribution to Krungsri. High-value customers are identified and added to our 'Thank You' program, which was introduced to strengthen customer loyalty. These new customer-centric enhancements yielded positive results, with the average number of products held per customer rising from 2.51 in 2011 to 2.78 by the end of 2012.

DISTRIBUTION

The Distribution Group manages all the channels through which our customers make transactions, whether via our branches in Thailand and abroad, Krungsri Exclusive banking centers, currency exchanges, or Western Union service points. We also render services through electronic channels, telesales and independent sales agents.

Transforming distribution during 2012, which included the ongoing development of our branches, drove significant year-on-year sales growth, as reflected in the solid increases in mutual fund, insurance and SME loans, which surged 88%, 58%, and 54% respectively. Our sales effectiveness – a ratio of total cost of sales across all branches to total sales income – improved by more than 10 percent during the year. We also made significant improvements in many other areas, including:

- **Our One-Scan/SmartFlow** - a system for loan requests expanded to cover all types of loans. This technology, which significantly reduces both the number of processes and the time required to approve a loan, will soon be implemented for all wealth products, freeing up branch staff to serve our customers more efficiently.
- **Simple Q** - our innovative in-branch digital queuing system, removes the need to fill in forms for most transactions with a simple swipe of a customer's ATM card or pass book. In 2012, we expanded the implementation of Simple Q from 135 branches to all 601 Krungsri branches. As a result, our Net Promoter Score – a measurement of customer satisfaction – substantially increased.
- **WiTi Krungsri** - a project to provide all branch managers with the tools, techniques and skills necessary to efficiently manage their sales and service performance, was expanded to cover all 601 branches during the year, up from just 105 branches in 2011. This helped us to standardize our service and sales approach for branch managers and staff, enabling them to deliver a consistent brand-wide level of service delivery for our customers.
- **Think+** - a motivational program to promote a positive professional attitude among all branch staff, was also launched during the year.

In order to continually improve our distribution services, we constantly examined and analyzed statistical data and information to identify strategic locations in expanding our coverage. Therefore, we would be able to provide services in response to increasing number of customers through our branches, currency exchange booths and ATM efficiently.

Furthermore, we upgraded more than 60 branches to the new brand-standard design, including enhanced transaction technologies such as Simple Q. We also rolled out 376 new auto lobbies, which offer various automated financial services such as ATMs, auto deposit machines and auto passbook update machines. Furthermore, our ATM network expanded by 13% to 4,278 machines during the year. We also recorded a 17% increase in the number of transactions per machine. Meanwhile, we increased the number of currency exchange booths from 66 to 80, all of them upgraded to the new Krungsri design.

In addition to branches and electronic channels. We also focused on rendering services through direct sale, telesales and independent sales agents, which grew by 36% from 2011.

We also increased the number of relationship managers serving Krungsri Exclusive customers by drawing on new staff from our acquisition of HSBC and existing Krungsri staff to support the growth of this high-value customer segment.

TREASURY

The Treasury Group's products and services include capital markets, money markets, foreign exchange, and international trading and facilitation. Our core functions include managing Krungsri Group's liquidity, exchange rates and interest rate risks through activities in the bond, foreign exchange, and derivatives markets.

Beyond providing the best products and services to clients, we focused on delivering simplicity during the year through a number of activities, including:

- **Advisory services through One-Stop Service Centers of excellence** - This year, we expanded our Sales & Product Development Team to cover all customer segments (corporate, SMEs and retail). Our experienced relationship managers at One-Stop Service Centers provide advisory and sales functions on treasury and investment products, such as buying and selling foreign currencies, currency hedging and evaluating interest rate risks, as well as assisting our clients in liquidity and investment management.
- **Financial seminars** - The Sales & Product Development Team organized seminars for clients during the year. Topics included the recent domestic economic and financial developments, the Eurozone crisis and its impact on the local export sector, and the 2015 launch of the ASEAN Economic Community. Keynote speakers and panelists included senior representatives from the Ministry of Finance, Fiscal Policy Research Institute, Ministry of Foreign Affairs and the Bank of Thailand.
- **Extension of service hours** - Krungsri's foreign exchange rates are competitively quoted and updated at our branches nationwide on the hour. In 2012, our corporate sales team extended its services hours to 7.00am until midnight to meet evolving business requirements and the needs of clients.
- **Introduction of the web-based Retail Bond System (RBS)** - RBS is an easy-to-use online system for buying, selling and settling bonds and debentures. Customers can quickly execute secure transactions and settle

376
new auto lobbies rolled out

17%
increase in ATM transactions per machine

People development is central to Krungsri's goal of becoming Thailand's number one preferred bank.

bonds and fixed income products through 270 branches in Bangkok and other major metropolitan areas. RBS will be available at all Krungsri branches by the end of 2013.

Issuance of debentures - New rules governing fees imposed on financial instruments, such as Bills of Exchange (B/E), short-term and long-term debentures, and subordinated debentures were launched in 2012, leading to a renewed focus on retail deposits. To serve the needs of clients and their investment requirements, while meeting our own funding and capital requirements, Krungsri successfully mobilized THB 17.8 billion of debentures with 2 and 3 year maturities, at an average coupon rate of 3.74% in February. In October, we issued THB 14.8 billion of subordinated debentures, with a coupon rate of 4.7% per year with a 10 year maturity.

While expanding the provision of our products and services, we also ensured our offerings were as simple as possible to understand and competitively priced. Our strong growth throughout the year and improved leadership position were reinforced by a corresponding rise in customer satisfaction.

Commercial foreign exchange and fixed income volume grew strongly at 39% and 293%, respectively, from the previous year. On the fixed income side, Krungsri's ThaiBMA bond ranking moved up 2 places from the previous year. From July onwards, we were consistently ranked number 1 on volume trading through ThaiBMA's Fixed Income and Related Securities Trading System (FIRSTS).

For liquidity management, Krungsri is among one of the more active primary dealers in private bond repurchase (repo) and interbank money markets.

Our volume in terms of Bangkok Interbank Offer Rate (BIBOR) transactions increased by 224% from last year. Looking forward, in 2013, the Treasury Group will retain its focus on making complex financial instruments simple to understand, with the aim of meeting the ever-changing requirements of our clients.

HUMAN RESOURCES

People development is central to Krungsri's goal of becoming Thailand's number one preferred bank.

We know that to continually improve our service delivery, we have to continually engage employees, enhance their skills, develop their capacity and keep them up-to-date on our various strategies, policies and developments. That's why we train them in the latest customer relationship techniques in order to deliver a superior range of easy-to-understand financial products and services and to create the best possible customer experience.

The Human Resources Group is tasked with the key mission of developing and managing our people, establishing roadmaps, strategies and initiatives to deliver on these goals and to ensure all appropriate systems are in place and functioning smoothly.

Improving the design of our annual performance evaluations and related systems was one of the group's core developments in 2012. We refined our approach to setting goals and objectives, which resulted in clearer, more specific measurable targets. Coaching and feedback tracking tools were also implemented to monitor the quality of coaching provided by our team. These were measured against clear objectives, with the aim of further enhancing our capacity-building program.

We also ensured that the Krungsri Core Values were hardwired into all aspects of our HR systems, activities and communications to encourage employees to embrace and uphold the Bank's core values – Integrity, Team Spirit, Customer Centricity, Passion for Excellence, and Embracing Change.

Voice of Krungsri, our employee engagement survey program, was another key initiative in 2012. This initiative focused on improving the workplace environment throughout the year. To achieve this, each functional group appointed representatives to serve as Voice of Krungsri Champions. Together, they received relevant training and were given key roles in communicating the program's activities to their groups as well as providing guidance for their functional group's action plans, making sure they were clear and practical. Once implemented, we monitored the outcomes from the various action plans and adopted best practices across the business.

In addition, our Talent Management program ensures that Krungsri creates a productive and engaging work environment for employees. We strive to provide a workplace where all our employees know that their skills, abilities and successes will be recognized and rewarded. The Talent Management program established clear guidelines and processes for identifying and developing talent based on employee performance ratings and the results of assessments of each employee's leadership skills and adherence to our core values. In addition, we provided active support in managing Individual Development Plans for identified talent to ensure plan implementation was effective and that talent was enhanced in line with Krungsri's goals.

In 2012, we also upgraded our competency-based training and development programs to enhance employee capability development by identifying training requirements and adapting curriculum design and training programs in response to the evolving needs of our people. We placed a greater focus on creating a culture of self-learning and development at Krungsri, with digitization playing a role through our development of a number of relevant computer and systems as well as other digital learning resources.

Improving our overall E-learning program was another key initiative during the year. We further expanded our executive leadership development by collaborating with leading academic institutes to create specialist courses for different levels of management, such as Krungsri-SASIN Executive Development Program for high-level executives, Krungsri Advanced Business Management Certificate Program for mid-level executives, and the Krungsri Business Management Certificate Program for entry-level branch management.

English training courses were also designed and developed in response to the government's policy to prepare Thailand for the ASEAN Economic Community in 2015, as well as improving the overall English communication skills of our employees – raising the service standards of employees serving our increasingly global customer base.

Finally, our Branch Career Path program was formulated to increase the capability of branch employees and improve overall branch management.

OPERATIONS

Throughout 2012, we continued our commitment to delivering service excellence by enhancing operational efficiency while also further developing our corporate social responsibility policy.

Under the Straight-Through Process initiative, we focused on increasing automation and systems integration across the brand. By simplifying the key steps involved in serving customers, we are now able to accelerate our decision-making processes and further drive customer satisfaction and business growth.

Becoming the first Thai bank to introduce one-day check clearing nationwide was another key achievement for us. Our Image Check Clearing and Archive System (ICAS), an innovative proprietary technology, was rolled out to all Krungsri branches throughout the year. Now, funds from a Krungsri check deposited in any one of our own branches will be credited to the account on the next day – greatly simplifying a process which previously took three to five days.

For their efforts in rolling out the Straight-Through Process initiative in 2012, the Operations Group won a number of awards, including:

- STP Award for Outstanding Excellence Quality of Commercial Payment Transactions (MT103) from Citibank USA for the fourth consecutive year; and
- STP Award 2011 for Excellent Quality in the Delivery of Commercial Payments and Financial Institution Transfers from Commerzbank in Germany.

We further expanded the scope of our service quality standard assessments to encompass all retail and wholesale customers as well as broadened the remit of our Customer Complaints Resolution Process to manage customer feedback received through all our channels, including call centers, branches, internet and social media.

To optimize costs and streamline operations, we implemented a centralization of operation systems at Krungsri's head office to reduce redundant and duplicated workflows at our other hubs. We also implemented the Shared Operations Platform for all Bank subsidiaries to streamline our processes and workflows and to prevent duplication. The results? Maximized resources and greater economies of scale.

As Krungsri strives to promote environmental safety, digitization became a core focus of our corporate social responsibility activities during the year. In particular, we explored ways we could use technology to improve our operational management and reduce our impact on the environment. We implemented advanced imaging technology, improved our logistics management, and further automated our workflow to incorporate greater usage of email to help us move towards our goal of becoming a paperless workplace. To further reduce our carbon footprint, we implemented additional green policies such as using only recycled paper and eco-friendly dyes for printing, and greater use of electronic communications in our offices. We also promoted the use of teleconferencing as a means to reduce unnecessary travel and adopted a more robust recycling program to ensure we disposed of electronic goods and other waste responsibly.

In addition, we reviewed and upgraded our business continuity plan, disaster response plan and crisis management program to reduce the impact of natural disasters on the bank's business and improve our ability to protect our staff and service all stakeholders without disruption. We also initiated a plan to retrofit our headquarters with earthquake-resistant technologies and prepared an emergency backup site outside of Bangkok.

Finally, we renewed our focus on people management. Our employees are our greatest assets, and we made all possible efforts to ensure that our people are working in the most productive and rewarding environment possible. In so doing, we also ensured that people remain the driving force behind the implementation of all operational initiatives and strategies across the Krungsri Group.

Becoming the first Thai bank to introduce one-day check clearing nationwide was another key achievement.

INFORMATION TECHNOLOGY

We continued to strengthen our IT backbone throughout the year as part of Krungsri's strategy to advance digitization of our services and operations. We made key investments to upgrade our core banking system, improve applications and IT infrastructure for branches, streamline e-channels, strengthen the disaster recovery system, and develop new product offerings. All of these activities were focused on simplifying our overall IT infrastructure and architecture, resulting in a more user-friendly system with greater error prevention. These enhanced IT capabilities supported business expansion and facilitated the delivery of better services to customers.

Operating systems, infrastructure and networks

Krungsri successfully migrated our ATM switching from Base 24 to S1/Postilion – a more reliable system that enables simpler connection to other systems via our service-oriented architecture. This change can support over 25% growth in ATM transactions during the year.

Our Secondary Data Center was successfully relocated to a new site, with no interruptions to business operations. Data center consolidation, which is part of Krungsri's wider

Productivity increased by 500,000 transactions per month through Simple Q.

back-office integration plan, is now complete, with two fully-operational major data centers in place. This strategy enables us to reduce non-availability risks, mitigate geo-political risks that affect business continuity, and streamline data center operations. Our mainframes were upgraded at both the primary and secondary data recovery centers to support business growth by expanding the overall processing capacity by 33%. We were also able to migrate and relocate data hosting of our credit card data processing system from an Australian data center to Krungsri's data center in the third quarter.

IT infrastructure was further improved through the implementation of new tools to manage, monitor and provide early detection of potential issues with the infrastructure that could adversely affect our business and customers. These new tools monitor three layers of infrastructure: networks, databases, and services and applications.

Call center systems were upgraded and brought in line with our initiative to "Unify Communication", which calls for enhanced product features for both internal and external customers, such as supporting new features on smartphones and other 3G mobile handsets.

New multi-function mobile applications were launched at the end of the year to ensure secure accessing of financial information and make the execution of transactions simple and convenient – anytime, anywhere.

Branch infrastructure

We completed numerous IT infrastructure improvements in our branches to increase efficiency and reduce waiting times for customers. These improvements included installing 1,883 computers, 208 passbook printers, 228 magnetic stripe units and 119 barcode readers across the branch network. Backup electrical systems were installed to ensure sustained performance and productivity in our branches. The Simple Q system significantly reduced waiting times in our branches with its "Swipe and Go" process-enabled technology that eliminates the need for customers to fill in forms. This has resulted in a productivity increase of 500,000 transactions per month through this channel alone.

The IT Star training program has helped further strengthen the IT capacity of branch staff, minimize computer-related delays, and streamline customer services.

Enterprise business solutions

Our One Krungsri strategy will integrate enterprise applications so that they can be shared across all Krungsri subsidiaries, including enterprise resource planning (ERP), finance, human resources management, enterprise content management, enterprise fraud and compliance management, and single sign-on (SSO).

During the year, we successfully consolidated Krungsri's financial information by implementing Oracle Finance and Hyperion. Now, information is arranged in a single database, making the retrieval and mining of data faster and more efficient.

Another key achievement was the development of our PeopleSoft HR management system to support 13,000 employees. We also launched our "One Krungsri Employee ID", which will be used across Krungsri Group and will become the foundation of Krungsri's SSO.

The implementation of enterprise content management and business process management helped us move even closer to becoming a paperless office. Krungsri One-Scan and Krungsri SmartFlow were expanded to support all products and services originated at branches that require automatic workflow connections to the back office. One example was "SME–R", which can reduce turnaround time for a process from up to 10 days to just three days. We also completely redesigned our Content Governance, which provides electronic document storage with more secure access control.

During the year, we further invested in software tools to help combat enterprise fraud and money laundering, reduce fraud in the loan application process, and improve loan approval times.

Core banking system

"Krungsri Call4Western Union" serves as an alternative, more streamlined channel for money transfers. Here, funds are simply transferred host-to-host through Krungsri-Western Union. By using this service, Western Union funds will be credited to a customer's Krungsri account directly, without the need to visit a branch.

To make life simple specifically for our SME customers, we developed a supplier/buyer financing system that enables suppliers and buyers of our SME customers to make electronic payments and acquire working capital based on their invoice value more easily. The system allows customers to utilize their maximum overdraft limit, while making partial or full payments as required.

New Cheque Capturing Devices have also been installed in all branches to expand our service channels to customers. These devices allow our domestic cheque clearing process to be completed within one business day instead of the usual three to five days. This new innovation has also allowed us to extend the daily cutoff time for same-day cheque deposits from 1pm to 3pm throughout our more than 200 branches in Bangkok. We are also proud to be the first bank in Thailand to have launched the Bank of Thailand's integrated cheque clearing and archive service (ICAS) system. Both these

services are already strengthening our ability to better deliver on our promise to make life simple.

We have also expanded our web-based Retail Bond System for 270 branches in Bangkok and the surrounding Metropolitan Region to support trading of bonds and debentures at branches. The system is easy to use and expands our customer banking service offering by allowing us to process transactions via the internet – making things simple for both the Bank and our customers.

Risk and finance technology

We are implementing a new single account reconciliation platform to replace the less-flexible legacy system used in the past to promote more efficient operation, build an automated, proactive and exceptions-based transaction lifecycle processing utility, and to reduce operational risks.

Krungsri's Recovery System is a newly designed platform to consolidate the end-to-end processing of debt collection and case management for debts that are more than 90 days past due, helping us to mitigate the risk of non-performing loans (NPLs). The system involves sharing and tracking the activities of each customer, including any information regarding collections, credit analysis for debt restructuring and litigation status enquiries. This initiative is to support the Bank's goal to lower our year-on-year percentage of NPLs.

Enterprise data management

We have achieved the first key milestone in moving to our new Teradata data warehouse platform. The Teradata data warehouse is a strategic platform to enhance our analytic capabilities, to provide timely and accurate data to support our business decisions, and enable us to better understand the needs of our customers, further driving the improvement of our product and service offerings. This new platform will allow us to leverage our newly centralized data model and continue to enrich our core data warehouse by feeding in other application source systems across the Bank.

We have made progress in developing a process of strengthening overall data management capabilities. This includes standardizing our business terms and making continuous efforts to bolster data quality through an ongoing monitoring and improvement process.

We have developed a standard business intelligence tool and will be migrating older legacy tools onto this newer platform. This tool is used to support the Branch Performance Management project, providing daily reports to the branch distribution team monitor their sales performance and KPIs. It is also used to create a strategic front-end view that provides a holistic, 360-degree overview of each customer's banking profile. This has greatly benefited the Bank's SME and Corporate Relationship Managers, significantly reducing the amount of time previously spent in manually compiling data to prepare for customer meetings. We have continued to provide hundreds of training days to our staff to help us further integrate this system into our operations.

Information security

In the area of information security, we continue to invest in enhancing the effectiveness of our information security system in compliance with the highest global industry standards. A key measure to this end is the Identity Management System, which is part of IBM's Information Security Framework. This system is used to authenticate, authorize, and manage system privileges, providing a greater sense of security for the Bank – and greater confidence for our customers.

In addition, 2012 was the second year that we continued to implement the Payment Card Industry Data Security Standard (PCI DSS) to evaluate operational risks and develop a monitoring plan for all our E-channels transactions. Furthermore, in alignment with Open Web Application Security standards, the Bank is implementing additional tools to identify weaknesses in the network and at the application level to prevent malicious threats.

Since 2010, we have initiated an ongoing assessment of our data leakage prevention efforts that is supported by a series of regular processes designed to reinforce the security of our data protection systems. To further support these efforts, this year, we initiated a Data Leakage Protection Management Project, which is planned for completion over the next year. By late 2013, we will have a fuller range of controls, monitoring and protection mechanisms to further safeguard the sensitive information of our customers and the Bank.

IT governance

This year, we also enhanced our software testing standards with a suite of new processes, procedures, templates and tools. New projects have already begun to adopt this revised international standard testing framework, and we are confident that this will continue to improve the quality of service we can provide.

COMPLIANCE

The Bank recognizes that compliance is one of the key components in conducting its business. Compliance does not only reflect on ethical business practices in line with regulatory requirements, it can also drive the Bank's business performance forward in a sustainable manner.

The Bank thus, has established a check-and-balance type of organizational structure and

"We are proud to have been honored by the Stock Exchange of Thailand with the Top Corporate Governance Report Award for 2 consecutive years. This reflects our continued best practice and commitment to integrity and transparency."

Miss Phawana Niemloy
General Counsel

embedded regulations, directives and operational procedures on the Bank's intranet as reference with immediate and easy access for staff to use when needed. In addition, the Bank has established a Compliance Function to oversee that the Bank operates within the realm of the regulatory framework in an effective and efficient manner. Both preventive and monitoring measures are adopted by the Function to ensure optimum effectiveness in its supervision.

In 2012, the Bank continued to place great importance on the preventive approach by means of keeping abreast of changes in legislations and regulatory requirements and disseminating written summaries of 116 rulings in total to build awareness on these changes. To further facilitate better understanding, 25 trainings on critical rules and regulations were organized for directors, executives and employees through various channels. Compliance checklists covering 66 rules and regulations were circulated to various business units across the Krungsri Group for self assessment purposes. The outcome of each assessment was validated, and recommendation made to improve the existing practices, where required. More importantly, early involvement of Compliance in the product and/or process development stage has enabled the business to efficiently move forward and stay in line with rules and regulations.

Tools and technologies are nevertheless, imperative as they can further enhance the Bank's capacity to comply with rules and regulations in an efficient and timely manner. For instance, (1) Instead of a lengthy

We have developed an organizational structure that is underpinned by extensive checks and balances.

manual search, a Related Party Search Engine was rolled out to entities across the Krungsri Group to simplify the process in identifying whether or not business counterparts are considered to be related parties in order to comply with relevant regulatory requirements ; (2) A migration from conducting a Know Your Customer (KYC) and Customer Due Diligence (CDD) process based on either an 'Account' or 'Product Type' base to a 'Customer' base on deposit products was completed to ensure a comprehensive AML/CFT risk evaluation of a customer and, in parallel, eliminate the redundancy of having to conduct the KYC/CDD assessment on the same customer, and as a result alleviated an unnecessary burden on customers ; (3) In replacing a manual detection on cross border transactions undertaken by prohibited parties, a 'Filtering System' has been launched to ensure that the Bank can effectively and efficiently protect itself from being used for money laundering or financing of terrorism activities.

These measures demonstrate the Krungsri Group's strong determination and devoted efforts to keep us safe from the inside and to continue to foster a strong corporate governance culture for the organization.

RISK MANAGEMENT

The implementation of a simple and robust risk management framework helped Krungsri navigate the immediate aftermath of last year's floods, while successfully improving overall portfolio quality.

Empowered by the Board of Directors, the Risk Management Group is responsible for day-to-day risk management and long-term risk policy at Krungsri. Its activities center around formulating risk management policies and procedures in accordance with the Bank's long-term strategy, risk appetite and corporate governance. The Group takes an integrated approach to managing the four principal areas of risk, helping ensure we maintain our competitive edge in the market: credit risk, market risk, liquidity risk and operational risk.

While a highlight of these areas is provided below, the "Managing Risk" section of this Annual Report contains a more thorough review of the Risk Management Group's policies, processes and achievements.

Credit risk

Krungsri's portfolio quality is managed through a rigorous process of underwriting and account management by a team of credit specialists. All large exposures are reviewed on a quarterly basis by the commercial credit teams. Portfolio quality reviews for each product, with detailed segmentation by geography, facility, ratings and industry are conducted every month. Any potential future risks are flagged and mitigation strategies developed and executed.

This rigorous approach to portfolio management has enabled us to significantly reduce our percentage of NPLs. Timely portfolio interventions have reduced the number of new delinquent loans and improved the efficiency of NPL sales and settlement processes. This year, NPLs were reduced from THB 29.5 billion to THB 21.3 billion, while better credit and portfolio controls further lowered the incidence of new delinquent accounts.

Prudent risk management practices were also enacted to ensure Krungsri maintains adequate reserve coverage. As a contingency, we have established additional reserves that provide us with coverage that extends beyond the Bank of Thailand's guidelines for calculating the allowance for loan losses. The reserve-to-NPL ratio on a consolidated basis is 146%, an improvement from 106% in 2011.

The Risk Management team also responded proactively in helping tackle the impact of the 2011 floods on the Bank's performance by actively identifying affected customers and reaching out to them with personalized debt relief packages. Timely intervention and regular monitoring ensured minimal erosion of our portfolio quality.

Market risk

Our Market Risk Management Department assesses, monitors and reports on Krungsri's risk exposures in both the trading and banking books. Market risk management policies, regular reviews and stress tests are designed to ensure that rapidly changing economic conditions do not adversely affect the Bank's income and capital.

In tandem, the Bank's Capital Management Committee actively manages long-term capital planning based on Krungsri's growth strategy, with capital forecasting based on stress tests. We conduct regular stress tests based on potential stressed macro-economic scenarios to predict capital adequacy under such conditions. This is used as a key input by the Committee in forecasting future capital requirements.

Liquidity risk

The Market Risk Department utilizes a liquidity risk management framework, which involves daily and contingency liquidity management. Liquidity is managed both qualitatively and quantitatively, and involves monitoring depositor behavior, economic conditions, financial market activity and the competitive environment to ensure adequate funding is available to support Krungsri's growth plans.

Operational risk

Our Operational Risk Department ensures minimal impact occurs to Krungsri and its subsidiaries in the event of any internal failures, outages and external factors. The whole Krungsri family has completed a Risk Control Self-Assessment, while Key Risk Indicators that have been developed for all departments are closely monitored. A business continuity plan has also been devised and is regularly updated and tested.

BUSINESS TRANSFORMATION

Our Business Transformation Group works across the entire Krungsri family to help all business units and our subsidiaries embrace organizational change and realize our promise of delivering simplicity by transforming processes and operations. During 2012, we continued to build on the previous year's work to Make Life Simple by executing transformation across Krungsri.

Digital innovations to deliver simplicity

In 2012, Krungsri delivered a new generation of innovative e-channel services to harmonize and simplify the customer experience across all market segments. Not only have these services increased the efficiency and speed of our various offerings, they are helping us achieve the goal of making Krungsri a paperless environment. Key product launches in 2012 were:

- **One Scan** – a technology that simply scans a customer's loan and service applications, instantaneously transmitting data to relevant business units for review and approval.
- **SmartFlow** – a smart workflow management system to improve services and productivity.
- **Enterprise Content Management** – the core infrastructure that will provide us with a full document and records management service. Launched in late 2012, this new innovation will continue to be expanded during 2013.

15.4%
net loan growth

THB 6.8bn
non-performing loans sold in 2012

146%
coverage ratio

"A satisfied customer comes back – at the end of the day, what we're trying to do is give the customers an experience that makes them want to come back, interact and transact with Krungsri over and over again."

Mr. Rohit Khanna

Head of Business Transformation

Transforming distribution

New branding and branch design – Krungsri is rolling out the new brand format and design across all of our 601 branches, ATMs and foreign exchange booths. The new design not only re-enforces the Krungsri brand, it delivers better facilities, enhanced service functions and greater convenience to customers.

Improved location analysis technology – New innovations and methods enabled us to strengthen our positioning of new branches so that they were closer to customers and more aligned with their lifestyles. The expansion included the rollout of new Krungsri Business Centers, which will bring our Relationship Managers in closer proximity to SME and corporate clients.

Rollout of Simple Q technology – The implementation of Simple Q technology at all branches was completed during the year, eliminating the need to fill out forms when visiting a branch to make a deposit or withdrawal. Not only does this innovative service make life simpler for customers, it provides real-time data for branch managers and head office analysts so they can continually improve our service level.

New branch sales and service platform – In March 2012, we initiated the transformation program to deliver a new sales and service platform which will help streamline services and shift this crucial technology to a customer-centric multi-channel model. This will provide greater convenience and simplicity for customers, and is expected to be completed within two years.

Technology transformation

Loan origination system – Krungsri is currently constructing a new loan origination system that will be launched during 2013 and expanded the following year to increase the number of loan segments we cover. The new system will help us simplify related services, streamline processes and improve overall customer-service efficiency. It will also be integrated with our risk management system and data warehouse as well as Enterprise Content Management (ECM) to make Krungsri a paperless environment.

Cash management system – We are now testing a new cash management system to be rolled out to customers in early 2013. New technology will enable Krungsri to introduce better service to customers through the new front-end cash management system, while strengthening the core system to support customer growth. The capacity of the new system will be more than sufficient to serve the higher demand that will come from big corporate customers. It will also provide new services such as host-to-host payment, 24/7 authorization, STP transactions, multi-payment file uploads, complex reporting and flexible billing.

ATM technology – New ATM technology was launched in March 2012 to deliver faster performance and increase the capacity and capabilities of our ATM network. A new location analysis system also helped Krungsri identify better locations for new ATMs.

People transformation

WiTi Krungsri – This program to formalize, communicate and roll out Krungsri's corporate philosophy to all of our business, branches and people was piloted in selected branches during 2011 and expanded across the entire network within 2012. As part of the rollout, we organized more than 150 training courses for staff. To ensure all of our people embrace the change, we will run a number of additional activities and courses to reinforce this fundamental philosophy during the first half of 2013.

OUR SUBSIDIARIES, ASSOCIATED AND RELATED COMPANIES

A diverse group of market pioneers, all united under one vision – to make life simple for Krungsri customers across the banking spectrum

KRUNGSRI AMC
(Krungsri Ayudhya AMC Ltd.)

Type of service: Purchases or accepts the transfer of impaired assets (NPL and NPA) for management through debt restructuring and/or purchasing their collateral for disposal. Also undertakes NPA maintenance to ensure it is in good condition and ready for sale.

Market and competition: None, since the company only provides support services to the Bank.

Source of funds: The Bank

KRUNGSRI FACTORING
(Ayudhya Factoring Co., Ltd.)

Type of service: Provides factoring services (domestic factoring with recourse and notification) by granting short-term revolving credit facilities through the purchase of account receivables and assigning rights for their collection.

Market and competition: Krungsri Factoring constantly re-aligns its business position with changing economic conditions, taking into account the increasingly competitive nature of the factoring market. Krungsri Factoring monitors the prevailing conditions in the industry including: 1) current pricing offered by key players; 2) their credit approval process; and 3) their service quality. It then adapts accordingly. To maintain competitiveness, it recently expanded into the SME segment by offering attractive pricing to SME customers.

Source of funds: The Bank

KRUNGSRI LEASING
(Ayudhya Development Leasing Co., Ltd.)

Type of service: Provides financial lease and hire-purchase services to enable SMEs and large corporations to acquire machinery, equipment and commercial vehicles by offering various solutions through structured leases.

Market and competition: Only a few companies in Thailand concentrate on machinery and equipment leasing. Such leases are suitable primarily for companies with limited banking facilities, where leasing is provided based on a lessee's operating cash flow as well as the liquidity of the leased assets. This allows us flexibility to provide a financial package suited to the customer's needs.

Krungsri Leasing is the market leader in the leasing industry, with a 21% market share. The company focuses on medium- to large-ticket leases as well as structured leases for a variety of industries, including marine transportation, vessels, alternative energy production plants, healthcare and public transportation. These activities provide the company with a meaningful point of differentiation.

As a strategic leasing arm of the Bank, TRIS Rating upgraded Krungsri Leasing to an "A" rating with a stable outlook, due to strong market positioning, its experienced management team's proven track record and low operating costs.

Source of funds: Primarily the Bank

KRUNGSRI AUTO
(Ayudhya Capital Auto Lease PCL.)

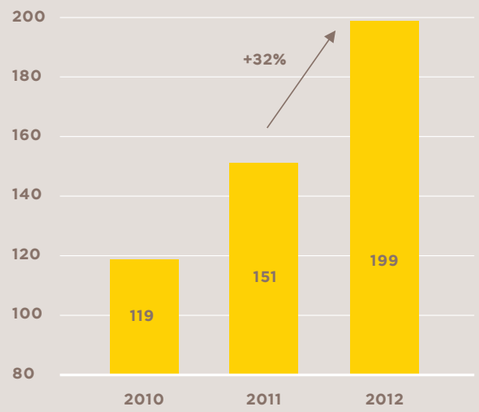
Type of service: One of Thailand's leading full-range auto financing companies, providing: 1) hire-purchase financing for new cars, used cars, motorcycles, auto-secured loans (Car4Cash) and top-up loans to existing customers; 2) leasing (financial lease) for a company's car financing; and 3) car dealer inventory financing for effective management of car inventory financing.

2012 was another record-breaking year for Krungsri Auto. The company's volume was THB 140 billion and loan assets exceeded THB 199 billion, with growth rate of 32% from 2011. This enabled Krungsri Auto to bolster its position as the second-largest automobile hire purchase operator in Thailand and the market leader for used car financing and auto-secured loans.

Krungsri Auto has received an A+ rating with stable outlook from TRIS Rating for the past four years. The company is also well received as the number one brand in the automobile financing sector by general consumers and marketing professionals alike, garnering a Superbrands Thailand prestige award for the second consecutive year in 2012. Krungsri Auto was also awarded the "Thailand ICT Excellence Award 2011-2012" from the Thailand Management Association for its commitment to using IT to improve services for customers. During 2012, the company focused on accelerating asset growth and delivering simpler customer experiences.

Innovative services: In 2012, our application process was simplified with the introduction of the **Krungsri Auto Card Reader**, which retrieves a customer's information with just a swipe of their national ID card and prints out the completed application form for the customer to sign, greatly expediting the credit approval process. We also worked with our business partners to develop **iPartner** – a real-time, online service for application status monitoring, which is provided to our 'Mega-Dealers', boosting their efficiency. Moving beyond loan approval, the **No Bill** service enabled customers to conveniently make installment payments by simply using their National Identity Card and their vehicle's license number at more than 7,500 Krungsri service points and 7-Eleven convenience stores nationwide.

Krungsri Auto Business (NEA)
(THB billion)



Right products: Krungsri Auto also introduced two new installment plans to better align with customer lifestyles and financial plans during 2012: 1) Auto-secured Loan with no Title Transferring; and 2) the Balloon Payment Program.

More accessibility: Even though the company has the largest distribution network, with more than 9,000 service points, we continued to explore new avenues for bringing our products closer to our customers. In 2012, we teamed up with a key dealer to open our first branch in a crowded community mall. In addition, through a highly successful collaboration with the Government Pension Fund (which has more than 1.2 million members nationwide), we developed enterprise sales models to enable large organizations and corporations to offer automobile financing as a part of their benefits program for employees.

Preferred brand: To bolster its preferred brand status in the market, Krungsri Auto launched a series of advertisements to communicate how the business can fulfill customers' needs and help them improve their lives. In addition, we were Bangkok International Motor Show's official auto finance provider for the second year running.

Helping customers: Beyond controlling its portfolio from the fallout of flooding in late 2011, Krungsri Auto supported flood-affected customers by providing a number of advice and relief measures. **Smart Finance: Learn and Ready to Smile Again** (Roo Wai, Yim Dai Eeg Krung) was a training course aimed at equipping micro SMEs with the necessary financial, marketing, and disaster prevention and recovery skills and knowledge to help them cope with future crises.

Source of Funds: The Bank, AYCAL debentures and bills of exchange

KRUNGSRI CONSUMER

Type of service: Krungsri Consumer operates credit card, sales finance (merchandise installment financing) and personal loan businesses. The group's credit card portfolio includes Krungsri Credit Card (KCC), HomePro Credit Card, AIA Credit Card, Central Credit Card, Simple Credit Card, Tesco Credit Card and First Choice Credit Card (3-in-1). Krungsri Consumer leads the sales finance and personal loans sector, with a market share of 28%. The First Choice Card (2-in-1) and Power Buy Card are the business's flagship brands, with a combined 6.13 million cards in circulation.

In early 2012, Krungsri acquired and integrated HSBC Thailand's retail banking business, which increased Krungsri Consumer's total number of credit cards in

circulation by 520,000 cards. Krungsri Consumer's total outstanding loans were THB 100 billion, with 3.34 million cards in circulation by year-end. The business received the Visa Credit Portfolio Award for the second consecutive year in 2012 for achieving the largest delivery of Visa entry credit card products in Thailand.

Delivering simplicity: Our push for greater innovation in 2012 was driven by the brand's Delivering Simplicity strategy, which put our customers at the center of our business initiatives.

Krungsri Consumer initiated **The Power of Synergy** group strategy to leverage key strengths from across the Krungsri family and our strategic partners to improve the customer experience by providing faster, easier and more convenient access to our products and services. Core developments were:

- **Krungsri Group Synergy** – leveraging the Krungsri family's overall customer base and revenue sources by combining and utilizing the strengths of various Krungsri subsidiaries to increase sales channels and business opportunities included issuing Krungsri Credit Cards to Krungsri Auto selected dealers; installing Krungsri EDC machines at Krungsri First Choice dealers; providing SME supplier financing to Krungsri First Choice dealers; and,

Krungsri First Choice X-press – a mobile van unit launched to deliver on-site cash and loans to customers in densely populated urban areas and commercial zones. Customers can receive loan approval within 30 minutes of application.

- **Key merchant discount benefit** – a joining of forces among Krungsri Consumer credit cards that targets four market segments: restaurant chains and popular dining venues, leading hospitals, airlines and travel agencies, and supermarkets. Customer promotion programs provided attractive benefits, while the scheme delivered brand visibility and strengthened our preferred credit card status with consumers.

- **Krungsri M-Easy** – a mobile app that provides customers with easy access to our services and unique offers from their mobile devices. Services include account details, cash advances, promotions and loyalty point redemption.

We are the leading innovator in the market. To maintain our position, we have introduced a range of innovative products and services.

Krungsriayudhya Card Co., Ltd.

Krungsri Credit Card (KCC): KCC is the flagship credit card for Krungsri Consumer, with a total of 1.7 million cards in circulation by the end of 2012. Not only was KCC the first credit card in the market to waive annual fees for life, but with the acquisition of 500,000 cards from HSBC Thailand's credit card business, we have also become the market leader by customer base and total card spending. In addition, we implemented the following service innovations in 2012:

- **iGet:** instant cash rebates or special point rebates without SMS registration
- **iPoint:** using points to redeem for cash, special discounts and merchandise
- **iShop:** access shopping and other consumer privileges by simply scanning KCC's QR code
- **iTell:** customers can easily check out the latest promotions, accumulated points, spending and other account features from their smartphone.

Product innovations and segmented marketing campaigns were key growth drivers throughout the year. In addition, our strategic partnerships were another source of success in terms of driving consumer spending and building customer satisfaction. We now have both lifestyle and store co-branded credit cards to tap diverse market segments such as department stores, airlines and hospitals. We also redesigned Krungsri Exclusive Visa Platinum and Krungsri Visa Platinum while combining Krungsri Gold and Classic into one card with more privileges to communicate simplicity while appealing to the tech-savvy generation.

Beyond KCC, we also offer two other credit cards:

HomePro Visa Card: HomePro is the largest DIY retailer in Thailand, with 53 branches nationwide and THB 32 billion in sales per year. We launched HomePro Visa Private Label Credit Card, which was rebranded as HomePro Visa Credit Card in 2005. Its total billing volume was more than THB 11.9 billion from 200,000 cards in 2012.

Krungsri Business Prestige Master Card: This card is offered to companies to facilitate efficient incidental business-related spending by managing items such as air tickets, hotels and meals.

KCC is also actively promoting a merchandise installment financing plan featuring 0% interest to qualified customers. **Krungsri Smart Plan** can be used at more than 7,000 partners nationwide with normal or 0% interest. Partner coverage includes consumer goods, electrical, IT, mobile phones, home improvement, beauty clinics and luxury merchandise.

Market-leading innovations: Krungsri Buddy is an innovative, market-leading mobile app offering navigation assistance via GPS to our preferred merchants and account maintenance capabilities for our subscribing customers, which allows cardholders to manage their own account information, check balances and transactions, redeem loyalty points and get cash. In 2012, Krungsri Buddy was available for smartphones on the Apple, Android, RIM and Symbian-based platforms. The KCC website and other social media, such as Facebook, are major marketing channels, with the number of users accessing these channels rising sharply every year. The number of visitors to these various portals, based on IP addresses, increased significantly to 100,000 fans, making us the leading fan page in the local credit card business.

In early 2012, we launched a co-branded **Manchester United Champions Credit Card**. The card directly targets 6 million members of the Manchester United Fan Club in Thailand as the only credit card bringing fans closer to Old Trafford. Benefits include special discounts from key partners such as Manchester United Megastore and Manchester United Restaurants and Bar. Special privileges include discounts, bonus points, brand experiences and hospitality privileges, especially in the sport and travel categories.

Source of funds: The Bank

General Card Services Ltd.

Central Credit Card: Krungsri has partnered with Central, Thailand's largest department store chain, to issue an exclusive credit card plus personal loan service under the Central brand name, with Central customers as the primary target. General Card Services

Krungsri Exclusive Visa Platinum Credit Card

Krungsri Visa Platinum Credit Card

Krungsri Visa Credit Card

was the first credit card provider in Thailand to create special branded shopping experiences for cardholders by organizing events specially catered to them, including Central Card Day, Preview Day, Midnight Sale and Private Sales. The card offers a tie-in discount of 5–10% on normal items purchased at all Central Department Stores and Central Retail Company throughout the year. Moreover, special campaigns offering aggressive discounts as well as in-store and out-of-store benefits are given to Central Credit Card customers in the form of cash rebates and cash coupons at Tops Supermarket and petrol stations throughout the year, and up to 15% cash rebates. These special promotions and campaigns help achieve continued customer loyalty and product appeal.

Central Exclusive Cash: Formerly Central Personal Loan, Central Exclusive Cash was well received by customers as it introduced the first personal loan in the market to offer ATM facilities. This feature gives customers greater flexibility and convenience in getting cash via Krungsri ATMs throughout Thailand. Central Exclusive Cash also offers other attractive features such as 0% interest for three months.

The company also offers two other types of products:

Simple Visa Card: Previously Robinson Visa Card, this card was later on re-branded as Simple Visa Card due to the expiration of the Robinson Merchant Service Agreement. The card continues to offer attractive promotions and campaigns, discounts and privileges for cardholders at all major department stores in Thailand including Robinson, Central, The Mall, Emporium and Siam Paragon. The card is currently positioned as the best shopping card in Thailand. Other benefits include cash-back offers in key everyday spending categories including gasoline and supermarkets.

Power Buy Card: Krungsri has partnered with Power Buy, Thailand's major electrical appliance distributor, with 88 branches nationwide, to issue a Power Buy Sales Finance Card with merchandise installment financing features. The card can only be used in Power Buy stores. Similar to other sales finance features, cardholders can enjoy in-store promotions with special interest rates, including an option of 0% interest with longer-term repayments. The minimum income requirement for the Power Buy card is lower than that required for most normal credit cards. The Power Buy card also provides personal loans with installments of up to 36 months, reaching consumers via multiple channels such as Power Buy One Call and Power Buy servicing counters nationwide.

Market-leading innovations: As the leader in retail cards in the country, we have continued developing key innovations with simplicity and ease of use to best serve our cardholders and prospects as follows:

Dual application: Combines applications for Central Exclusive Cash and Central Credit Card into one, effectively reducing approval turn-around time and maximizing customers' convenience. Customers need only fill out the application once and submit a single set of supporting documents.

3-D Secure OTP: A new service providing cardholders with a one-time password (OTP) sent directly to the cardholder's mobile phone for maximum security against fraud on all internet e-commerce transactions.

Secured card: An alternative but convenient way for customers to apply for the Central and/or Simple VISA Credit Card. Applicants can present their Krungsri Savings Account as collateral to set the credit limit on their card. This option is suitable for certain customer segments such as housewives who regularly shop at Central Department Stores.

Source of funds: The Bank

Ayudhya Card Services Co., Ltd.

AIA Visa Card: This card came by way of acquisition from AIG Card (Thailand) in 2009. In September 2011, the group re-launched the new card design under the "Live Wellthy" (combining 'wellness' and 'healthy') concept, offering a value proposition in line with the trend for a more holistic and health-focused approach to life. Cardholders enjoy special benefits such as cash rebates of 0.5% on AIA insurance premiums, making this the only credit card offering cash back on AIA life insurance premium payments, with a grace period of up to 75 days. Other health-related benefits include special discounts at leading hospitals, such as 20% discount on medical check-ups from Bangkok Dusit Medical Services and extra reward points on health-related spending covering spa treatments and medication.

In addition to these health-related privileges, cardholders also enjoy lifestyle benefits including discounts of up to 2% at Bangchak petrol stations, 0% merchandise installment plans at leading department stores and no joining or annual fee. Key card features include a 1% cash rebate at hypermarkets and 3x reward points for overseas spending.

Source of funds: The Bank

Ayudhya Capital Services Co., Ltd.

The company has continued to maintain a high market share of 20% in the areas of sales finance (merchandise installment financing) and personal loans. The sales finance business was launched in 1994 by GE Capital under the **First Choice** brand. Initially, the **First Choice Card** was to provide retail installment financing, focusing on electrical appliances.

Product coverage was later expanded to include more

categories such as IT, mobile phones, home improvement, education, car accessories and beauty products. Personal loans were added later to make the First Choice Card a 2-in-1 card. After cementing its affiliation with the Bank of Ayudhya in early 2010, First Choice was re-branded as Krungsri First Choice.

The **Krungsri First Choice Card** continued as a 2-in-1 card providing sales financing with terms of up to 48 months and personal loans with revolving features as well as installment loans with terms of up to 48 months. The card requires lower income criteria than most other credit cards. Krungsri First Choice is now offered through 26 branches, with more than 470 service counters located in key partner areas nationwide.

The card's key strength comes in the area of partnership management. To date, more than 10,000 major merchandise distributors across the country have elected to accept the card and participate in special promotion programs. In addition, we have enjoyed a solid, long-time relationship with key leading OEM manufacturers including Samsung, Sony, Acer, HP, Dell, Lenovo, Panasonic, Toshiba, Philips, Hitachi, Blackberry, HTC, Michelin, and Bridgestone, working with them on co-promotions aimed at cardholders. There are 200–300 active campaigns each month. Krungsri First Choice offers 0% interest with installment terms of up to 48 months to ensure broader coverage of an array of product categories.

In addition, as part of the One Krungsri strategy, the Bank is jointly working with Krungsri First Choice to provide credit facilities to merchandise distributors for purchasing goods from OEM manufacturers as a supply chain solution. This enables Krungsri to provide financial solutions to support our partners' supply chain

Our strong family of subsidiaries allows us to deliver market-leading products and services across the spectrum.

management from OEMs and merchant distributors to the end users.

Krungsri First Choice Visa Card: The card was launched in 2008 to meet the demand for credit card features to be combined with sales finance and personal loan installment programs with longer repayment periods. The card targeted customers who meet credit card criteria but require more liquidity through longer-term payments. The card is accepted across the Visa network for normal credit card spending and is accepted by more than 10,000 partners across the country for sales finance with normal or 0% interest.

Krungsri Debit First Choice Card: Launched in mid-2011, this card was inspired by the corporate vision to "Make Life Simple", entering the market as the first 4-in-1 card. It features ATM and debit card services from Krungsri plus sales finance and personal loan services from Krungsri First Choice. The card can be used to withdraw cash from all ATMs, while the debit card spending feature uses the Visa network. For sales finance, the card is accepted by more than 10,000 partners, with installment financing terms of up to 48 months. Cardholders also enjoy personal loan facilities with revolving features as well as a repayment period of up to 36 months. Customer qualification requirements are the same as with the Krungsri First Choice Card (2-in-1). Krungsri Debit First Choice is offered through all Krungsri branches.

In addition to sales finance, Krungsri First Choice offers personal loans, which is the group's major contributor. One of the key growth drivers was the ability to easily access cash via multiple channels, including Hello Cash (via IVR), Krungsri First Choice branches and service counters (via EDC) and all ATMs.

Market-leading innovations: Krungsri First Choice tapped a new business category and new dealers in order to boost the growth of sales in smartphones, gold and beauty products.

Krungsri M-Easy: A Krungsri First Choice mobile app that allows customers easy access to their account details, request cash advances, register for promotions and redeem loyalty points through their mobile phones.

Electronic Receipt Management (ERM): A system from Krungsri First Choice that helps merchants to store a customer's digital signature and sales information instead of using hard copy documents in sales transactions.

Source of funds: The Bank

Total Services Solutions, PCL.

Type of service: Provides collection services up to and including the litigation process. Its core business is providing collection services for unsecured products, including personal loans, credit cards and sales finance.
The company's customers are mainly the Bank's subsidiaries, namely Ayudhya Capital Services Co., Ltd., General Card Services Ltd., Krungsriayudhya Card Co., Ltd., Tesco Card Services Ltd., Ayudhya Card Services Co., Ltd and the Bank itself.

The company has considerable expertise in efficient collection and litigation for unsecured products. It uses advanced auto dialer technology to reach customers effectively and efficiently. All processes are designed with customers in mind and follow Bank of Thailand regulations. Total Services Solutions is rated among the top collection service firms for delivering high collection efficiency with strict compliance controls. The company continually tests and implements new strategies and delivers strong results even during tough economic times.

Source of funds: The Bank

Krungsri General Insurance Broker Ltd.

Type of service: Established as a non-life insurance broker on May 29, 2007 with registered capital of THB 2 million. The company changed its name from Quality General Insurance Broker to Krungsri General Insurance Broker on November 22, 2011.

The company introduced personal accident insurance and auto insurance to General Card Services Ltd., Krungsriayudhya Card Co., Ltd., and Ayudhya Capital Services Co., Ltd. customers. Since 2009, it has grown on the back of its customer segmentation and cross-selling initiatives while seeking to attract new customers by increasing its product range. It continues to introduce customers to a wide range of non-life products, such as hospital income plans, personal accident and other selected general insurance products.

Source of funds: Ayudhya Capital Services Co., Ltd.

Krungsri Life Assurance Broker Ltd.

Type of service: Established as a life insurance broker on June 4, 2007 with registered capital of THB 2 million. The company changed its name from Quality Life Assurance Broker to Krungsri Life Assurance Broker in order to align itself with the Krungsri Group on November 22, 2011.

The company's main business is to introduce life, personal accident, health and payment protection insurance to customers of General Card Services Ltd., Krungsriayudhya Card Co., Ltd., and Ayudhya Capital Services Co. Ltd. customers.

The life insurance market continued to grow as a result of a broader product range, new insurance partners, customer segmentation and cross-selling. The company continues to introduce its customers to a range of endowments and term life products from selected life insurance partners. The company focuses on customer analytics to determine the characteristics of each customer segment so that it introduces appropriate products to serve their needs.

Source of funds: The Company's shareholders (Ayudhya Capital Services Co., Ltd.)

Tesco Card Services Ltd.

This business is a joint venture between Krungsri Group and Tesco Lotus, the largest hypermarket store chain in Thailand. It was established in 2001 to operate the Tesco Lotus Credit Card program. The business started with the Tesco Lotus Private Label Credit Card and later converted to Tesco Lotus Visa Credit Card. It further evolved to include Tesco Lotus Premier Card (merchandise installment financing and personal loan) and Tesco Insurance Broker Services. The company has continued to expand and improve its distribution through Tesco Lotus stores, with the number of in-store branches increasing from 135 to 145 during 2012. A renovation program to give branches a facelift is ongoing, with all refreshed outlets offering additional services.

Market-leading innovation: One of the card's outstanding features was the integration of the Tesco Lotus Clubcard loyalty scheme into its credit card, with points collected on card transactions both inside and outside Tesco Lotus stores. The points were converted to Tesco Lotus Store coupons and delivered to the cardholders.

This feature provides customers with the fastest way of collecting Clubcard points and saving money on their weekly shopping at Tesco Lotus. Apart from the core value proposition, including up to 3.5% cash back at Tesco Lotus, up to 3.0% cash back from Esso and 0.5% cash back on spending anywhere else, many features were added to the card during 2012 such as being able to extend payment over the phone and requesting personal loans via the mobile app. These benefits received a strong positive response from cardholders.

Source of funds: The Company's shareholders (Ayudhya Capital Services Co., Ltd.)

Tesco General Insurance Broker Ltd.

Tesco General Insurance Broker introduces non-life insurance products and services to cardholders of Tesco Card Services Ltd., and to general customers of Tesco Lotus stores. The company's reputation is as a

price leader of the auto insurance sector due to its discount offering and variety of product providers. It has improved distribution and customer service through the launch of call centers for auto insurance customers. In addition, the company introduced insurance quotes on its website to streamline and simplify customers' auto insurance inquiries. The website provides an end-to-end sales process with real-time price quotations, secure online payment and the ability to print policy documents. Recently, the company added motorcycle CTP insurance and flood cover to its auto and home insurance portfolio.

Source of funds: The Company's shareholders (Tesco Card Services Ltd.)

Tesco Life Assurance Broker Ltd.

Tesco Life Assurance Broker provides life insurance products and services to cardholders of Tesco Card Services Ltd. and to customers of Tesco Lotus stores. The company has partnered with a life insurance company to offer the products to the shoppers of Tesco Lotus stores.

Source of funds: The Company's shareholders (Tesco Card Services Ltd.)

KRUNGSRI MICROFINANCE
(CFG Services Co., Ltd.)

Type of service: Provides sale and lease-back via hire purchase and secured loan contracts to customers who already hold titles to cars and other vehicles. The company entered the consumer financing field in 2007 by acquiring a stake in a local Thai company that had been operating since 1980. Krungsri Group subsequently acquired a controlling stake (99.99%) in the company in September 2009. Currently, Krungsri Microfinance is a leader in secured lending, with rural Thai customers its primary target. It has grown rapidly in over the past few years thanks to its underwriting expertise and nurturing in-depth community relationships.

"Our business model is unique. We offer reliable and transparent financial services to mass and lower mass segments, beyond the reach of other banks. CFG enables Krungsri to reach the full spectrum of Thai consumers."

Mr. Tanyapong Thamavaranakupt

Managing Director
CFG Services Co., Ltd.

Market and competition: The company operates the well-known **Srisawad Ngern Tid Lor** brand, competing head-to-head with family-run, local and regional finance companies, but with the aim of consolidating this fragmented market. Krungsri Microfinance distinguishes itself by pursuing fair and transparent lending practices and adhering to international standards, which the management team believes will create long-term value for Thai consumers. Srisawad Ngern Tid Lor is well known for its ability to provide cash loans to motorcycle owners in only 30 minutes.

Key achievements: In 2012, Krungsri Microfinance successfully increased its outstanding receivables by over 50%, rising to more than THB 6 billion. It also delivered another year of record profits. The key drivers of growth were the **Ngern Sip Lor** truck-for-cash product, expansion of the Krungsri referral channel, and continued branch expansion. Forty more branches were opened in 2012, increasing CFG's network to 240 branches nationwide, with the Srisawad Ngern Tid Lor brand now represented in 74 provinces. Throughout the year, CFG continued to increase brand awareness and reputation, with its most recent national ad campaign promoting the company as a hassle-free, transparent and trustworthy alternative to borrowing from informal lenders. In parallel with its impressive growth, the company continued to improve its portfolio quality by further reducing its 90-days past-due delinquency levels by 50%.

Reinventing the market segment: As a market leader, Krungsri Microfinance continues to set the pace for Thailand's title loan market. The company's most recent success in pioneering a new loan category is in the truck refinancing product. To serve these owner operators, the company introduced Ngern Sip Lor, which led to in a 120% growth in its truck portfolio. The company is now widely recognized as a leader in truck refinancing.

Lending with a social mission: With a goal to promote financial inclusion and provide an alternative to informal moneylending, the company has developed a model that provides low-income self-employed traders access to formal, unsecured loans. Over 1,400 micro entrepreneurs have benefited from this program. In order to ensure sustained improvement in the welfare of its customers, Krungsri Microfinance has also developed a financial literacy program to help educate micro entrepreneurs on a variety of financial management topics.

Source of funds: The Bank

KRUNGSRI SECURITIES
(Krungsri Securities PCL)

Type of service: Offers brokerage services of listed securities:

Securities and derivative products brokerage: The company serves as a securities and derivative products broker, trading equity and derivative instruments for general investors and institutional investors, both domestic and overseas. It is member No. 29 of the Stock Exchange of Thailand. In addition, it provides securities research and analysis for customers to support their investment decisions.

Investment banking: Krungsri Securities provides financial advisory and underwriting services covering all aspects of finance, including fundraising (both capital and loans), financial reorganization, debt restructuring, mergers and acquisitions, feasibility studies, estimation of business value and transactions in accordance with the regulations of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.

Personal fund management: Personal fund management is provided to customers, with each customer assigned a fund manager responsible for fund planning and management to meet the customer's investment objectives and needs.

Mutual fund selling agent services: The company acts as agent for most of the mutual fund companies in Thailand by selling their companies' products to interested investors.

Investment: The company invests in debt and equity instrument securities along two investment lines: proprietary short-term investments and mid- to long-term investments.

Market and competition: This year, the market capitalization of the Stock Exchange of Thailand and the Market for Alternative Investment (MAI) totaled THB 7.9 trillion, a 5% rise from 2011. Average daily turnover of THB 32.3 billion (including proprietary trading) was a slight increase from THB 29.4 billion in 2011. The company ended the year with a market share of 1.72%, ranked 22 among 38 securities brokers, compared to a market share of 2.4%, and rank of 21 in 2011. This was a challenging year for brokers due to increasing competition from the full liberalization of brokerage commission fees, which has seen the effective commission income coming down gradually. The investment environment has been greatly affected by the European debt crisis and the global economic slowdown. This year, total revenue reached THB 503.3 million, a slight increase of 0.69% year on year, with net profit of THB 45.6 million, an annual decline of 21.5%.

Key developments in 2012 and strategies going forward: Krungsri Securities joined the **Banker to Broker Project** with the Stock Exchange of Thailand and Krungsri Bank. The project's objective was to expand the client base in the securities and derivatives market by incentivizing Bank staff to refer clients to Krungsri Securities with referral account rewards. The project ran from March 1, 2012–October 31, 2012.
Krungsri Bank, Krungsri Securities and the Stock Exchange of Thailand collaborated to develop

Single Sign-on as a way for Krungsri Securities' clients to access the SETtrade trading system via Krungsri Online. The service was launched in March 2012.

Krungsri Securities cooperated with the Stock Exchange of Thailand and independent software vendors to develop a new trading system, SET CONNECT, with the aim to increase trading efficiency. The company submitted its Securities Borrowing and Lending Business plan to the SEC in December 2012 and expects its license to be approved in early 2013.

Source of funds: The Bank

KRUNGSRI ASSET MANAGEMENT

(Krungsri Asset Management Co., Ltd.)

Krungsri Asset Management Co., Ltd. (KSAM) is one of the leading asset management companies in Thailand. We offer a full range of investment products across all major asset classes including equities, fixed income, commodities and real estate in a form of mutual funds, private funds and provident funds. Our fund products are designed to serve retail clients, high net-worth individuals, and institutional and corporate investors.

Our teams of experienced fund managers are committed to following prudent investment procedures and efficient execution platforms to assure that our funds generate satisfactory returns in relation to their given risk levels, under different market environments.

Key initiatives and achievements:

- **Simple access via Krungsri branch networks/selling agents:** Krungsri branch networks play an important role in our distribution strategy. Our investors can access fund information and execute transactions via Krungsri's 601 branches and more than 4,000 ATMs. Apart from this, we continue to strengthen our distribution capabilities through 35 appointed selling agents.

Alternative channels with simplicity: Investors can also conveniently access our funds via our online channel, @ccess, and our Phone Sales System (Tel: 02-657-5757).

Customers are at the center of everything we do. The Phone Sales service was developed to meet the requirements of customers who may not be familiar with or are unable to access the internet, as well as those who prefer to execute transactions with guidance from our marketing staff. The system is convenient for customers as transactions can be completed at their fingertips within a few minutes. An average of 20,000–30,000 transactions per month are conducted via our online service and Phone Sales System.

- **Achievements and fund performance:** Thanks to the strong support from Krungsri and our expertise in asset management, our assets under management as of December 28, 2012 were THB 152.85 billion, up 47.05% year-on-year, while the industry grew by just 28.86% over the same period. Revenue rose by 29.40%, largely from net inflows into fixed-income closed-end funds throughout the year and with surging net inflows from LTF and RMF funds in the final quarter of 2012. In addition, one of our highlights was the success of the Krungsri Equity Target 8% Fund, which delivered its return target of 8% within just three months.

New products and services:

- **Simplified foreign investment funds (FIF):** We continued to broaden our products to provide customers with a full spectrum of diversification investment options to suit their investment style, risk appetite and return objectives by co-developing new products with a number of respectable global asset management companies.

We also design our funds so they are simple-to-understand and accessible for all types of customers.

Our FIFs are Krungsri US Equity Fund (investing in equity of companies listed in the US via Allianz US Equity Fund), Krungsri Gold Hedged Fund (investing in SPDR Gold Trust), Krungsri Equity Linked Complex Return Funds (which earns returns from price movements in gold) and Krungsri Emerging Markets Equity Fund (investing in equity in emerging markets).

- **Ready-made portfolios of Krungsri Life Stage Funds:** To support the Wealth Management by Life Stages concept introduced across Krungsri branches, we launched Krungsri Life Stage Plus Funds to offer a different series of customized portfolios by taking investor age and life stages into consideration. Customers can seek advice from Krungsri branches, where they can also view appropriate products that match their particular stage of life. The product also provides a trigger for making investments according to an asset allocation perspective. In the fund series, investors can choose either 20+, 30+, or 55+, while the funds offer rebalancing techniques to assist investors to maintain such investment proportions

- **Knowledge forums and seminars:** We continue to contribute to the asset management industry's development by providing continuous investment education programs for a broad spectrum of investors. As investors realize the importance of financial planning, the industry will benefit from this sustainable long-term growth.

Initiated in 2008, we hosted numerous investments forums and seminars at our convenient Access PL@CE venue. Our key activities attracted more than 10,000 customers, potential customers and business partners each year. Our activities include:

- **100 Million Club:** Investors attend an intensive course designed by KSAM before developing their own financial plans with advice from our key financial planners. All courses open during the year are fully booked and there is increasing demand from investors of different ages and backgrounds who also want to attend this workshop. After completing the workshop, participants will have drawn up their own financial plans and gained practical knowledge on how to manage their finances.

  Financial seminars: Topics include economic outlooks, investment trends, investment tips and techniques, and other current issues of interest to customers and business partners.

- **Fund launch:** Events to introduce our new funds, through which investors can meet our fund managers before investing in new funds. These marketing activities play an important role in boosting sales volume during a fund's IPO.

Lastly, our competitive strength lies in the expertise, capability and commitment of our employees to meet client needs and deliver successful results for the company. We value our people and commit to continuous investment in our workforce through extensive internal and external training programs. In 2012, we supported our staff to take Certified Financial Planner courses to prepare them to become qualified financial planners who can offer advice and tailor financial plans suitable for individual clients.

Source of Funds: The Company's fund

KRUNGSRI SERVICES (Siam Realty and Service Co., Ltd.)

Type of service: Provides human resource services and vehicle rental to the Bank and its affiliates. Krungsri Services operates in two key business areas: Provides drivers, maids, messengers, security personnel and other essential staff to the Bank and its affiliates. Provides rental cars to the Bank and its affiliates within the scope specified by the Bank of Thailand.

Market and competition: The company has no competitor in the market because it only provides support to the Bank, which is also its single shareholder. This year, the company expanded its car rental service to include the Bank's affiliates.

Source of funds: The Bank

METRO DESIGNEE CO., LTD.

Type of service: Established on March 4, 2009 with registered capital of THB 100,000, the company operates under an agreement between the Bank and other syndicated banks that are lenders of Bangkok Metro PCL. The company takes up all rights pursuant to the concession agreement between the Mass Rapid Transit Authority of Thailand and Bangkok Metro in the event of a breach of that agreement or a breach of its obligations under the loan agreement with its creditors. The company has not commenced operations.

Source of Funds: The company's shareholders

UNDER LIQUIDATION

Ayudhya Total Solutions PCL

The company registered with the Ministry of Commerce to liquidate on June 29, 2012 and is currently in the liquidation process.

Krungsri Asset Management continues to contribute to the asset management industry's development by providing continuous investment education programs.

SUBSIDIARIES AND ASSOCIATED COMPANIES

	Name and address	Business type	Issued shares: Share type	Issued shares: No. of shares	Ownership (%)
1.	Krungsri Ayudhya AMC Ltd.	Asset management	Ordinary	600,000,000	99.99
2.	Krungsri Factoring Co., Ltd.	Factoring	Ordinary	30,000,000	99.99
3.	Ayudhya Capital Auto Lease PCL.	Finance (Auto financing)	Ordinary	104,500,000	99.99
4.	Ayudhya Development Leasing Co., Ltd.	Finance (Leasing & hire-purchase)	Ordinary	70,500,000	99.99
5.	Ayudhya Card Services Co., Ltd.	Finance (Credit card & personal loan)	Ordinary	7,200,000	99.99
6.	CFG Services Co., Ltd.	Finance (Auto financing)	Ordinary Preferred	4,919,061 222,000	99.99
7.	Ayudhya Capital Services Co., Ltd.	Finance (Credit card & personal loan)	Ordinary	2,750,000	99.99
8.	General Card Services Limited	Finance (Credit card & personal loan)	Ordinary	75,800,000	99.99
9.	Krungsriayudhya Card Co., Ltd.	Finance (Credit card & personal loan)	Ordinary	110,000,000	99.99
10.	Siam Realty and Services Co., Ltd.	Service	Ordinary	1,000,000	99.99
11.	Total Services Solutions PCL.	Service (Collection)	Ordinary	132,600,002	99.99
12.	Krungsri Life Assurance Broker Limited	Finance (Life insurance broker)	Ordinary	20,000	99.99
13.	Krungsri General Insurance Broker Limited	Finance (Non-life insurance broker)	Ordinary	20,000	99.99
14.	Krungsri Securities PCL.	Securities	Ordinary	60,000,000	98.71
15.	Krungsri Asset Management Co., Ltd.	Asset management	Ordinary	3,500,000	76.59
16.	Tesco Card Services Limited	Finance (Credit card & personal loan)	Ordinary	7,800,000	50.00
17.	Tesco Life Assurance Broker Limited	Finance (Life insurance broker)	Ordinary	20,000	50.00
18.	Tesco General Insurance Broker Limited	Finance (Non-life insurance broker)	Ordinary	770,000	50.00
19.	Metro Designee Co., Ltd.	Service*	Ordinary	1,000	21.90

Remarks:

* Established by an agreement between Krungsri and other syndication lenders of Bangkok Metro Plc. ("BMCL"). The purpose of the establishment is for the company to take up all rights pursuant to the concession agreement between Mass Rapid Transit Authority of Thailand ("MRTA") and BMCL in case BMCL is in breach of such agreement or BMCL is in breach of its obligations under the loan agreement with its creditors.

COMPANIES UNDER DISSOLUTION AND LIQUIDATION PROCESS

	Name and address	Business type	Issued shares: Share type	Issued shares: No. of shares	Ownership (%)
1.	Ayudhya Total Solutions PCL.	Finance (Auto financing)	Ordinary	119,699,977	99.81
2.	Siam Bangkok Port Limited	Cargo loading warehouse	Ordinary	6,000,000	10.00

COMPANIES IN WHICH THE BANK HOLDS SHARES OF 10% BUT LESS THAN 20% OF PAID-UP CAPITAL

	Name and address	Business type	Issued shares: Share type	Issued shares: No. of shares	Ownership (%)
1.	Sri Ayudhya Capital PCL.	Holding	Ordinary (listed)	250,000,000	10.92
2.	P.P. Parawood Co., Ltd.	Furniture manufacturer	Ordinary	95,000	10.00
3.	Asian Trade and Leasing Co., Ltd.	Leasing & hire purchase	Ordinary	1,500,000	10.00

COMPANIES ACQUIRED THROUGH DEBT RESTRUCTURING PROCESS

	Name and address	Business type	Issued shares: Share type	Issued shares: No. of shares	Ownership (%)
1.	Lenso Phonecard Co., Ltd.	International line public phone card	Ordinary (listed)	62,423,190	10.00
2.	UMC Metals Limited	Manufacturing and trading (steel rod)	Ordinary Preferred	95,000,000 50,000,000	10.00

INCOME STRUCTURE OF THE BANK, SUBSIDIARIES AND ASSOCIATED COMPANIES

For 2012 operating performance, the Bank and its subsidiaries had interest income and non-interest income at a ratio of 72.16% and 27.84%, respectively. Interest on loans constituted the largest proportion, representing 47.52% of total income. Details are as follows:

	2012		2011		2010	
Income structure	**THB mn.**	**%**	**THB mn.**	**%**	**THB mn.**	**%**
Interest on loans	42,563	47.52	36,356	47.02	31,391	46.86
Interest on interbank and money market items	2,481	2.77	3,095	4.00	1,145	1.71
Hire purchase and financial lease income	16,895	18.86	14,952	19.34	13,049	19.48
Investments and trading transactions	206	0.23	79	0.10	90	0.13
Investments in debts securities	2,495	2.78	1,946	2.52	1,600	2.39
Total interest income	**64,640**	**72.16**	**56,428**	**72.98**	**47,275**	**70.57**
Fees and service income	16,434	18.35	13,838	17.90	12,898	19.25
Gain on tradings and FX transactions	1,542	1.72	1,278	1.65	1,459	2.18
Gain on investments	800	0.89	820	1.06	251	0.37
Share of profit from investment using equity method	177	0.20	32	0.04	144	0.21
Dividend income	504	0.56	441	0.57	394	0.59
Bad debt recoveries	3,178	3.55	2,215	2.87	1,826	2.73
Other income	2,299	2.57	2,266	2.93	2,745	4.10
Total non-interest income	**24,934**	**27.84**	**20,890**	**27.02**	**19,717**	**29.43**
Total income	**89,574**	**100.00**	**77,318**	**100.00**	**66,992**	**100.00**

		2012		2011		2010	
	Income structure	**THB mn.**	**%**	**THB mn.**	**%**	**THB mn.**	**%**
1.	**Bank of Ayudhya Plc.**[1/]						
	Total interest income	43,483	77.72	37,399	73.31	29,043	69.26
	Total non-interest income	12,466	22.28	13,614	26.69	12,888	30.74
	Total	55,949	100.00	51,013	100.00	41,931	100.00
2.	**Krungsri Ayudhya AMC Ltd.**						
	Total interest income	209	16.15	304	20.60	401	25.16
	Total non-interest income	1,085	83.85	1,172	79.40	1,193	74.84
	Total	1,294	100.00	1,476	100.00	1,594	100.00
3.	**Ayudhya Development Leasing Co., Ltd.**						
	Total interest income	964	83.25	731	81.04	544	91.12
	Total non-interest income	194	16.75	171	18.96	53	8.88
	Total	1,158	100.00	902	100.00	597	100.00
4.	**Krungsri Factoring Co., Ltd.** [2/]						
	Total interest income	212	82.81	293	82.30	138	78.86
	Total non-interest income	44	17.19	63	17.70	37	21.14
	Total	256	100.00	356	100.00	175	100.00
5.	**Ayudhya Capital Auto Lease Plc.**						
	Total interest income	14,682	79.08	12,803	79.63	10,873	78.43
	Total non-interest income	3,885	20.92	3,276	20.37	2,990	21.57
	Total	18,567	100.00	16,079	100.00	13,863	100.00
6.	**Ayudhya Card Services Co., Ltd.**						
	Total interest income	494	56.20	501	57.85	670	61.81
	Total non-interest income	385	43.80	365	42.15	414	38.19
	Total	879	100.00	866	100.00	1,084	100.00
7.	**Ayudhya Capital Services Co., Ltd.**						
	Total interest income	5,728	64.40	4,935	63.07	4,689	56.59
	Total non-interest income	3,166	35.60	2,890	36.93	3,597	43.41
	Total	8,894	100.00	7,825	100.00	8,286	100.00
8.	**General Card Service Ltd.**						
	Total interest income	1,948	58.96	1,822	59.56	1,815	59.57
	Total non-interest income	1,356	41.04	1,237	40.44	1,232	40.43
	Total	3,304	100.00	3,059	100.00	3,047	100.00

	Income structure	2012 THB mn.	2012 %	2011 THB mn.	2011 %	2010 THB mn.	2010 %
9.	**Krungsriayudhya Card Co., Ltd.**						
	Total interest income	2,927	51.83	2,039	54.27	2,038	55.29
	Total non-interest income	2,720	48.17	1,718	45.73	1,648	44.71
	Total	5,647	100.00	3,757	100.00	3,686	100.00
10.	**Krungsri Securities Plc.**						
	Total interest income	44	8.75	39	7.80	21	4.29
	Total non-interest income	459	91.25	461	92.20	469	95.71
	Total	503	100.00	500	100.00	490	100.00
11.	**Siam Realty and Service Co., Ltd.**						
	Total interest income	-	-	-	-	-	-
	Total non-interest income	527	100.00	543	100.00	552	100.00
	Total	527	100.00	543	100.00	552	100.00
12.	**Krungsri Asset Management Co., Ltd.**						
	Total interest income	11	1.21	7	1.00	2	0.39
	Total non-interest income	895	98.79	693	99.00	516	99.61
	Total	906	100.00	700	100.00	518	100.00
13.	**Total Service Solutions Plc.**						
	Total interest income	11	1.07	25	2.46	16	1.58
	Total non-interest income	1,021	98.93	990	97.54	998	98.42
	Total	1,032	100.00	1,015	100.00	1,014	100.00
14.	**CFG Services Co., Ltd.**						
	Total interest income	1,402	77.89	1,027	79.49	650	77.75
	Total non-interest income	398	22.11	265	20.51	186	22.25
	Total	1,800	100.00	1,292	100.00	836	100.00
15.	**Krungsri General Insurance Broker Co., Ltd.**						
	Total interest income	1	0.29	-	-	-	-
	Total non-interest income	338	99.71	241	100.00	164	100.00
	Total	339	100.00	241	100.00	164	100.00
16.	**Krungsri Life Assurance Broker Co., Ltd.**						
	Total interest income	1	0.31	-	-	-	-
	Total non-interest income	319	99.69	270	100.00	238	100.00
	Total	320	100.00	270	100.00	238	100.00

	Income structure	2012 THB mn.	2012 %	2011 THB mn.	2011 %	2010 THB mn.	2010 %
17.	**Tesco Card Service Ltd.**						
	Total interest income	1,582	56.12	1,192	56.84	1,135	58.21
	Total non-interest income	1,237	43.88	905	43.16	815	41.79
	Total	2,819	100.00	2,097	100.00	1,950	100.00
18.	**Tesco General Insurance Broker Ltd.**[3/]						
	Total interest income	3	1.19	2	1.04	1	0.42
	Total non-interest income	250	98.81	190	98.96	141	99.58
	Total	253	100.00	192	100.00	142	100.00
19.	**Tesco Life Assurance Broker Ltd.**[3/]						
	Total interest income	-	-	-	-	-	-
	Total non-interest income	30	100.00	15	100.00	15	100.00
	Total	30	100.00	15	100.00	15	100.00
20.	**Metro Designee Co.,Ltd.**[4/]						
	Total interest income	-	-	-	-	-	-
	Total non-interest income	-	-	-	-	-	-
	Total	-	-	-	-	-	-

COMPANIES UNDER DISSOLUTION AND LIQUIDATION PROCESS

	Income structure	2012 THB mn.	2012 %	2011 THB mn.	2011 %	2010 THB mn.	2010 %
1.	**Ayudhya Total Solutions Plc.**						
	Total interest income	72	58.54	236	71.95	528	81.48
	Total non-interest income	51	41.46	92	28.05	120	18.52
	Total	123	100.00	328	100.00	648	100.00

Remarks:

Year 2012 data is unaudited.

1/ Statement of comprehensive income of Bank of Ayudhya Public Company Limited

2/ Krungsri Factoring Company Limited has registered to change the Company name from formerly Ayudhya Factoring Company Limited

3/ Subsidiary of Tesco Card Services Company Limited

4/ The Bank invested on December 25, 2009 and immaterial financial information

Delivering simplicity through prudent risk management.

MANAGING RISK

WELL-BALANCED RISK MANAGEMENT

Streamlined to find the optimum risk-reward balance

RISK MANAGEMENT PRINCIPLES

Risk management is an independent function within Krungsri. The Risk Management Group is responsible for driving and managing risk appetite, as approved by the Board of Directors, through policies, processes, monitoring and control, and good corporate governance principles. This streamlined strategy ensures an optimum risk-reward balance. The unit's management information system facilitates the analysis, evaluation, management and control of risk or combinations of risks. Krungsri takes an integrated approach to managing three main types of risk: credit, market and operational.

The group follows these principles:

1. Ensures that business growth is supported by requisite risk infrastructure.
2. Identifies material risk events and plans required risk responses.
3. Manages risk profiles, risk-reward decisions and business plans to ensure losses are within the approved risk appetite.
4. Envisages potential adverse situations and plans mitigating action to keep the bank safe in terms of its credit, operational, market and liquidity risk standpoint.
5. Ensures adequate monitoring of risk-taking across the business spectrum, including reports on risk exposures, concentrations and key sensitivities.
6. Optimizes the risk-reward equations to ensure long term sustainable profits

RISK MANAGEMENT STRUCTURE

The Risk Management Group has the authority to formulate risk management policies and procedures appropriate for each type of risk. These policies and procedures, are developed in accordance with our defined risk appetite and are then endorsed by the Risk Management Committee and approved by the Board of Directors. The group is also responsible for monitoring and reporting portfolio quality, highlighting key risks as well as the strategy to manage future potential risks both at a portfolio and account level to the Board of Directors and other relevant committees.

The authority and responsibilities of those involved in managing risk are as follows:

- The **Board of Directors** defines our risk appetite. It delegates approval authority for all loan applications valued less than THB 3 billion to the Credit Committee, while deals above THB 3 billion are approved by the Board of Directors. The Board of Directors also oversees the operation of the Credit Committee and Risk Management Committee.
- The **Credit Committee** is comprised of high-level executives from the Risk Management Group and related functions.
- The **Risk Management Committee**'s primary responsibilities are:
  - Approving and recommending to the Board of Directors integrated-risk management policies and procedures for Krungsri and its subsidiaries.
  - Reviewing portfolio quality for Krungsri and its subsidiaries.
  - Reviewing key market and operational risks, operational losses (such as fraud), as well as related system and human errors.
  - Ensuring Krungsri complies with all regulatory requirements with respect to risk management.
- The **Asset and Liability Management Committee** is responsible for:
  - Maintaining adequacy of funding requirements based on growth plans.
  - Managing asset-liability requirements at both tenors and interest rate levels for local and foreign currencies.
  - Ensuring adequate liquidity based on liquidity management policies, asset growth projections, liability run-off profiles and interest rate outlooks.
  - Arranging effective deployment of excess liquidity to maximize returns.
  - Approving interest rates for assets and liabilities.
- The **Collateral Valuation Committee** is responsible for:
  - Establishing and reviewing policies and procedures regarding the valuation of collateral submitted with loan applications and foreclosed assets or auctioned properties, in accordance with asset revaluation regulations.
  - Overseeing and controlling internal property appraisers to ensure they execute their jobs with integrity and accuracy in compliance with Krungsri's and Bank of Thailand's procedures.
  - Reviewing and approving the results of asset valuations undertaken by internal or independent property appraisers.

Capital management

Krungsri has conducted the Internal Capital Adequacy Assessment Process (ICAAP) in accordance with the Supervisory Review Process, or Pillar 2, of Basel II since 2010. The Risk Management Group also manages the capital adequacy process for credit, market and operational risks under Pillar 1 and the capital buffer under Pillar 2, which covers credit concentrations, interest rates in the banking book, as well as liquidity, strategic, reputational and other material risks.

Our capital management framework is designed to ensure that the capital level of the Krungsri and the Financial Business Group are in line with their approved risk levels.

The Capital Management Subcommittee monitors the capital adequacy on a regular basis to ensure current and future capital requirements are aligned with Krungsri's risk appetite. The bank has also developed capital escalation plans to ensure the pro-active management of capital.

Capital forecasting and other tools for assessing the impact of changes in the external environment on the capital base are in place. Together, they ensure that the stress testing is efficient and the impact on the Krungsri's capital base can be accurately gauged in the event of a crisis.

The function also manages the capital requirements for subsidiaries under Pillar 1 solo consolidation. Pillar 2 and ICAAP requirements were adopted by subsidiaries in 2011.

CREDIT RISK MANAGEMENT

Credit risk is the risk of financial loss to the Bank's income or capital if a customer or counterparty fails to meet contractual obligations.

Through credit-risk management, we try to ensure that credit-related losses are within Krungsri's approved risk appetite. Our policy establishes a framework of controls to ensure that risk taking is within defined parameters while ensuing that risk-reward objectives are met. Our credit risk teams continuously strive to improve the quality of the Bank's portfolio by upgrading our infrastructure, processes and risk management tools.

Credit risk management begins when we process customer credit requests and progresses through to ensuring timely repayments of obligations and where necessary, ensuring collection of past-due payments.

Credit risk control

The Credit Risk Management Unit's responsibilities are divided between two teams: commercial and consumer. These teams function as follows:

Commercial risk
Credit assessment of commercial customers is carried out on a deal-by-deal basis by a specialized underwriting team concentrating on specific industries.

Deal-structuring and credit mitigation is undertaken before exposures are granted or renewed. Customer ratings drive decisions credit line size and pricing.

A statistical-based probability of default model was implemented in 2011 and is currently running in parallel with our existing rating scale. This model is currently being validated and will be implemented in full by 2013–2014. LGD and EAD models for the commercial portfolio are in advanced stages of development and will also be implemented in 2013–2014. The commercial risk team conducts rigorous account reviews and evaluated portfolio concentrations on an ongoing basis. Account interventions where required are undertaken to ensure the optimum risk-reward equation is maintained

Consumer risk
Credit policies and underwriting criteria are developed by the Consumer Risk Management team and approved by the Risk Management Committee. Decisions and line assignments are based on application scorecards and credit bureau behavior. Where applicable, line enhancements are based on behavior scorecards. Underwriting is carried out based on approved policies and is managed by the Operations function. Past-due management is centralized and is managed by a separate unit within operations. The processes are automated. The implementation of PD / LGD/ EAD models is nearing completion and will take place within 2013 – 2014. Once online, these models will help the bank further strengthen its portfolio management capabilities as well as take a major step towards A-IRB and IFRS compliance in the future.

Country risk management

Krungsri has established credit limits for counterparties operating or residing in foreign countries in accordance with each country's unique or particular risks. This enables us to manage country and cross-border risks as well as risk concentration.

In addition, an in-depth analysis of the industry outlook, concentrations of industry and customer-type, detailed financial analysis including cash flows and debt-service ratios, is conducted for each prospective borrower.

Credit risk monitoring and review

We rigorously monitor and review customer and portfolio risks as follows:

Reserve adequacy
Loan loss provisions are calculated based on Bank of Thailand criteria. Reserves are calculated centrally by our risk analysis team. The adequacy of reserves is reviewed and approved by our Chief Risk Officer and Chief Financial Officer. Specific reserves are allocated to the portfolio as required. Reserve adequacy is stress tested on an ongoing basis to ensure that reserve coverage is sufficient at all points in time.

Annual credit risk review
We maintain a centralized credit risk review department which audits the functioning of the credit risk management units. This department is separate from our internal audit department. The credit risk review department's audit scope and plans are approved by the Risk Management Committee and the Board of Directors. They review the risk ratings, covenant compliance and compliance with credit policies.

Credit monitoring and management information system
We regularly update the Board of Directors, the relevant committees and senior management on matters pertaining to our credit quality. The monthly credit portfolio report includes information on portfolio quality, including segmentation by facility, ratings, geography, industry, aging and more.

Stress testing
The Risk Management Group conducts stress tests based on our stress test policy, which are executed on both commercial and consumer portfolios. Stress tests use past historical trends as well as future macro-economic projections to determine how they may affect the Bank's losses, and ultimately, its capital. Stress test results are reporting to the Capital Management Subcommittee, the Risk Management Committee and also the Board of Directors. We have strategies and action plans in place to prevent adverse effects. Krungsri is also investing in a stress test system that will help automate stress testing calculations and also help the Bank build a wider range of stress scenarios.

Subsidiary management
The following subsidiaries operate under consolidated Supervision: Ayudhya Capital Auto Lease Pcl. (AYCAL), Krungsri Ayudhya AMC Ltd. (Krungsri AMC), Ayudhya Capital Services Co., Ltd. (AYCAP), Ayudhya Development Leasing Co., Ltd. (ADLC), Krungsri Factoring Co., Ltd. (KSF), Ayudhya Total Solutions Plc. (AYTS), Ayudhya Card Services Co., Ltd. (AYCS), Ayudhya Auto Lease Plc. (AYAL), General Card Services Ltd. (GCS), Krungsriayudhya Card Co. Ltd. (KCC) and Krungsri Securities Plc. (KSS). All subsidiaries maintain independent risk organizations headed by senior risk executives. The Bank's Chief Risk Officer has oversight of subsidiary risk management activities. These subsidiary risk management units must comply with Krungsri's overall risk management strategy. They must ensure they have appropriate capacity, the required risk-related infrastructure and comply with the bank's risk appetite objectives and reporting requirements. All product, policy, and process changes must be approved by the Chief Risk Officer and the Risk Management Committee.

Non-performing loan management
Non-performing loans (NPLs) are managed by a dedicated team of specialists with experience in handling past-due accounts. This department manages all high-value loans and determines the best course of action to collect from customers in order to improve asset quality and minimize financial losses. The Bank's NPL department also undertakes to sell NPLs based on guidance and approval from the Board of Directors. In June and December 2012, the Bank sold two tranches of NPLs, reducing our outstanding NPLs by THB 6.8 billion.

MARKET RISK

Objective

Market risk is the threat of an adverse impact on income and capital funds caused by price fluctuations in the trading and banking books with regard to interest rates, exchange rates, equity instruments and commodities. While market risk factors are external factors beyond the Bank's control, we understand the importance of effective and aggressive market risk management as well as the need for timely responses to an ever-changing business environment. We have continuously enhanced our policies, methodologies, measurement tools and processes to manage market risk and maintain adequate capital relative to our risk exposure. Furthermore, Krungsri is steadfast in our efforts to ensure that proper internal controls and practices for market risk management comply with Bank of Thailand policies.

Principles

Effective market risk management is dependent on having robust monitors and controls that are specifically set to our risk appetite. That is why we continually review risk limits to ensure they are suitable for the scope, volume and complexity of transactions and any changes in the business and market situations. In addition, Krungsri continues to develop and fine-tune relevant policies, tools and risk management processes – including the Internal Capital Adequacy Assessment Process (ICAAP) – in order to develop comprehensive risk management guidelines that help us maintain appropriate levels of capital under all situations to deliver sustainable growth and returns for shareholders.

Organization and structure

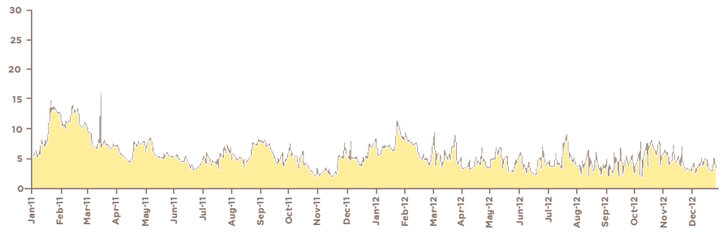
Market risk management is carried out by the Risk Management Committee and the Assets and Liabilities Management Committee, which have been empowered by the Board of Directors with the authority to manage and control market risk in a manner consistent with Krungsri's policy. The Committee establishes guidelines for the appropriate management of assets and liabilities as well as items off the balance sheet. The organizational structure clearly delineates the duties and responsibilities of the units responsible for transaction execution, operations and risk management to avoid conflicts of interest.

High volatility in the money and capital markets, particularly that related to the European sovereign debt crisis and economic impacts from domestic flooding in late 2011, had a significant effect on domestic interest rate movement in 2012. The Committee has therefore decided to place greater importance on monitoring market risk exposure and has established a reporting process to mitigate any negative market risk factors, ensuring the effective and timely implementation of our risk management processes.

Enhancement of market risk management structure
Krungsri established an Assets and Liabilities Management Department under the Finance Group to provide the Assets and Liabilities Management Committee with sufficient analyses of the balance sheet management of the Bank and our competitors, as well as Krungsri's interest rate risk in banking book strategic options. The market risk management department provides strategic risk management options and reports the Bank's market risk exposures to the Risk Management Committee for managing and controlling market risk in a manner consistent with policy. The Treasury Division executes transactions and manages positions under the risk limits approved by the Board of Directors.

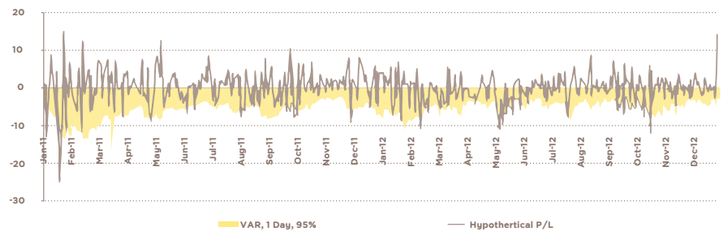
The Bank's total daily Value-at-Risk (VaR) movement: 2012 and 2011

Unit : THB million



The Bank's total daily Value-at-Risk (VaR) movement: 2012 and 2011

Unit : THB million



Measurement system

Achievement of market risk management efficiency
We have continually developed our risk measurement tools and methodologies to ensure they are appropriate to the size and complexity of both on- and off-balance sheet transactions. Krungsri's Assets and Liabilities Management Software for daily monitoring and managing of interest rate risk in banking book transactions was enhanced as a part of this process.

Throughout 2012, our aggregate market risk was well within acceptable levels. The assessment, control and monitoring of market risk can be divided into two parts: trading book transactions and banking book transactions, as follows:

1. Risks from transactions in the trading book: We use Value-at-Risk and conduct back-testing to assess the reliability of the models. We also conduct stress testing to assess risk under crisis situations. In 2012, the Value-at-Risk for a one-day holding period with a 95-percent confidence level of the trading book was THB 5.18 million, on average.

2. Risks from transactions in the banking book: We also manage risk arising from mismatch between the interest rate

structure and on- and off-balance sheet positions. We assess the probable impact on net interest income (earning perspective) from assets, liabilities, and off-balance sheet items that are sensitive to interest rates. We also conduct re-pricing gap analysis in terms of static simulation and dynamic simulation according to the projected interest rate trend. In addition, we analyze interest rate risk that reflects the sensitivity of the economic value of shareholder equity (economic value perspective).

In 2012, the effect on Krungsri's interest rate risk profile was minimal, as the Bank adjusted its balance sheet structure to be consistent with interest rate risk and Krungsri's specified risk appetite. In addition, the Bank prepared a report on the interest rate risk gap to monitor interest rate risk and assess net interest income sensitivity over the next 12 months, based on an assumption of a one-percentage-point change in the interest rate for all types of assets, liabilities and off-balance sheet items at their different re-pricing periods. The results of this interest rate risk assessment are as follows:

Financial Group's net interest income sensitivity

As of December 31, 2012 and December 31, 2011

Unit : THB million

	As of December 31, 2012		As of December 31, 2011	
	- 100 bps.	+ 100 bps.	- 100 bps.	+ 100 bps.
Net interest income impact	135.12	-662.01	301.36	-486.23
% of total net interest income	0.289%	-1.415%	0.747%	-1.204%

Financial Group assets and liabilities based on next re-pricing maturity December 31, 2012 and December 31, 2011

The Financial Group's financial statements as of December 31, 2012

Unit : THB million

	0–3 months	Greater than 3–12 months	Greater than 1–5 years	Greater than 5 years	Non-performing loans	Non-interest bearing	Total
Financial assets							
Interbank and money market items	64,586	-	-	-	-	14,804	79,390
Net investment	13,051	20,215	32,037	4,903	-	8,096	78,302
Loans	474,525	96,457	167,278	9,626	21,292	100,204	869,382
Financial liabilities							
Deposits	500,734	160,122	7,657	-	-	18,646	687,159
Interbank and money market items	34,593	2,355	8,773	13	-	3,087	48,821
Borrowings	60,487	13,586	45,711	34,844	-	1	154,629

The Financial Group's financial statements as of December 31, 2011

Unit : THB million

	0–3 months	Greater than 3–12 months	Greater than 1–5 years	Greater than 5 years	Non-performing loans	Non-interest bearing	Total
Financial assets							
Interbank and money market items	71,366	-	-	-	-	10,452	81,818
Net investment	15,975	31,963	23,770	2,154	-	7,342	81,204
Loans	442,472	69,310	126,436	6,614	29,536	77,037	751,405
Financial liabilities							
Deposits	370,958	147,880	21,385	-	-	20,317	560,540
Interbank and money market items	14,861	5,934	1,122	13	-	1,811	23,741
Borrowings	106,116	53,743	28,356	20,044	-	4	208,263

Capital requirements

We conduct risk assessments and maintain capital funds at Bank and subsidiary levels based on a standardized approach prescribed by Bank of Thailand guidelines.

Market risk capital requirements

As of December 31, 2012 and December 31, 2011

Unit : THB million

Standardized approach	2012	2011
Total capital charge for market risk	370	300
Total risk-weighted assets for market risk	4,626	3,746

LIQUIDITY RISK

Objective

Liquidity risk is the risk arising from the failure to pay debts and contingent liabilities by their due date because of an inability to convert assets into cash. It also relates to the failure to procure sufficient funds, or to discover that fund procurement comes at a higher cost, thereby adversely affecting incomes and capital funds.

Krungsri has established a liquidity risk management system with a proactive and proper asset and liability structure that is efficient, flexible and adaptable to current market conditions. We also review the Liquidity Contingency Crisis Plan and Guidelines on a regular basis to ensure that key operational procedures to cope with any potential liquidity crisis are in place. The Bank has prepared a liquidity cushion (in the form of Contingency Funding Plans), and we test our Liquidity Contingency Crisis Plan on a regular basis. We have also established early warning indicators for monitoring and reporting on a daily basis. All of these aim to ensure the efficiency – and effectiveness – of our liquidity risk management.

Principles

Liquidity management utilizes qualitative and quantitative approaches to ensure appropriate risk diversification. The Bank emphasizes the management of liquidity risk at an acceptable level and controls liquidity risk so that it is consistent with Krungsri's risk appetite and appropriate operating costs. The Bank also maintains an excess liquidity cushion at a level commensurate with the current economic climate. We seek to ensure that there is adequate cash for the business operations of the Bank and its subsidiaries.

Basel III

The new Basel III regulations will take effect on January 1, 2013, and may result in changes in the capital and liquidity risk management of commercial banks. Krungsri has been readying itself for the Basel III liquidity ratio and is continuously monitoring the progress of Basel III implementation.

Organization and structure

The Asset and Liability Management Committee closely monitors the liquidity position and liquidity risk.

Enhancement of liquidity risk management structure
The Assets and Liabilities Management Department provides the Committee with sufficient analyses of the balance sheet management of the Bank and its competitors, as well as Krungsri's liquidity risk and funding strategic options, which are major risks under the Committee's responsibilities. The Market Risk Management Department provides risk management strategic options and reports the Bank's liquidity risk exposures to the Risk Management Committee for managing and controlling liquidity risk in a manner consistent with policy. The Treasury Division is further responsible for carrying out regular reviews to determine appropriate liquidity levels and manage daily liquidity.

Measurement system

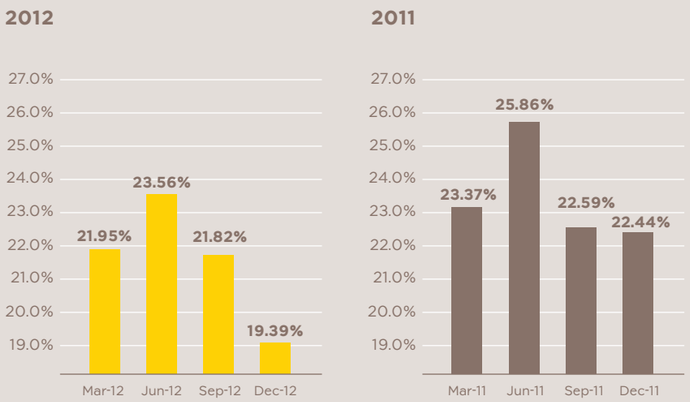
Achievement of liquidity risk management efficiency
We employ a variety of liquidity risk management tools such as cash flow/liquidity projection and liquidity gap analysis by assets, liabilities and contingent liabilities according to the remaining contractual maturity. In this regard, consideration is given to both normal and crisis situations, and the results are adjusted in accordance with behavioral maturity to align with the actual behavior to ensure that the liquidity risk reporting and monitoring systems are efficient.

In addition, the Board of Directors monitors liquidity risk indicators, which serve as early warning signs. These include early warning points and trigger points, decreases in the highest deposit and bill of exchange level each day, and the top one and top 20 deposits and bill of exchange concentration, in order to reduce the concentration of the Bank's funding sources, as well as its liquidity ratios.

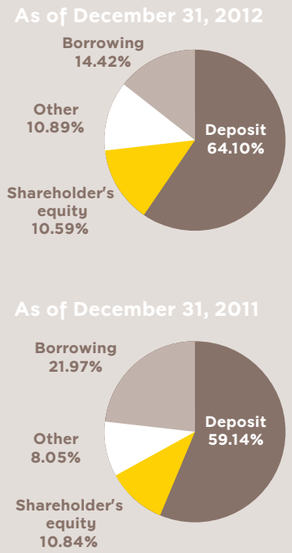
Krungsri has continuously developed advanced tools and measurements and enhanced our Assets and Liabilities Management Software for monitoring and managing liquidity risk on a daily basis. In addition, the Bank has conducted additional stress test scenarios for the event of a market-wide liquidity crisis and a Bank-specific liquidity crisis, aside from our regular stress tests for both market-wide and Bank-specific liquidity crises (Combination Liquidity Crisis).

The Bank's aggregate liquidity risk was within acceptable levels throughout 2012. Krungsri maintained focus on proper liquidity management in response to changing economic domestic and international circumstances, as well as interest rate direction in the money market as per the Bank of Thailand's policy. Krungsri continued to pursue our strategy of increasing new deposit products and diversifying our customer base to enlarge our main sources of funding.

Financial Group ratio of liquid assets to short-term liabilities: 2012 and 2011



Financial Group sources of funds: 2012 and 2011



Financial Group assets and liabilities based on remaining contractual maturity December 31, 2012 and December 31, 2011

The Financial Group's Financial Statements as of December 31, 2012

Unit : THB million

	On demand	0–3 months	Greater than 3–12 months	Greater than 1–5 years	Greater than 5 years	Non-performing loans	No maturity	Total
Financial assets								
Interbank and money market item	15,046	63,705	200	120	-	-	319	79,390
Net investment	90	9,990	20,429	34,762	9,079	-	3,952	78,302
Loans	17,941	178,953	180,224	303,509	167,463	21,292		869,382
Financial liabilities								
Deposits	369,460	149,920	160,116	7,663	-	-	-	687,159
Interbank and money market item	8,722	30,674	640	8,773	12	-	-	48,821
Borrowings	-	60,559	13,598	45,711	34,761	-	-	154,629

The Financial Group's financial statements as of December 31, 2011

Unit : THB million

	On demand	0–3 months	Greater than 3–12 months	Greater than 1–5 years	Greater than 5 years	Non-performing loans	No maturity	Total
Financial assets								
Interbank and money market item	10,610	70,685	200	120	-	-	203	81,818
Net investment	300	2,224	24,827	44,345	2,166		7,342	81,204
Loans	6,401	165,074	142,986	246,941	160,467	29,536	-	751,405
Financial liabilities								
Deposits	237,660	153,616	147,855	21,409	-	-	-	560,540
Interbank and money market item	3,720	11,942	6,248	1,818	13	-	-	23,741
Borrowings	-	106,116	53,744	28,359	20,044	-	-	208,263

OPERATIONAL RISK

Objective

Operational risk is the risk of loss resulting from inadequate or failed internal processes, technology problems, human factors or external events including legal risks, but excluding strategic and reputational risks. Operational risk is an integral and unavoidable part of the Bank's business as it is inherent in our endeavors to provide a broad array of services to our customers – and to generate profits for shareholders. In delivering simplicity, we remain committed to effectively and proactively managing and mitigating major operational risks, as well as continuing to embed a heightened awareness of operational risk throughout the Bank and our subsidiaries.

Principles

We recognize that operational risk is a significant concern. We provide sufficient resources to manage that risk within acceptable levels through the promotion of sound operational risk management governance and frameworks. Every employee is accountable for managing operational risk.

Organization and structure

Operational risk is managed under the Group Operational Risk Management Policies as approved by the Board of Directors. These policies stipulate the minimum requirements of a framework that is implemented along three lines of defense throughout the organizational structure to ensure independent oversight of operational risk management across the Krungsri family. As primary operational risk owners and risk takers, all business units have a key responsibility for the day-to-day management of operational risk in their respective areas.

The Risk Management Committee is responsible for formulating strategies and maintaining oversight of the adequacy of the risk and control processes. The Committee convenes a monthly meeting to review and make recommendations on the Bank's operational risk profile. The Operational Risk Management Department, an independent unit reporting to the Chief Risk Officer, is responsible for designing, implementing and maintaining the operational risk framework and measurement system. This is to ensure that operational risk is well mitigated and properly managed. In addition, the Internal Audit function provides independent assurance of the proper functioning of the design, adequacy and effectiveness of our internal controls.

Review measurement system and 2012 achievements

During the past year, we raised awareness of operational risk within Krungsri by implementing a mandatory operational risk course for all new employees. All units periodically identify and assess key operational risks and the effectiveness of controls via the Risk and Control Self-Assessment (RCSA) Program, assisted by the Operational Risk Team, to ensure that risks are effectively managed within the Bank's risk threshold. Top risks are reported to management, along with information for determining appropriate mitigating measures.

Key Risk Indicators (KRIs) are regularly collected and tracked both Bank-wide and at the business unit level to provide an early warning of any deterioration in the group's internal control systems. Action is taken if and when risk levels exceed the acceptable threshold.

The tracking and reporting of Operational Risk Losses Data is a key component of Krungsri's operational risk management framework. The scope of loss definition covers both near misses and non-financial impact events. This system then feeds into a central loss database. Losses beyond a certain threshold are systematically collected by the business units and reported to the Operational Risk Management Department, while significant operational risks are closely monitored to prevent re-occurrence. Their root causes are analyzed and corrective action is taken to mitigate any losses. Referral of the escalation of individual events to senior management is determined by the seriousness of the event.

We also continue to work to establish policies to set out the process for managing potential operational risks that might stem from outsourcing and in-sourcing arrangements. In doing so, we also ensure the continuity of our business operations and service provision to our customers, and maintain an effective customer protection system with an emphasis on customer data security.

Furthermore, Krungsri has implemented an operational risk system for recording and linking of RCSA, KRI and Operational Risk Loss Data where appropriate. The system enables a comprehensive view, analysis and reporting of the Bank's operational risk profile. We embedded the new product/process/system risk assessment program to ensure that all new products – or significant changes to existing process/systems – are subject to comprehensive risk evaluations and are approved by specialists prior to launch.

Krungsri recognizes the importance of business continuity management to ensure that the Group can continue to provide key products and services to customers when disruption occurs, or that such products and services can be recovered as soon as possible after disruption. Key risks and threats are periodically assessed and reviewed from a business continuity perspective by senior management. These potential external threats include: political crises, pandemics, technology disruptions, flooding and other environmental impacts. Business continuity plans are reviewed and tested regularly to ensure their responsiveness to such scenarios.

All units and subsidiaries are required to report information regarding their operational risks, such as RCSA, KRI and loss data, to the Operational Risk Management Department for analysis. The Group's operational risk profile and performance report is then prepared and delivered to the Risk Management Committee and Board of Directors on a regular basis to provide an early warning of any changes in key operational risks within the Group and to drive appropriate decision making.

Capital requirements

Krungsri currently uses the Standardized Approach to calculate operational risk capital within the Krungsri Financial Group. These capital requirements are detailed in the following table.

Krungsri operational risk minimum capital requirement
As of December 31, 2012 and December 31, 2011

Unit : THB million

Standardized approach	2012	2011
Total capital charge for operational risk	4,255	3,925
Equivalent risk-weighted assets for operational risk	53,193	49,068

Fair, transparent, honest – delivering simplicity with integrity.

CORPORATE GOVERNANCE

Supporting sustainable economic, social and environmental development.

CORPORATE GOVERNANCE POLICY

Good Corporate Governance Principles are the foundation for any successful operation.

The Bank's Board of Directors is aware of the importance of corporate governance. Along with persevering with virtue, transparency, equality and efficiency, the Bank's business is carried on with integrity and accountability in order to be able to increase its value in the long term. Other than taking its responsibilities to its stakeholders and every party involved into account, the Bank also supports sustainable economic, social and environmental development.

The Board of Directors has, in writing, instituted the Bank's **"Good Corporate Governance Principles"** which are to be reviewed on an annual basis every year or promptly upon any significant changes. The Principles state stakeholders' rights and their equitable treatment. They also require the disclosure of information and transparency and outline the responsibilities of the Board of Directors and the Sub-Committees, the internal control system and internal audit system. In incorporating the Bank's business philosophy and role towards Shareholders, its business vision and core values, morality and ethics of its employees and their conduct, including social responsibility.

In the second half of year 2012, The Bank has reviewed and updated the contents to cover the organization overview, be more precise, promote better compliance, and align with current situation. The review is based on the good corporate governance principles prescribed by the Office of the Securities and Exchange Commission (SEC) and along with the ASEAN CG Scorecard principles. The reviewed and updated contents are the definition of the Bank's Independent Directors, responsibilities of the Board of Directors and Sub-Committees, Shareholders' Rights and Equitable Treatment, Disclosure of Information and Transparency, Internal Control System and Internal Audit System, Social Responsibility and etc. in this regard, the Bank has established promotion and communication plan to convey the Good Corporate Governance Principles to employees to acknowledge and understand through activities, for example, organize a training course through the E-learning system.

Furthermore, the Bank has established **"The Spirit & The Letter"**, which is the core of the code of conduct. The Spirit & The Letter describes in writings matters of which employees should acknowledge, comply and be aware, as well as punishments in case of any breach of conduct.

The Corporate Governance Policy is communicated to directors, executives and employees for better awareness and common understanding to ensure compliance on Good Corporate Governance via various channels e.g. E-mail and the Bank's website under the heading of "Corporate Governance". Furthermore, training and other activities are held to promote employees' better understanding so that they are able to correctly conform. In addition, each department is required to appoint its Compliance Champion to provide knowledge and ensure understanding of corporate governance and the Bank's policies among the department's employees.

From its consistent adherence to the Good Corporate Governance Principles, in year 2012 the Bank has received several awards for good corporate governance as follows:

- Top Corporate Governance Report Award from the Stock Exchange of Thailand. The award signifies that the Bank as listed company has been distinguished for good corporate governance reporting related to its information disclosed in 2011 in various reports such as annual registration statement, annual report, its website and shareholders meeting minutes;
- The 8th Corporate Governance Asia Annual Recognition Awards 2012 from Corporate Governance Asia Magazine. The award is presented to corporations in Asia that show high dedication to developing their good corporate governance.

THE BANK'S VISION AND CORE VALUES

The Board of Directors has articulated the Bank's vision to ensure that executives and employees embrace a common dedication as follows:

"One team of employees advocating our products and services, dedicated to becoming our customer's Number One Preferred Bank."

In addition to articulating the Bank's core values to develop and promote business ethics and good corporate governance, the Board of Directors also stipulates standards for the Bank's core values to its executives and employees to enhance the quality of common conduct and attitudes. This will establish an important foundation for the Bank's operations and be considered an obligation every employee adheres to in his or her personal code of conduct. The Bank's core values are as follows:

Integrity
We are fair and professional, inspiring trust and work with transparency, legalism and ethics.

Team Spirit
We work together as a team for the benefits of customers and Krungsri with open heart and open mind towards our goals.

Customer Centricity
We put our customers first, understanding and anticipating their needs and expectation with strong willingness and best solutions.

Passion for Excellence
We aim to be "The Champion of Simplicity" by engraving upon ourselves the aspiration towards excellence in delivering our work and services.

Embracing Changes
We do better every day by opening to changes and new experiences that will benefit Krungsri and our customer.

Furthermore, the Bank complies with the Good Corporate Governance Principles pursuant to the guidance of the Stock Exchange of Thailand. Detail are summarized as follows:

SECTION 1: SHAREHOLDER RIGHTS

1.1 Policy on the protection of shareholder rights

The Bank places importance on shareholder rights applied equally, and does not commit any acts that will violate or eliminate shareholder rights, or restrict their opportunities to learn information on the Bank. At the same time, the Bank encourages its shareholders to

At Krungsri, every shareholder has an equal voice.

exercise their rights including their basic rights according to the law, such as stock trades or transfers, participation in meetings of shareholders and voting, access to the Bank's information via the Stock Exchange of Thailand's channels of disclosure including the Bank's website under the headings "Investor Relations" and "Investor Relations Journal" released twice a year to provide our shareholders with information on the Bank's operating results, shareholder rights, analyses and the Bank's activities.

1.2 Meetings of shareholders

The Bank organized the Annual General Meeting of Shareholders (AGM) No. 100 on April 24, 2012 in accordance with relevant laws and regulations, including good governance standards. Details are summarized as follows:

- Minority shareholders were entitled to propose agenda items and nominate persons to be elected as Bank directors, and submit, in advance, queries that require responses at the AGM. The criteria and procedure for exercising such rights are posted on the Bank's website. The shareholders were informed at the AGM that no shareholders proposed any agenda items, nominated any person for election or submitted queries that require responses at the AGM.
- The notification of the AGM was issued in Thai and English and dispatched together with the annual report in CD-ROM format 21 days prior to the AGM date and posted on the Bank's website more than 30 days prior

to the AGM date. Furthermore, the invitation to the AGM was posted at every the Bank office and branch, supplemented by three consecutive days of advertisement in the newspaper for three days prior to the AGM date. The notification contained the date, time, venue and details of the agenda with precise and sufficient facts and reasons, clear and adequate comments provided by the Board of Directors and relevant Committees. Also, enclosed were details on the registration process and a list of documents required to present to the Bank's officers prior to attending the AGM, both in person and by proxy, as well as meeting participation method, the Bank's Articles of Association on meetings of shareholders, voting procedure and map of the venue. In this regard, the Bank neither added any agenda items nor changed any significant information without prior notice to the shareholders.

- The Proxy Form was prepared as prescribed by the Ministry of Commerce, which provided space for shareholders to express opinions on their votes and enclosed with the notification of the AGM. The Bank also provided affiring the duty stamp there to. In this respect, the Bank clearly indicated a list of required documents and procedure and set non-complicated conditions for proxy appointment. Additionally, the Bank nominated two independent directors to the shareholders for appointment as their proxy.
- For the election of directors agenda item, the Bank provided summarized backgrounds of those who were nominated for director election or re-election, including selection criteria and procedures. Also, provided were regulations on directors' positions in other organizations, including any that may represent a conflict of interest with the Bank, and other relevant information necessary for the shareholders' consideration. During the consideration of this agenda item, the directors who retired by rotation left the room so that the shareholders could discuss and cast their votes independently. Votes were cast for the director election on an individual basis and ballots were collected from all participating shareholders.
- For the directors' remuneration agenda item, each type of director remuneration including remuneration as sub-committee, policy and criteria fo consideration of the payments are specified.
- For the auditor appointment and the auditor remuneration agenda item, the Bank designated the nominated auditor(s) to be appointed or reappointed, including details of auditors' independence and other relevant and necessary information for the benefit of the shareholders' consideration.
- In the registration and vote counting processes, the Bank used the barcode system designed by Thailand Securities Depository Co., Ltd. The shareholders were entitled to register no less than two hours prior to the AGM. After the AGM was duly convened, the shareholders were entitled to register to exercise their rights to vote on the agenda items for which the resolutions had not yet passed. The shareholders who had already registered would receive ballots to exercise their voting rights.
- The Chairman of the Board, the President and CEO, and the Chairpersons of Sub-Committees, as well as senior executives, the Bank's external auditor and representatives from Norton Rose (Thailand) Co., Ltd. external legal firm, as the inspectors, attended the AGM, except for Mr. Surachai Prukbamroong, Independent Director and Chaiman of the Audit Committee, who retired by rotation and was at the age of retirement pursuant to the Bank's policy. The Chairman of the Board introduced these persons one by one to the AGM.
- Before the Meeting, the Chairman of the Board announced the number and percentage of the shareholders participating both in person and by proxy to the AGM. Also, explained were the criteria and the procedures for casting votes. Before voting on each agenda item, the shareholders were entitled to express their opinions or raise questions about the item under discussion or on the Bank independently.
- In casting a vote, one share was equal to one vote, and a majority vote is required unless otherwise specified by law. Any shareholders with conflicts of interest on any agenda items were not entitled to vote, except the election of directors agenda.
- The Bank videotaped the entire Meeting and separated the file into video clips according to each agenda item for dissemination on the Bank's website.
- Subsequent to the AGM, the Bank conveyed the summary of the Meeting resolution and the voting results of each agenda item to the shareholders and the public via the Stock Exchange of Thailand's channels of disclosure. The Bank also enclosed the notice and the letters from its proxies to express its gratitude to all shareholders for exercising their rights and entrusting the Bank's directors with their proxies.
- The Bank prepared accurate and comprehensive Minutes of the AGM, complete with the names and titles of the Bank's directors and senior executives who attended and did not attend the Meeting. Also, recorded were the vote casting and counting procedures explained to the shareholders before the Meeting began. The Minutes, moreover, included subjects and data proposed; the directors' opinions on each agenda item; questions and answers, observations and suggestions deemed significant to the shareholders; the Meeting's resolutions on an item-by-item basis, together with the voting results for each agenda item; opinions in approval and disapproval, or abstentions. Those Minutes were presented to the Chairman of the Board and all members of the Audit Committee for review of the correctness and completeness prior to submission to the related authorities within 14 days of the AGM date.

SECTION 2: EQUAL TREATMENT OF SHAREHOLDERS

All shareholders are regarded as the owners of the Bank. Thus, it is the Bank's policy to incorporate fair and equal treatment to all of its shareholders, including minority and institutional shareholders, in its corporate governance, as reflected in the meeting of shareholders which is organized in a transparent, accurate and effective manner. For example, in appointment of a director who has a conflict of interest as the proxy if a shareholder appointing the proxy does not express his/her vote that director shall abstain from voting on his/her behalf.

2.1 Policy to prevent any transactions that may lead to a conflict of interest and any use of inside information to seek unlawful benefits for themselves or others.

Under this policy, the Bank designates that its directors, executives and employees strictly abide by the relevant laws, directives or policies of the Bank, as well as the code of business and ethical conduct. The policy has been conveyed to all employees for their acknowledgement and compliance, which is monitored on a regular basis.

The Bank requires that in case the directors, executives, employees including spouses and their minor child who has not yet reached adulthood acquire the Bank's shares, they must hold them for at least three months in.

At any time that the Bank is going to disclose any important financial data to the public, the Bank will announce a blackout period to prohibit any the Bank's shares trading normally for three working days before and after notification to the Stock Exchange of Thailand.

It is required that apart from reporting the trading of the Bank's securities to the office of the Securities and Exchange Commission Securities and Exchange Commission, the Bank's directors and executives as specified by law, their spouses and minor, have a duty to disclose their trading to the Bank's Board of Directors.

In the previous year, there was not a case of insider trading committed by the Bank's directors, executives or employees.

2.2 Consideration and screening of transactions between the Bank, its subsidiaries or associated companies and stakeholders

The Bank's directors or executives with conflicts of interest will abstain from any considerations and voting on transactions between the Bank, its subsidiaries or associated companies and stakeholders or individuals having either actual or potential conflicts of interest. In addition, the Audit Committee is authorized to provide opinions relating to the necessity of such transactions and the propriety of pricing. Furthermore, the Audit Committee is obligated to ensure that the correct and complete disclosure of a transaction, which may incur a conflict of interest, is made on a regular basis.

In the previous year, the Bank neither violated these rules nor failed to comply with the criteria for related-party transactions.

2.3 Stakeholdership of the directors and/or executives

The Bank's directors and senior executives are obligated to provide reports on their own and any other related persons' stakeholdership related to the management of the Bank or its subsidiaries. The reports shall include their stakeholdership in their positions, shareholdings and transactions. The regulations of reporting are clearly established and delivered to the Chairman of the Board and the Chairman of the Audit Committee for their acknowledgement.

In any meeting of the Bank's Board of Directors, the directors who have stakeholdership in any issues do not participate in consideration and have no rights to vote on such issues. Practically, in the past if any director may have had a potential stakeholdership in an issue, the director would ask for non-participation in consideration and abstain from voting on that issue.

The Bank establishes a policy to proscribe any loans or transactions similar to loans, or debt guarantees, granted to the Bank's directors and senior executives and other related persons, except loans granted in the form of credit card, or loans as part of general welfare in accordance with the regulations of the Bank of Thailand.

SECTION 3: ROLES OF STAKEHOLDERS

The Bank places importance to and respects every group of stakeholders equally. It has therefore incorporated in its Good Corporate Governance Principles the Bank's business philosophy and roles towards to all groups of stakeholders, i.e. investors, shareholders and customers. Also, included are the roles of the Bank's directors and executives. The Bank states their responsibility to society and environment in the Good Corporate Governance Principles.

Investors: The Bank places a priority on disclosing its information that is a correct, comprehensive, transparent, timely and up-to-date. In addition to conveying its information via various channels including the media, the Bank has set up the Investor Relations Department to coordinate with, provide answers and announce the Bank's significant performance details, as well as establish good relations with investors and stakeholders.

Shareholders: The Bank takes every shareholder into account and equally respects their rights to examine and offer suggestions on the Bank's performance. Effective management practices take into consideration business growth and sound operating results that bring about appropriate returns to the shareholders in the long term, and significant information is disclosed to the shareholders in a correct and complete manner, with clarity and accountability.

Board of Directors: The Bank gives an opportunity for the Board of Directors to perform its duties on a full-scale basis, with independence in expressing opinions and giving recommendations on the Bank's operations to the management. The Bank also provides the Board of Directors with a Directors Handbook and notifies them of appropriate training courses on a regular basis. Additionally, the Corporate Secretariat Department has been established to facilitate and support practices and activities of the Board of Directors in order to ensure full compliance with the laws and the Good Corporate Governance Principles.

Executives: The Bank gives an opportunity for the executives to perform their duties independently without any intervention as per the roles, duties and responsibilities assigned by the Board of Directors.

Employees: The Bank takes its employees at all levels into account, providing them with appropriate payments and welfare. In addition, they are encouraged to seek career progress as well as develop their knowledge. Details of personnel development are disclosed in the Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2) under the heading of "Personnel Development".

Furthermore, the Bank designates a set of principles on environment, health and safety in "The Spirit & The Letter". In this connection, the Bank has set up a committee to specifically oversee safety, occupational health and workplace environment issues to ensure employees' safety and health.

Customers: The Bank's business is operated with honesty, integrity and fairness to strive to protect the best interests of customers and achieve maximum customer satisfaction. Quality products and excellent, convenience and swift services that make life easier under the slogan "Krungsri Simple" are offered. In addition, the Bank provides its customers with comprehensive and correct information, and at the same time the Bank carefully protects its customers' information and does not use it for personal benefit. Moreover, the Bank invites customers to share their opinions for further development of its services. Customers can file any complaints or recommendations via several channels.

Suppliers and creditors: The Bank treats each supplier and creditors with honesty, integrity and fairness. Suppliers and Creditors' confidential information will be kept confidential. In addition, the Bank also provides suppliers and creditors with complete and correct information, promotes activities that will lead to better mutual understanding.

Furthermore, the Bank has drawn up clear policy and guidelines for procurement and hiring and a gift and entertainment policy to be adhered to by its employees, for the purpose of fair treatment to all related parties and to ensure transparency and accountability.

Commercial banks or financial institutions: The Bank cooperates in any activities that are deemed beneficial to the overall business to prevent any impacts that may result in damage to the commercial banking system. Moreover, the Bank promotes activities that foster better understanding and competes against other commercial banks under the rules and regulations. For example, the Bank does not seek for any confidential

The Bank places importance on and respects every group of stakeholders equally. It has therefore incorporated in its Good Corporate Governance Principles, the Bank's business philosophy and roles towards all groups of stakeholders.

information in a dishonest or inappropriate manner, nor makes any accusations or disparaging comments. In addition, the Bank cooperates to reduce the costs and expenses of the commercial banking system and the overall economy.

Responsibilities to society and environment: The Bank is well aware of ethical business engagement, and strives to be a decent and responsible member of the community, society and environment . The Board of Directors has therefore included a policy on the environment, sanitation and safety in "The Spirit & the Letter". Additionally, the Bank forms training courses on environmental topics in the form of "E-Learning" to promote better knowledge and understanding among employees.

The Bank has created social and environmental activities and supported those created by other charitable organizations, governmental agencies and other private organizations. It makes donations based on a determination to create projects that are beneficial to society in the following six categories: poverty elimination, youth and education development, religion, art and culture, environment, public health and health promotion, and rehabilitation of disaster victims. Details are disclosed in the Annual Report (Form 56-2) under the heading of "Social and Environmental Responsibility".

The Bank has designated other relevant practices as follows:

- No violation of human rights and privacy

The Bank has designated a policy on non-violation of human rights and privacy, stating that directors, executives and employees are obligated to comply with human rights principles. For instance, every employee must be treated with honesty and dignity; there must be no violation and menace, both practically and verbally, to others, no employment of minors, no racial, gender or religious segregation, no contempt for other people's disabilities; and employees' personal information must be kept safe.

- No infringement of intellectual property or copyright

The Bank designates in "The Spirit & The Letter" that employees are obligated to protect patents, trademarks, copyrights, trade secrets, and any other information under the Bank's proprietary rights. At the same time, they are required to respect other people's intellectual property.

- Resist corruption and bribes for business benefits, as well as anti-money laundering and combating the financing of terrorism.

The Bank designates in "The Spirit & The Letter" a prohibition against any inappropriate payments in making business deals, either with the government or private sector, to gain or maintain any inappropriate advantages. It also stipulates a policy to anti-money laundering and combating the financing of terrorism.

Channels of contact with the Bank: The Board of Directors has created a mechanism to enable stakeholders to conveniently and quickly request any information, file complaints, or voice any suspicions as follows:

- Any suspicions about any illegal or unethical conduct, incompleteness of financial data, internal control system, etc., can be addressed to the Audit Committee via:

• Postal mail to the Chairman of the Audit Committee (Miss Potjanee Thanavaranit), or Audit Committee Member (Mr. Virat Phairatphiboon), or Audit Committee Member (Mr. Phong-adul Kristnaraj), or Secretary to the Audit Committee (Ms. Puntipa Hannoraseth) and to Bank of Ayudhya Public Company Limited, Head Office 1222 Rama III Road, Bang Phongphang, Yan Nawa, Bangkok 10120
• E-mail: audit.committee@krungsri.com
• The Bank's website under the heading "About Us", sub-heading "Receipt of Complaints"

- Complaints or requests for any other information can be filed via
• Call Center at 1572
• E-mail: irgroup@krungsri.com
• The Bank's website under the heading "Investor Relations", sub-heading "Contact Investor Relations"

- As for the Bank's employees, apart from the above-mentioned channels, they can file complaints concerning any wrongdoing or violation of policies, rules and regulations of the Bank to the Ombudspersons, who are senior Bank executives recognized by their fellow employees and executives for their honesty, ethics and objectivity, namely Ms. Ladawan Kongkruapun and Mrs. Thidarat Sethavaravichit. The complainants may choose to have their names revealed or concealed.

- In case of a complaint, the Bank will keep the name of the complainant confidential and will reveal it only if it is necessary for the responsible party to solve the problem. The complaint will be forwarded to executive of the department concerned for further immediate action. Thereafter, the result will be reported the Bank's executives or directors, depending on the circumstances. The Bank prohibits any counteraction against the complainant, or interference in the problem-solving process. Any counteractions will be taken as a cause for an ultimate disciplinary punishment, including termination of employment.

SECTION 4: DISCLOSURE OF INFORMATION AND TRANSPARENCY

The Bank takes into account the importance on disclosure of its information concerning financial and other issues via channels that are easy to access in both Thai and English to its shareholders, investors and the public correctly, completely, equally, transparently, and in a timely manner, in compliance with the relevant laws and regulations. The Bank continuously improves important information so that it is always up-to-date.

The Bank consolidates information disclosed via the Stock Exchange of Thailand's channels of disclosure and information notified to the shareholders, including those considered useful to the shareholders and investors, in a separate section on the Bank's website so that it is easy to search for.

The Bank reviews and assesses the effectiveness of the disclosure process on a regular basis. In the previous year, the Bank has not been investigated or convicted by the office of the Securities and Exchange Commission or the Stock Exchange of Thailand for failing to disclose information in accordance with the regulations.

Annual financial statements

The Bank discloses its financial statements audited by a certified public accountant and endorsed by the Office of the Securities and Exchange Commission of Thailand that they are presented fairly in all material aspects in accordance with Generally Accepted Accounting Principles. In the previous year, the Bank prepared and submitted its yearly and quarterly financial statements within the submission deadlines, and no corrections to these financial statements were ever required by the Office of the Securities and Exchange Commission.

Relationships with investors and concerned parties

The Bank has a specific unit that is responsible for disclosing information and coordinating information dissemination, as well as building good relationships between the Bank and its shareholders, investors, analysts and other concerned parties.

- **The establishment of the Investor Relations Department:** The Bank established its Investor Relations Department in 2002 with the key mandate of managing investor relations-related duties and activities, in particular, the disclosure of both financial and non-financial information under the Good Corporate Governance Principles and above-mentioned policies governing disclosure and transparency. Apart from disclosing information concerning the Krungsri Group, comparative financial performance and status, current operations, competitive capabilities in financial businesses, business plans and policies, including measures and regulations governing the financial sector are also included.
- **Major stakeholders** include shareholders, investors, securities analysts, and credit rating agencies both domestic and abroad.
- **Expanded scope of responsibility:** The scope of responsibility has been expanded to cover the Investor Relations activities which have increased significantly since the Bank successfully acquired and merged new businesses under the "One Krungsri" umbrella. As well, the expansion is in line with the changes in the Bank's shareholder structure.
- **Senior management's engagement in Investor Relations activities:** The engagement of senior management reflects both the shareholder structure and the momentum of investor relations activities. The evidence is seen in the increasing number of activities, i.e. trips to meet investors abroad, meetings with securities analysts and investors who make company visits, participation in international conferences, one-on-one meetings with investors/ securities analysts with participation by the President and CEO and/or Chief Financial Officer and Senior Vice President of Investor Relations Department. In 2012 specifically, the Bank's executives have traveled to meet investors in the United States, Hong Kong, Malaysia and Singapore. Major Investor Relations activities for the year 2012 are illustrated in the table that follows.

Investor relations activities

Type of meeting	No. of events	No. of companies	No. of individuals
Company visits	134	194	367
Conference calls	40	48	52
Domestic conferences / roadshows*	19	198	266
International conferences / roadshows*	7	185	227
Analyst briefings**	2	71	90
Press conferences**	1	40	67
Meetings with credit rating agencies**	10	7	25
Analyst previews***	8	125	149
Site visits	3	6	9

Remarks: * In 2012, 26 roadshows were organized, of which 22 were attended by the President and CEO, Chief Financial Officer or Head of Business Unit
** Activities conducted by the President and CEO and Chief Financial Officer
*** Activities conducted by Senior Vice President of Investor Relations Department; one of the previews was engaged by the Chief Financial Officer

The numbers of our engagements with the investment community – through both international and domestic roadshows, company visits, conferences and one-on-one meetings increased significantly in 2012, an increase of 57% compared to 2011. Of particular importance, our engagement in roadshow activities increased 160% from 2011. The number of activities organized and attended during the year was a reflection of strong interest in the Bank from domestic and international investors and securities analysts.

Information Reports to the Bank's Board of Directors and Senior Executives: In addition to the services provided to external stakeholders as mentioned above, the Investor Relations Department also monitors the Bank's performance and other factors concerning its operations, to constantly report to the Bank's Board of Directors and senior executives. Furthermore, opinions and perspectives of securities analysts, analysis and reports on appropriate shareholder structure are provided.

The Bank was awarded with **"SET Top Corporate Governance Report"** by the Stock Exchange of Thailand for two consecutive years. The award honors the outstanding listed companies in corporate governance reports disclosed to the public through different channels such as the annual report, the Bank's website, and the minutes of the annual general meeting of shareholders. In addition, the Bank was awarded with **"the 8th Corporate Governance Asia Annual Recognition Award 2012"** from the Corporate Governance Asia magazine, the most authoritative journal on Corporate Governance in Asia. The award honors the Bank for a continued excellence in corporate governance and commitments. The award also reaffirms that the Bank has put importance to improve and enhance corporate governance practices in every aspect of its business operations.

SECTION 5: RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The Board of Directors, comprising independent directors, executive directors, and non-executive directors, plays an important role in supervising the business to ensure maximum benefits to the Bank and its shareholders. All Bank directors possess the requisite qualifications as stipulated by the relevant laws and regulations of the Bank's regulators, the Bank's Articles of Association, and good corporate governance principles. They are also have specialized proficiency beneficial to the Bank and extensive experience in commercial banking and other related businesses.

Offices of directors and senior executives

A Bank director may hold the position/positions of Chairman, executive director, or authorized signatory director of other companies but not more than three business groups in compliance with the criteria stipulated by the Bank of Thailand. To ensure that business management of the Bank's subsidiary companies is in line with the Bank's policy, comparable to the industry benchmark and effective and accountable. The Bank's senior executives can serve as sub-committee members or directors in the subsidiary companies but not more than six boards/ committees, except in case of necessity.

Board of Directors meetings

The Board of Directors meeting is held at least once a month, with the dates and important agenda items for each monthly meeting designated in advance for the whole year. Additional meetings may be held to address necessary or urgent matters. The Corporate Secretary compiles and proposes the agenda to the Chairman of the Board, and the President and CEO for joint consideration and endorsement prior to being proposed to the Board of Directors meeting. In this regard, the directors may propose agenda items to the meeting by informing the Chairman of the Board, President and CEO or the Corporate Secretary.

The Corporate Secretary has a duty to dispatch the notification of the meeting together with the agenda and supporting documents in form of hard copy and electronic files to the directors for consideration and study at least seven days prior to the meeting date. If the directors wish to ask request additional information or documents by making their requests to the executive directors or the Corporate Secretary.

Every director is obligated to attend every Board of Directors meeting, unless he/she has imperative business such as a meeting with a government agency and an overseas business trip. Every director attended more than 75% of all meetings in 2012. The Board of Directors organized meetings specifically for non-executive directors to provide opportunities to independently debate various issues without the presence of either executive directors and the management.

All of the meetings in 2012 were attended by at least two thirds of the total number of directors, which is more than that indicated in the Bank's Articles of Association stipulating that a quorum must consist of no less than half of the total number of the directors.

Each Board of Directors' meeting takes an average time of four hours. The Chairman of the Board provides an opportunity for all directors to make inquiries, suggestions and to debate issues fully and independently. Senior executives and officers responsible for each issue discussed are also invited to answer questions, receive suggestions and observations made by the Board of Directors.

Clearly identified in detail in the minutes are the date and time that the meeting is declared open and closed, lists of absent and present directors, summary of the agenda, significant content of issues discussed, recommendations of the Board of Directors, including explanations of the management and resolutions of the Board of Directors. The minutes are signed by the chairman of the meeting and the minute taker. In this regard, directors with conflicts of interest in a matter under discussion will abstain from consideration and voting on that matter, which is also recorded in the minutes.

After the minutes are adopted by the meeting, the Corporate Secretariat Department is responsible for dispatching copies of the documents to both the relevant internal and external units within a designated time and also safeguards the minutes in the form of hard copy and electronic file for the purpose of reference and accountability. However, amendments to the minutes cannot be made without approval of the Board of Directors.

Evaluation of performance of the Board of Directors

The Bank stipulates that the Board of Directors' performance be evaluated annually for the purpose of promoting good corporate governance principles and encouraging efficiency and productivity of the Board of Directors and the management. In addition, the evaluation gives the Board of Directors an opportunity to review its performance, problems and obstructions encountered during the past year for further improvements.

The performance evaluation is to evaluate the performance of duties of the Board of Directors as a whole. While it contains opinions of each director on overall performance of the Board, it is not an evaluation of the performance of an individual director. The evaluation covers six major issues:

(1) Structure and qualifications of the Board of Directors;
(2) Roles, duties and responsibilities of the Board of Directors;
(3) Meetings of the Board of Directors;
(4) Performance of the directors;
(5) Relationship with the management;
(6) Professional development of directors and executives.

The results of the evaluation are handed to the Nomination and Remuneration Committee and the Board of Directors for acknowledgement and discussion, including observations and recommendations for further improvement which the management can apply for enhancing the efficiency of the Bank's operations.

The Bank has established a clear internal audit system in line with international practice.

Remuneration of directors and executives

The Bank has established a clear and transparent policy on remuneration of directors, comparable to the industry benchmark of similar-size banks. In this respect, the duties and responsibilities as well as contributions each director to the Bank of are taken into account, and the remuneration is sufficient to attract and retain qualified directors.

The policy and remuneration of the directors including their amendments must be approved by an annual general meeting of shareholders. The remuneration is also based on the type of director, i.e. non-executive director, independent director and executive director. The remuneration structure consists of retainer fee, attendance fee and pension, and directors' remuneration as sub-committee members. Remuneration for directors is clearly separated from other remuneration for other duties.

Remuneration of the executives is in accordance with the principles and policies stipulated by the Board of Directors and relates to the Bank's performance and target as well as individual executive's performance. Executives who are also directors of the Bank, sub-committee members, and directors in any subsidiary companies will not receive additional remuneration.

Corporate secretary

The Bank has appointed Mrs. Thidarat Sethavaravichit, Senior Vice President of the Corporate Secretariat Department, as Corporate Secretary of the Bank and Secretary to the Board of Directors, with the duties and responsibilities as prescribed by law. The selection of the Corporate Secretary is based on qualifications and direct work experience. After the appointment, the Bank encourages the Corporate Secretary to take related training courses beneficial to the performance of duties as Corporate Secretary, which are organized by the Institute of Directors (IOD) and other agencies e.g. Company Secretary Program (CSP), Board Reporting Program (BRP), Director Certification Program (DCP).

Internal control and internal audit system

The Bank has set up a clear internal audit system in line with the international practice, i.e. Three Lines of Defense, comprising the business unit, supervisory unit and internal audit unit. These three units cooperate via working procedures designated for each level.

The Bank has established an independent unit responsible for assessing the adequacy and appropriateness of the internal control system, overseeing compliance with the system, and reporting to the Audit Committee and the Board of Directors. In this regard, the Bank has appointed Ms. Puntipa Hannoraseth as the Head of Audit to be responsible for auditing work.

The Bank discloses related details in the Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2) under the heading "Internal Control".

Risk management

The Board of Directors has appointed the Risk Management Committee to determine the scope and policy on integrated risk management. The Board has also established the Risk Management Group to analyze, assess, monitor and control risk management relating to the Bank's loan approval. This is to ensure that all transactions are carried out within the agreed scope and in compliance with the rules and regulations of the Bank and relevant authorities. The adequacy of the risk management system and its efficiency is reviewed by the Board of Directors on a regular basis.

The Bank discloses related details in the Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2) under the heading "Risk Factors and Risk Management".

Professional development of directors and executives

For directors assuming the first term of directorship, the Bank has an orientation run by the President and CEO, and senior executives in charge of the Bank's core business, such as Chief Financial Officer and General Counsel. The orientation includes the nature of the banking business, laws that directors should be aware of, and other relevant information. The Bank also provides the new directors with a Directors' Handbook, information and documents necessary for performing their duties as directors.

The Bank encourages and arranges for the directors, executives and parties directly related to the corporate administration and the Corporate Secretary to attend, from time to time, seminars and training courses on relevant practices organized by the Thai Institute of Directors Association (IOD), the Stock Exchange of Thailand and other leading domestic and international training institutions. Furthermore, the Bank compiles books relevant to directors' roles, duties and practices for additional study.

On a quarterly basis, the Corporate Secretary compiles a list of training courses to be held by the Thai Institute of Directors Association (IOD) and submits to the directors so that they are able to arrange their schedules to regularly participate in the relevant courses. In this year, the directors has attended various courses held by Thai Institute of Directors Association (IOD), for example, Director Accreditation Program (DAP), Audit Committee Program (ACP), Chartered Director Class (CDC) and etc.

The Bank holds a strategy session to specifically explain in detail the important parts of the Bank's strategic plan to the directors, who are allowed enough time to question and study the details.

Succession and management development plans

The Nomination and Remuneration Committee is responsible for preparing a succession plan for the key positions of President and CEO. It also approves succession plans for Group Heads/Chief Officers to ensure continuity of the Bank's operations.

The Bank makes succession plans and specific training & development plans for individually by considering officers at the executive level and their subordinates in cascading tiers of the Bank and it affiliates who produce outstanding performance with potential to be developed as higher-level executives of each department.

The succession plan is divided into two levels according to the readiness of the successors: 1) those who are ready to move up to a new position within 1-2 years (successor); and 2) those who are ready to succeed within 3-5 years (future successor). The Bank also designates emergency candidates in case of any immediate change of an executive while awaiting the readiness of the successors.

The Bank makes a career plan for the successors based on necessity analysis, and at the same time designates a development plan to promote employees' self-development. Relating to the Competency Based Management concept, in the previous year the plan emphasized developing leadership capability, of which around 75% of potential successors have been continuously developed. In this regard, the Bank carries on its employee development plan, monitors and assesses the outcomes, then expresses its recognition via promotions of these persons to the next levels of their careers.

Policy and measures against insider information have been established for everyone, from the top to operational level.

POLICY AND MEASURES AGAINST INSIDER INFORMATION

The Bank considers the prevention of conflict of interest, especially that related to insider information to be utmost important. Policy and measures on the prevention of insider information have been therefore, established at the Bank for everyone at all levels, from the top to operational level, to comply and made easy to follow to ensure full compliance to the Bank of Thailand and the Security and Exchange Commission's requirements.

With respect to trading of Bank's shares, a mandatory three month holding period of Bank's shares is imposed on staffs once bought unless otherwise approved by the Audit Committee or authorized persons. In any event, staffs are not permitted to trade Bank shares during the 'Blackout Period' declared by the Bank, which is three days before and after the official announcement of the financial performance results of each quarter. This is essentially to adhere to the transparency principle and a guard against inappropriate use of insider information. Also, members of the Board and top management are required to disclose their own securities holdings, including their related parties' on a quarterly basis or upon changes to demonstrate their commitment to the good governance principle.

As to other measures to safeguard sensitive data, ethical walls between workstations of different business units apart from restricting access rights to sensitive and/or customer information have been put in place. Disposing of sensitive information is also closely controlled and monitored to prevent any misuse or leakage of this information.

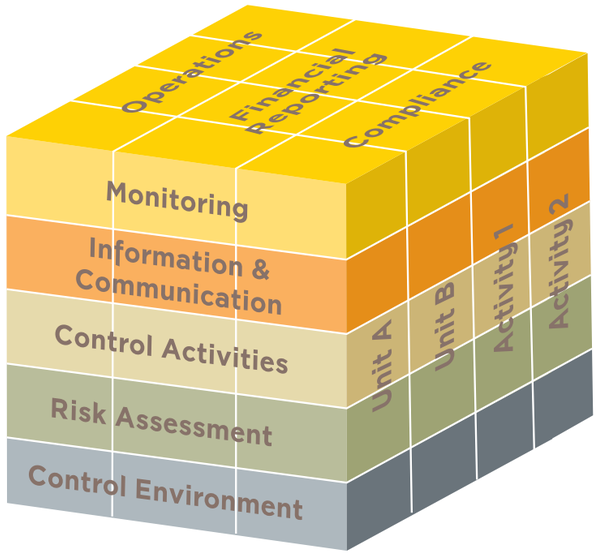
Apart from implementing these imperative Policy and measures, communicating them to promote awareness and understanding of all concerns within the Bank is equally important. As a result, the Bank has deposited the Policy and measures on the Bank's easy to access intranet system for reference. Moreover, trainings along with other knowledge enhancement activities, including question and answer contest through electronic mails and events, have been regularly used as another form of learning to widely promote these Policy and measures within the organization.

Rigorous compliance policies help us safeguard sensitive data and maximize transparency.

INTERNAL CONTROL AND INTERNAL AUDIT SYSTEM

In order to continuously improve our internal controls, Krungsri has put in place an internationally-accepted governance model which established three lines of defense across our business functions, compliance supervision functions and internal audit functions. Collaboration will take place across the three functions and their related work processes and controls, to ensure the Bank achieves its goals in line with principles of good governance and effective internal controls based on the following COSO framework:

Control environment – The organizational structure is aligned with the nature of the Bank's business operations, segregation of duties is adopted to achieve checks and balances, scope of authority is clearly determined, and principles of integrity and professionalism are emphasized.



- **Risk assessment** – Opportunities and impacts associated with possible incidents likely to affect the Bank's achievements of its goals are assessed in order to identify risk management and control measures.
- **Control activities** – Krungsri has established well-defined policies and operational procedures, effective resource maintenance and utilization processes, segregation of duties and operations review.
- **Information and communication** – The Bank has implemented information and communication systems that ensure timely responses as well as reliable, accurate and timely financial records and reporting.
- **Monitoring** – Continuous monitoring and assessment is conducted to ensure that Krungsri's risk management is effective and appropriate.

Internal audit function

The internal audit function assesses the adequacy and appropriateness of the internal control system as it is applied to Krungsri's operational processes and work systems, companies in the financial business group and outsourced activities.

This function is independent and directly reports to the Audit Committee, which is an independent committee. Internal auditors are not involved in the Bank's daily operations.

An annual audit plan is developed in accordance with the risk-based approach and is reviewed by high-level executives across the Krungsri group of businesses and external auditors. In addition, the annual audit plan is approved by the Audit Committee.

The Bank has adopted an integrated audit approach, which combines IT auditing with operational auditing, to improve audit efficiency. In addition, auditing software has been developed to support the analysis of potential irregularities.

The internal audit function has continuously developed audit programs in order to effectively support audit activities relating to emerging risks and new products of the bank. Auditing software has also been employed in the management of audit process, which includes audit planning, resource allocation, random sampling, audit working papers and archiving, audit tracking, etc. With a view to continuously improving the audit quality, the internal audit function has conducted a post-audit satisfaction survey to compile opinions of auditees. In addition, the quality of audit work has been reviewed by an independent functional unit within the Bank and audit approaches are steadfastly developed in accordance with internationally recognized best practices.

Audit report presentation and audit tracking
The outcomes of the internal control system's review are directly reported to executives of audited functional units and relevant functional units for collaborative consideration to make improvements and rectifications within appropriate dates. The internal audit function monitors actions taken in response to audit recommendations and reports them to high-level executives as well as the Audit Committee on a monthly basis. In this regard, audit monitoring has been conducted through the electronic audit tracking system that enables auditees to report progress and retrieve reports in different formats from the system at any time, hence improved efficiency of the audit monitoring.

Personnel development
The auditors have been provided with in-house and professional training every year, such as certified courses on internal audits and business, product and IT system knowledge. Tests covering new rules and regulations been conducted regularly. In addition, the internal audit function has continuously developed self-learning (e-learning) courses that are specifically designed for auditors and enable them to access lessons at their convenience. In 2012, auditors of the bank received 62 audit related certificates.

Adding value to the Bank
To help the Bank achieve its business goals in line with the principles of effective governance and internal controls, the internal audit function has continuously implemented knowledge-sharing projects to share knowledge related to internal control to functional units and branches nationwide through Krungsri's internal communication channels. Examples of these projects are the Effective Internal Control Systems Project and the FAQ Project to provide clarification for frequently asked questions related to branch operations. In 2012, the internal audit function initiated a new knowledge-sharing project under which a simple flow chart of important controls related to branch operations and key operational regulations is established. The project contributes to clearer understanding and fewer operational faults for branch officers. An additional project was launched to share important IT regulations with the IT Group and relevant departments.

SHAREHOLDING AND MANAGEMENT STRUCTURES

SHAREHOLDING STRUCTURE

As of the latest closing date on September 6, 2012

The list of Ordinary Shareholders with over 0.5% of total shares (6,074,143,747 issued and paid-up ordinary shares at a par value of THB 10 per share) is as follows:

Item	Shareholder name	Number of shares	% of total shares
1.	GE Capital International Holdings Corporation	2,000,000,000	32.93*
2.	Thai NVDR Company Limited	1,043,755,620	17.18
3.	HSBC (Singapore) Nominees Pte. Ltd.	187,342,215	3.08
4.	Stronghold Assets Company Limited	166,536,980	2.74
5.	Tun Mahachoke Company Limited	166,478,940	2.74
6.	G L Assets Company Limited	166,414,640	2.74
7.	BBTV Sattelvision Company Limited	166,151,114	2.74
8.	BBTV Assets Management Company Limited	163,112,900	2.69
9.	Bangkok Broadcasting & TV Company Limited	160,789,220	2.65
10.	Mahakit Holding Company Limited	158,726,810	2.61
11.	Tun Rungrueng Company Limited	157,889,440	2.60
12.	State Street Bank Europe Limited	155,538,870	2.56
13.	Chase Nominees Limited 1	64,440,479	1.06
14.	Caceis Bank France	56,042,841	0.92
15.	Super Assets Company Limited	51,421,714	0.85
16.	C.K.R. Company Limited	48,528,834	0.80
17.	Social Security Office (2 cases)	43,940,600	0.72
18.	Littledown Nominees Limited 9	41,588,700	0.68
19.	Ratanarak Company Limited	33,321,590	0.55
	Other shareholders	1,042,122,240	17.16
	Total	**6,074,143,747**	**100.00**

Remarks: *On September 26, 2012, GE Capital International Holdings Corporation arranged for the sale of 461,635,000 shares or 7.6% of the Bank's issued and paid-up ordinary shares in block trades on the Stock Exchange of Thailand.

During the year, the investors can access the up-to-date information at www.krungsri.com under the heading - Investor Relations > Capital Structure > Major Shareholder Structure

MANAGEMENT/ORGANIZATION STRUCTURE OF BANK OF AYUDHYA PCL

(as of December 31, 2012)

The Bank's management/organization structure consists of the Board of Directors and six Committees appointed by the Board of Directors to assist in performing duties and to ensure supervision and control of business risks. The Bank's operations are divided into two parts based on the responsibilities, namely business units and support units.

ROLES AND RESPONSIBILITIES

The roles and responsibilities of the Board of Directors and the management are clearly separated to ensure that the Bank's operations are carried out in compliance with law and consistent with the business code of conduct and good corporate governance principles.

Currently, the Chairman of the Board and the President and CEO are different persons, and the roles and duties of each position are clearly indicated.

The Chairman of the Board is not an independent director, but his performance of duties is independent from the management and the major shareholders, focusing mainly on the benefits of the Bank and its shareholders.

BOARD OF DIRECTORS

The Board of Directors consists of 12 directors, i.e. five non-executive directors, four independent directors, and three executive directors.

- **Composition**

In principle, the shareholders will appoint directors in an appropriate and sufficient number for performing duties. The Board of Directors shall consist of not less than three independent directors or at least one third of the all directors, whichever is higher. Not less than half of all directors shall have domiciles in Thailand.

- **Qualifications**

The Board of Directors comprises the members with directorship qualifications for financial institutions as required by law. In addition, they shall have expertise, extensive knowledge and experience as prescribed by the Bank, comprehend their responsibilities and the Bank's nature of business, and devote to their performance as directors.

- **Selection of Directors**

The Nomination and Remuneration Committee chaired by an independent director is responsible for selecting and/or screening qualified person(s) without prohibited characteristics pursuant to the regulator's criteria to nominate to the Board of Directors for consideration.

- **Voting on Election of Directors**

There are two voting approaches as follows:

- Election of the Bank directors by a general meeting of shareholders' resolution such as election of new director to replace a director whose term of office expires and/or election of additional director (new director) will be in accordance with the procedures in the Bank's Articles of Association as follows:

(1) Each shareholder shall have one vote for each share held.

(2) Candidates for the Board of Directors are elected on an individual basis, and the shareholders must cast all their votes under (1) and may not divide their votes among more than one of the candidates.

(3) The election of candidates is decided by a majority vote, and in the event of a tie of votes, the Chairman of the meeting shall be entitled to a casting vote.

- Election of replacement directors for reasons other than retirement by rotation by the Board of Directors meeting's resolution passed by not less than three-quarters of the remaining directors. The replacement director shall serve only the remaining term of the director whom he/she replaces.

Every year the Bank entitles the shareholders to nominate persons to be elected as the Bank directors three months before the Bank delivers the notification of annual general meeting of shareholders. In this respect, notice is given to the shareholders via the Stock Exchange of Thailand's system and the selection criteria are disclosed on the Bank's website.

- **Qualifications for Independent Directors**

The Bank has established the following qualifications for independent directors which conform to the notification of the Capital Market Supervisory Board, with a more stringent provision on shareholding in order to bolster investor confidence and maintain the balance of sound management as detailed below:

(1) Holding not more than 0.5% of the total voting shares of the Bank, parent company, subsidiary company, associated company, major shareholder or managerial authority of the Bank. Any share held by related persons shall also be counted.

(2) Within 2 years prior to the appointment, not being or never been an executive director, contract staff, employee, salaried advisor, or managerial authority of the Bank, parent company, subsidiary company, associated company, same-level subsidiary company, major shareholder or managerial authority of the Bank.

(3) Have no family blood or legitimate relationship by means of father, mother, spouse, brother, sister, child and child's spouse with executive, major shareholder, managerial authority or any person nominated as an executive or managerial authority of the Bank, subsidiary company or associated company.

(4) Within 2 years prior to the appointment, not having or

never had a business relationship with the Bank, parent company, subsidiary company, associated company, major shareholder or managerial authority of the Bank in the manner that may affect the independent discretion. Also, not being or never been principal shareholder or managerial authority of those having business relationship with the Bank, parent company, subsidiary company, associated company, major shareholder or managerial authority of the Bank.

(5) Within 2 years prior to the appointment, not being or never been the auditor of the Bank, parent company, subsidiary company, associated company, major shareholder or managerial authority of the Bank including a principal shareholder, managerial authority or partnership of the audit office which employed the auditor of the Bank, parent company, subsidiary company, associated company, major shareholder, or managerial authority of the Bank.

(6) Within 2 years prior to the appointment, not being or never been the professional service provider including legal advisor or financial advisor obtaining more than THB 2.0 million service fee from the Bank, parent company, subsidiary company, associated company, major shareholder or managerial authority of the Bank including principal shareholder, managerial authority or partnership of such professional service provider.

(7) Not being the director who was appointed as the representative of the director of the Bank, major shareholder or other shareholder related to the major shareholder of the Bank.

(8) Not operating any business which has the same nature as and is in competition with the business of the Bank, subsidiary company or associated company, or being principal partnership or executive director, contract staff, employee, salaried advisor, or holding more than 0.5% of the total voting shares of other companies/ partnership companies which operate the same business and is in competition of the business of the Bank, subsidiary company, or associated company.

(9) Not having other characteristics which may cause in capability to provide independent opinion relating to the business operation of the Bank.

However, consideration of the above relationship period shall be in accordance with the Notification stipulated by the Capital Market Supervisory Board.

Term of Office

The directors' term of office is clearly specified in the Articles of Associations and in accordance with the Public Limited Company Act of B.E. 2535.

At every annual general meeting of shareholders, one-third of all directors who hold the longest term of office shall retire by rotation, a retiring member may be re-elected. If the number of directors is not a multiple of three, the number nearest to one-third shall retire.

Furthermore, a director shall retire when he/she reaches the age of 72 years. If a director reaches the age of 72 years while he/she is holding the directorship position, he/she is allowed to hold the office until the end of his/her term of office. If a director has yet not reach the age of 72 years at the time of nominating for election, he/she may be re-elected for another term.

Authority, Duties and Responsibilities

(1) Consider and set the overall business direction and strategic goals for the Bank.

(2) Consider and approve the annual business plan and budget proposed by the management.

(3) Consider and approve significant matters of the Bank as stipulated by laws, Articles of Association and the Bank's direction.

(4) Ensure the establishment and communication of the corporate governance policy to the directors, executives, and employees, with regular review.

(5) Ensure the establishment of policies and procedures important for the Bank's operations and supervise the management to implement the approved policy effectively and efficiently for the benefit of the Bank and its shareholders.

(6) Ensure the establishment and performance of the Bank's roles towards the stakeholders as well as the code of conduct and ethics for directors, executives and employees.

(7) Ensure the effective internal control and internal audit systems.

(8) Ensure the formation of the system for monitoring conflicts of interest and related party transactions.

(9) Ensure the implementation of risk management process and procedures and regular review of the policies and strategies.

(10) Ensure the implementation of succession plans for senior executives of the Bank.

(11) Ensure the formation of the transparent procedure for nominating the Bank's directors.

(12) Ensure that the process for determination of director remuneration is clear and transparent and the remuneration for directors is approved by a general meeting of shareholders.

(13) Ensure the process for reporting significant information from the management to the Board of Directors sufficiently in order to fully performing their duties and responsibilities.

(14) Establish sub-committees as appropriate and necessary to support the Board of Directors' performance of duties.

(15) Ensure proper, complete, clear and transparent disclosure of important information, financial and non-financial, to government authorities, shareholders, investors and general public, within a reasonable period of time.

Members of the Board of Directors

As of 31 December, 2012, the Board of Directors consists of 12 directors as below:

Non-Executive Directors		
1.	Mr. Veraphan Teepsuwan	Chairman
2.	Mr. Pongpinit Tejagupta	Director
3.	Mr. Virojn Srethapramotaya	Director
4.	Miss Nopporn Tirawattanagool	Director
5.	Mr. Xavier Pascal Durand [1/]	Director
Independent Directors		
6.	Mr. Karun Kittisataporn	Director
7.	Miss Potjanee Thanavaranit	Director
8.	Mr. Virat Phairatphiboon	Director
9.	Mr. Phong-adul Kristnaraj [2/]	Director
Executive Directors		
10.	Mr. Mark Arnold	Director
11.	Mr. Pornsanong Tuchinda	Director
12.	Mrs. Janice Van Ekeren	Director

Mrs. Thidarat Sethavaravichit Serves as the Secretary to the Board of Directors.

Remarks: [1/] Appointed as director by the Board of Directors, effective on February 2, 2012.
[2/] Appointed as director by the Annual General Meeting of Shareholders No.100, effective on April 24, 2012.

Authorized Signatory Directors are either Mr. Pongpinit Tejagupta or Mr. Virojn Srethapramotaya and either Mr. Mark Arnold or Mrs. Janice Van Ekeren, a total of two directors; jointly affix their signatures and the Bank seal.

Meetings of the Board of Directors

In 2012, there were a total of 12 meetings as scheduled in advance with details below:

Members of the Board of Directors	Number of Meetings Attended/Total Number of Meetings Held						
	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Risk Management Committee	Compliance Review Committee	Credit Committee	Executive Committee
Non-Executive Directors							
1. Mr. Veraphan Teepsuwan	12/12						
2. Mr. Pongpinit Tejagupta	12/12						
3. Mr. Virojn Srethapramotaya	12/12						
4. Miss Nopporn Tirawattanagool	12/12		15/16				
5. Mr. Xavier Pascal Durand[1/]	10/11				6/6		

Members of the Board of Directors	Number of Meetings Attended/Total Number of Meetings Held						
	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Risk Management Committee	Compliance Review Committee	Credit Committee	Executive Committee
Independent Directors							
6. Mr. Karun Kittisataporn	12/12		16/16				
7. Miss Potjanee Thanavaranit	12/12	18/18					
8. Mr. Virat Phairatphiboon	12/12	17/18	16/16				
9. Mr. Phong-adul Kristnaraj[2/]	8/8	12/12					
Executive Directors							
10. Mr. Mark Arnold	11/12			10/12			11/12
11. Mr. Pornsanong Tuchinda	11/12			6/6		50/52	10/11
12. Mrs. Janice Van Ekeren	10/12			11/12	8/10		10/12
Director who resigned or whose the term of office ended during the year							
Mr. Surachai Prukbamroong[3/]	2/3	5/6					

Remarks: [1/] Appointed as the director by the Board of Directors, effective from February 2, 2012.
[2/] Appointed as the director by the Annual General Meeting of Shareholders No.100, effective on April 24, 2012.
[3/] Retired by rotation and was at the age of retirement pursuant to the Bank policy at the Annual General Meeting of Shareholders No. 100 held on April 24, 2012.

AUDIT COMMITTEE

Composition
The Board of Directors is responsible for appointment of the Audit Committee which consists of no less than three independent directors.

Qualifications
Committee members shall have the qualifications as per regulations stipulated by the Capital Market a Supervisory Board, with extensive knowledge, capability, experience and thorough understanding on their duties and responsibilities as well as business operations and risk control of the Bank, and not being a director who has been assigned by the Board of Directors to make decisions regarding business operations of the Bank, subsidiary company, associated company same-level subsidiary company, major shareholders or managerial authority person of the Bank and not being a director of listed companies which are subsidiary company or same-level subsidiary company.

Besides, at least one committee member shall possess knowledge and experience at a level sufficient to review the reliability of financial statements.

Term of Office
The term of office is three years.

Authority, Duties and Responsibilities

(1) Ensure that the Audit Committee members, the Bank's auditors, management team and internal auditors have a clear and common understanding of their roles and duties.

(2) Conduct a review and revision of the Audit Committee Charter to ensure that it is up-to-date and appropriate to the current organizational environment.

(3) Consider and select the Bank's auditors as well as consider the audit fees and propose the matters to the Board of Directors for consideration and further submission to the Bank of Thailand for endorsement before proposing them to the shareholders' meeting of the Bank.

(4) Ensure and attest the independence of internal auditors and the Bank's auditors and to endorse the consideration of appointment, transfer and employment termination of the head of the internal audit unit.

(5) Question the Bank's management, internal auditors and the Bank's auditors about major business risks and measures to control or mitigate such risks.

(6) Examine and set the audit scope and plans of the internal auditors and to give suggestions and recommendations on audit plans of the Bank's auditors to ensure appropriateness and efficiency.

(7) Cooperate with internal auditors and the Bank's auditors in reviewing all matters required to be audited in order to eliminate redundancy of audit tasks and reduce expenses of the Bank.

(8) Cooperate with internal auditors and the Bank's auditors in examining the adequacy of the Bank's internal auditing and control mechanisms and identifying major weaknesses.

(9) Cooperate with the Bank's auditors, internal auditors and executives of relevant departments in conducting a review at the end of each quarterly and/or annual audit in order to ensure that financial statements and the notes to financial statements are accurate, complete and are transparently disclosed.

(10) Monitor any cooperation or significant conflict between the management and the Bank's auditors / internal auditors during the course of audit operations.

(11) Cooperate with the management and internal auditors in reviewing and examining major weaknesses being detected and to monitor the corrective response from the management.

(12) Review the preparation and the revision of the Charter by internal auditors to ensure that it is constantly updated and appropriate for the Bank.

(13) Review and monitor the operations, business undertakings or actions taken by the Bank in order to ensure compliance with policies, rules and regulations of supervising authorities and laws related to banking business.

(14) Hold meetings with the Bank's auditors, internal auditors and the management as well as to hold a special meeting at least once a year for matters which the Audit Committee deems appropriate to discuss without the management's presence.

(15) Prepare performance reports and/or minutes of the Audit Committee's meetings for submission to the Board of Directors.

(16) Prepare a report publicly disclosing responsibilities and undertakings of the Audit Committee which forms part of the annual report.

(17) Conduct an examination and investigation on employees or relevant persons within the given scope of authority.

(18) Hire an expert or seek professional advice, in the name of the Bank, in order to assist the audit or investigation task at the Bank's expense.

(19) Conduct a review or to give opinions as well as to examine the disclosure of the Bank's information to ensure correctness and completeness especially in the case of connected transactions or conflict of interest transactions.

(20) Make a report to the Board of Directors for corrective actions taken within the time frame the Audit Committee deems appropriate in cases where the Audit Committee discovers or suspects the following transactions or undertakings:

- Conflict of interest transactions
- Significant fraud cases, abnormalities or weaknesses in the internal control system
- Breaches of rules, regulations and the Bank's Articles of Associations as well as laws relating to the Bank's business

In cases where the Audit Committee deems that the above-mentioned transactions or undertakings which have been reported to the Board of Directors have not been rectified within the time frame specified by the Audit Committee without justifiable reasons, the Audit Committee shall specify the matters in the Annual Report and report the matters further to the Bank of Thailand and the Securities and Exchange Commission or the Stock Exchange of Thailand.

(21) Report in writing any changes in the composition of the Audit Committee as well as any changes that have a significant impact on the operations of the Audit Committee which have been approved by the Board of Directors and to disclose the matters to shareholders in the Bank's Annual Report.

(22) Perform any other duties as assigned by the Board of Directors and endorsed by the Audit Committee.

Name and Meeting Attendance of the Audit Committee
In 2012, there were a total of 18 meetings, i.e. 12 ordinary meetings and 6 special meetings. 2 out of 18 meetings were made with the external auditors without the management. Details are shown below:

Members of the Audit Committee	Position	Number of Meetings Attended/ Total Number of Meetings Held
1. Miss Potjanee Thanavaranit[1/]	Chairman	18/18
2. Mr. Virat Phairatphiboon	Member	17/18
3. Mr. Phong-adul Kristnaraj[2/]	Member	12/12
Members who resigned or whose term of office ended during the year		
Mr.Surachai Prukbamroong[3/]	Chairman	5/6
Secretary to the Audit Committee is Miss Puntipa Hannoraseth		

Remarks: All the three members are competent and experienced in review of the Bank financial statements.
[1/] Appointed as the Chairman of Audit Committee by the Board of Directors, effective from April 25, 2012.
[2/] Appointed as the Audit Committee member by the Board of Directors, effective from April 25, 2012.
[3/] Retired by rotation and was at the age of retirement pursuant to the Bank's policy at the Annual General Meeting of Shareholders No. 100, held on April 24, 2012.

NOMINATION AND REMUNERATION COMMITTEE

Composition
The Board of Directors is responsible for appointment of the Nomination and Remuneration Committee which consists of not less than three non-executive directors (two independent directors and one non-executive director), provided that the Chairman of the Committee shall be an independent director, and the Head of Human Resources shall act as the Secretary to the Committee by position.

Qualifications
Committee members shall have extensive knowledge, capability and experience, and thorough understanding of their duties and responsibilities.

Term of Office
Committee members have a three-year term of office. A year term shall mean the period starting from the date of the annual general meeting of shareholders in the year of appointment to the date of the next annual general meeting of shareholders.

Authority, Duties and Responsibilities

(1) Determine the following:

- The policies, rules and procedures of nomination of directors, members of committees and senior executives of the Bank consisting of the President and CEO, Chief Officers, Deputy Chief Officers, First Executive Vice Presidents and Executive Vice Presidents.

- The policies, rules and procedures of nomination as well as selection and/or screening of the names of the suitable candidates as the case may be of directors, managing director or the equivalent thereof under any other name of the companies in which the Bank hold 50% or more of shares. This selection and/or screening are also applicable to internal candidates suitable for appointment to these positions as well.

- The policy of remuneration and other benefits, including those applicable to the directors, committee members and senior executives of the Bank, i.e. the President and CEO, Chief Officers, Deputy Chief Officers, First Executive Vice Presidents and Executive Vice Presidents based on the principles of clearness and transparency for submission to the consideration and approval of the Board of Directors and for sending to the Bank of Thailand for information upon request.

(2) Select and/or screen candidates for appointment to the following positions for submission to the consideration of the Board of Directors.

- Directors of the Bank

- Members of the various committees reporting directly to the Board of Directors

- Senior executives, i.e. the President and CEO, the various Chief Officers and Deputy Chief Officers, First Executive Vice Presidents and Executive Vice Presidents

- Directors of companies in which the Bank holds 50% or more of shares

(3) Ensure that directors, members of the various committees and senior executives of the Bank, i.e. the President and CEO, Chief Officers, Deputy Chief Officers, First Executive Vice Presidents and Executive Vice Presidents receive fair remunerations in consideration of their roles and responsibilities comparable to other commercial banks based on the Bank's regulations.

The Nomination and Remuneration Committee shall also ensure that those who are assigned with additional roles and responsibilities shall receive additional remuneration commensurate with the additional assignments.

(4) Ensure that the size and composition of the Board of Directors is relevant for the organization and modify it as appropriate in consideration of the changes in the environment. The Board of Directors of the Bank shall, as a rule, be endowed with members who are knowledgeable, competent and experienced in a variety of fields.

(5) Determine ways and means to assess and evaluate the performances of directors and senior executives, i.e. the President and CEO, Chief Officers, Deputy Chief Officers, First Executive Vice Presidents and Executive Vice Presidents in order to consider the annual remuneration based on their responsibilities and the risks involved with their functions. Also the increase in the valuation of shareholders' equity in the long-term shall be taken into account as well.

(6) Develop a succession plan for the positions of President and CEO and approve a succession plan for the various Chief Officers.

(7) Ensure openness relating to relevant policies and enclose a summary report of the operations of the Nomination and Remuneration Committee to the Bank's Annual Report.

(8) Seek advice from external consultant experts (independent) such as for salary surveys, selection of directors and senior executives, etc., as needed, with the Bank being responsible for the expenses incurred.

Name and Meeting Attendance of the Nomination and Remuneration Committee
In 2012, there were a total of 16 meetings as detailed below:

Members of the Nomination and Remuneration Committee	Position	Number of Meetings Attended/ Total Number of Meetings Held
1. Mr. Karun Kittisataporn	Chairman	16/16
2. Mr. Virat Phairatphiboon	Member	16/16
3. Miss Nopporn Tirawattanagool	Member	15/16
Secretary to the Nomination and Remuneration Committee is Miss Anuttara Panpothong		

RISK MANAGEMENT COMMITTEE

Composition
The Nomination and Remuneration Committee nominates persons to the Board of Directors to be appointed as the Risk Management Committee which consists of not less than seven members, namely, the President and CEO (who shall act as the Chairman of the Committee by position), Chief Risk Officer and other suitable executives.

Qualifications
Committee members shall have extensive knowledge, capability, experience, and thorough understanding on their duties and responsibilities as well as business operations and risk control of the Bank.

Term of Office
The term of office is two years.

Authority, Duties and Responsibilities

(1) Make policy recommendations relating to integrated Risk Management to the Bank's Board of Directors. Recommendations are in line with Bank of Thailand's risk-based approach to commercial banking, which sets guidelines for assessing core risks 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) Monitor and administer the Bank's transactions in accordance with the Bank's Integrated Risk Management.

(3) Prepare reports to submit to the Executive Committee as assigned by the said Committee.

(4) Set strategies in line with the Bank's overall risk management policies. The Risk Management Committee is responsible for monitoring and assessing risk and ensuring that it remains within acceptable limits.

(5) Ensure that the Bank's overall risk management is in line with principles of good corporate governance.

(6) Review the Bank's policies and risk management practices in order to find ways to improve the quality and effectiveness of the Bank's approach to risk management.

(7) Consider and approve policies and guidelines of assessment of assets as collateral for credit extension and immovable properties foreclosed obtained from debt payment or auction as well as principles of revaluation of these assets.

(8) Prepare and review credit lending policy and guidelines, including the setting up of a reserve, the policy to write-off NPLs, credit limit management, the use of a scorecard system for credit approval and credit pricing which depend on risks involved and investments in the acquisition of other businesses.

(9) Give advice on information technology relating to risk management.

(10) Approve new products launching programs or change of pricing for products under the process of approval to be included in the Bank's business plans.

(11) Oversee the supervision of the companies within the Financial Business Group to comply with the measures set forth by the Bank of Thailand and Bank's Internal Risk Management Policy.

(12) Establish a risk management policy governing the risk management framework of the entities within the Financial Business Group, both from a system or process perspectives for supervision purposes.

(13) Appoint additional committees/ working committees to oversee the management of different types of risk, as it sees fit. These committees/working committees report directly to the Risk Management Committee.

(14) Inspect any Bank documents and to question any Bank employee as necessary for successful completion of the committee's work.

(15) Consistently notify the Audit Committee of all operations in need of improvement or adjustment to comply with the specified policies and strategies.

Name and Meeting Attendance of the Risk Management Committee
In 2012, there were a total of 12 meetings as detailed below:

Members of the Risk Management Committee	Position	Number of Meetings Attended/ Total Number of Meetings Held
1. Mr. Mark Arnold	Chairman	10/12
2. Mr. Chandrashekar Subramanian Krishoolndmangalam	Vice Chairman	12/12
3. Mr. Pornsanong Tuchinda [1/]	Member	6/6
4. Mrs. Janice Van Ekeren	Member	11/12
5. Mr. Sayam Prasitsirigul [2/]	Member	5/9
6. Mr. Philip Tan Chen Chong	Member	9/12
7. Mr. Saengchart Wanichwatphibun	Member	9/12
Members who resigned or whose the term of office ended during the year		
1. Mr. Charly Madan [1/]	Member	6/6
2. Mr. Poomchai Wacharapong [3/]	Member	2/3
Secretary to the Risk Management Committee is Mr. Nitus Lertpittayanukun		

Remarks: [1/] The Board of Directors appointed Mr. Pornsanong Tuchinda as the Risk Management Committee member to replace Mr. Charly Madan, effective from July 1, 2012.
[2/] Appointed as the Risk Management Committee member by the Board of Directors, effective from April 1, 2012.
[3/] Ceased to serve as the Risk Management Committee member, effective from April 1, 2012

COMPLIANCE REVIEW COMMITTEE

Composition
The Board of Directors appoints the Compliance Review Committee consisting of at least six members, namely, one Director or Independent Director (being the Chairman of the Compliance Review Committee by position), General Counsel, Chief Financial Officer, Chief Risk Officer, Head of Distribution, Head of Operations and other suitable executives. The President and CEO shall serve as the Advisor to the Compliance Review Committee.

Qualifications
Committee members shall have extensive knowledge, capability, experience, and thorough understanding on their duties and responsibilities, with good judgment in acting for the benefit of the business in accordance with sound Good Corporate Governance Principles of the Bank.

Term of Office
The term of office is two years.

Authority, Duties and Responsibilities

(1) Make recommendations on principles and practices for effective compliance measure for the Bank.

(2) Make recommendations on the development of Good Corporate Governance – Best Practices for the Bank.

(3) Make recommendations on Code of Business Conduct and employee Code of Conduct for publication and communication to related persons for acknowledgement and use as guidelines.

(4) Make recommendations on the development and implementation of plans to ensure compliance practices as prescribed by policies.

(5) Make recommendations relating to Business ethics and good practices of the Bank's executives and employees.

(6) Make recommendations on reports to be made to the Board of Directors containing details and formats as required by the Board of Directors unless otherwise specified by the Board of Directors.

(7) Make recommendations on control and enforcement in compliance with policies and regulations and laws applicable to the Bank.

(8) Follow up on development of the basic culture of the organization in the fields of compliance, prevention, auditing and correction.

(9) Ensure that training is provided to the employee to promote understanding of each employee's responsibilities as prescribed by the compliance program.

(10) Report and give suggestions on corrective plans related to compliance principles/ policies.

(11) Ensure that reports prepared in accordance with the compliance program are proposed to the Board of Directors.

(12) Review and make recommendations on ensuring consistency of compliance practices and principles and applicability of those guidelines to the business of the Bank.

(13) Review and make recommendations on messages regarding good corporate governance to the public.

(14) Review and report to the Board of Directors on the Bank's good corporate governance practice and to provide recommendations or advice on the improvement of the practice as deemed appropriate unless otherwise specified by the Board of Directors.

(15) Appoint a sub-committee and/or working group as deemed necessary.

Name and Meeting Attendance of the Compliance Review Committee
In 2012, there were a total of 10 meetings as detailed below:

Members of the Compliance Review Committee	Position	Number of Meetings Attended/ Total Number of Meetings Held
1. Mr. Xavier Pascal Durand [1/]	Chairman	6/6
2. Miss Phawana Niemloy	Vice Chairman	10/10
3. Mrs. Janice Van Ekeren	Member	8/10
4. Mr. Chandrashekar Subramanian Krishoolndmangalam	Member	9/10
5. Mr. Phonganant Thanattrai	Member	8/10
6. Mrs. Wanna Thamsirisup	Member	10/10
Secretary to the Compliance Review Committee is Mr. Saengchart Wanichwatphibun		

Remark: [1/] Appointed as the Chairman of Compliance Review Committee by the Board of Directors, effective from April 25, 2012.

CREDIT COMMITTEE

Composition
The Board of Directors appoints the Credit Committee consisting of at least five members, namely, Chief Risk Officer (being the Chairman of the Credit Committee by position), Head of Corporate Banking, Head of SME Banking and other suitable executives.

Qualifications
Committee members shall have extensive knowledge, capability, experience, and thorough understanding on their duties and responsibilities, with good judgment in acting for the benefit of the business.

Term of Office
The term of office is in accordance with the directive of the appointment of the Credit Committee.

Authority, Duties and Responsibilities

(1) Approve credit requests and also relevant operations relating to credit within its scope of authorizations in accordance with the credit policy and based on acceptable risk with risk policy.

(2) Examine the Bank's documents and data and summon relevant employees for questioning so that the Credit Committee may fulfill its objectives.

(3) Appoint and set the roles and responsibilities of sub-committees and/or individuals as deemed appropriate to assist in credit management and credit extensions of the Bank.

Name and Meeting Attendance of the Credit Committee
In 2012, there were a total of 100 meetings as detailed below:

Members of the Credit Committee	Position	Number of Meetings Attended/ Total Number of Meetings Held
1. Mr. Chandrashekar Subramanian Krishoolndmangalam	Chairman	87/100
2. Mr. Pornsanong Tuchinda [1/]	Member	50/52
3. Mr. Sayam Prasitsirigul [2/]	Member	47/76
4. Mr. Nuttawit Boonyawat	Member	96/100
5. Miss Maleewan Phongsathorn	Member	92/100
Members who resigned or whose term of office ended during the year		
1. Mr. Charly Madan [1/]	Member	42/48
2. Mr. Poomchai Wacharapong [3/]	Member	10/24
Secretary to the Credit Committee is Mr. Khomkrit Chantapoh		

Remarks: [1/] The Board of Directors appointed Mr. Pornsanong Tuchinda as the Credit Committee member to replace Mr. Charly Madan, effective from July 1, 2012.
[2/] Appointed as the Credit Committee member by the Board of Directors, effective from April 1, 2012.
[3/] Ceased to serve as the Credit Committee member, effective from April 1, 2012.

EXECUTIVE COMMITTEE

Composition
The Board of Directors appoints the Executive Committee consisting of at least five members, namely, President and CEO (being the Chairman of the Executive Committee by position), Chief Financial Officer, Chief Risk Officer, General Counsel, Head of Operations and other suitable executives.

Qualifications
Committee members shall have extensive knowledge, capability, experience, and thorough understanding of their duties and responsibilities, with good judgment in acting for the benefit of the business.

Term of Office
The term of office is in accordance with the directive of the appointment of the Executive Committee.

Authority, Duties and Responsibilities

(1) Supervise the Bank's operations to ensure compliance with all relevant laws and the Bank's regulations.

(2) Supervise the Bank's business management to achieve the set goals, policies, strategies and business plans.

(3) Assist the Board of Directors in setting optimal policies and plans by providing full and accurate information.

(4) Screen strategic plans, annual business plan, capital expenditure budgets, operational objectives and other project plans, including incomes/non-interest expenditure controls before submitting to the Board of Directors.

(5) Assign other committees and sub-committees to consider matters which occur from the Bank's ordinary operations.

(6) Prepare reports as assigned by the Board of Directors.

(7) Review policy and business plans prepared by the President and CEO which have been reviewed by the Financial Management Committee and propose the business plans which have been reviewed to the Board of Directors for approval.

(8) Consider policy and business plans endorsed by the Board of Directors on a quarterly basis and present views relating to the policy and business plans to the Board.

(9) Consider, approve, and monitor the following operations:

- High cost investment
- Launching of new product or cessation of providing service or adjustment of prices which have been approved
- Go into business by capital investment, share investment, business partnership or contracts or agreements
- Provision of credits or guarantee apart from the Bank's ordinary operations
- Any actions resulting in property rights or right over the Bank's assets
- Liability payments or liability payment before due date
- Changes of remuneration or employee benefit policy
- Changes of strategies relating to the provision of credit and acceptance of deposits
- Credit limits opening and closing and
- To enter into agreements or the setting of policy relating to agreements with the departments monitoring the Bank's business operations in cases other than those which the Bank's high-level executives have been empowered to do.

(10) Monitor operations of the Bank's departments to ensure compliance with plans and goals in an efficient and effective manner.

(11) Review, monitor, provide suggestions and directions to ensure that the management system and operational process of various departments are modem, up-to-date and correspond to the fast changing economic situation.

(12) Examine the Bank's documents and data and summon relevant employees for questioning to enable the Committee to fulfill its objectives.

(13) Appoint and set the roles and responsibilities of sub-committees and/or individuals as deemed appropriate to assist the management of the Bank.

(14) Undertake assignments from the Board of Directors.

(15) Report the Bank's operations and various activities that have major implications to the Board of Directors.

(16) Direct matters relating to the Bank's overall business or operations.

(17) Monitor operations of the sub-committees reporting to the Executive Committee.

Name and Meeting Attendance of the Executive Committee
In 2012, there were a total of 12 meetings as detailed below:

Members of the Executive Committee	Position	Number of Meetings Attended/ Total Number of Meetings Held
1. Mr. Mark Arnold	Chairman	11/12
2. Mrs. Janice Van Ekeren	Vice Chairman	10/12
3. Mr. Chandrashekar Subramanian Krishoolndmangalam	Member	9/12
4. Miss Phawana Niemloy	Member	11/12
5. Mrs. Wanna Thamsirisup	Member	10/12
6. Mr. Pornsanong Tuchinda [1/]	Member	10/11
Secretary to the Executive Committee is Mrs. Thidarat Sethavaravichit		

Remark: [1/] Due to the restructuring of the Bank's managenent structure, he was not the Executive Committee Member during October 1-23, 2012

SHAREHOLDING OF DIRECTORS AND EXECUTIVES
(as defined by the Capital Market Supervisory Board)

Name – Surname	31 December 2012			31 December 2011			Total Shares Increase / (Decrease) During the Year (shares)
	No. of Shares (shares)		Total Shareholding (%) 1/	No. of Shares (shares)		Total Shareholding (%) 1/	
	Directors/ Executives	Spouse and Child who has not yet reached adulthood		Directors/ Executives	Spouse and Child who has not yet reached adulthood		
Non-Executive Directors							
1. Mr. Veraphan Teepsuwan	1,960	251,901	0.0042	1,960	251,901	0.0042	-
2. Mr. Pongpinit Tejagupta	-	-	-	-	-	-	-
3. Mr. Virojn Srethapramotaya	-	-	-	-	-	-	-
4. Miss Nopporn Tirawattanagool	-	-	-	-	-	-	-
5. Mr. Xavier Pascal Durand	-	-	-	-	-	-	-
Independent Directors							
6. Mr. Karun Kittisataporn	-	-	-	-	-	-	-
7. Miss Potjanee Thanavaranit	-	-	-	-	-	-	-
8. Mr. Virat Phairatphiboon	-	-	-	-	-	-	-
9. Mr. Phong-adul Kristnaraj	-	-	-	-	-	-	-
Executive Directors							
10. Mr. Mark Arnold	-	-	-	-	-	-	-
11. Mr. Pornsanong Tuchinda	-	-	-	-	-	-	-
12. Mrs. Janice Van Ekeren	150,000	-	0.0025	150,000	-	0.0025	-
Executives							
13. Mr. Chandrashekar Subramanian Krishoolndmangalam	-	-	-	-	-	-	-
14. Miss Phawana Niemloy	-	-	-	-	-	-	-
15. Mr. Philip Tan Chen Chong	-	-	-	-	-	-	-
16. Mr. Sudargo (Dan) Harsono	-	-	-	-	-	-	-
17. Mrs. Wanna Thamsirisup	-	-	-	-	-	-	-
18. Mr. Voranuch Dejakaisaya	-	-	-	-	-	-	-
19. Miss Puntipa Hannorraseth	14,000	-	0.0002	14,000	-	0.0002	-
20. Miss Anuttara Panpothong	-	-	-	-	-	-	-
23. Mr. Rohit Khanna	-	-	-	N.A.2/			N.A.

Name – Surname	31 December 2012			31 December 2011			Total Shares Increase / (Decrease) During the Year (shares)
	No. of Shares (shares)		Total Shareholding (%) 1/	No. of Shares (shares)		Total Shareholding (%) 1/	
	Directors/ Executives	Spouse and Child who has not yet reached adulthood		Directors/ Executives	Spouse and Child who has not yet reached adulthood		
24. Mr. Pipat Assamongkol	-	-	-	N.A.2/			N.A.
25. Miss Duangdao Wongpanitkrit	-	-	-	-	-	-	-
26. Mr. John Howard Harker	-	-	-	-	-	-	-
27. Mrs. Orawan Sujarittayon	-	-	-	-	-	-	-
28. Miss Niyada Korpajarasoontorn	-	-	-	N.A.2/			N.A.
29. Mrs. Varabhorn Achakornlak	-	-	-	-	-	-	-
30. Miss Jiraporn Popairoj	-	-	-	-	-	-	-
31. Mr. Poonsit Wongthawatchai	-	-	-	-	-	-	-
32. Miss Pornnapa Patarasatienkul	-	-	-	-	-	-	-
33. Mrs. Akanit Mattison	-	-	-	N.A.2/			N.A.
34. Mr. Kriangsak Jongsukkigparnich	-	-	-	-	-	-	-
35. Mr. Jamorn Phianphrom	2	-	0.0000	2	-	0.0000	-
36. Miss Pisara Pattanasiri	-	-	-	-	-	-	-
37. Mr. Khomson Adunwitthayakorn	-	-	-	-	-	-	-
38. Miss Somjai Pattanakipairoj	-	-	-	-	-	-	-
39. Mrs. Duangkhae Khunviseadpong	-	-	-	N.A.2/			N.A.
40. Mrs. Orawan Julapol	-	-	-	N.A.2/			N.A.
41. Miss Sukanda Thawilwang	-	-	-	N.A.2/			N.A.
42. Miss Siriporn Sribooncharoen	-	-	-	N.A.2/			N.A.
43. Miss Uraivan Charoenbunditchai	-	-	-	-	-	-	-
44. Mrs. Samanporn Chantanahom	27,000	-	0.0004	N.A.2/			N.A.
45. Miss Porntip Sae Lor	-	-	-	N.A.2/			N.A.
46. Miss Preeyanun Sakpichaisakul	-	-	-	N.A.2/			N.A.
47. Mrs. Kamoltip Jittimaporn	-	-	-	N.A.2/			N.A.

Remarks: 1/ Shareholding includes spouses and child who has not yet reached adulthood. As of December 31, 2011 and December 31, 2012, the Bank had a total of 6,074,143,747 ordinary shares sold.

2/ In 2012, he/she was not the executive that fall under executive definition prescribed by the Capital Market Supervisory Board.

EDUCATIONAL BACKGROUND AND WORK EXPERIENCE OF DIRECTORS AND EXECUTIVES

(As defined by the Capital Market Supervisory Board)

As of December 31, 2012

Board of Directors

Name – Surname/ Education	Age (Yrs)	Work 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. • Certificate of Role of the Chairman Program (RCP),Thai Institute of Directors Association (IOD)	71	Jan 2007–Present	Chairman	Bank of Ayudhya PCL
		1999–Present	Chairman	Sri Ayudhya Capital PCL
		Nov 2006–Present	Chairman	Siam City Cement PCL
		1995–Jan 2011	Chairman	Allianz Ayudhya Assurance PCL (Formerly, Ayudhya Allianz C.P. Life PCL)
		2003–Present	Vice Chairman	Eastern Star Real Estate PCL
		1983–Present	Director	Bangkok Broadcasting & T.V. Co., Ltd.
		Sep 2010–Present	Director	Exclusive Senior Care International Co., Ltd.
2. **Mr. Pongpinit Tejagupta** • MBA., University of Detroit, Michigan, U.S.A. • Bachelor of Accountancy, Chulalongkorn University • Certificate of Director Accreditation Program (DAP), Director Certification Program (DCP), Advanced Audit Committee Program (completed ACP, MIA, MFM, MFR, MIR), Successful Formulation & Execution of Strategy (SFE), Financial Institutions Governance Program (FGP), The Board's Role in Mergers and Acquisitions (M&A), Role of the Nomination and Governance Committee (RNG), Role of the Compensation Committee (RCC), Thai Institute of Directors Association (IOD)	58	Aug 2005–Present	Director (Authorized Signatory)	Bank of Ayudhya PCL
		Jul 8–31, 2009	Senior Advisor to the Distribution Group	
		Jan–Jul 2009	Compliance Review Committee Member	
		Jun 2007–Jul 2009	Head of Distribution	
		Apr 2006–Jul 2009	Executive Committee Member	
		Apr 2011–Present	Chairman of the Audit Committee	Siam City Cement PCL
		Feb 2010–Present	Independent Director	
		Feb 2010–Apr 2011	Audit Committee Member	
		Apr 2003–Present	Director	Allianz Ayudhya Assurance PCL (Formerly, Ayudhya Allianz C.P. Life PCL)
		Aug 1996–Jul 2009	Director	Krungsriayudhya Card Co., Ltd.
		Dec 2001–Apr 2008	Director	Krungsri Ayudhya AMC Ltd.

Name – Surname/ Education	Age (Yrs)	Work Experience in the last 5 years		
		Period	Position	Name of Organization
3. **Mr. Virojn Srethapramotaya** • MBA., Jacksonville State University, U.S.A. • Bachelor of Accountancy, Chulalongkorn University • Advanced Management Program for International Bankers, The Wharton School, University of Pennsylvania • Certificate of Financial Executive, The Thai Institute of Banking and Finance Association, The Thai Bankers' Association • Certificate of Director Accreditation Program (DAP), Director Certification Program (DCP), Director Diploma Examination (DDE), Role of the Chairman Program (RCP), DCP Refresher Course, Successful Formulation & Execution of Strategy (SFE), Financial Institutions Governance Program (FGP), Audit Committee Program (ACP), Monitoring Fraud Risk Management (MFM), Monitoring the Internal Audit Function (MIA), Monitoring the system of Internal Control and Risk Management (MIR), Chartered Director Class (CDC), Thai Institute of Directors Association (IOD)	60	Feb 2010–Present	Director (Authorized Signatory)	Bank of Ayudhya PCL
		Jan–Feb 2010	Senior Advisor to the Corporate Banking Group	
		Jan 2007–Dec 2009	Head of Corporate Banking	
		Jan–Dec 2009	Credit Committee Member	
		Apr 2006–Dec 2009	Executive Committee Member	
		Feb 2004–Dec 2009	Senior Executive Vice President	
		Oct 2002–Dec 2009	Risk Management Committee Member	
		Jul 2007–Mar 2009	Compliance Review Committee Member	
		Jan 2012–Present	Director and Audit Committee Member	Allianz Ayudhya Assurance PCL (Formerly, Ayudhya Allianz C.P. Life PCL)
		Jan 2011–Present	Chairman (Authorized Signatory)	Sri Ayudhya General Insurance PCL
		Dec 2010–Jan 2011	Director	
		Feb 1998–Present	Director (Authorized Signatory)	Sri Ayudhya Capital PCL
		Feb 2007–Dec 2009	Chairman	Krungsri Factoring Co., Ltd.
		Apr 2008–Apr 2009	Director	Ayudhya Development Leasing Co., Ltd.
		May 2004–Apr 2008	Chairman	Ayudhya Auto Lease PCL
		Apr 2003–Apr 2008	Chairman of the Executive Committee	
		Apr 2004–Apr 2008	Chairman	The Thai Institute of Banking and Finance Association (TIBFA)

Name – Surname/ Education	Age (Yrs)	Work Experience in the last 5 years		
		Period	Position	Name of Organization
4. **Miss Nopporn Tirawattanagool** • Master of Accounting, Faculty of Commerce and Accountancy, Thammasat University • Bachelor of Business Administration (in Accounting), Thammasat University • Certificate of Director Accreditation Program (DAP), Role of the Compensation Committee (RCC), Audit Committee Program (ACP), Director Certification Program (DCP), Financial Institutions Thai Institute of Directors Association (IOD)	58	Apr 2010–Present	Director Nomination and Remuneration Committee Member	Bank of Ayudhya PCL
		Mar 2009–Feb 2010	Executive Committee Member	
		Sep 2008–Apr 2010	Head of Human Resources	
		Dec 2004–Apr 2010	First Executive Vice President	
		Jun 2007–Mar 2009	Secretary to the Executive Committee	
		Aug 2012–Present	Director (Authorized Signatory)	ITBC Business Consultant Group Co., Ltd.
		Apr 2012–Present	Director	Siam City Cement PCL
		Apr 2011–Present	Director (Authorized Signatory)	Exclusive Senior Care International
		Sep 2010–Present	Director (Authorized Signatory)	BBTV International Holdings Co., Ltd.
		Sep 2010–Present	Director (Authorized Signatory)	Sunrise Equity Co., Ltd.
		Sep 2010–Present	Director (Authorized Signatory)	BBTV Equity Co., Ltd.
		Apr 2010–Jan 2012	Independent Director Audit Committee Member	Lanna Resources PCL
		May 2010–Aug 2011	Chairman (Authorized Signatory)	Professional Call Center Co., Ltd.
		May 2004–Jan 2011	Director	Dherakupt International Law Office Co., Ltd.
		Nov 2009–Apr 2010	Director	Total Services Solutions PCL
		Apr 2009–Apr 2010	Director	Ayudhya Total Solutions PCL
		Apr 2008–Apr 2010	Director	Ayudhya Capital Auto Lease PCL
		Nov 2003–Apr 2010	Director	Ayudhya Auto Lease PCL
		Apr 2008–Mar 2010	Director	Krungsri Securities PCL
		Apr–Dec 2008	Director	Ayudhya Hire Purchase Co., Ltd.
		Aug 2000–Apr 2008	Director	Krungsri Ayudhya AMC Ltd.

Name – Surname/ Education	Age (Yrs)	Work Experience in the last 5 years		
		Period	Position	Name of Organization
5. **Mr. Xavier Pascal Durand** • Masters of Engineering, Ecole Nationale des Ponts et Chaussees (Paris) • Masters of Engineering, Ecole Polytechnique (Paris)	48	Feb 2012–Present	Director	Bank of Ayudhya PCL
		Apr 2012–Present	Chairman of the Compliance Review Committee	
		Feb 2011–Present	President and CEO	GE Capital Asia Pacific Tokyo, Japan
		Mar 2011–Present	Director	Hyundai Card Corporation
		Jul 2011–Dec 2012	Director	GE Japan Corporation
		Jul 2011–May 2012	Director	Yingda International Leasing Company
		2009–2011	Head of GE Global Banking's Businesses in Western Europe, Russia and Latvia	GE Capital Global Banking Western Europe, Russia, Latvia Paris, France
		2008–2009	President and CEO, GE Money West Europe	GE Money Western Europe Paris, France
		2005–2008	President and CEO, GE Money South West Europe	GE Money South West Europe Paris, France

Independent Directors

6. **Mr. Karun Kittisataporn** • MA., (International Trade), Syracuse University, N.Y., U.S.A. (U.S.A.ID Scholarship) • BCA., Victoria University of Wellington, New Zealand (Colombo Plan Scholarship) • Degree from the National Defense College, Class 8 • Certificate of Commercial Policy Course, GATT, Geneva • Certificate of Director Certification Program (DCP), Role of the Compensation Committee (RCC), Audit Committee Program (ACP), Financial Statements for Directors (FSD), Financial Institutions Governance Program (FGP), Monitoring the Quality of Financial Reporting (MFR), Thai Institute of Directors Association (IOD)	65	Apr 2008–Present	Independent Director Chairman of the Nomination and Remuneration Committee	Bank of Ayudhya PCL
		Jan 2011–Present	Audit Committee Member	Central Pattana PCL
		Apr 2009–Present	Independent Director Nomination and Remuneration Committee Member	
		Nov 2012–Present	Audit Committee Member	Khon Kaen Sugar Industry PCL
		Feb 2010–Present	Independent Director Nomination and Remuneration Committee Member	
		Nov 2008–Present	Audit Committee Member	Sahamit Machinery PCL
		May 2008–Present	Chairman of the Executive Committee	The Support Arts and Craft International Centre of Thailand (Public Organization)
		Oct 2007–Present	Commissioner	Insurance Commission
		Nov 2006–Present	Member	Council of State
		Jan 2008–Feb 2011	Commissioner	Public Sector Development Commission
		Nov 2009–Feb 2011	Director	Securities and Exchange Commission
		Oct 2006–Mar 2008	Member	The National Legislative Assembly of Thailand
		Dec 2003–Feb 2008	Director	Bank of Thailand

Name – Surname/ Education	Age (Yrs)	Work Experience in the last 5 years		
		Period	Position	Name of Organization
7. **Miss Potjanee Thanavaranit** • MBA., Syracuse University, U.S.A. (U.S.A.ID Scholarship) • Bachelor of Accountancy, Chulalongkorn University • Certificate of Advanced General Insurance Program, Swiss Insurance Training Center, Switzerland (Swiss Re Scholarship) • Certificate of Advanced Management Program, Australian Management College, Australia (COLOMBO Scholarship) • Certificate of Executive Development Program (Class 18), Office of the Civil Service Commission • Degree from the National Defense College, Class 42 • Certificate of Top Executive Program, Class 8, Capital Market Academy • Certificate of Top Executive Program in Commerce and Trade, Class 3, Commerce Academy • Certificate of Advanced Security Management Program, The National Defense College Association of Thailand • Certificate of Director Certification Program (DCP), Role of the Chairman Program (RCP), Role of the Compensation Committee Program (RCC), Audit Committee Program (ACP), Financial Institutions Governance Program (FGP), Monitoring the Quality of Financial Reporting (MFR) Thai Institute of Directors Association (IOD)	66	Apr 2012–Present	Chairman of the Audit Committee	Bank of Ayudhya PCL
		Apr 2010–Present	Independent Director	
		Apr 2010–Apr 2012	Audit Committee Member	
		Jun 2012–Present	Nomination and Remuneration Committee Member	Thai Reinsurance PCL
		2007–Present	Independent Director	
		Apr 2010–Present	Director	BJC International Co., Ltd.
		2009–Present	Independent Director Audit Committee Member	Oishi Group PCL
		2009–Present	Independent Director	Berli Jucker PCL
		2008–Present	Chairman of the Public Sector Audit and Evaluation Committee	Ministry of Commerce
		2007–Present	Independent Director Audit Committee Member	Bangkok Insurance PCL
		2007–Present	Chairman of the Board (Independent Director) Audit Committee Member Chairman of the Compensation and Nomination Committee	Univentures PCL
		2007–Present	Qualified member of the Committee	The Federation of Thai Insurance Organization
		2006–Present	Member	Council of State
		2007–Jul 2012	Member and Treasurer	Bhumirajanagarindra Kidney Foundation
		Sep 2006–Feb 2008	Advisor	Council of National Security
		Oct 2006–Feb 2008	Advisor to the Commerce Minister (non–political position)	Ministry of Commerce
		Oct 2006–Mar 2008	Vice President	The National Legislative Assembly of Thailand
		Jun 2001–Aug 2008	Member of the Financial Institutions Policy Committee	Bank of Thailand

Name – Surname/ Education	Age (Yrs)	Work Experience in the last 5 years		
		Period	Position	Name of Organization
8. **Mr. Virat Phairatphiboon** • BA. in Economics and Business Administration, Adams State College, Colorado, U.S.A. • Executive Development Program, Princeton University, U.S.A. • Certificate of Director Certification Program (DCP), Audit Committee Program (ACP), Role of the Compensation Committee (RCC), Thai Institute of Directors Association (IOD)	64	Feb 2007–Present	Nomination and Remuneration Committee Member	Bank of Ayudhya PCL
		1999–Present	Audit Committee Member	
		1998–Present	Independent Director	
		May 2012–Present	Chairman of the Audit Committee	Tipco Foods (Thailand) PCL
		2007–Present	Independent Director	
		2007–May 2012	Audit Committee Member	
9. **Mr. Phong-adul Kristnaraj** • MBA., Management, Sasin Graduate Institute of Business Administration of Chulalongkorn University • Bachelor of Accountancy in Banking and Finance, Chulalongkorn University • Certificate of Director Certification Program (DCP) Thai Institute of Directors Association (IOD)	62	Apr 2012–Present	Independent Director Audit Committee Member	Bank of Ayudhya PCL
		Oct 2012–Present	Audit Committee Member	Thai Public Broadcasting Service
		2010–Present	Advisor	Tangthanasin Co., Ltd.
		2010–April 2012	Member of the Asset Management Working Team	Sukhumvit Asset Management Co., Ltd.
		2009–2011	President	Bank of Thailand Employee's Thrift and Credit Co-Operative Ltd.
		2009–2011	Director	The Institute of Internal Auditors of Thailand
		1975–2010	Examiner–Senior Director	Bank of Thailand

Name – Surname/ Education	Age (Yrs)	Work Experience in the last 5 years		
		Period	Position	Name of Organization
Executive Directors				
10. **Mr. Mark Arnold** • BA., (1st Class Honors) Management Studies, University of Liverpool • Diploma in Marketing, Chartered Institute of Marketing **Remark:** Resigned from being the Director and the role of the Bank effective January 1, 2013.	44	Jan 2011–Dec 2012	Advisor to the Compliance Review Committee	Bank of Ayudhya PCL
		Jan 2010–Dec 2012	Director (Authorized Signatory) President and CEO Chairman of the Risk Management Committee Chairman of the Executive Committee Advisor to the Credit Committee	
		Jan 2010–Dec 2010	Chairman of the Compliance Review Committee	
		Apr 2009–Jan 2010	Director	
		Aug 2009–Feb 2010	Director	PT Astra Sedaya Finance
		May 2009–Jan 2010	Director	Cosmos Bank, Taiwan
		Jul–Dec 2009	Director	GE Capital Philippines Investment Holding B.V.
		Apr–Dec 2009	Director	GE Capital Emerging Markets Holding B.V.
		Apr–Dec 2009	Director	GE Capital South East Asia Holding B.V.
		Apr–Dec 2009	Director	GE Garanti Bank S.A. (Romania)
		Jan–Dec 2009	CEO	GE Capital Global Banking, South East Asia
		Sep 2006–Aug 2009	Member of the Management Board	Leasemart Holding B.V.
		Sep 2006–Apr 2009	Member of the Board of Directors	S.C. Ralfi IFN S.A., Cluj, Romania
		Sep 2006–Apr 2009	Member of the Board of Directors	S.C. Domenia Credit IFN S.A., Bucharest, Romania
		Sep 2006–Apr 2009	Member and Chairman of the Board of Directors	S.C. Motoractive IFN S.A., Bucharest, Romania
		Oct 2004–Apr 2009	CEO and President	Budapest Bank (GE Money), Budapest, Hungary
		Apr 2007–Mar 2009	Member of the Board of Directors	Motoractive Multiservices SRL

Name – Surname/ Education	Age (Yrs)	Work Experience in the last 5 years		
		Period	Position	Name of Organization
11. **Mr. Pornsanong Tuchinda** • MBA. (Finance and Management), Babson College, Massachusetts, U.S.A. • BA. (Economics and Political Science), The University of Michigan, Ann Arbor, Michigan, U.S.A. • Certificate of Director Accreditation Program (DAP), Director Certification Program (DCP), Audit Committee Program (ACP), Thai Institute of Directors Association (IOD)	51	Oct 2012–Present	Head of Corporate Banking	Bank of Ayudhya PCL
		Jul 2012–Present	Risk Management Committee Member Credit Committee Member	
		Feb 2010–Present	Executive Committee Member	
		Jan 2010–Present	Senior Executive Vice President	
		Jan 2007–Present	Director	
		Jul 2012–Sep 2012	Acting Head of Corporate Banking	
		Jan 2010–Sep 2012	Head of Transformation	
		Apr 2010–Jun 2010	Acting Head of Human Resources Secretary to the Nomination and Remuneration Committee	
		Feb 2007–Dec 2009	Nomination and Remuneration Committee Member	
		Mar 2010–Present	Audit Committee Member	Focus Development and Construction PCL
		May 2008–Present	Remuneration Committee Member	
		Mar 2005–Present	Independent Director	
		May 2008–Feb 2010	Chairman of Audit Committee	
		Mar 2005–May 2008	Audit Committee Member	
		Nov 2009–Present	Chairman (Authorized Signatory)	Krungsri Securities PCL
		2007–Sep 2010	Chairman	Triple P Development Co., Ltd.
		Dec 2008–Nov 2009	Chairman	Krungsri Asset Management Co., Ltd.
		2005–Feb 2008	Independent Director Audit Committee Member	Syrus Securities Co., Ltd.

Name – Surname/ Education	Age (Yrs)	Work Experience in the last 5 years		
		Period	Position	Name of Organization
12. **Mrs. Janice Van Ekeren** • MBA. (Finance), University of Chicago, U.S.A. • BSc., in Industrial Administration, Iowa State University, U.S.A. • Certified Public Accountant (US) • Certified Bank Auditor (US) • Certificate of Director Certification Program (English), Director Diploma Examination Program (Fellow Member), Thai Institute of Directors Association (IOD) **Remark:** Appointed as a Chief Executive Officer, Chairman of the Risk Management Committee, Chairman of the Executive Committee, Advisor to the Compliance Review Committee, Advisor to the Credit Committee effective on January 1, 2013	53	Jan 2007–Present	Director (Authorized Signatory)	Bank of Ayudhya PCL
		Jan 2007–Dec 2012	Chief Financial Officer Vice Chairman of the Executive Committee Risk Management Committee Member First Executive Vice President	
		Aug 2009–Present	Acting Head of Treasury	
		Jul 2009–Dec 2012 and Jul 2007–Mar 2009	Compliance Review Committee Member	
		Jan 2010–Present	Board of Governors	American Chamber of Commerce Thailand
		Jan–Dec 2012	Treasurer	
		Jan–Dec 2011	Secretary	
		Nov 2009–Present	Director (Authorized Signatory)	Tesco Card Services Ltd.

Corporate Secretary

Mrs. Thidarat Sethavaravichit • EMBA, Sasin Graduate Institute of Business Administration of Chulalongkorn University • LL.M., Case Western Reserve University, Ohio, U.S.A • Barrister at Law, Thailand • Bachelor of Laws, Chulalongkorn University. • Certificate of Company Secretary Program (CSP), Board Reporting Program (BRP), Director Certification Program (DCP), Thai Institute of Directors Association (IOD)	43	Jul 2010–Present	Senior Vice President and Corporate Secretary	Bank of Ayudhya PCL
		Nov 2007–Present	Secretary to the Board of Directors Secretary to the Executive Committee	
		Nov 2000–Present	Ombudsperson	
		Nov 2007–Jun 2010	Vice President and Corporate Secretary	

Executives and Persons with managerial authority of the Bank

Name – Surname/ Education	Age (Yrs)	Work Experience in the last 5 years		
		Period	Position	Name of Organization
1. **Mr. Chandrashekar Subramanian Krishoolndmangalam** • Master in Commerce, Bombay University • Certificate of Director Certification Program (DCP), Thai Institute of Directors Association (IOD)	50	Jan 2007–Present	Chief Risk Officer Vice Chairman of the Risk Management Committee Executive Committee Member First Executive Vice President	Bank of Ayudhya PCL
		Jan 2009–Present	Chairman of the Credit Committee	
		Jul 2007–Present	Compliance Review Committee Member	
		Jan 2007–Dec 2008	Credit Committee Member	
		Nov 2011–Present	Director (Authorized Signatory)	Ayudhya Development Leasing Co., Ltd.
		Apr 2008–Present	Director (Authorized Signatory)	Krungsri Ayudhya AMC Ltd.
			Director	Ayudhya Capital Auto Lease PCL
		Nov 2009 –Dec 2011	Director	Total Services Solutions PCL
2. **Miss Phawana Niemloy** • LL.M., Harvard Law School • Bachelor of Law (Gold Medal), Chulalongkorn University • Certificate of Director Certification Program (DCP), Finance for Non–Finance Director (FND), Thai Institute of Directors Association (IOD)	53	May 2007–Present	General Counsel	Bank of Ayudhya PCL
		Jul 2007–Present	Vice Chairman of the Compliance Review Committee	
		Jun 2007–Present	Executive Committee Member	
		Jan 2007–Present	First Executive Vice President	
		Jan 2007–Mar 2009	Risk Management Committee Member	
		Sep 2002–Present	Director Executive Director and Assistant Secretary	Mae Fah Luang Foundation under Royal Patronage

Name – Surname/ Education	Age (Yrs)	Work Experience in the last 5 years		
		Period	Position	Name of Organization
3. **Mr. Philip Tan Chen Chong** • Master of Management, Sasin Graduate Institute of Business Administration of Chulalongkorn University • Bachelors of Science Electrical Engineering, University of Maryland, U.S.A. **Remark:** Appointed as a director (Authorized Signatory), President, Vice Chairman of the Executive Committee, Risk Management Committee Member, Advisor to the Compliance Review Committee, Advisor to the Credit Committee, Acting Head of E-Business effective on January 1, 2013	47	May–Dec 2012	Head of E-Business	Bank of Ayudhya PCL
		Mar 2010–Dec 2012	First Executive Vice President	
		Mar 2010–Apr 2012	Head of Consumer Finance	
		Aug 2011 –Present	Board of Visitors	University of Maryland
		Jun 2010–Present	Chairman (Authorized Signatory)	Ayudhya Capital Auto Lease PCL
		May 2010–Present	Chairman (Authorized Signatory)	Ayudhya Card Services Co., Ltd.
		May 2010–Sep 2012	Chairman (Authorized Signatory)	General Card Services Ltd.
		Jun 2010–Jul 2012	Chairman (Authorized Signatory)	Krungsriayudhya Card Co., Ltd.
		May 2010–Jun 2012	Chairman (Authorized Signatory)	Ayudhya Total Solutions PCL
		May 2007–May 2012	Chairman (Authorized Signatory)	Ayudhya Capital Services Co., Ltd.
		Jun 2010–Sep 2011	Chairman	Ayudhya Auto Lease PCL
		Nov 2008–Apr 2010	Director	Krungsri General Insurance Broker Ltd.
			Director	Krungsri Life Assurance Broker Ltd.
		Jul 2009–Mar 2010	Chief Executive Officer (CEO)	GE Money (Thailand) Ltd.
		Jan 2007–Jul 2009	Chief Marketing Officer (CMO)	
4. **Mr. Sudargo Harsono** • MBA. in Finance and Marketing, Indiana University, Bloomington, IN, U.S.A. • Bachelor of Science Cum Laude, Biomedical and Electrical Engineering (Honors Program), University of Southern California, LA, U.S.A. • Certificate of Director Certification Program (DCP), Thai Institute of Directors Association (IOD)	52	Apr 2010–Present	Head of Marketing and Cross Sell	Bank of Ayudhya PCL
		Aug 2007–Present	First Executive Vice President	
		Aug 2007–Apr 2010	Chief Marketing Officer	
		Jan 2008–Feb 2010	Executive Committee Member	
		Nov 2009–Present	Chairman (Authorized Signatory)	CFG Services Co., Ltd.
		Nov 2009–Present	Director (Authorized Signatory)	General Card Services Ltd.
		Jan 2008–Present	Director (Authorized Signatory)	Ayudhya Capital Auto Lease PCL
		Jan 2008–Apr 2011	Director	Krungsriayudhya Card Co., Ltd.

Name – Surname/ Education	Age (Yrs)	Work Experience in the last 5 years		
		Period	Position	Name of Organization
5. **Mrs. Wanna Thamsirisup** • Diploma in Auditing, Thammasat University • BA. in Accounting, Faculty of Commerce and Accountancy, Thammasat University • Certified Public Accountant (CPA Thailand) • Certificate of Director Accreditation Program (DAP), Director Certification Program (DCP), Financial Institutions Governance Program (FGP), Role of the Chairman Program (RCP), Thai Institute of Directors Association (IOD)	56	Jan 2008–Present	Head of Operations Executive Committee Member	Bank of Ayudhya PCL
		Mar 2009–Present	Compliance Review Committee Member	
		Sep 2007–Present	First Executive Vice President	
		May 2011–Present	Chairman of the Audit Committee	Krungsri Securities PCL
		May 2011–Present	Director	
		Jun 2010–Present	Director (Authorized Signatory)	Total Services Solutions PCL
		Nov 2009–Jun 2010	Chairman	
		Nov 2009–Present	Director (Authorized Signatory)	Ayudhya Capital Services Co., Ltd.
		Feb 2009–Present	Chairman (Authorized Signatory)	Siam Realty and Services Co., Ltd.
		Apr 2009–Jun 2012	Director (Authorized Signatory)	Ayudhya Total Solutions PCL
6. **Mrs. Voranuch Dejakaisaya** • MBA., Chulalongkorn University • BA. in Statistics, Faculty of Commerce and Accountancy, Chulalongkorn University • Certificate of Director Certification Program (DCP), Financial Statements for Directors (FSD), Thai Institute of Directors Association (IOD)	52	Jul 2009–Present	Head of Information Technology First Executive Vice President	Bank of Ayudhya PCL
		Jul 2009–Feb 2010	Executive Committee Member	
		Nov 2009–Present and Jan 2007–Jul 2009	Director (Authorized Signatory)	Total Services Solutions PCL
		Nov 2009–Present and Oct 2007–Jul 2009	Director (Authorized Signatory)	General Card Services Ltd.
		Nov 2009–Apr 2011 and May 2007–Aug 2009	Director	Ayudhya Capital Services Co., Ltd.
		2009–Jun 2009	IT SEA Leader-Global Banking	
		2007–2009	Chief Information Officer & IT Regional Support	

Name – Surname/ Education	Age (Yrs)	Work Experience in the last 5 years		
		Period	Position	Name of Organization
7. **Miss Puntipa Hannoraseth** • MBA., Thammasat University • Bachelor of Accounting (1st Class Honor), Thammasat University Certified Public Accountant (CPA Thailand) • Certified Internal Auditor • Certificate of Advanced Audit Committee Program (completed ACP, MIA, MFM, MFR, MIR), Company Secretary Program (CSP), Thai Institute of Directors Association (IOD)	44	Sep 2010–Present and Jan –Sep 2009	Secretary to the Audit Committee	Bank of Ayudhya PCL
		Nov 2009–Present	Executive Vice President	
		Apr 2009–Present	Head of Audit	
		Apr –Oct 2009 and 2007–Dec 2008	Senior Vice President, Audit Department	
		Jan–Apr 2009	Senior Vice President and Manager, Audit Department	
8. **Miss Anuttara Panpothong** • MBA., (Finance), George Washington University, U.S.A. • BA. in Finance and Banking (1st Class Honor), Thammasat University	41	Jul 2010–Present	Head of Human Resources Secretary to the Nomination and Remuneration Committee First Executive Vice President	Bank of Ayudhya PCL
		Jan 2009–Jun 2010	Chief Officer, Human Resources Department	Allianz Ayudhya Assurance PCL (Formerly, Ayudhya Allianz C.P. Life PCL)
		2008	Human Resources Director	The Minor Food Group PCL
9. **Mr. Sayam Prasitsirigul** • MBA., (Finance), The Peter F. Drucker Center, The Claremont Graduate School, California, U.S.A. • Bachelor of Electrical Engineering, Chulalongkorn University	43	Apr 2012–Present	Head of SME Banking Risk Management Committee Member Credit Committee Member	Bank of Ayudhya PCL
		Jul 2011–Present	First Executive Vice President	
		Sep 2011–Oct 2012	Head of Corporate & SME Products	
		Aug–Sep 2011	Head of Supply Chain Solutions and Special Projects	
		Dec 2011–Present	Director	Krungsri Factoring Co., Ltd.
		Dec 2008–Jun 2011	Chief SME Banking Officer	TMB Bank PCL
		May–Sep 2008	First Vice President, Head of Cash Management Department	Kasikornbank PCL
		Apr 2007–Apr 2008	First Vice President, Head of Supply Chain Financing	

Name – Surname/ Education	Age (Yrs)	Work Experience in the last 5 years		
		Period	Position	Name of Organization
10. **Mr. Phonganant Thanattrai** • Master of Business Administration, Thammasat University • Bachelor of Business Administration, Assumption University	48	Apr 2012–Present	First Executive Vice President,	Bank of Ayudhya PCL
		Nov 2011–Present	Head of Distribution Compliance Review Committee Member	
		Nov 2011–Mar 2012	Executive Vice President	
		Jul 2010–Nov 2011	Executive Vice President, Branch Metropolitan Business Division, Distribution Group	
		Dec 2010–Present	Director	Krungsri Asset Management Co., Ltd.
		2006–Jul 2010	Executive Vice President, Value Center GM–SME / Branch Banking / Secured Lending	Standard Chartered Bank (Thai) PCL
11. **Mr. Rohit Khanna** • Master in Business Management, The Xavier Labour Relations Institute • Bachelor of Engineering, Mangalore University	39	May 2012–Present	Head of Business Transformation First Executive Vice President	Bank of Ayudhya PCL
		Mar 2010–Apr 2012	First Executive Vice President, Back Office Integration Division, Transformation Group	
		Aug 2012–Present	Director (Authorized Signatory)	Krungsriayudhya Card Co., Ltd.
		Oct 2010–Present	Chairman (Authorized Signatory)	Total Services Solutions PCL
		2006–2009	Chief Operating Officer	GE Money
12. **Mr. Pipat Assamongkol** • MBA., (Finance), The Claremont Graduate University, Claremont, California, U.S.A. • Bachelor of Business Administration (General Management), Assumption University	45	Nov 2012–Present	Head of Transaction Banking Business First Executive Vice President	Bank of Ayudhya PCL
		2010–2012	Executive Director	UOB Bank PCL
		2007–2010	Executive Vice President	Siam Commercial Bank PCL

Name – Surname/ Education	Age (Yrs)	Work Experience in the last 5 years		
		Period	Position	Name of Organization
13. **Miss Duangdao Wongpanitkrit** • MBA., (Financial Accounting), Chulalongkorn University • Bachelor of Business Administration (Accounting), Thammasat University • Certified Public Accountant (CPA Thailand) • Certificate of Financial Institutions Governance Program (FGP), Thai Institute of Directors Association (IOD) **Remark:** 1. Appointed as the Chief Financial Officer, effective on January 1, 2013 2. Apointed as a director of Ayudhya Capital Auto Lease PCL, effective on January 22, 2013 3. Appointed as Acting Executive Vice President, Financial Planning and Analysis Division, Finance Group, effective on February 1, 2013 Program(FGP), Thai Institute of Directors Association (IOD)	44	Jun 2007–Dec 2012	Executive Vice President, Financial Planning and Analysis Division, Finance Group	Bank of Ayudhya PCL
		Nov 2009–Present	Director (Authorized Signatory)	Ayudhya Capital Services Co., Ltd.
		Apr 2009–Present	Director (Authorized Signatory)	Ayudhya Card Services Co., Ltd.
		Apr 2009–Jun 2012	Director	Ayudhya Total Solutions PCL
14. **Mr. John Howard Harker** • Bachelor of Science, Geography University of Glasgow, Scotland **Remark:** Term of office ended January 1, 2013	54	Jul 2007–Dec 2012	Executive Vice President, Operational Controllership Division, Finance Group	Bank of Ayudhya PCL
		Mar –Jul 2009	Compliance Review Committee Member	
		Nov 2009–Dec 2012	Director (Authorized Signatory)	Total Services Solutions PCL
		May–Sep 2010	Director	Ayudhya Auto Lease PCL
15. **Mrs. Orawan Sujarittayon** • Master of Science, Accounting, Thammasat University • BA. Accounting, Chulalongkorn University • Certified Public Accountant (CPA Thailand)	46	Jul 2010–Present	Executive Vice President, Accounting Division, Finance Group	Bank of Ayudhya PCL
		Nov 2008–Jun 2010	Senior Vice President and Manager, Accounting Department	
		Nov 2009–Present	Director (Authorized Signatory) Audit Committee	Krungsri Asset Management Co., Ltd.
		Jul 2007–Oct 2008	Vice President, Financial Controller	AIG Retail Bank PCL

Name – Surname/ Education	Age (Yrs)	Work Experience in the last 5 years		
		Period	Position	Name of Organization
16. **Miss Niyada Korpajarasoontorn** • Master in Accounting, University of North Carolina, U.S.A. • Bachelor in Accounting and Mathematics, High Point University, North Carolina, U.S.A.	43	Jul 2012–Present	Executive Vice President, Strategic Initiatives Division, Finance Group	Bank of Ayudhya PCL
		2007–Present	Director (Authorized signatory)	Tesco Card Services Ltd.
		Nov 2009–Jun 2012	Chief Financial Officer	Ayudha Capital Services Ltd.
		Apr 2008–Oct 2009	Senior Vice President, Financial Planning & Analysis	GE Capital (Thailand) Ltd.
		Nov 2005–Mar 2008	Business Controller	GE Capital (Thailand) Ltd.
17. **Mrs. Varabhorn Achakornlak** • MBA International Business, Nova University, Florida, U.S.A. • Advance International Certificate PSCM (Purchasing & Supply Chain Management), International Trade Center, UNTAD / WTO • Advance Purchasing Research, (IFPMM), The International Federation of Purchasing and Materials Management, Salzburg, Austria	49	Sep 2010–Present	Senior Vice President and Manager, Procurement Department, Finance Group	Bank of Ayudhya PCL
		Mar 2008–Sep 2010	Senior Vice President, Procurement Section, Finance Group	
		Apr 2001–Mar 2008	Vice President, Country Procurement Services Unit Head	Citibank N.A., Thailand
18. **Miss Jiraporn Popairoj** • Master of Science in Accounting, Thammasat University • Master of Law (Taxation Law), Assumption University • BA. in Accounting, Thammasat University • Bachelor of Law, Ramkhamhaeng University • Higher Diploma in Auditing, Thammasat University • Certified Public Accountant (CPA Thailand) • Certificate of Director Certification Program (DCP), Thai Institute of Directors Association (IOD)	51	Sep 2010–Present	Senior Vice President and Manager, Financial Compliance Department, Finance Group	Bank of Ayudhya PCL
		Nov 2008–Aug 2010	Senior Vice President and Manager, Audit Department Secretary to the Audit Committee	
		Nov 2008–Sep 2009	Senior Vice President, Subsidiaries, Treasury and Investment Audit Section, Audit Department, Audit Group	
		Oct 2006–Oct 2008	Senior Vice President and Manager, Accounting Department	

Name – Surname/ Education	Age (Yrs)	Work Experience in the last 5 years		
		Period	Position	Name of Organization
19. **Mr. Poonsit Wongthawatchai** • Master of Philosophy, University of Cambridge • MBA (International Banking and Finance), Columbia University • Bachelor of Science in Business Economics and Political Science, University of New Hampshire	41	Jun 2011–Present	Senior Vice President and Manager, Investor Relations Department, Finance Group	Bank of Ayudhya PCL
		Aug 2010–May 2011	Head, Investor Relations Division, Strategy Division and Business Transformation Office	CIMB Thai Bank PCL
		Jul 2009–Jul 2010	Director, International Relations Department	The Stock Exchange of Thailand
		Apr 2005–Jun 2009	Personal Assistant to the President, Office of the President	Siam Commercial Bank PCL
		Oct 2006–Mar 2008	Technical Advisor	The National Legislative Assembly
20. **Miss Pornnapa Patarasatienkul** • Master of Science (Finance), Thammasat University • Bachelor of Banking and Finance, Assumption University	40	Jun 2012–Present	Senior Vice President and Manager, Corporate Financial Planning and Analysis Department, Finance Group	Bank of Ayudhya PCL
		Mar 2012–Jun 2012	Senior Vice President and Manager, Financial Planning and Analysis Consolidation Department, Finance Group	
		Oct 2010–Feb 2012	Vice President, Financial Planning and Analysis Consolidation Department, Finance Group	
		Apr 2009–Sep 2010	Vice President, Finance Group	
		Jul 2011–Present	Director	Siam Realty and Services Co., Ltd.
		Jan 2007–Apr 2009	Vice President, Financial Planning and Analysis Department	AIG Retail Bank PCL

Name – Surname/ Education	Age (Yrs)	Work Experience in the last 5 years		
		Period	Position	Name of Organization
21. **Mrs. Akanit Mattison** • MBA, Assumption University • Bachelor, of Banking and Finance, Assumption University	39	Jun 2012–Present	Senior Vice President and Manager, Consumer and Distribution Financial Planning and Analysis Department, Finance Group	Bank of Ayudhya PCL
		Apr 2006 –Jun 2012	Senior Analyst, Financial Planning and Analysis Department, Finance Group	GE Capital. UK
22. **Mr. Kriangsak Jongsukkigparnich** • MBA (Finance), Western Michigan University • Bachelor of Faculty of Commerce and Accountancy (Cost Accounting), Chulalongkorn University	44	Mar 2011–Present	Senior Vice President, Operational Controllership Division, Finance Group	Bank of Ayudhya PCL
		Jul 2007–Feb 2011	Vice President, Operational Controllership Division, Finance Group	
23. **Mr. Jamorn Phianphrom** • MBA (Finance), Dhurakij Pundit University • BA., Chiengmai University • Diploma in Tax Law, Thammasat University	51	Sep 2010–Present	Vice President, Tax Management and Payment Verification Department, Finance Group	Bank of Ayudhya PCL
		May 2007–Sep 2010	Vice President and Manager, Tax Management and Payment Verification Section, Accounting Department, Finance Group	
24. **Miss Pisara Pattanasiri** • MBA, Seattle University. • Bachelor of Accounting, Faculty of Commerce and Accountancy, Chulalongkorn University	47	Jun 2012–Present	Vice President, Financial Planning and Analysis Consolidation Department, Finance Group	Bank of Ayudhya PCL
		Sep 2009–Jun 2012	Vice President, Treasury Financial Planning and Analysis Department, Finance Group	
		Jul 2007–Aug 2009	First Assistant Vice President, Treasury Financial Planning and Analysis Department	

Name – Surname/ Education	Age (Yrs)	Work Experience in the last 5 years		
		Period	Position	Name of Organization
25. **Mr. Khomson Adunwitthayakorn** • Master of Science (Finance), Chulalongkorn University • Bachelor of Accounting, Faculty of Commerce and Accountancy, Thammasat University • Certified Public Accountant (CPA Thailand)	39	Sep 2010–Present	Vice President, Accounting and Control Department, Finance Group	Bank of Ayudhya PCL
		Oct 2009–Sep 2010	Vice President and Section Manager, Accounting and Control Section, Accounting Department, Finance Group	
		Oct 2007–Sep 2009	Regional Financial Controller	Digital Marketing Solution Co., Ltd.
26. **Miss Somjai Pattanakitpairoj** • Master of Science in Accounting, Thammasat University • Diploma in Auditing, Thammasat University • Bachelor of Accounting, Thammasat University • Certified Public Accountant (CPA Thailand)	42	Sep 2010–Present	Vice President, Technical Accounting Department, Finance Group	Bank of Ayudhya PCL
		Apr–Sep 2010	Vice President, Technical Accounting Section, Accounting Department, Finance Group	
		Mar 2008–Apr 2010	Senior Manager–Assurance and Audit	Standard Chartered Bank (Thai) PCL
		Apr 2007–Mar 2008	Senior Manager–Financial Operational Risk Assurance	
27. **Mrs. Duangkhae Khunviseadpong** • Master of Arts in Business and Managerial Economics, (International Program), Chulalongkorn University • Bachelor of Economics (International Program), Thammasat University	37	Mar 2012–Present	Vice President, Assets and Liabilities Management Department, Finance Group	Bank of Ayudhya PCL
28. **Mrs. Orawan Julapol** • Master of Science in Accounting, Thammasat University • Bachelor of Accounting, Thammasat University • Bachelor of Law, Thammasat University • Certified Public Accountant (CPA Thailand)	45	Jun 2012–Present	Vice President, Data Management and Reporting Department, Finance Group	Bank of Ayudhya PCL
		Jul 2009–Jun 2012	Accounting Director	Double A (1991) PCL
		Jun 2003–Jun 2009	Deputy Corporate General Manager, Accounting and Tax Division, Corporate Controlling Office	Mitsubishi Motors (Thailand) Co., Ltd.

Name – Surname/ Education	Age (Yrs)	Work Experience in the last 5 years		
		Period	Position	Name of Organization
29. **Miss Sukanda Thawilwang** • Master of Arts in Business and Managerial Economics, (International Program), Chulalongkorn University • Bachelor of Economics (International Program), Thammasat University	37	Sep 2012–Present	Vice President, Treasury Financial Planning and Analysis Department, Finance Group	Bank of Ayudhya PCL
		Jul 1997–Aug 2012	Senior Manager (SVP), Business Finance Global Market, Finance Department	Standard Chartered Bank (Thai) PCL
30. **Miss Siriporn Sriboonchaoren** • MS. (Finance), Chulalongkorn University. • BBA. (Finance) Assumption University	39	Nov 2012–Present	Vice President, SME Financial Planning and Analysis Department, Finance Group	Bank of Ayudhya PCL
		Jun 2004- Nov 2012	Vice President–FP&A Expense Management, Consumer Banking	Citibank NA Thailand
31. **Miss Uraivan Charoenbunditchai** • Bachelor of Business Administrative, the University of Thai Chamber of Commerce	46	Mar 2011–Present	Vice President, Procurement Department, Finance Group	Bank of Ayudhya PCL
		Sep 2008–Feb 2011	First Assistant Vice President, Procurement Department, Finance Group	
32. **Mrs. Samanporn Chantanahom** • MPA. (Public Administration), Sounthern University, U.S.A. • MS. (Economics), the National Institute of Development Administration • BA. (Economics), Thammasat University	51	Mar 2012–Present	Vice President, Financial Planning and Analysis Consolidation Department, Finance Group	Bank of Ayudhya PCL
		Mar 2007–Feb.2012	First Assistant Vice President, Financial Planning and Analysis Consolidation Department, Finance Group	

Name – Surname/ Education	Age (Yrs)	Work Experience in the last 5 years		
		Period	Position	Name of Organization
33. **Miss Porntip Sae Lor** • Master of Applied Finance, University of Melbourne, Australia • Bachelor of Business Administration International Program, Faculty of Commerce and Accountancy, Thammasat University	33	Jun 2012–Present	Vice President, Consumer and Distribution Financial Planning and Analysis Department, Finance Group	Bank of Ayudhya PCL
		Mar–Jun 2012	Vice President, Consumer and Distribution Financial Planning and Analysis Department, Finance Group	
34. **Miss Preeyanun Sakpichaisakul** • MSc. (Industrial Engineering and Operations Research), University of California, Berkeley, U.S.A. • Bachelor of Engineering (Industrial Engineering), Chulalongkorn University (Gold medal 1st class honor)	34	Jun 2012–Present	Vice President, Consumer and Distribution Financial Planning and Analysis Department, Finance Group	Bank of Ayudhya PCL
		Apr–Jun 2012	Vice President, Finance Group	
		Aug 2010–Mar 2012	Vice President Finance and Planning	HSBC Limited, Thailand
		May–Jul 2010	Analyst, Group Management Office	HSBC Holdings PCL
		Feb 2008–Apr 2010	Market Intelligence Manager	HSBC Limited, Hong Kong
		Feb 2006–Jan 2008	Assistant Vice President, MI and Reporting	HSBC Limited, Thailand
35. **Mrs. Kamoltip Jittimaporn** • Master of Business Administration (Computer), Cleveland State University, U.S.A. • Bachelor of Business Administration (Accounting), Thammasat University	51	Oct 2012–Present	Vice President and Section Manager, Accounting Information System section, Finance Group	Bank of Ayudhya PCL
		Sep –Oct 2012	Vice President, Accounting and Control Department, Finance Group	
		Aug 2011–Aug 2012	Senior Manager	Wipro Technologies (Thailand) Co., Ltd.
		Feb 2009–Jul 2011	Senior Division Manager, Report and Data Management Division	Islamic Bank of Thailand
		2001-2008	Managing Director	Maporn Marketing Co.Ltd.

- **New Executives as defined by the Capital Market Supervisory Board being appointed effective January 1, 2013**

Name – Surname/ Education	Age (Yrs)	Work Experience in the last 5 years		
		Period	Position	Name of Organization
Mr. Tak Bunnag • MBA (Finance), Golden Gate University, U.S.A. • BS (Management), Golden Gate University, U.S.A. • BS (Banking and Finance), Chulalongkorn University **Remark:** Appointed as the Head of Treasury effective on January 1, 2013	52	May 2005–Dec 2012	Executive Vice President, Treasury Division, Treasury Group	Bank of Ayudhya PCL
		Apr 2009–Present	Director (Authorized Signatory)	Ayudhya Card Services Co., Ltd.
		Jul 2008–Present	Director	Ayudhya Capital Auto Lease PCL
		Apr 2009–Jun 2012	Director	Ayudhya Total Solutions PCL

REMUNERATION OF DIRECTORS AND EXECUTIVES
(as per definitions determined by the SEC)

REMUNERATION OF DIRECTORS

The Bank has established clear and transparent policies related to directors' remuneration, which is comparable to the level paid in the industry and has been approved at the shareholders' meetings. Directors appointed to be members of the Audit Committee or the Nomination and Remuneration Committee will receive additional compensation commensurate with the increased workload.

REMUNERATION OF EXECUTIVES

Remuneration of executives is based on principles and policies set by the Board of Directors and linked to business performance of the Bank and their individual performance.

REMUNERATION IN 2012

Remuneration paid by the Bank in 2012 to directors and executives is as per the following details:

Cash remuneration

(1) Total remuneration (retainer fee, pension and attendance fee) of the 13 directors amounted to Baht 31,902,864.00. Details of remuneration paid to each director are as follows:

Unit : THB

List of Directors	Remuneration of the Board of Directors			Remuneration of the Audit Committee	Remuneration of the Nomination and Remuneration Committee	Total Remuneration
	Retainer fee	Attendance fee	Pension			
Non-Executive Directors						
1. Mr. Veraphan Teepsuwan [1/] - Chairman of the Board of Directors	2,160,000.00	960,000.00	1,342,800.00	-	-	4,462,800.00
2. Mr. Pongpinit Tejagupta	1,728,000.00	829,440.00	864,000.00	-	-	3,421,440.00
3. Mr. Virojn Srethapramotaya	1,728,000.00	829,440.00	864,000.00	-	-	3,421,440.00
4. Miss Nopporn Tirawattanagool - Member of the Nomination and Remuneration Committee	1,728,000.00	829,440.00	864,000.00		570,240.00	3,991,680.00
5. Mr. Xavier Pascal Durand	-	-	-	-	-	-
Independent Directors						
6. Mr. Surachai Prukbamroong [2/] - Chairman of the Audit Committee	547,200.00	262,656.00	273,600.00	191,520.00	-	1,274,976.00
7. Mr. Karun Kittisataporn - Chairman of the Nomination and Remuneration Committee	1,728,000.00	829,440.00	864,000.00	-	604,800.00	4,026,240.00
8. Mr. Virat Phairatphiboon - Member of the Audit Committee - Member of the Nomination and Remuneration Committee	1,728,000.00	829,440.00	864,000.00	570,240.00	570,240.00	4,561,920.00

Unit : THB

List of directors	Remuneration of the Board of Directors			Remuneration of the Audit Committee	Remuneration of the Nomination and Remuneration Committee	Total remuneration
	Retainer fee	Attendance fee	Pension			
9. Miss Potjanee Thanavaranit - Chairman of the Audit Committee	1,728,000.00	829,440.00	864,000.00	593,280.00	-	4,014,720.00
10. Mr. Phong-adul Kristnaraj [3/] - Member of the Audit Committee	1,180,800.00	566,784.00	590,400.00	389,664.00	-	2,727,648.00
Executive Directors *						
11. Mr. Mark Arnold	-	-	-	-	-	-
12. Mrs. Janice Van Ekeren	-	-	-	-	-	-
13. Mr. Pornsanong Tuchinda	-	-	-	-	-	-

Remark * Executive directors are not entitled to remuneration paid to directors.
[1/] He waived the right to receive the directors' remuneration of 2 months, i.e. January and February 2012, and had the amount credited to the accounts opened for loss relief and the Bank's annual Kathin merit making ceremony.
[2/] His office term ended on 24 April 2012.
[3/] His appointment was effective on 24 April 2012.

(2) The Executive Committee is not paid remuneration.

(3) The total executives' remuneration paid in 2012 in the form of salary and bonus to the manager and the first four executives immediately in the line of command under him, as specified in the Notification of the Capital Market Supervisory Board, i.e. the president and chief executive officer and chief officers / heads of functional groups totaling 16 persons (including 1 executive resigning during the year), amounts to Baht 220,093,713.80

Other remuneration

Contribution to the provident funds for executives (3) amounts to Baht 6,579,770.29

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

Sharing our knowledge, giving our time – simplicity that extends to the wider community.

CORPORATE SOCIAL RESPONSIBILITY

We are more than just service providers – we are also citizens of the communities where we do business.

Ever since we first opened our doors more than 67 years ago, Krungsri has committed to extending our leadership beyond the financial markets and delivery of services to standing up to our responsibilities as a good corporate citizen. This has seen a general philanthropic philosophy at the Bank develop into an intelligent, meaningful and clearly communicated policy to promote corporate social responsibility (CSR).

Our CSR strategy and activities focus on improving standards of economic, social and environmental justice in communities across Thailand. These activities go far beyond our legal and regulatory responsibilities because we take these issues to heart. We believe that to be truly committed to principles of sound corporate governance, we must do as much as pragmatically possible while continuing to deliver value to shareholders – simply ticking the right boxes is not enough.

Throughout 2012, we built on our CSR activities from the past several years, which have focused on the six areas highlighted in the sections that follow.

POVERTY ALLEVIATION

By providing the right tools and sound financial knowledge, Krungsri is opening up new doors to prosperity – for everyone.

We are proud to have spent the past years collaborating with Thailand's Office of Vocational Education Commission to develop the Krungsri Simple Finance Project. This innovative initiative – the cornerstone of our CSR activities – strives to educate senior vocational students about personal finance, giving them the tools to prosper. Krungsri employees started teaching the course to help students develop a deeper understanding of how to save and invest responsibly and meaningfully, regardless of their financial position. The course now covers five key areas:

1. Smart Consumers
2. Smart Employees
3. Becoming an Entrepreneur
4. Basic Saving and Investment
5. Managing Loans.

More than 90 staff volunteered their time to teach the course during this year. Krungsri also staged Train the Trainer sessions for staff wishing to join the program, further increasing our pool of qualified course instructors. To date, 352 vocational students in assorted disciplines from Chetupon

Commercial College and Thonburi Commercial College have graduated from the course and are well on their way to future financial independence.

YOUTH DEVELOPMENT AND EDUCATION

Education is the building block of sustainable national development.

Recognizing the importance of education to securing Thailand's future, in 2012, Krungsri increased access to education for underprivileged youths with outstanding academic records by granting 142 scholarships to support their university education. This was the 27th consecutive year that we have presented scholarships on Thailand's National Children's Day. These and other Krungsri-awarded scholarships include:

- THB 160,000 to help fund the education of orphans and other vulnerable children under the care of the Sosa Foundation, which provides them with accommodation and other support.
- 60 scholarships for students demonstrating exemplary conduct from six schools located near our Head Office. Bangkok Governor M.R. Sukhumbhand Paribatra presided over the award ceremony, which was organized by the Yannawa District Office on National Children's Day.
- 67 scholarships to underprivileged physically challenged students with good academic records to commemorate the Bank's 67th anniversary. These scholarships support educational costs from college through to the undergraduate level.
- Krungsri's management team also presented another 15 scholarships to students at the Mahamek Home for Boys.

To promote the development of IT skills in Thailand, Krungsri also donated 150 personal computers, including supporting accessories, to the Thai Army Wives Association for use in setting up a computer learning center to enhance computer skills for junior members of the armed forces and their families. We also donated an additional 200 personal computers together with supporting accessories to Siam City Cement Pcl's Green Heart Project, which supports education in remote rural schools. In addition, throughout the year, 1,000 students from several schools located near Krungsri's Head Office were given the opportunity to watch 3D films at the Krungsri IMAX Theater at Siam Paragon shopping center. The films were specially selected to support informal education for youth.

The Bank also donated more than 3,000 books, educational material and bookcases to the Mirror Foundation and Ayutthaya Withayalai School's library in Ayutthaya province as part of our initiative to help schools recover from the 2011 floods.

Krungsri donated additional cash and items to the Baan Fueng Fah home for physically impaired children to help improve standards of hygiene at the center. We also provided a free New Year's lunch for 800 deprived children under the care of Wat Bot Woradit in Ang Thong province, as well as Krungsri cash vouchers.

RELIGION, ART AND CULTURE

Krungsri takes pride in its support to help conserve Thai art and culture for the benefit of future generations.

As part of our cultural preservation activities this year, Krungsri collaborated with the Fine Arts Department to promote the restoration of archeological sites in Ayutthaya, our home province and one of Thailand's most important UNESCO World Heritage sites that was devastated by the floods in late 2011. We also supported the Professional Archaeologists Society of Thailand's restoration of other archeological sites that were damaged by the floods.

The Bank was also proud to support the Fine Arts Department's longer-term ongoing project to conserve archeological sites in Ayutthaya, by donating THB 3.9 million to the department's restoration of Chedi Wat Sam Pluem and to pay for 139 new signboards.

Finally, 2012 saw Krungsri awarded the coveted Ganesh Award in recognition of outstanding radio and TV work for our 27-year-long sponsorship of Jod Mai Hed Krungsri, a TV program promoting arts and culture on Channel 7.

ENVIRONMENT

We value the conservation of our natural resources, and recognize their importance to sustaining livelihoods.

We value the conservation of our natural resources, and recognize their importance to sustaining the livelihoods of our stakeholders. Krungsri has consistently supported environmental projects ranging from reforestation and mangrove planting to weir-building projects. We encourage our employees to join with underprivileged youths to participate in these activities, which are organized in conjunction with the Royal Thai Armed Forces, Mae Fah Luang Foundation and WWF Thailand.

Some 400 volunteer employees took part in planting 25,000 mangrove trees, which was supported by our donation of THB 800,000 to the Royal Thai Army's tree planting, weir-building and canal-widening program in 2011.

Our environmental conservation youth camp also celebrated its fourth year in 2012. Under this project, the Foundation for Environmental Education for Sustainable Development in Thailand (FEED), which partners WWF Thailand, runs a program to raise environmental awareness and promote stewardship for 40 children a year from Sueksa Songkhroh Phetchaburi School. Other initiatives to protect Thailand's environmental heritage this year included the donation of rice, dried food and other essentials to forest rangers at Pang Sida National Park.

Finally, for the fourth straight year, Krungsri joined in the building of upstream weirs on northern Thailand's Doi Tung, under the care of the Mae Fah Luang Foundation. Some 80 volunteers and executives played a part in building weirs, and Krungsri donated THB 1 million in further support of the project.

PUBLIC HEALTH AND HEALTH PROMOTION

We believe that good health is not a privilege, but a right to be enjoyed by all.

Krungsri's commitment to the advancement of public health has been demonstrated over the years through our launch of a number of public health projects, including quarterly blood donation drives for the Thai Red Cross Society for the 24th year. We are proud to report that our employees donated more than 900,000 cc of blood throughout 2012.

In addition, Krungsri has contributed to the Prince Mahidol Award Foundation under Royal Patronage for seven consecutive years to support the development of medicine and public health. Krungsri also donated 5,000 used calendars to the Donate Your Old Calendar to the Blind project under the care of the Foundation for the Blind in Thailand, under the patronage of HM the Queen, for use in preparing Braille teaching media.

Furthermore, to support the healthcare of 238 underprivileged women in homes located near our Head Office, we donated THB 500,000 to the Thanyarak Foundation, under the patronage of the Princess Mother, to cover the costs of their breast scans. We also donated materials to the Prostheses Foundation, under the Patronage of the Princess Mother.

This year, our employees also donated essential items such as rubbing alcohol, cotton swabs, common household medicines and dried food worth THB 150,000 to help people living with HIV or AIDS under the care of Wat Phra Bat Nam Phu in Lop Buri province.

We also donated cash and essentials totaling THB 60,000 to help ailing Buddhist monks at the Priests' Hospital in Bangkok.

DISASTER RESTORATION

When disasters strike our communities, Krungsri is there to lend a helping hand.

Krungsri made every effort to help ease the burden of natural disasters on those affected throughout the year through cash donations and employee volunteer programs. We also coordinated donations from members of the public through Krungsri's Support for Flood Victims project, which collected THB 2.5 million for the Chaipattana Foundation.

Krungsri volunteers also participated in repainting flood-damaged emergency shelters under the care of the Association for the Promotion of the Status of Women. To provide further support, we donated THB 100,000 along with computer equipment and office items to help sustain the Foundation's operations.

Krungsri also runs an annual program to distribute warm clothing to villagers to ease the hardship of sustained cold weather during the winter season in Thailand's north and northeastern provinces; namely, in Chiang Rai, Phichit, Phetchabun, Nakhon Ratchasima, Yasothon, Buri Ram, Khon Kaen, Udon Thani and Mukdahan.

Robust operating performance, record earnings and unprecedented growth.

FINANCIAL REPORTING AND FINANCIAL STATEMENTS

Maintaining 4.33% NIM

THB 14.7bn
Robust net profit

MANAGEMENT DISCUSSION AND ANALYSIS

EXECUTIVE SUMMARY

In 2012, Krungsri **successfully delivered simplicity to customers** thanks to the strength of our people, products and distribution as evidenced by our achievements – record core financial earning performance, unprecedented loan growth, the successful acquisition and integration of HSBC's Thailand retail banking business, top brand recognition awards for our auto and microfinance businesses and the Top Corporate Governance Report Award from SET second year in the running.

Amid continuing global financial volatility resulting in dampened export growth paired with the regulatory change with regards to an increase in fee contribution to the Financial Institutions Development Fund (FIDF), the Krungsri Group still successfully **recorded robust performing loan growth of 17.2%, with a record net profit of THB 14.7 billion.**

On a gross loan basis, total loans stood at THB 830,008 million, an increase of THB 110,501 million, or 15.4%, from last year. The robust loan growth in 2012 was broad-based covering retail, SME and corporate segments. In particular, the retail segment recorded growth at 24.2%, followed by SME and corporate segments at 12.6% and 3.7%, respectively. With this momentum, **the retail segment now represents 48.8% of our loan portfolio,** moving us closer to Krungsri Group's 50% retail loan mix aspiration.

In 2012, net profit rose 57.7%, on a year-on-year basis, to THB 14,669 million from THB 9,304 million in the prior year. Key drivers are attributed to higher net interest income resulting from strong loan growth and healthy fees and service income growth. **Fees and service income grew 18.8% year-on-year** resulting from sustained performance in Bancassurance and the card businesses.

Earnings per share (EPS) rose to THB 2.41 in 2012 from THB 1.53 for the last year, an impressive 57.5% increase.

In 2012, **non-performing loans was sharply reduced by 27.9% from December 2011, representing 2.4% of total loans** at the end of year, compared to 3.7% in December 2011.

Overall funding for the Bank including deposits, bills of exchange and debentures increased THB 64,227 million, or 8.6%, from December 2011. The notable increase in deposits, against the planned contraction in bills of exchange, highlights our active management of funding for growth and reflects our ability to successfully mobilize deposits through the "Big Bang" products – Mee Tae Dai and Jad Hai – introduced in June and August, respectively.

The outlook for loan growth for 2013 remains strong and will be supported by an accommodative monetary policy, government investment projects and stimulus spending. Investment from renewed capital expenditure cycles and healthy consumer demand will be the key drivers of growth. The Krungsri Group is well positioned to sustain its 2012 momentum **with forecasted loan growth of more than 12% in 2013.**

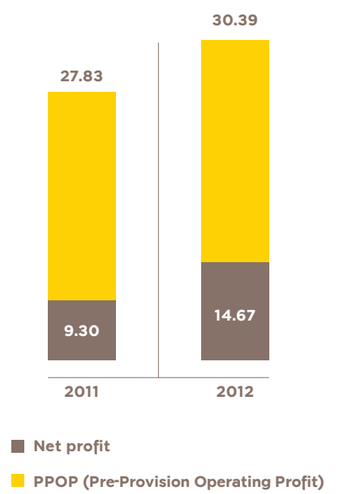
SUMMARY OF FINANCIAL PERFORMANCE AND STATUS

2012 key deliverables included:

- **Performing loan growth: Increased 17.2%, or THB 118.7 billion,** compared to December 2011.
- **Net profit: THB 14.7 billion,** increasing 57.7% from 2011.
- **Net interest margin: Maintained strong NIM at 4.33%,** despite FIDF rate impact and flooding forbearance measures in Q1 2012.
- **Cost-to-income ratio: Maintained at 50.3%,** supportive to 17.2% performing loan growth.
- **Non-performing loans: Declined sharply to THB 21.3 billion** from THB 29.5 billion in December 2011, a 27.9% reduction. NPL ratio now at 2.4%, the lowest level since 1993.
- **Coverage: Significantly improved to 146%** from 106% in 2011.
- **Fees and service income: Grew 18.8%** from 2011, supported by bancassurance and card fees.
- **Deposit growth: Increased robustly at 22.6%, or THB 126.6 billion,** from 2011.
- **Capital Adequacy Ratio (CAR):** Amid robust loan growth recorded in 2012, **CAR improved to 16.9%** from 16.3% in December 2011, driven by earning growth and THB 14.8 billion subordinated debentures issuance in Q4 2012.

In 2012, net profit rose to THB 14,669 million, representing an increase of THB 5,365 million, or 57.7% year-on-year, resulting from strong growth in net interest income, fees and service income, and non-interest and non-fees income.

PPOP and net profit
Unit: THB billion



17.2%
Performing loan growth

27.9%
NPL Reduction

Consolidated statements of comprehensive income

	2012	2011	Change YoY THB mn	Change YoY %
Interest income	64,640	56,428	8,212	14.6
Interest expense	24,687	18,963	5,724	30.2
Interest income, net	**39,953**	**37,465**	**2,488**	**6.6**
Fees and service income	16,434	13,838	2,596	18.8
Fees and service expense	3,699	3,051	648	21.2
Fees and service income, net	**12,735**	**10,787**	**1,948**	**18.1**
Non-interest and non-fees income	8,501	7,052	1,449	20.5
Other operating expenses	30,798	27,477	3,321	12.1
Pre-Provision Operating Profit (PPOP)	**30,391**	**27,827**	**2,564**	**9.2**
Impairment loss of loan and debt securities	11,385	12,213	(828)	(6.8)
Income tax expense	4,337	6,310	(1,973)	(31.3)
Net profit	**14,669**	**9,304**	**5,365**	**57.7**
Other comprehensive income	759	347	412	118.7
Total comprehensive income	**15,428**	**9,651**	**5,777**	**59.9**
Net profit attributable to:				
Owners of the Bank	14,626	9,265	5,361	57.9
Non-controlling interest	43	39	4	10.3
Net profit	**14,669**	**9,304**	**5,365**	**57.7**
Total comprehensive income attributable to:				
Owners of the Bank	15,385	9,612	5,773	60.1
Non-controlling interest	43	39	4	10.3
Total comprehensive income	**15,428**	**9,651**	**5,777**	**59.9**
Earning per share (THB)	**2.41**	**1.53**	**0.88**	**57.5**

FINANCIAL PERFORMANCE

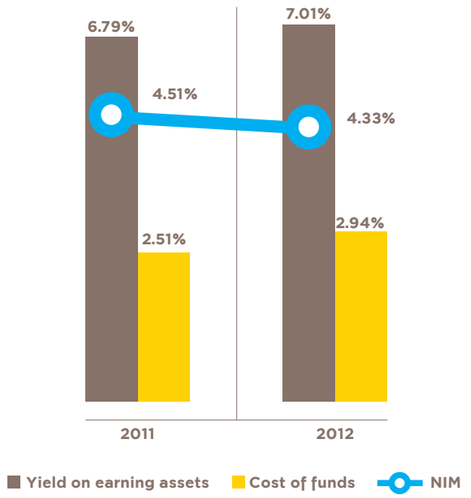
Net interest income

Consolidated	2012	2011	Change YoY THB mn	Change YoY %
INTEREST INCOME				
Interest on loans	42,563	36,356	6,207	17.1
Interest on interbank and money market items	2,481	3,095	(614)	(19.8)
Hire purchase and financial lease income	16,895	14,952	1,943	13.0
Investments and trading transactions	206	79	127	160.8
Investments in debt securities	2,495	1,946	549	28.2
Total interest income	**64,640**	**56,428**	**8,212**	**14.6**
INTEREST EXPENSE				
Interest on deposits	13,450	8,956	4,494	50.2
Interest on interbank and money market items	1,183	1,631	(448)	(27.5)
Interest on borrowings	6,767	6,140	627	10.2
Contribution to Financial Institution Development Fund and Deposit Protection Agency	3,206	2,229	977	43.8
Borrowing fee expenses	69	-	69	-
Other interest expenses	12	7	5	71.4
Total interest expenses	**24,687**	**18,963**	**5,724**	**30.2**
Interest income, net	**39,953**	**37,465**	**2,488**	**6.6**
Net interest margin	4.33%	4.51%		
Yield on earning assets	7.01%	6.79%		
Cost of funds	2.94%	2.51%		

For 2012, net interest income reached THB 39,953 million, an increase of THB 2,488 million, or 6.6%, compared to 2011, resulting primarily from higher interest income from the strong loan growth. Correspondingly, interest expense increased mainly from the increase in deposit and borrowing costs as a result of higher interest rates, the increase in fee contribution to the FIDF, and a higher volume of funds of THB 64,227 million to support business growth.

2012 NIM of 4.33% was in line with the Bank's guidance at 4.4%. Our ability to keep NIM at this level was notable in light of the increase in fee contributions to the FIDF, two reductions in the policy rate, and a highly competitive environment for deposit mobilization in 2012. The successful launch of two innovative saving products (Mee Tae Dai and Jad Hai) in 2H/12 helped to mitigate against a sharp increase in the cost of funds, while a larger component of high yield loans also improved the overall yield from last year.

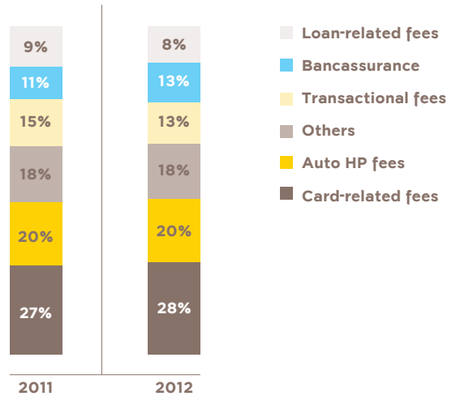
Net Interest Margin (NIM)



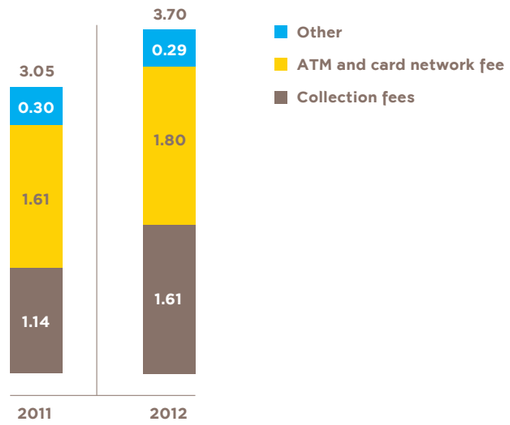
Net fees and service income

			Change YoY	
Consolidated	**2012**	**2011**	**THB mn**	**%**
Acceptances, aval and guarantees	518	601	(83)	(13.8)
Other fees and service income	15,916	13,237	2,679	20.2
Fees and service income	**16,434**	**13,838**	**2,596**	**18.8**
Fees and service expense	**3,699**	**3,051**	**648**	**21.2**
Fees and service income, net	**12,735**	**10,787**	**1,948**	**18.1**

Fees and service income breakdown



Fees and service expenses
Unit: THB billion



Compared with 2011, fees and service income grew by THB 2,596 million, or 18.8%, driven primarily by increased fees from Bancassurance, the card businesses, lending-related fees, collection fees, and wealth and fund management fees. Bancassurance fees improved markedly by 42.7%, confirming our first full year of successful collaboration with our strategic insurance partners. Card-related fees also grew strongly at 21.7% as a result of our active marketing and promotion campaigns in 2012 together with an additional 520,000 cards from the acquisition of HSBC's retail banking business on March 31, 2012. Meanwhile, fees and service expense increased THB 648 million, or 21.2%, mainly due to an increase in ATM and network fees and collection expenses.

Non-interest and non-fees income

Consolidated	2012	2011	Change YoY THB mn	Change YoY %
Gains (losses) on trading and foreign exchange transactions	1,542	1,278	264	20.7
Gains (losses) on investments	800	820	(20)	(2.4)
Share of profit (loss) from investment for using equity method	177	32	145	453.1
Bad debt recoveries	3,178	2,215	963	43.5
Other operating income	2,804	2,707	97	3.6
Total non-interest and non-fees income	**8,501**	**7,052**	**1,449**	**20.5**

Non-interest and non-fees income increased by THB 1,449 million, or 20.5%, compared to 2011, driven by increases in gains on trading and foreign exchange transactions of THB 264 million, share of profit from investment by using equity method of THB 145 million and loan recoveries income of THB 963 million.

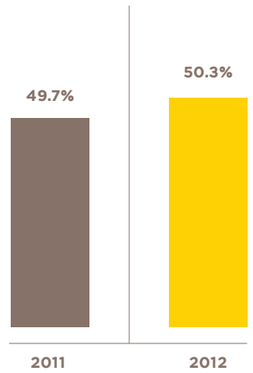
Other operating expenses

Consolidated	2012	2011	Change YoY THB mn	Change YoY %
Employee's expenses	13,966	12,319	1,647	13.4
Premises and equipment expenses	5,514	4,632	882	19.0
Taxes and duties	2,057	1,782	275	15.4
Directors' remuneration	34	33	1	3.0
Other expenses	9,227	8,711	516	5.9
Total other operating expenses	**30,798**	**27,477**	**3,321**	**12.1**

Mirroring higher business volume and revenue, other operating expenses increased by THB 3,321 million, or 12.1%, driven by an increase in employee expenses and premises and equipment expenses. Employee expenses increased by THB 1,647 million, or 13.4%, mainly due to a higher number of employees as a result of the HSBC retail bank acquisition, annual merit increases, and an execution of our pay-for-performance program. The increase in premises and equipment expenses of THB 882 million, or 19%, was due to the Bank's investments in branch refurbishment and operational excellence. An increase in tax and duties of THB 275 million, or 15.4%, corresponded to higher interest income. An increase in other expenses of THB 516 million, or 5.9%, was due to an increase in marketing and promotion expenses and outsourcing expenses.

At the end of 2012, our domestic branches have grown to 601 and our ATM and EDC networks have increased to 4,278 and 19,588 machines, respectively.

Cost-to-income ratio



In 2012, the cost-to-income ratio stood at 50.3%, increasing from 49.7% in 2011. The ratio was, in part, due to HSBC retail bank acquisition transition costs and the Bank's accelerated investments in branch refurbishment and operational excellence.

Impairment loss of loans and debt securities

Consolidated	2012	2011	Change YoY THB mn	Change YoY %
Impairment loss on debt instrument	41	0	41	-
Bad debt and doubtful accounts	10,355	11,392	(1,037)	(9.1)
Loss on debt restructuring	989	821	168	20.5
Total impairment loss of loan and debt securities	**11,385**	**12,213**	**(828)**	**(6.8)**

Loan loss provisions in the current year amounted to THB 11,385 million, a decrease of THB 828 million from the previous year, due to reserving policy in recording an environmental reserves in Q4 2011

As of December 31, 2012, our total provision stood at THB 31,127 million, with an excess provision over Bank of Thailand's reserve requirements of THB 12,286 million, representing 165.2% of the Bank of Thailand's reserving requirements. The loan loss coverage ratio improved to 146.2% from 106.2% at the end of December 2011.

FINANCIAL STATUS

Financial position

Consolidated	2012	2011	Change THB mn	Change %
ASSETS				
Cash	25,079	25,165	(86)	(0.3)
Interbank and money market items, net	79,390	81,818	(2,428)	(3.0)
Investments, net	78,302	81,204	(2,902)	(3.6)
Investments in subsidiaries and associates, net	947	769	178	23.1
Loans to customers	869,382	751,405	117,977	15.7
Accrued interest receivable	2,257	1,859	398	21.4
Deferred revenue	(39,374)	(31,898)	(7,476)	(23.4)
Allowance for doubtful accounts	(30,306)	(30,776)	470	1.5
Revaluation allowance for debt restructuring	(723)	(502)	(221)	(44.0)
Properties for sale, net	9,452	11,737	(2,285)	(19.5)
Others	77,560	57,016	20,544	36.0
TOTAL ASSETS	**1,071,966**	**947,797**	**124,169**	**13.1**
LIABILITIES AND SHAREHOLDERS' EQUITY				
Deposits	687,159	560,540	126,619	22.6
Interbank and money market items, net	48,821	23,741	25,080	105.6
Debt issued and borrowings	154,629	208,263	(53,634)	(25.8)
Others	67,870	52,558	15,312	29.1
TOTAL LIABILITIES	**958,479**	**845,102**	**113,377**	**13.4**
Issued and paid-up share capital	60,741	60,741	0	0
Retained earning	32,796	22,442	10,354	46.1
Others	19,950	19,512	438	2.2
TOTAL SHAREHOLDERS' EQUITY	**113,487**	**102,695**	**10,792**	**10.5**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**1,071,966**	**947,797**	**124,169**	**13.1**

In 2012, assets reached THB 1,071,966 million, representing a strong growth of THB 124,169 million, or 13.1%, largely driven by loan growth of THB 110,501 million, or 15.4%, and other asset growth of 36%, mainly driven by an increase in claims on securities from repurchase agreement of THB 9,747 million for transactions under our active Primary Dealer role, goodwill relating to HSBC's purchase of THB 2,430 million, and accounts receivable for investment of THB 1,800 million.

Liabilities grew 13.4%, or THB 113,377 million. The growth in liabilities was predominantly driven by an increase in deposits of 22.6%, or THB 126,619 million. The strong deposit growth in 2012, in part, reflected our successful launch of the two "Big Bang Deposit Products" – Mee Tae Dai in June and "Jad Hai" in late August. Meanwhile, debt issues and borrowings decreased 25.8%, or THB 53,634 million, reflecting a decreased in bills of exchange of THB 107,262 million, as a result of the new FIDF fee imposed effective January 27, 2012, and a new rule requiring a liquidity reserve for bills of exchange effective July 11, 2012.

Total shareholders' equity rose to THB 113,487 million, an increase of THB 10,792 million, or 10.5%, from December 2011. The increase was mainly due to equity holders' net income of THB 14,669 million in 2012, offset by dividends paid of THB 4,557 million.

Book value per share as of December 31, 2012 increased 10.51% to THB 18.68 from THB 16.91 at the end of 2011.

Loans to customers

Loans by segment

Consolidated	2012	2011	Change THB mn	Change %
Corporate	211,914	204,286	7,628	3.7
SMEs	212,834	188,955	23,879	12.6
Retail	405,260	326,266	78,994	24.2
- Hire purchase	202,089	156,041	46,048	29.5
- Housing	103,080	93,320	9,760	10.5
- Credit cards and personal loans	100,091	76,905	23,186	30.1
Total *	**830,008**	**719,507**	**110,501**	**15.4**

* Loans to customers net of deferred income

In 2012, total outstanding loans stood at THB 830,008 million, an increase of THB 110,501 million, or 15.4%, from the year earlier. Loan growth was broad-based across all customer segments, with particularly strong growth in the retail segment of 24.2%, followed by SME and corporate segments which grew 12.6% and 3.7%, respectively. The robust loan growth in 2012 largely reflected our strategic focus on both retail and SME segments, supported by strong domestic demand for both consumption and investment.

Adjusting for the significant reduction in NPLs of THB 8,244 million in 2012, on a performing loan growth basis, the retail, SME, and corporate segments achieved growth rates of 25.1%, 16.3% and 5.2%, respectively.

Under the retail segment, **auto hire purchase loans** grew strongly at 29.5% from last year. Pent up demand following last year's floods and the government's first car program resulted in the auto industry realizing record sales of over 1.4 million units in 2012. Krungsri Auto introduced the web application called " iPartner" in early July. This web application provides real-time tracking of loan application status, allowing auto dealers to better manage the close of a sale. Supported by a favorable operating environment, together with new innovations, Krungsri Auto delivered a record new monthly volume of THB 14,634 million in November 2012, resulting in a growth rate of 8.8% in Q4 2012.

Housing loans grew 10.5% in 2012. The growing housing loans reflected positive economic conditions and an improvement in the residential housing market. The outstanding mortgage loans stood at THB 103,080 million as of end December 2012.

Credit cards and personal loans expanded strongly 30.1% in 2012, in part resulting from the successful consolidation of HSBC's retail banking business. Notwithstanding the contribution from HSBC in the first quarter, the credit card and personal loan portfolios grew 13.0% in the subsequent three quarters after the acquisition, due to improving economic conditions and an increase in the minimum wage in seven key economic provinces in Thailand. Krungsri Group's active marketing and promotion activities throughout the year also contributed positively to the robust results delivered in 2012.

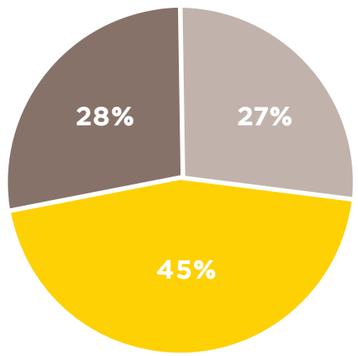
Policy-based lending, namely the Bank of Thailand's soft loan program, together with **Krungsri SME's** development of innovative products, customized services and a proactive marketing strategy, all attributed to a strong and broad-based SME growth. The SME portfolio grew strongly at 12.6% in 2012. The launch of commercial loan project agreements under Krungsri Value Chain Solutions and the digitization of One-Scan Process & Approval project introduced in 2H/12, resulted in not only higher loan volume but also an improvement in customer satisfaction. SME lending grew 7.9% in 2H/12 as opposed to 2.7% in 1H/12.

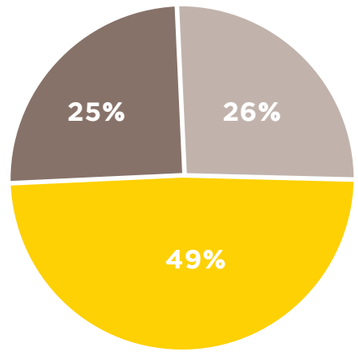
Corporate loans grew 3.7% in 2012, driven by an increase in both working capital requirements and term loans supported by both improved confidence and renewed capital expenditure cycles.

The outlook for loan growth for 2013 remains strong and will be supported by an accommodative monetary policy, government investment projects and robust consumer spending. Government plans to invest in large-scale infrastructure projects will act as key catalysts for private investment. Meanwhile, the introduction of a national minimum wage of 300 THB per day paired with a personal income tax reduction will help to catalyze domestic confidence and spending in 2013 and beyond. Consequently, rising incomes supported by increased urbanization should see retail loans growth continue to outpace commercial loans growth.

Krungsri Group is expected to sustain its 2012 momentum and continue to grow strongly, with forecasted loan growth of more than 12% in 2013.

Loan composition





Corporate
SME
Retail

Auto HP	22%
Mortgage	13%
Credit card and personal loans	10%

Auto HP	24%
Mortgage	13%
Credit card and personal loans	12%

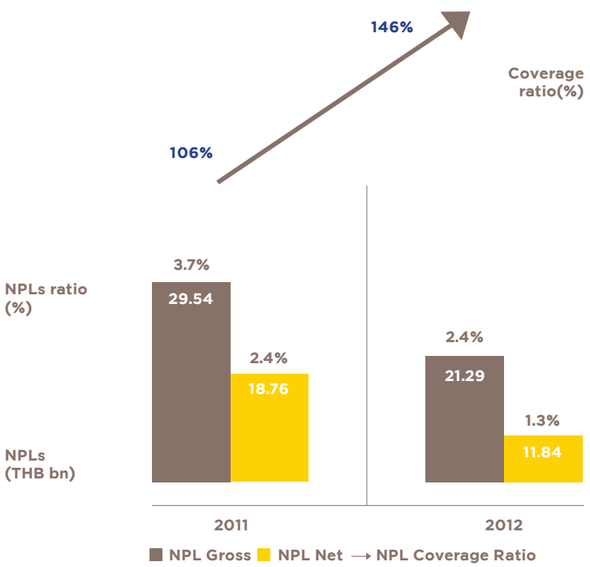
Loan classification and provision

Consolidated	2012		2011		Change (THB million)	
	Loans and accrued interest receivable	Provision	Loans and accrued interest receivable	Provision	Loans and accrued interest receivable	Provision
Normal	786,545	7,205	660,330	5,031	126,215	2,174
Special mention	24,414	1,651	31,444	2,603	(7,030)	(952)
Substandard	7,057	3,337	7,260	2,923	(203)	414
Doubtful	5,207	2,142	7,532	3,089	(2,325)	(947)
Doubtful of loss	9,042	3,685	14,800	4,663	(5,758)	(978)
Total	832,265	18,020	721,366	18,309	110,899	(289)
Surplus reserve		12,286		12,467		(181)
Total	**832,265**	**30,306**	**721,366**	**30,776**	**110,899**	**(470)**

Non-performing loans

Consolidated	2012	2011	Change THB mn	Change %
Non-performing loans (Net)	11,835	18,763	(6,928)	(36.9)
Non-performing loans (Gross)	21,292	29,536	(8,244)	(27.9)
Loans loss reserves (LLR)	31,127	31,366	(239)	(0.8)
Coverage	**146.2%**	**106.2%**	**40.0%**	**37.7**
BOT requirement	**18,841**	**18,899**	**(58)**	**(0.3)**
Actual/required LLR	**165.2%**	**166.0%**	**(0.8%)**	**(0.5)**

NPLs and coverage ratio



Asset quality continues to strengthen. As of December 31, 2012, gross NPLs reduced sharply from THB 29,536 million in December 2011 (3.7% of total loans) to THB 21,292 million (2.4% of total loans), the lowest ratio since 1993. This notable 27.9% reduction in NPLs was attributed to THB 6,761 million NPL sales in 2012 and the Group's vigilant credit risk management practices, continued efforts to resolve legacy NPLs, improved collection workout practices for existing NPLs, and, to a certain extent, an improved economic environment.

As of December 31, 2012, our total provision stood at THB 31,127 million, with an excess provision over Bank of Thailand requirements of THB 12,286 million. Correspondingly, the actual provisioning ratio when compared to Bank of Thailand requirements stood at 165%; while the Group's coverage ratio improved to 146.2% from 106.2% in the prior year.

Investment in securities

As of December 31, 2012, Krungsri Group had investments in government securities with a book value of THB 52,884 million for the primary purpose of fulfilling Bank of Thailand requirements, including liquid assets and intraday holding of liquidity. In addition, private sector securities held by Krungsri Group had a total value of THB 25,418 million.

Funding structure

Consolidated	2012	2011	Change THB mn	Change %
Current	18,646	19,265	(619)	(3.2)
Savings	350,814	218,395	132,419	60.6
Time	317,699	322,880	(5,181)	(1.6)
< 6 momths	147,053	153,741	(6,688)	(4.4)
6M - 1 Year	120,927	71,320	49,607	69.6
> 1 Year	49,719	97,819	(48,100)	(49.2)
Total Deposit	**687,159**	**560,540**	**126,619**	**22.6**
B/E	**48,523**	**155,785**	**(107,262)**	**(68.9)**
Debenture	**71,170**	**26,300**	**44,870**	**170.6**
Total Funding	**806,852**	**742,625**	**64,227**	**8.6**

As of December 31, 2012, overall funding for the Bank including deposits, bills of exchange and debentures increased THB 64,227 million, or 8.6%, from December 2011.

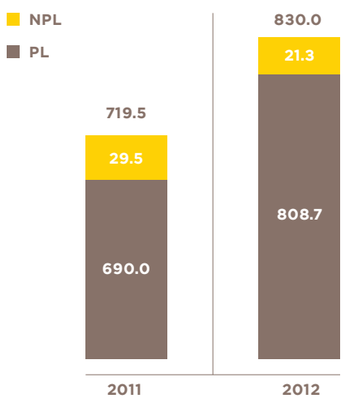
Deposits totaled THB 687,159 million, an increase of THB 126,619 million, or 22.6%, from December 2011. Of particular importance, saving deposits grew strongly THB 132,149 million, or 60.6%, from 2011 which was primarily driven by our special saving products – Mee Tae Dai and Jad Hai – introduced in June and August, respectively. Mee Tae Dai recorded more than THB 150,000 million of which 60% was new money from existing and new customers. Meanwhile, Jad Hai booked more than 200,000 accounts, of which 75% was new customers acquired. As a result, the proportion of savings and current deposits (CASA) as a percentage of total deposits rose significantly to 53.8% at end 2012 compared to 42.4% in December 2011.

Bills of exchange continued to contract from December 2011 as a result of the new FIDF fee imposed effective January 27, 2012, and a new rule requiring a liquidity reserve for bills of exchange effective July 11, 2012. Bills of exchange totaled THB 48,523 million, a decrease of THB 107,262 million, or 68.9%, from December 2011.

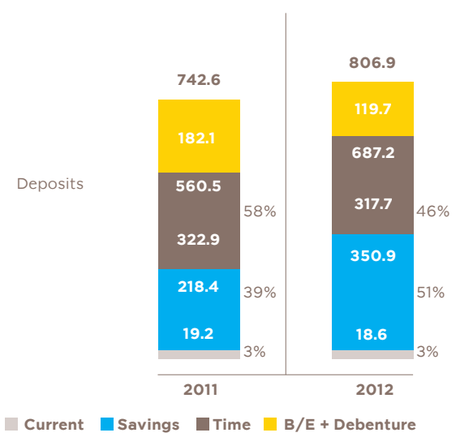
Debentures stood at THB 71,170 million as of December 2012. The notable increase of THB 44,870 million, or 170.6%, from December 2011 was to support our "matched funding" discipline, and provide consistent NIM performance over the life of the loans.

Consequently, the loan to deposit ratio improved to 121% from 128% in December 2011, and the loan to deposit plus bills of exchange and debentures ratio increased to 103% from 97% at the end of last year.

Loans
Unit: THB billion



Deposits + B/E + Debenture
Unit: THB billion



	2011	2012
L/D	128%	121%
L/D + B/E + Debenture	97%	103%

Contingencies

Consolidated	2012	2011	Change THB mn	Change %
Avals to bills and guarantees of loans	1,067	1,765	(698)	(39.5)
Liability under unmatured import bills	1,548	1,465	83	5.7
Letters of credit	8,043	8,293	(250)	(3.0)
Other contingencies	94,727	90,090	4,637	5.1
Total	**105,385**	**101,613**	**3,772**	**3.7**

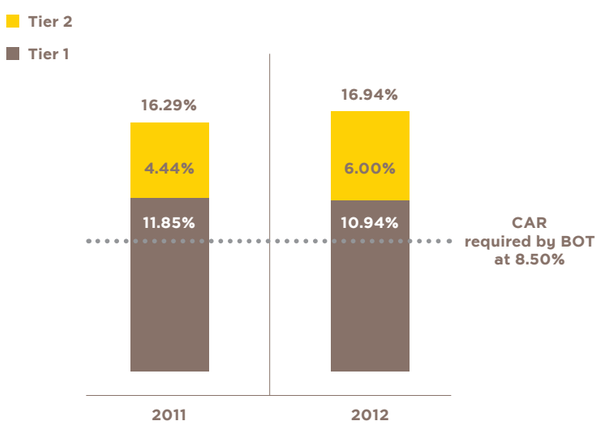
The Krungsri Group's contingencies as of December 31, 2012 totaled THB 105,385 million, an increase of THB 3,772 million, or 3.7%, from December 31, 2011. This increase was driven by unused overdraft limits of THB 5,315 million offset by a decrease in avals to bill and guarantees of loans of THB 698 million and other guarantees of THB 891 million.

Statutory capital

Years of accumulated retained earnings combined with THB 14,844 million subordinated debentures issuances in 4Q 2012 contributed to favorable capital levels with a Bank of International Settlements (BIS) ratio of 16.94% and a Tier-1 ratio of 10.94%, amid the robust loan growth recorded in 2012.

Capital Adequacy Ratio

Bank Only



THB billion	2011	2012
Tier 1	80.84	81.75
Tier 2	30.28	44.80
Total capital	111.12	126.55

CREDIT RATINGS

The Bank's credit ratings assigned by Moody's Investors Service, Standard & Poor's and Fitch Ratings as of December 31, 2012 are shown in the table below.

Moody's Investors Service	
Bank deposits	
- Long term	**Baa2**
- Short term	**Prime-2**
Debt	
- Long term - senior debt	**Baa2**
- Long term - subordinated debt	**Ba2**
- Short term	**Prime-3**
Debt and deposit rating outlook	**Stable**
Bank financial strength ratings	**D+**
Outlook	**Stable**
Standard and Poor's	
Issuer Credit Rating (ICR)	
- Long term	**BBB-**
- Short term	**A-3**
Foreign currency	
- Long term - senior debt	**BBB-**
- Short term	**A-3**
Stand-alone Credit Profile (SACP)	**bb+**
Outlook	**Stable**
Fitch Ratings	
International Rating (Foreign Currency)	
- Long term	**BBB**
- Subordinated debt	**BBB-**
- Short term	**F3**
- Viability Rating	**bbb**
- Support	**3**
- Support rating floor	**BB+**
- Outlook	**Stable**
National Ratings	
- Long term - debenture	**AA- (tha)**
- Subordinated debt	**A+ (tha)**
- Short term	**F1+ (tha)**
- Outlook	**Stable**

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 maintained 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 reviewing the quality of financial reporting and internal control mechanisms appropriately and efficiently and reviewing the Bank's performance in accordance with the laws relevant to the business of the Bank including the related party transactions to ensure that the aforementioned transactions are reasonable and optimized to the Bank. 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, the consolidated financial statements of the Bank and its subsidiaries as of December 31, 2012.

(Mrs. Janice Rae Van Ekeren)
Chief Executive Officer

(Mr. Pongpinit Tejagupta)
Director

REPORT OF THE AUDIT COMMITTEE

To: Shareholders
Bank of Ayudhya Public Company Limited

The Audit Committee independently performs its tasks as per the scope and responsibilities specified in the Audit Committee Charter as assigned by the Board of Directors in accordance with the regulations of the Securities and Exchange Commission and notifications of the Stock Exchange of Thailand and the Bank of Thailand. The Audit Committee comprises 3 independent directors as follows:

1. Ms. Potjanee	Tanavaranit	Chairman of the Audit Committee
2. Mr. Virat	Phairatphiboon	Audit Committee member
3. Mr. Phong-adul	Kristnaraj	Audit Committee member

Ms. Puntipa Hannoraseth, Head of Audit, serves as the Secretary to the Audit Committee.

In 2012, the Audit Committee held a total of 18 meetings including 2 special meetings with the external auditor without participation of the management, and reported the results of each meeting to the Board of Directors. The details of actions taken by the Audit Committee can be summarized as follows:

Financial reports
The Audit Committee reviewed the Bank's quarterly, semi-annual and annual financial statements as well as the consolidated financial statements of the Bank and its subsidiaries by holding meetings with external auditor and executives of the accounting and finance division to consider financial statements to ensure that they present fairly the financial position in accordance with accounting standards and the Financial Institutions Business Act. The Audit Committee also held special meetings with the external auditor without participation of the management to enquire about independence of operations and cooperation obtained from the Bank as well as issues that may result in significant loss or fraud.

Internal control system and internal audit
The Audit Committee approved the revision of the Charter and the Audit Policy of the Audit Group to ensure currency and appropriateness. It also approved annual audit plans which focus primarily on conducting an audit based on relevant risks and revised the audit plans to respond to changes as well as monitored auditing activities to ensure that the specified goals are achieved. In addition, the Audit Committee reviewed and monitored internal audit results and findings identified by external auditor in order to consider adequacy, appropriateness and effectiveness of the Bank's internal control system.

Furthermore, the Audit Committee considered the 2011 special audit report regarding assessment of internal audit efficiency and assessment of commercial bank's transactions with extraordinary characteristics or conditions. It also reviewed the audit report on Internal Capital Adequacy Assessment Process (ICAAP). In addition, the Audit Committee acknowledged the assessment results of the Business Continuity Management (BCM) Policy, the Business Continuity Plan (BCP) and the Disaster Recovery Plan (DRP) before submission to the Board of Directors.

Connected transactions or transactions that may create conflicts of interest
The Audit Committee considered connected transactions or transactions that may create conflicts of interest as reported by various functional units before submission of those transactions to the Board of Directors or relevant authorized persons for approval, to ensure that they are conducted on an arm's length basis and that relevant information is transparently disclosed based on the principle of prudence, integrity, transparency, adequate disclosure and the Bank's optimized benefits.

Good governance
The Audit Committee served as another complaint channel to ensure that complaints from all groups of stakeholders are heard. The Audit Committee also acknowledged the results of complaint resolutions to ensure that complaints are handled in an appropriate and transparent manner.

Risk management
The Audit Committee considered reports of the Risk Management Committee regarding control, supervision, assessment, monitoring and management of the overall risk of the Bank including summary of operational losses, causes and preventive measures to prevent the recurrence of such events in the future. In addition, the Audit Committee considered reports submitted by the Credit Review Department, Risk Management Group in relation to review results and a follow-up on corrective actions undertaken by credit departments and other departments concerned. In this regard, the Audit Committee also enquired about findings identified from the review and corrective actions taken to ensure that the Bank's credit granting processes are appropriate.

Compliance with regulatory requirements
The Audit Committee reviewed the Bank's compliance with regulatory requirements, notifications of the Stock Exchange of Thailand as well as regulations and requirements of the Bank of Thailand by considering results of regulatory compliance supervision as per the reports of the Compliance Review Committee and audit results reported by the Audit Group.

External auditor
The Audit Committee considered, selected and nominated the Bank's external auditor by taking into consideration the qualifications specified by the Bank of Thailand and the Securities and Exchange Commission whereby such auditor does not have any relationships with or interest in the Bank, its management, major shareholders or related parties in a manner that may affect the independent operations, and does not hold positions such as director, employee, contractual staff or any positions in the Bank. The Audit Committee also considered audit fee as deemed appropriate. In this regard, the shareholders' meeting has already granted approval for the said audit fee.

The Audit Committee is of the opinion that the Bank has made an appropriate and adequate financial report in accordance with rules prescribed by the Securities and Exchange Commission, requirements of the Stock Exchange of Thailand and regulations of the Bank of Thailand. The Bank is confident that, with its current internal control system, the financial information is complete, correct and reliable, and adequately disclosed; and that internal control and internal audit process currently in place are appropriate and effective as well as cover operational procedures posing high risk. The Bank exercised strict supervision over regulatory compliance, and external auditor performs duties in an independent manner. Connected transactions or transactions that may create conflicts of interest are fair and reasonable, and the risk management system is efficient and in accordance with the objectives specified by the Board of Directors.

Potjanee Tanavaranit

(Ms. Potjanee Tanavaranit)
Chairman of the Audit Committee

REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee performed its duties according to the Charter of the Nomination and Remuneration Committee in relation to policies and criteria for the nomination of directors, committee members, high-level executives of the Bank and directors of entities in which the Bank holds at least 50% of the shares as well as policies relating to the determination of remuneration rates and other benefits and the amount of remuneration and other benefits of the Bank's directors, committee members and high-level executives.

In 2012, the Nomination and Remuneration Committee, which was composed of three directors of the Bank, i.e. myself, Karun Kittisataporn, independent director as Committee Chairman, Mr. Virat Phairatphiboon, independent director and Ms. Nopporn Tirawattanagool, non-executive director as members, held a total of 16 meetings. This year, the Nomination and Remuneration Committee provided recommendations not only on the Bank's human resources management guidelines but also on the adjustment of human resources management guidelines of companies in Krungsri Group to ensure enhanced efficiency and alignment with the Bank's human resources management policies. The Nomination and Remuneration Committee also provided advice regarding the policy on the transfer of certain employees according to the retail banking business transfer agreement made with Hongkong and Shanghai Banking Corporation Limited, Bangkok Branch, hence the smooth transfer of such employees and the achievement of synergy in the business acquisition. In addition, to handle the change in the top management of the Bank at the end of the year, the Nomination and Remuneration Committee selected/nominated qualified executives based on the succession plan according to the normal practice, and recommended guidelines on design of the organizational structure to ensure continued business growth despite the change in the top management of the organization.

As regards the remuneration of directors and high-level executives, the Nomination and Remuneration Committee carefully took into consideration the appropriate level of remuneration that is commensurate with the scope of duties and responsibilities, work performance, operating results, the overall economic condition, and market competitiveness.

Recognizing the importance of its responsibilities, the Nomination and Remuneration Committee performed its duties by upholding principles, giving honest opinions, seeking necessary data required for prudent, reasonable and fair decision making with the aim of enhancing the Bank's management efficiency to ensure maximum benefits for all shareholders and employees.

(Karun Kittisataporn)
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 consolidated financial statements of Bank of Ayudhya Public Company Limited and its subsidiaries and the Bank's financial statements of Bank of Ayudhya Public Company Limited, which comprise the consolidated and Bank's statements of financial position as at December 31, 2012, and the related consolidated and Bank's statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Thai Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the aforementioned consolidated and Bank's financial statements present fairly, in all material respects, the financial position of Bank of Ayudhya Public Company Limited and its subsidiaries and of Bank of Ayudhya Public Company Limited as at December 31, 2012, and financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

(Dr. Suphamit Techamontrikul)
Certified Public Accountant (Thailand)
Registration No. 3356
DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

BANGKOK
February 13, 2013

FINANCIAL POSITION

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2012 AND 2011

THB '000

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2012	2011	2012	2011
ASSETS				
CASH	25,078,920	25,164,847	25,060,003	25,140,395
INTERBANK AND MONEY MARKET ITEMS, NET (Note 6.2)	79,389,674	81,817,705	78,155,680	80,518,686
CLAIMS ON SECURITY	13,592,478	3,845,662	13,592,478	3,845,662
DERIVATIVES ASSETS (Note 6.3)	3,414,492	4,833,556	3,414,492	4,833,556
INVESTMENTS, NET (Note 6.4)	78,302,398	81,203,947	77,829,013	80,681,625
INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES, NET (Note 6.5)	946,637	769,610	32,482,962	33,095,630
LOANS TO CUSTOMERS AND ACCRUED INTEREST RECEIVABLES, NET (Note 6.6)				
Loans to customers	869,382,125	751,404,973	733,870,285	641,269,203
Accrued interest receivables	2,256,924	1,858,966	1,417,982	1,105,855
Total loans to customers and accrued interest receivables	871,639,049	753,263,939	735,288,267	642,375,058
Less Deferred revenue	(39,374,222)	(31,898,355)	(38,868)	(26,010)
Less Allowance for doubtful accounts (Note 6.7)	(30,305,602)	(30,776,291)	(19,409,266)	(19,226,313)
Less Revaluation allowance for debt restructuring (Note 6.8)	(723,410)	(502,487)	(17,364)	(26,491)
Net loans and accrued interest receivables	801,235,815	690,086,806	715,822,769	623,096,244
CUSTOMERS' LIABILITY UNDER ACCEPTANCE	682,147	696,382	682,147	696,382
PROPERTIES FOR SALE, NET (Note 6.9)	9,451,647	11,737,334	4,704,803	5,937,172
PREMISES AND EQUIPMENT, NET (Note 6.10)	18,299,724	17,568,121	16,893,475	16,459,672
GOODWILL AND OTHER INTANGIBLE ASSETS, NET (Note 6.11)	15,435,423	12,053,632	3,068,498	1,647,653
DEFERRED TAX ASSETS (Note 6.12)	6,060,689	5,630,719	2,637,131	2,355,730
ACCOUNTS RECEIVABLE FOR INVESTMENTS	7,777,647	5,977,415	7,777,647	5,977,415
OTHER ASSETS, NET (Note 6.13)	12,297,804	6,411,611	4,345,637	2,537,083
TOTAL ASSETS	**1,071,965,495**	**947,797,347**	**986,466,735**	**886,822,905**

Notes to the consolidated and the Bank's financial statements form an integral part of these statements

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS AT DECEMBER 31, 2012 AND 2011

THB '000

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2012	2011	2012	2011
LIABILITIES AND EQUITY				
DEPOSITS (Note 6.14)	687,159,328	560,539,821	692,994,007	564,178,616
INTERBANK AND MONEY MARKET ITEMS, NET (Note 6.15)	48,821,459	23,740,707	48,366,000	23,646,431
LIABILITY PAYABLE ON DEMAND	2,776,041	1,650,740	2,776,041	1,650,740
LIABILITY TO DELIVER SECURITY	13,592,478	3,845,662	13,592,478	3,845,662
DERIVATIVES LIABILITIES (Note 6.3)	3,508,210	5,394,125	3,508,210	5,397,152
DEBT ISSUED AND BORROWINGS (Note 6.16)	154,628,639	208,262,710	103,738,778	172,044,802
BANK'S LIABILITY UNDER ACCEPTANCE	682,147	696,382	682,147	696,382
PROVISIONS (Note 6.17)	7,334,404	6,896,394	5,175,737	5,169,723
DEFERRED TAX LIABILITIES (Note 6.18)	2,505,437	2,275,923	1,617,322	1,452,086
ACCOUNTS PAYABLE FOR INVESTMENTS	5,694,321	5,975,293	5,694,321	5,975,293
OTHER LIABILITIES (Note 6.20)	31,776,917	25,823,995	13,064,908	10,214,509
TOTAL LIABILITIES	958,479,381	845,101,752	891,209,949	794,271,396
EQUITY				
SHARE CAPITAL (Note 6.21)				
Authorized share capital				
7,089,392,755 ordinary shares of Baht 10 each	70,893,928	70,893,928	70,893,928	70,893,928
Issued and paid-up share capital				
6,074,143,747 ordinary shares of Baht 10 each	60,741,437	60,741,437	60,741,437	60,741,437
PREMIUM ON ORDINARY SHARES	13,802,216	13,802,216	13,802,216	13,802,216
OTHER RESERVES	5,983,000	5,502,959	5,985,325	5,506,816
RETAINED EARNINGS				
Appropriated				
Legal reserve	1,641,500	1,316,500	1,641,500	1,316,500
Unappropriated	31,154,242	21,125,871	13,086,308	11,184,540
TOTAL BANK'S EQUITY	113,322,395	102,488,983	95,256,786	92,551,509
NON-CONTROLLING INTEREST	163,719	206,612	-	-
TOTAL EQUITY	113,486,114	102,695,595	95,256,786	92,551,509
TOTAL LIABILITIES AND EQUITY	**1,071,965,495**	**947,797,347**	**986,466,735**	**886,822,905**

Notes to the consolidated and the Bank's financial statements form an integral part of these statements

(Mrs. Janice Rae Van Ekeren)
Chief Executive Officer

(Mr. Pongpinit Tejagupta)
Director

COMPREHENSIVE INCOME

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

THB '000

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2012	2011	2012	2011
INTEREST INCOME (Note 6.28)	64,639,507	56,427,524	43,482,807	37,399,255
INTEREST EXPENSES (Note 6.29)	24,686,848	18,962,792	23,214,975	17,977,106
INTEREST INCOME, NET	39,952,659	37,464,732	20,267,832	19,422,149
FEES AND SERVICE INCOME	16,433,510	13,837,950	7,233,900	6,374,389
FEES AND SERVICE EXPENSES	3,698,528	3,050,715	1,518,129	1,334,075
FEES AND SERVICE INCOME, NET (Note 6.30)	12,734,982	10,787,235	5,715,771	5,040,314
GAINS ON TRADING AND FOREIGN EXCHANGE TRANSACTIONS, NET (Note 6.31)	1,541,505	1,278,253	1,509,395	1,225,897
GAINS ON INVESTMENTS (Note 6.32)	800,330	820,168	801,803	1,376,141
SHARE OF PROFIT FROM INVESTMENT FOR USING EQUITY METHOD	177,223	32,070	-	-
DIVIDEND INCOME	504,141	440,984	1,764,978	3,942,695
BAD DEBTS RECOVERIES	3,178,033	2,215,446	185,963	8,971
OTHER OPERATING INCOME	2,299,416	2,265,423	970,279	686,272
TOTAL OPERATING INCOME	61,188,289	55,304,311	31,216,021	31,702,439
OTHER OPERATING EXPENSES				
Employee's expenses	13,965,449	12,319,064	9,280,154	8,226,224
Directors' remuneration	34,373	32,814	31,903	30,427
Premises and equipment expenses	5,514,363	4,632,494	4,013,111	3,357,146
Taxes and duties	2,057,318	1,781,936	1,470,865	1,264,900
Others	9,226,447	8,710,412	3,875,002	3,807,566
Total other operating expenses	30,797,950	27,476,720	18,671,035	16,686,263
IMPAIRMENT LOSS OF LOANS AND DEBT SECURITIES (Note 6.33)	11,384,755	12,213,516	4,475,012	6,408,099
PROFIT FROM OPERATING BEFORE INCOME TAX EXPENSES	19,005,584	15,614,075	8,069,974	8,608,077
INCOME TAX EXPENSES (Note 6.34)	4,336,945	6,310,313	1,573,667	2,557,315
NET PROFIT	**14,668,639**	**9,303,762**	**6,496,307**	**6,050,762**
OTHER COMPREHENSIVE INCOME				
Gains (losses) on remeasuring available-for-sale investment	861,814	(212,752)	860,863	(212,849)
Actuarial gains (losses) on defined benefit plans	75,459	(232,115)	83,470	(166,483)
Income tax relating to components of other comprehensive income (Note 6.35)	(177,572)	791,954	(179,756)	779,086
Total other comprehensive income, net	759,701	347,087	764,577	399,754
TOTAL COMPREHENSIVE INCOME	**15,428,340**	**9,650,849**	**7,260,884**	**6,450,516**

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

THB '000

		CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
		2012	2011	2012	2011
NET PROFIT ATTRIBUTABLE					
Owners of the Bank		14,625,331	9,264,339	6,496,307	6,050,762
Non-controlling interest		43,308	39,423	-	-
		14,668,639	9,303,762	6,496,307	6,050,762
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE					
Owners of the Bank		15,385,032	9,611,426	7,260,884	6,450,516
Non-controlling interest		43,308	39,423	-	-
		15,428,340	9,650,849	7,260,884	6,450,516
EARNINGS PER SHARE OF OWNERS OF THE BANK					
BASIC EARNINGS PER SHARE	THB	2.41	1.53	1.07	1.00
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES	SHARE	6,074,143,747	6,074,143,747	6,074,143,747	6,074,143,747

Notes to the consolidated and the Bank's financial statements form an integral part of these statements

(Mrs. Janice Rae Van Ekeren)
Chief Executive Officer

(Mr. Pongpinit Tejagupta)
Director

CHANGES IN EQUITY

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

THB '000

	CONSOLIDATED FINANCIAL STATEMENTS									
	Owners of the Bank								Non-Controlling Interest	Total
	Issued and Paid-up Share Capital	Premium on Share Capital	Other reserves			Retained Earnings		Total Bank's Equity		
			Asset Appraisal Surplus	Revaluation Surplus (Deficit) on Investments	Deferred Tax Relating to Components of Other Comprehensive Income	Appropriated Legal Reserve	Unappropriated			
Balance as of January 1, 2011	60,741,437	13,802,216	6,824,842	531,550	(2,209,659)	1,013,500	16,424,274	97,128,160	184,590	97,312,750
Change in revaluation surplus	-	-	(252,589)	-	75,777	-	176,812	-	-	-
Dividend payment (Note 6.21.3)	-	-	-	-	-	-	(4,251,901)	(4,251,901)	(413)	(4,252,314)
Increase in legal reserve	-	-	-	-	-	303,000	(303,000)	-	-	-
Total comprehensive income	-	-	-	(212,752)	745,790	-	9,078,388	9,611,426	39,423	9,650,849
Change in shareholding in subsidiary company	-	-	-	-	-	-	1,298	1,298	(16,988)	(15,690)
Balance as of December 31, 2011	60,741,437	13,802,216	6,572,253	318,798	(1,388,092)	1,316,500	21,125,871	102,488,983	206,612	102,695,595
Balance as of January 1, 2012	60,741,437	13,802,216	6,572,253	318,798	(1,388,092)	1,316,500	21,125,871	102,488,983	206,612	102,695,595
Change in revaluation surplus	-	-	(274,115)	-	54,823	-	219,292	-	-	-
Dividend payment (Note 6.21.3)	-	-	-	-	-	-	(4,555,607)	(4,555,607)	(191)	(4,555,798)
Increase in legal reserve	-	-	-	-	-	325,000	(325,000)	-	-	-
Total comprehensive income	-	-	-	861,814	(162,481)	-	14,685,699	15,385,032	43,308	15,428,340
Change in shareholding in subsidiary company	-	-	-	-	-	-	3,987	3,987	(86,010)	(82,023)
Balance as of December 31, 2012	60,741,437	13,802,216	6,298,138	1,180,612	(1,495,750)	1,641,500	31,154,242	113,322,395	163,719	113,486,114

Notes to the consolidated and the Bank's financial statements form an integral part of these statements

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN EQUITY (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

THB '000

	THE BANK'S FINANCIAL STATEMENTS							
	Issued and Paid-up Share Capital	Premium on Share Capital	Other reserves			Retained Earnings		Total
			Asset Appraisal Surplus	Revaluation Surplus (Deficit) on Investments	Deferred Tax Relating to Components of Other Comprehensive Income	Appropriated Legal Reserve	Unappropriated	
Balance as of January 1, 2011	60,741,437	13,802,216	6,824,842	535,506	(2,209,659)	1,013,500	9,645,052	90,352,894
Change in revaluation surplus	-	-	(252,589)	-	75,777	-	176,812	-
Dividend payment (Note 6.21.3)	-	-	-	-	-	-	(4,251,901)	(4,251,901)
Increase in legal reserve	-	-	-	-	-	303,000	(303,000)	-
Total comprehensive income	-	-	-	(212,849)	745,788	-	5,917,577	6,450,516
Balance as of December 31, 2011	60,741,437	13,802,216	6,572,253	322,657	(1,388,094)	1,316,500	11,184,540	92,551,509
Balance as of January 1, 2012	60,741,437	13,802,216	6,572,253	322,657	(1,388,094)	1,316,500	11,184,540	92,551,509
Change in revaluation surplus	-	-	(274,115)	-	54,823	-	219,292	-
Dividend payment (Note 6.21.3)	-	-	-	-	-	-	(4,555,607)	(4,555,607)
Increase in legal reserve	-	-	-	-	-	325,000	(325,000)	-
Total comprehensive income	-	-	-	860,863	(163,062)	-	6,563,083	7,260,884
Balance as of December 31, 2012	60,741,437	13,802,216	6,298,138	1,183,520	(1,496,333)	1,641,500	13,086,308	95,256,786

Notes to the consolidated and the Bank's financial statements form an integral part of these statements

(Mrs. Janice Rae Van Ekeren)
Chief Executive Officer

(Mr. Pongpinit Tejagupta)
Director

CASH FLOWS

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

THB '000

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2012	2011	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES	19,005,584	15,614,075	8,069,974	8,608,077
Income from operating before income tax expenses				
Adjustments to reconcile income to cash received (paid) from operating activities:				
Depreciation and amortization	2,697,652	2,911,417	1,728,054	1,596,771
Deferred interest expenses	2,629	3,479	2,629	3,479
Bad debt and doubtful accounts	10,395,553	11,392,085	4,313,187	6,291,496
Loss on debt restructuring	989,201	821,431	161,825	116,603
(Gains) losses on translation in foreign currencies	683,707	(1,181,685)	683,707	(1,181,685)
Share of profit from investment for using equity method	(177,223)	(32,070)	-	-
Gains on investments	(800,330)	(820,168)	(801,803)	(1,376,141)
Increase (decrease) in discount on investments	353,626	(106,894)	(340,215)	(366,489)
Gains on sales of properties for sale	(785,522)	(752,149)	(233,097)	(210,757)
(Gains) losses on sales of premises and equipment	(13,882)	(97,591)	22,490	4,491
Loss on impairment of investments	17,800	-	17,800	-
Loss on impairment of properties for sale	611,617	739,855	465,333	641,104
Loss on impairment of premises and equipment (reversal)	(3,667)	-	(5,462)	5,462
Loss on impairment of other assets (reversal)	(54,025)	(56,897)	(4,966)	(66,951)
Decrease in other reserves	438,011	566,053	89,484	679,441
Interest income, net	(39,952,659)	(37,464,732)	(20,267,832)	(19,422,149)
Interest received	64,244,730	56,190,152	43,228,129	36,962,412
Interest paid	(25,212,681)	(19,175,230)	(23,005,434)	(16,950,367)
Dividend income	(504,141)	(440,984)	(1,764,978)	(3,942,695)
Dividend received	498,212	435,056	502,554	453,852
Increase (decrease) in other accrued expenses	770,391	(187,631)	647,634	80,260
Income tax paid	(4,961,872)	(4,950,313)	(1,899,510)	(1,082,487)
Income from operations before changes in operating assets and liabilities	28,242,711	23,407,259	11,609,503	10,843,727
(Increase) decrease in operating assets				
Interbank and money market items	2,376,044	(6,821,699)	2,379,054	(7,391,504)
Derivatives assets	1,418,216	(319,580)	1,418,216	(319,580)
Current investments - securities for trading	(4,417,682)	3,302,472	(4,417,682)	3,302,472
Loans to customers	(110,026,393)	(84,472,041)	(92,818,120)	(59,916,966)
Properties for sale	2,659,702	3,282,853	1,228,144	1,473,242
Other assets	(5,979,280)	(4,863,148)	(1,565,199)	(4,541,807)
Increase (decrease) in operating liabilities				
Deposits	124,424,314	(16,020,363)	126,620,194	(17,155,453)
Interbank and money market items	17,781,698	(20,046,032)	17,420,514	(1,452,455)
Liability payable on demand	1,125,301	133,217	1,125,301	133,217
Derivatives liabilities	(1,885,052)	1,415,838	(1,888,080)	1,418,865
Other liabilities	6,939,287	8,949,166	2,528,142	4,532,389
Net cash from operating activities	62,658,866	(92,052,058)	63,639,987	(69,073,853)

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

THB '000

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2012	2011	2012	2011
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sales of investments in securities	929,269,810	727,926,731	929,094,642	727,808,172
Cash paid for purchases of investments in securities	(922,246,851)	(734,301,168)	(922,119,959)	(734,384,247)
Proceeds from repatriation of subsidiaries	-	-	692,478	5,399,967
Dividend received from subsidiaries	-	-	1,262,770	3,502,762
Cash paid for investment in subsidiaries	-	(999,462)	-	(999,462)
Cash paid for purchase of shares in subsidiaries	(80,392)	(15,561)	(80,392)	(213,664)
Proceeds from sales of premises and equipment	69,901	98,872	72,281	29,342
Cash paid for purchases of premises and equipment	(3,403,065)	(1,643,630)	(2,821,703)	(1,050,552)
Proceeds from sales of other assets	-	-	15,576	-
Cash paid for purchases of other assets	(964,996)	(584,766)	(485,084)	(493,176)
Cash received (paid) for purchases business acquisition	(7,439,219)	-	3,534,877	-
Net cash from investing activities	(4,794,812)	(9,518,984)	9,165,486	(400,858)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from debts issued and borrowings	287,336,361	343,911,569	272,364,409	311,481,061
Cash paid for repayment of debts issued and borrowings	(340,970,433)	(235,013,785)	(340,670,433)	(235,013,785)
Cash paid for liabilities under finance lease agreements	(13,346)	(143,580)	(13,346)	(143,580)
Dividend payment	(4,555,608)	(4,251,901)	(4,555,608)	(4,251,901)
Net cash from financing activities	(58,203,026)	104,502,303	(72,874,978)	72,071,795
Total	(338,972)	2,931,261	(69,505)	2,597,084
Effect of exchange rate change on cash	(10,887)	96,178	(10,887)	96,178
Net increase (decrease) in cash and cash equivalents	(349,859)	3,027,439	(80,392)	2,693,262
Cash and cash equivalents as at January 1,	26,102,863	23,075,424	25,140,395	22,447,133
Cash and cash equivalents as at December 31,	25,753,004	26,102,863	25,060,003	25,140,395

Notes to the consolidated and the Bank's financial statements form an integral part of these statements

(Mrs. Janice Rae Van Ekeren)
Chief Executive Officer

(Mr. Pongpinit Tejagupta)
Director

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

1. GENERAL INFORMATION

Bank of Ayudhya Public Company Limited ("the Bank") 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 other countries. As at December 31, 2012 and 2011, the Bank has 16 and 17 subsidiaries, respectively, as follows:

1.1 Ayudhya Development Leasing Company Limited, 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 subsidiary's main business include leasing and hire-purchase.

1.2 Ayudhya Capital Auto Lease Public Company Limited, incorporated in Thailand since November 27, 1995 and located at 87/1, Fl 3, Capital Tower, and 87/2, Fl 30, CRC Tower, All Seasons Place, Wireless Road, Lumpini Subdistrict, Patumwan District, Bangkok. The subsidiary's main business are auto hire-purchase, leasing service and refinancing to individual and corporate customers.

1.3 Ayudhya Total Solutions Public Company Limited, incorporated in Thailand since May 9, 1994 and located at 550 Bank of Ayudhya Building Ploenchit Office, Fl 7, Ploenchit Road, Lumpini Subdistrict, Patumwan District, Bangkok. The subsidiary's main business is hire-purchase.

On April 21, 2012, Ayudhya Total Solutions Public Company Limited (AYTS) has already completed the transfer of its entire business to Ayudhya Capital Auto Lease Public Company Limited (AYCAL) at net book value of THB 721 million, having total assets and total liabilities of THB 858 million and THB 137 million, respectively on the transfer date, as approved by the extraordinary meeting of share holders No. 1/2011 of AYTS and the extraordinary meeting of shareholders No. 1/2011 of AYCAL.

On June 22, 2012, the extraordinary shareholders' meeting of AYTS No. 1/2012 approved a resolution to liquidate the subsidiary with an effective date on June 29, 2012. Currently, the subsidiary is in the process of liquidation.

1.4 CFG Services Company Limited, incorporated in Thailand since October 24, 2006, and located at 89/170 Juthamard Building, Fl 4-5 and 10 Moo 3, Viphavadee Rangsit Road, Talad Bangkhen Subdistrict, Laksi District, Bangkok. The subsidiary's main business are hire-purchase loan and secured personal loan for vehicles and motorcycles.

1.5 Ayudhya Card Services Company Limited, incorporated in Thailand since December 4, 1997, and located at 550 Bank of Ayudhya Building Ploenchit office, Fl 7, Ploenchit Road, Lumpini Subdistrict, Patumwan District, Bangkok. The subsidiary's main business are credit cards and personal loans.

1.6 Ayudhya Capital Services Company Limited, incorporated in Thailand since November 9, 1994 and located at 87/1, Capital Tower, All Seasons Place, Fl 1-6 and 8-11, Wireless Road, Lumpini Subdistrict, Pathumwan District, Bangkok. The subsidiary's main business are credit cards and personal loans.

On March 1, 2011, Ayudhya Capital Services Company Limited ("AYCAP"), has additionally invested in Tesco Card Services Limited ("TCS") by 1%, resulting in total holding at 50%.

1.7 General Card Services Limited, incorporated in Thailand since January 24, 1995 and located at 87/1, Capital Tower, All Seasons Place, Fl 1-6 and 8, Wireless Road, Lumpini Subdistrict, Pathumwan District, Bangkok. The subsidiary's main business are credit cards and personal loans.

1.8 Krungsriayudhya Card Company Limited, incorporated in Thailand since August 29, 1996 and located at 87/1, Capital Tower, All Seasons Place, Fl 1-6 and 8-11, Wireless Road, Lumpini Subdistrict, Pathum wan District, Bangkok. The subsidiary's main business are credit cards and personal loans.

1.9 Siam Realty and Services Company Limited, incorporated in Thailand since June 20, 1988, and located at 1222 Rama III Road, Bang Pongphang Subdistrict, Yannawa District, Bangkok. The subsidiary's main business are car leasing and personnel services.

1.10 Total Services Solutions Public Company Limited, incorporated as a public company limited in Thai land since May 19, 1997, has changed its registered address from 87/1, Capital Tower, and 87/2, CRC Tower, All Seasons Place, Fl 1-6 and 8, Wireless Road, Lumpini Subdistrict, Pathumwan District, Bangkok to 2/3 Moo 14, Bangna Towers B, Bang Na-Trat Km 6.5 Road, Bang Kaeo Subdistrict, Bang Phli District, Samutprakan in August 2012. The subsidiary's main business is collection services.

1.11 Krungsri Asset Management Company Limited, incorporated in Thailand since December 19, 1996 and located at 898 Ploenchit Tower Building, Fl 11-12, Ploenchit Road, Lumpini Subdistrict, Patumwan District, Bangkok. The subsidiary's main business are mutual funds and individual private fund management.

1.12 Krungsri Ayudhya AMC Limited, incorporated in Thailand since August 18, 2000 and located at 1222 Rama III Road, Bang Pongphang Subdistrict, Yannawa District, Bangkok. The subsidiary's main business are to develope, manage and sell assets transferred from financial institutions.

1.13 Krungsri Securities Public Company Limited, incorporated in Thailand since April 16, 2004, and located at 550 Bank of Ayudhya Building Ploenchit Office, Fl 5, Ploenchit Road, Lumpini Subdistrict, Patumwan District, Bangkok. The subsidiary's main business is securities businesses.

1.14 Krungsri Factoring Company Limited (formerly Ayudhya Factoring Company Limited), incorporated in Thailand since February 1, 2007 , has changed its registered address from 550 Bank of Ayudhya Building Ploenchit Office, Fl 3, Ploenchit Road, Lumpini Subdistrict, Patumwan District, Bangkok to 1222 Rama III Road, Bang Pongphang Subdistrict, Yannawa District, Bangkok in August 2012. The subsidiary's main business is factoring.

1.15 Krungsri Life Assurance Broker Company Limited, which is 99.99% held by Ayudhya Capital Services Company Limited, the Bank's subsidiary, incorporated in Thailand since March 2, 2007 and located at 87/1, Capital Tower, All Seasons Place, Fl 11, Wireless Road, Lumpini Subdistrict, Pathumwan District, Bangkok. The subsidiary's main business is life insurance broker.

1.16 Krungsri General Insurance Broker Company Limited, which is 99.99% held by Ayudhya Capital Services Company Limited, the Bank's subsidiary, incorporated in Thailand since March 2, 2007 and located at 87/1, Capital Tower, All Seasons Place, Fl 11, Wireless Road, Lumpini Subdistrict, Pathumwan District, Bangkok. The subsidiary's main business is general insurance broker.

During 2012, the Bank has one subsidiary which was dissolved as follows:

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

On June 18, 2011, Ayudhya Auto Lease Public Company Limited transferred its entire business to Ayudhya Capital Auto Lease Public Company Limited at net book value of THB 65 million, having total assets and total liabilities of THB 144 million and THB 79 million, respectively on the transfer date. On September 23, 2011, the extraordinary shareholders' meeting of Ayudhya Auto Lease Public Company Limited approved a resolution to liquidate with an effective date on September 30, 2011. The subsidiary was dissolved on November 16, 2012.

2. BASIS FOR PREPARATION OF THE CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS

2.1 The consolidated and the Bank's financial statements have been prepared in accordance with the regulation of the Stock Exchange of Thailand dated January 22, 2001, regarding the Preparation and Filing of Financial Statements and Reports on Financial Status and Results of Operations of Listed Companies, B.E. 2544, where the form of financial statements is based on Thai Accounting Standard No. 1 (Revised 2009) "Presentation of Financial Statements", including the Procedures, Policies and Presentation in accordance with the Bank of Thailand ("BOT") Notification regarding the Preparation and Announcement of Financial Statements of Commercial Banks and Holding Companies of Financial Industry dated December 3, 2010.

The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies.

The Bank prepares its financial statements in the Thai language in conformity with Thai Financial Reporting Standards and the Notifications noted above. However, for convenience of readers, the Bank also prepares its financial statements in English language, by translating from the Thai version.

Financial Reporting Standards announced but not effective in 2012

The Federation of Accounting Professions has issued the Notifications regarding the Thai Financial Reporting Standards, which are not yet effective for the current period. The Standards which are related to the Bank and subsidiaries are as follows:

2.1.1 Thai Financial Reporting Standards which are effective for the financial statements for the periods beginning on or after January 1, 2013:

THAI ACCOUNTING STANDARDS (TAS)

TAS 12 (Revised 2009)	Income Taxes
TAS 21 (Revised 2009)	The Effects of Changes in Foreign Exchange Rates

THAI FINANCIAL REPORTING STANDARDS (TFRS)

TFRS 8	Operating Segments

THAI FINANCIAL REPORTING INTERPRETATIONS (TFRI)

TFRI 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
TFRI 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

GUIDELINE ON ACCOUNTING

Guideline on Accounting regarding Transferring and Accepting Transfer of Financial Assets

2.1.2 Thai Financial Reporting Standards which are effective for the financial statements for the periods beginning on or after January 1, 2014:

THAI FINANCIAL REPORTING INTERPRETATIONS (TFRI)

TFRI 4	Determining Whether an Arrangement Contains a Lease
TFRI 13	Customer Loyalty Programs

The Bank and subsidiaries had early adopted TAS 12 Income Taxes and relevant TFRIs 21 and 25. For TAS 21, TFRS 8 and Guideline on Accounting regarding Transferring and Accepting Transfer of Financial Assets, the adoption of those standards will have no material impact on the financial statements of the Company. For the TFRIs 4 and 13, the Bank's managements are still evaluating the first year impact on the financial statements.

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

	Business Type	Percentage of Holdings As at December 31	
		2012	2011
Subsidiaries			
Ayudhya Development Leasing Company Limited	Leasing and hire-purchase	99.99	99.99
Ayudhya Auto Lease Public Company Limited [1]	Hire-purchase	-	99.79
Ayudhya Capital Auto Lease Public Company Limited	Hire-purchase and auto leasing	99.99	99.99
Ayudhya Total Solutions Public Company Limited [2]	Hire-purchase	99.81	99.81
CFG Services Company Limited	Hire-purchase and motorcycle loans	99.99	99.99
Ayudhya Card Services Company Limited	Credit cards and personal loans	99.99	99.99
Ayudhya Capital Services Company Limited	Credit cards and personal loans	99.99	99.99
General Card Services Limited	Credit cards and personal loans	99.99	99.99
Krungsriayudhya Card Company Limited	Credit cards and personal loans	99.99	99.99
Siam Realty and Services Company Limited	Car leasing and personnel services	99.99	99.99
Total Service Solutions Public Company Limited	Collection services	99.99	99.99
Krungsri Asset Management Company Limited	Fund management	76.59	76.59
Krungsri Ayudhya AMC Limited	Asset management	99.99	99.99
Krungsri Securities Public Company Limited	Securities	98.71	88.13
Krungsri Factoring Company Limited (Formerly Ayudhya Factoring Company Limited)	Factoring	99.99	99.99
Krungsri Life Assurance Broker Limited [3]	Life insurance broker	99.99	99.99
Krungsri General Insurance Broker Limited [3]	General insurance broker	99.99	99.99

[1] Subsidiary registered the completion of liquidation in 2012.
[2] Subsidiary is under the liquidation process.
[3] Indirectly holding via Ayudhya Capital Services Company Limited of 99.99%.

All material intercompany transactions and balances have been eliminated.

2.3 The consolidated financial statements for the year ended December 31, 2012 and 2011, included financial statements of certain subsidiaries, prepared by subsidiaries' managements, which have not been audited by the auditors as follows:

Unit : THB million

	Net Profit	
	2012	2011
Ayudhya Total Solutions Public Company Limited [1]	80	-
Ayudhya Auto Lease Public Company Limited [2]	1	16
Ayudhya Capital Lease Company Limited [3]	-	19

[1] Subsidiary is under the liquidation process.
[2] Subsidiary registered the completion of liquidation in 2012.
[3] Subsidiary registered the completion of liquidation in 2011.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Cash and cash equivalents

In the Bank's statement of cash flows, cash and cash equivalents consist of cash on hand and cash on collection of the Bank, in accordance with the Bank of Thailand's Notification regarding the Preparation and Announcement of Financial Statements of Commercial Banks and Holding Companies of Financial Industry dated December 3, 2010.

In the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents of the Bank and cash on hand, deposits at banks, except for fixed deposits which terms are greater than 3 months and deposits at banks used as collaterals, and investments with maturities of 3 months or less of subsidiaries.

3.2 Investments

The Bank and subsidiaries' investments which consist 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 the BOT's Notification dated December 3, 2010 regarding the Preparation and Announcement of Financial Statements of Commercial Banks and Holding Companies of Financial Industry, requiring commercial banks to present the investments as investments, net and investments in subsidiaries and associates companies, net.

Investments are initially recognized on the trade date.

Trading securities represent securities acquired with the intent to hold short-term as management acquires those securities with the intent to take advantage of anticipated changes in market values. Trading securities are carried at fair value. Realized gains or losses from the sales of trading securities and unrealized gains or losses on the changes in fair value are recognized as gains (losses) on trading and foreign exchange transactions in the statements of comprehensive income. Interest earned and dividends on trading securities are recognized using the accrual basis of accounting as interest income and other operating income, respectively.

Debt securities which the Bank and subsidiaries have 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. Valuation allowances are established to recognize an unrealized loss in the statement of comprehensive income when impairment is determined by management. In addition, the Bank classifies the rights of the Bank over the non-negotiable promissory notes, which are avalled 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 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 trading securities or held-to-maturity securities are classified as available-for-sale securities and carried at fair value. The unrealized gains or losses related to available-for-sale securities are reported as other comprehensive income in equity until realized upon the sale or disposition or permanent decline in value occurred of such securities. Gain or loss on disposal or loss on impairment is recognized in the statements of comprehensive income.

Non-marketable equity securities and marketable equity securities acquired from troubled debt restructuring are classified as general investments and carried at cost, net of valuation allowances for impairment, if any. Valuation allowances are established to recognize an unrealized loss in the statements of comprehensive income when impairment is determined by management.

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 associated companies are accounted for by the equity method. In the Bank's financial statements, investments in subsidiaries and associated companies are accounted for by the cost method.

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

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

1. For Government bonds and state enterprise bonds, the fair values of these securities are estimated by using the BOT's formula, based on The Thai Bond Market Association's Yield Curve at the reporting date.

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 last bidding prices at The Stock Exchange of Thailand and The Thai Bond Market Association at the reporting date.

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. The fair value of unit trusts is estimated based on the net asset value at the reporting date.

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 comprehensive income.

Cost of securities sold during the year is computed by using the weighted average method. Realized gain or loss from sales of debt and equity securities are included in the statements of comprehensive income.

3.3 Loans to customers

Overdrafts are stated at the drawn amounts including interest.

Hire-purchase receivable and finance lease receivable are carried at contract amount plus prepaid commission expense.

Other loans are stated at the principal amounts.

Unearned discount from notes, unearned interest income and deferred subsidy income are presented in deferred revenue.

3.4 Allowance for doubtful accounts

Allowance for doubtful accounts is determined through methods in accordance with the Bank of Thailand's regulations. The Bank and its subsidiaries categorize their loan portfolio into six categories and determine allowance for doubtful accounts subject to different levels of provisioning. Allowance for doubtful accounts for loans classified as normal and special mention are calculated based on the minimum percentage in accordance with the BOT's guidelines by using the value of collateral for calculation of reserve. For loans classified as substandard, doubtful and doubtful of loss, the allowance rate is 100 percent of the difference between the outstanding loan value and present value of expected cash flow from proceeds from disposal of the collateralized assets which excludes collateral in the form of machinery. With the exception of a subsidiary that carries out a leasing business, the reserve calculation is determined by including the value of machinery as collateral. In addition, the Bank and subsidiaries estimate an additional allowance for doubtful debts over the minimum percentage as specified in the BOT's guidelines.

Subsidiaries involved in hire-purchase businesses, with qualified portfolios under the BOT regulations, calculate allowance for doubtful accounts by using the collective approach which classifies a group of loans having similar credit risk characteristics based on the historical loss experience of each loan category.

Subsidiary involved in the securities business provide an allowance for doubtful debts based on a review of the debtor's ability to make repayment, taking into consideration recovery risk and the value of the collateral. Such debt classifications and provisions are made in accordance with the

guidelines of the Securities and Exchange Commission regarding "Accounting policies on Securities Companies' Substandard Account Receivable", and consideration of other relevant factors.

Loans to customers are written-off in the year that they are determined to be irrecoverable. 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 expenses in the statements of comprehensive income.

Bad debts recovery are recorded as income in the statements of comprehensive income when received.

3.5 Troubled debt restructuring

Losses on troubled debt restructurings resulting from the reduction of principal and accrued interest and other modifications of terms, asset transfers, equity securities transfers, etc. are recognized as expenses in the statements of comprehensive 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 to estimate a loss amount or the net present value method which represents expected future cash flows by applying the discounted market interest rate on the restructuring date. Losses from such debt restructurings are recognized in the statements of comprehensive income.

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

Restructured debt with 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.

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 in the statements of comprehensive income for the period and classified investments in receivables as loans in accordance with the BOT's criteria.

3.6 Properties for sale

Properties for sale 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.

The Bank and subsidiaries provided the allowance for impairment of properties for sale as disclosed in note 5.3. Losses on impairment of properties for sale are shown as an expense in the statements of comprehensive income.

Gains or losses on the disposal of such properties are realized upon disposition of the underlying asset and are included in other operating income in the statements of comprehensive income.

3.7 Property, premises and equipment

Land is stated at the appraised value. Premises are stated at the appraised value less accumulated depreciation. Equipment is stated at cost less accumulated depreciation.

Revaluation of assets

Land and premises have been revalued by independent appraisers based on the 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 a 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 comprehensive income for the decrease in value below original cost.

Suite units in condominiums used as branch offices have been revalued by independent appraisers in accordance with the BOT's 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.

During the Bank's uses of the revaluation assets, the revaluation surplus will be gradually transferred directly to retained earnings equal to the difference between the depreciation calculated from book value of the revalued assets and the depreciation calculated from the original cost of such assets. All balance of outstanding revaluation surplus will be transferred to retained earnings when the Bank writes off such assets from the financial statements.

Leased assets

Leases under which the Bank and its subsidiaries assume substantially all the risk and rewards of ownership are classified as finance leases. Equipment acquired by way of finance leases is capitalized at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the statements of comprehensive income.

Depreciation

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

Premises and building improvement	10 - 50 years
Equipment	3 - 5 years

3.8 Goodwill in a business combination

Goodwill in a business combination represents the excess of the cost of acquisition over the Bank's interest in the fair value of the identifiable net assets acquired as at the date of acquisition.

Negative goodwill arising on business acquisition represents the excess of the acquirer's interest in the fair value of the identifiable net asset acquired over the cost of acquisition.

Other costs directly attributable to the business combination are recorded as acquisition costs. Since January 1, 2011, other cost is recognized as expense in the statements of comprehensive income.

Goodwill in a business combination is recognized as an asset recorded as of the acquisition date. Negative goodwill is recognized as income in the statements of comprehensive income.

Goodwill is stated at cost less allowance for impairment (if any).

3.9 Intangible assets

Intangible assets with indefinite useful lives are stated at cost less allowance for impairment (if any). Intangible assets with finite useful lives are stated at cost less accumulated amortization and allowance for impairment.

Amortization

Software amortization is calculated by the straight-line method over the expected future economic benefit period between 5 - 10 years.

Amortization of other intangible assets received from business combinations such as information of customer relationship, dealer relationship and distribution network, are calculated by the projected cash flow over the expected future economic benefit period between 8 - 20 years.

Amortization incurred is recognized as other operating expense in the statements of comprehensive income.

3.10 Recognition of income

Interest income from loans to customers and other income are recognized on an accrual basis.

Interest income from investment in debt securities and investment in loans are recognized by the effective interest rate method.

The Bank and its subsidiaries are 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 a 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 being doubtful of collection where the subsidiary recognizes interest income from such investments in receivable and loans on a cash basis.

The hire-purchase business subsidiaries recognize income for new finance leases and hire-purchase contracts since January 1, 2008, by the effective interest rate method whereas, for contracts originated before January 1, 2008, income is recognized on the sum-of-the-digits method, except for some subsidiaries where income has been recognized by the effective interest rate method from its inception.

3.11 Recognition of expenses

Expenses, included interest expense are recognized on an accrual basis.

3.12 Employee benefits

The Bank and subsidiaries have 3 types of employee benefits as follows:

3.12.1 Provident funds

The Bank and its subsidiaries established the provident fund under the Provident Fund Act (B.E. 2530). The fund is managed by a financial institution which is an authorized fund manager The Bank, subsidiaries and employees will contribute at the following rates:

Every employee is required to make contribution at the rate of not less than 3% of salary but not more than the Bank and subsidiaries' contribution.

The Bank and its subsidiaries will contribute as follows:

Service periods	Contribute rate (%)
Less than 5 years	5 - 10
5 years but less than 10 years	6 - 12
10 years but less than 20 years	8 - 12
Over 20 years	10 - 12.5

The contributions to the provident fund made by the Bank and its subsidiaries are recorded as employee's expenses in the statements of comprehensive income.

3.12.2 Post-employment benefit obligations

- Pension plan

The employees who were hired prior to January 1, 1998 and have completed at least 10 continuous service years are eligible to receive a pension payment when they leave the bank. On January 1, 1998, the Bank established the provident fund for its employees to replace the pension plan. After the establishment of the provident fund, the amount due 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 pension plan, the Bank will pay such difference by disbursing from the pension fund.

- Legal severance payment plan

All employees will receive severance payment upon retirement in accordance with the Labor Protection Act.

The obligations of these plans are considered as unfunded defined benefit obligations and are separately measured by an actuary using the projected unit credit cost method to determine the present value of cash flows of employee benefit to be paid in the future. Under this method, the obligation is based on an actuarial calculation including the employee's expected salary, business turnover rate, salary increase rate, mortality rate, discount rate, years of services and other factors.

The expenses for the defined benefit plan are recognized as employee's expenses in the statement of comprehensive income.

Actuarial gains (losses) are recognized in other comprehensive income.

3.12.3 Benefit from carryforward leave

The benefit from cumulative carryforward leave is recognized as a liability in the statement of financial position and employee's expenses in the statement of comprehensive income when the employees render the service.

3.13 Contributions to the Financial Institution and Development Fund and the Deposit Protection Agency

Contributions to the Financial Institutions Development Fund and the Deposit Protection Agency are recognized on an accrual basis as expenses in the statements of comprehensive income.

3.14 Taxation

Income tax expenses (income) represent the sum of the tax currently payable and deferred tax.

3.14.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statements of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Bank's current tax is calculated using tax rates that have been enacted or substantively enacted at the reporting date.

3.14.2 Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit (tax base). Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for temporary differences to the extent that it is probable that taxable profits will be available against which those temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at the reporting date. Deferred tax asset shall be reduced to the extent that utilized taxable profits are decreased. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available to allow total or part of the asset to be recovered. The Bank and subsidiaries do not recognize deferred tax assets and liabilities for the goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the end of the reporting period.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off the recognized amounts and the Bank and subsidiaries intend to settle on a net basis or to realize

the asset and settle the liability simultaneously and when they relate to income taxes levied by the same taxation authority.

Income tax expenses or income related to profit or loss are presented in the statement of comprehensive income. For current income taxes and deferred taxes related to items recognized directly in other comprehensive income in equity in the same or different period, they will be recognized directly in other comprehensive income.

3.15 Earnings per share

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

3.16 Foreign currency transactions

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

All foreign exchange gains or losses are recognized as income or expenses in gains (losses) on trading and foreign exchange transactions, net in the statements of comprehensive income.

3.17 Translation of the financial statements of the foreign branches

The financial statements of foreign branches are translated into THB using the reference exchange rates established by the BOT at the reporting date for the translation of foreign monetary items, using the historical exchange rates for the translation of foreign non-monetary items and using the average exchange rates for the translation of transactions in the statements of comprehensive income. Differences in exchange rates from the translation of the financial statements of foreign branches are recognized as gains or losses on foreign exchange in the statements of comprehensive income.

3.18 Derivatives

The Bank and its subsidiaries have recognized derivatives transactions as follows:

1. Derivatives for trading are recorded at fair value and profit or loss from the price appraisal is recognized as income or expense in the statements of comprehensive income.

2. Derivatives for hedging are recorded and profit or loss from the price appraisal are recognized as income or expense based on the accrual basis in line with the underlying transactions.

4. RISK MANAGEMENT

4.1 Information of risk of the Bank

The Bank is a party to financial instruments both on-statement of financial position and off-statement of financial position in the normal course of business to meet the financing needs of its customers for investment purposes and to reduce its own exposure to fluctuations in foreign exchange rates and interest rates. For off-statement of financial position financial instruments, they 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, interest rate 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.

The new derivative products require an approval from the Board of Directors. Limit breach reporting, operating processes and risk control are included under the Derivatives Product Program and Bank of Thailand's notification regarding guidelines on risk management for derivatives transactions.

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 will review the policy on a regular basis and the Bank has adopted the policy of dealing with counterparties and obtaining sufficient collateral or other security where appropriate, as a mean 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 statement of financial position, net of allowance for doubtful accounts (see Note 6.7), 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-statement of financial position financial instruments 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 off-statement of financial position financial instrument 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-financial statement financial 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 financial instruments through prudent credit approvals, limits, and strict monitoring procedures.

Interest rate risk

Interest rate risk refers to the risk arising from changes in interest rates that have an adverse effect on the net interest earnings and shareholders' equity. Interest rate risk arises from the structure and characteristics of the Bank's assets, liabilities and contingencies, and from mismatch in repricing rates of its assets, liabilities and contingencies.

Interest rate risk management is under the Assets and Liabilities Committee supervision (ALCO) who sets guidelines for managing assets and liabilities, together with monitoring and controlling interest rate risk to ensure that it is at an appropriate level and in line with the market risk management policy as approved by the Board of Directors. Bank will review such policy on a regular basis to commensurate with situations and changes in business.

The Bank employs various tools and approaches for its interest rate risk management. Net interest income simulation is applied to assess the impact on banking book position and Value-at-Risk tool is used for the trading book position to predict the Bank's maximum loss.

Foreign exchange rate risk

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 cap its net foreign currency position. Most foreign currency transactions are mainly from services provided to the Bank's customers. In addition, the Bank enters into forward foreign exchange contracts as part of its risk management strategy of the foreign exchange risk arising from the Bank underlying assets and liabilities and hedges that risk from customers' transactions. The utilization of forward foreign exchange contracts for these purposes is governed by policies and guidelines approved by the Bank's Board of Directors and controlling procedures set by the relevant departments and Committees.

The Bank's Board of Directors is in charge of setting the limits for each specific currency under an acceptable risk level and regularly reviewed to be in line with business strategy and change in market circumstance while the ALCO ensures that the limits remain within the specified amount. The Bank monitors the risk level under the specified limits using the Value-at-Risk Method as the tool to manage the exchange rate risk and prepares a daily report for the Bank's top officers in related Groups.

Equity price risk

Price risk refers to the loss affecting income and/or shareholders' equity from a movement in equity price.

The Bank assesses the potential of securities issuer companies and has a policy to buy/sell equity securities mainly for medium-term and long-term investments. In managing equity position risk which is held, according to initial intention, as long-term, the Bank monitors and reports the equity price risk and ensure that the level of capital fund is appropriate and sufficient to absorb losses arising from positions.

The Bank's Board of Directors sets the total limit at an acceptable risk level and revises it annually. The Bank monitors the level of risk under the specified risk limits using the Value-at-Risk Method to manage the equity price risk and prepares a daily report for the Bank's top officers in related Groups.

Liquidity risk

Liquidity risk means risk resulting from the Bank's failure to pay its debts and obligations when due because of its inability to convert assets into cash, or its failure to procure enough fund, or, if it can, that the fund comes with an exceptionally high cost that may affect incomes and capital fund now and in the future.

The Bank has established the liquidity risk management policy and the daily liquidity management policy. In addition, contingency plans are formulated and conducted a plan testing to ensure readiness to deal with crisis situations. All of these are aimed at ensuring the efficiency of the Bank's liquidity risk management

The Bank maintains excess liquidity cushion at a level commensurated with the economic situation. The Bank seeks to ensure that there is adequate cash for its business and its subsidiaries' business operations. Liquidity management utilizes qualitative and quantitative approaches to ensure appropriate risk diversification. The structure and behavior of customers' deposits/withdrawals and competitive situation are considered in order to ensure efficient alignment with the cash flow demand for each time period and at an appropriate cost level.

Liquidity risk management of Bank is under the Assets and Liabilities Committee supervision (ALCO), together with monitoring and controlling liquidity risk to ensure that it is at an appropriate level and in line with the liquidity risk management policy as approved by the Board of Directors. The Bank will review such policy on a regular basis to commensurate with business strategy and market circumstance that may be changed.

The Bank uses tools to manage liquidity risk such as the liquidity gap analysis including behavioural adjustment, and liquidity ratio analysis. This task is done in addition to the requirement to maintain liquid assets according to the Bank of Thailand's requirements.

In addition, the Bank establishes liquidity cushion and adjusts the strategies to deal with the Deposit Insurance Act in order to buttress liquidity management tools and customer savings alternatives by focusing on the continuous issuance special saving deposits and debentures within the limits approved by the Bank's Board of Directors.

4.2 Assets and liabilities classified by maturity of interest repricing

The Bank and its subsidiaries have summarized financial assets and liabilities classified by maturity ofinterest repricing periods as at December 31, 2012 and 2011, as follows :

Unit : THB million

CONSOLIDATED FINANCIAL STATEMENTS 2012

	0-3 Months	Greater than 3-12 Months	Greater than 1-5 Years	Greater than 5 Years	Non-Performing Loans	Non-Interest Bearing	Total
Financial assets							
Interbank and money market items, net	64,586	-	-	-	-	14,804	79,390
Investments, net	13,051	20,215	32,037	4,903	-	8,096	78,302
Loans to customers	474,525	96,457	167,278	9,626	21,292	100,204	869,382
Financial liabilities							
Deposits	500,734	160,122	7,657	-	-	18,646	687,159
Interbank and money market Items, net	34,593	2,355	8,773	13	-	3,087	48,821
Debt issued and borrowings	60,487	13,586	45,711	34,844	-	1	154,629

Unit : THB million

CONSOLIDATED FINANCIAL STATEMENTS 2011

	0-3 Months	Greater than 3-12 Months	Greater than 1-5 Years	Greater than 5 Years	Non-Performing Loans	Non-Interest Bearing	Total
Financial assets							
Interbank and money market items, net	71,366	-	-	-	-	10,452	81,818
Investments, net	15,975	31,963	23,770	2,154	-	7,342	81,204
Loans to customers	442,472	69,310	126,436	6,614	29,536	77,037	751,405
Financial liabilities							
Deposits	370,958	147,880	21,385	-	-	20,317	560,540
Interbank and money market Items, net	14,861	5,934	1,122	13	-	1,811	23,741
Debt issued and borrowings	106,116	53,743	28,356	20,044	-	4	208,263

Unit : THB million

THE BANK'S FINANCIAL STATEMENTS 2012

	0-3 Months	Greater than 3-12 Months	Greater than 1-5 Years	Greater than 5 Years	Non-Performing Loans	Non-Interest Bearing	Total
Financial assets							
Interbank and money market items, net	64,026	-	-	-	-	14,130	78,156
Investments, net	12,610	20,201	32,037	4,903	-	8,078	77,829
Loans to customers	520,675	74,520	115,758	8,439	14,478	-	733,870
Financial liabilities							
Deposits	505,586	160,122	7,660	-	-	19,626	692,994
Interbank and money market Items, net	34,113	2,355	8,773	13	-	3,112	48,366
Debt issued and borrowings	37,249	9,435	22,210	34,844	-	1	103,739

Unit : THB million

THE BANK'S FINANCIAL STATEMENTS 2011

	0-3 Months	Greater than 3-12 Months	Greater than 1-5 Years	Greater than 5 Years	Non-Performing Loans	Non-Interest Bearing	Total
Financial assets							
Interbank and money market items, net	71,005	-	-	-	-	9,514	80,519
Investments, net	15,122	32,354	23,730	2,152	-	7,324	80,682
Loans to customers	470,205	56,751	90,771	4,611	18,931	-	641,269
Financial liabilities							
Deposits	374,596	147,881	21,385	-	-	20,317	564,179
Interbank and money market Items, net	13,893	6,099	1,820	13	-	1,821	23,646
Debt issued and borrowings	94,726	45,473	11,798	20,044	-	4	172,045

4.3 Interest bearing financial instruments

The following table presents the Bank's average outstanding balances and interest amounts of interest bearing financial instruments for the years ended December 31, 2012 and 2011, as follows:

Unit : THB million

CONSOLIDATED FINANCIAL STATEMENTS

	2012			2011		
	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	89,425	2,481	2.8	98,445	3,095	3.1
Investments	81,450	2,701	3.3	64,094	2,025	3.1
Loans to customers	800,424	59,458	7.4	638,434	51,307	8.0
Total	971,299	64,640		800,973	56,427	
Interest bearing financial liabilities						
Deposits	623,249	16,668	2.7	555,708	11,192	2.0
Interbank and money market items	43,841	1,183	2.7	29,193	1,631	5.6
Debt issued and borrowings	180,460	6,836	3.8	164,310	6,140	3.7
Total	847,550	24,687		749,211	18,963	

Unit : THB million

THE BANK'S FINANCIAL STATEMENTS

	2012			2011		
	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	88,237	2,470	2.8	97,127	3,089	3.2
Investments	81,011	2,685	3.3	62,596	2,004	3.2
Loans to customers	678,563	38,328	5.7	606,048	32,306	5.3
Total	847,811	43,483		765,771	37,399	
Interest bearing financial liabilities						
Deposits	627,708	16,702	2.7	557,601	11,235	2.0
Interbank and money market items	43,598	1,157	2.7	44,591	1,508	3.4
Debt issued and borrowings	139,049	5,356	3.8	144,360	5,234	3.6
Total	810,355	23,215		746,552	17,977	

4.4 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, 2012 and 2011, as follows:

Unit : THB million

CONSOLIDATED FINANCIAL STATEMENTS 2012

	Call	0 - 3 Months	Greater than 3 - 12 Months	Greater than 1 - 5 Years	Greater than 5 Years	Non-Performing Loans	No Maturity	Total
Financial assets								
Interbank and money market items, net	15,046	63,705	200	120	-	-	319	79,390
Investments, net	90	9,990	20,429	34,762	9,079	-	3,952	78,302
Loans to customers	17,941	178,953	180,224	303,509	167,463	21,292	-	869,382
Financial liabilities								
Deposits	369,460	149,920	160,116	7,663	-	-	-	687,159
Interbank and money market items, net	8,722	30,674	640	8,773	12	-	-	48,821
Debt issued and borrowings	-	60,559	13,598	45,711	34,761	-	-	154,629

Unit : THB million

	CONSOLIDATED FINANCIAL STATEMENTS 2011							
	Call	0 - 3 Months	Greater than 3 - 12 Months	Greater than 1 - 5 Years	Greater than 5 Years	Non-Performing Loans	No Maturity	Total
Financial assets								
Interbank and money market items, net	10,610	70,685	200	120	-	-	203	81,818
Investments, net	300	2,224	24,827	44,345	2,166	-	7,342	81,204
Loans to customers	6,401	165,074	142,986	246,941	160,467	29,536	-	751,405
Financial liabilities								
Deposits	237,660	153,616	147,855	21,409	-	-	-	560,540
Interbank and money market items, net	3,720	11,942	6,248	1,818	13	-	-	23,741
Debt issued and borrowings	-	106,116	53,744	28,359	20,044	-	-	208,263

Unit : THB million

	THE BANK'S FINANCIAL STATEMENTS 2012							
	Call	0 - 3 Months	Greater than 3 - 12 Months	Greater than 1 - 5 Years	Greater than 5 Years	Non-Performing Loans	No Maturity	Total
Financial assets								
Interbank and money market items, net	13,812	63,705	200	120	-	-	319	78,156
Investments, net	-	9,639	20,415	34,762	9,079	-	3,934	77,829
Loans to customers	80,637	144,434	121,680	211,081	161,560	14,478	-	733,870
Financial liabilities								
Deposits	375,290	149,922	160,119	7,663	-	-	-	692,994
Interbank and money market items, net	9,677	29,412	491	8,773	13	-	-	48,366
Debt issued and borrowings	-	37,249	9,435	22,211	34,844	-	-	103,739

Unit : THB million

	THE BANK'S FINANCIAL STATEMENTS 2011							
	Call	0 - 3 Months	Greater than 3 - 12 Months	Greater than 1 - 5 Years	Greater than 5 Years	Non-Performing Loans	No Maturity	Total
Financial assets								
Interbank and money market items, net	9,311	70,685	200	120	-	-	203	80,519
Investments, net	-	2,171	24,718	44,305	2,164	-	7,324	80,682
Loans to customers	35,858	149,582	101,344	179,814	155,740	18,931	-	641,269
Financial liabilities								
Deposits	241,294	153,620	147,856	21,409	-	-	-	564,179
Interbank and money market items, net	4,469	11,245	6,099	1,820	13	-	-	23,646
Debt issued and borrowings	-	94,726	45,474	11,801	20,044	-	-	172,045

4.5 Estimated fair value of financial instruments

The fair value of financial instruments has been estimated by using available market information and appropriate valuation methodologies for each type of financial instruments. A summary of carrying amounts and fair values of financial instruments as at December 31, 2012 and 2011, is as follows:

Unit : THB million

	CONSOLIDATED FINANCIAL STATEMENTS			
	2012		2011	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets:				
Cash	25,079	25,079	25,165	25,165
Interbank and money market items, net	79,390	79,390	81,818	81,818
Derivatives assets	3,414	3,471	4,834	4,871
Investments, net	78,302	78,434	81,204	81,505
Loans to customers and accrued interest receivables, net	801,236	801,236	690,087	690,087
Total	987,421	987,610	883,108	883,446
Financial liabilities:				
Deposits	687,159	684,166	560,540	556,430
Interbank and money market items, net	48,821	48,821	23,741	23,741
Liability payable on demand	2,776	2,776	1,651	1,651
Derivatives liabilities	3,508	3,541	5,394	5,531
Debt issued and borrowings	154,629	154,206	208,263	201,628
Total	896,893	893,510	799,589	788,981

Unit : THB million

	THE BANK'S FINANCIAL STATEMENTS			
	2012		2011	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets:				
Cash	25,060	25,060	25,140	25,140
Interbank and money market items, net	78,156	78,156	80,519	80,519
Derivatives assets	3,414	3,471	4,834	4,871
Investments, net	77,829	77,961	80,682	80,983
Loans to customers and accrued interest receivables, net	715,823	715,823	623,096	623,096
Total	900,282	900,471	814,271	814,609
Financial liabilities:				
Deposits	692,994	690,000	564,179	560,068
Interbank and money market items, net	48,366	48,366	23,646	23,646
Liability payable on demand	2,776	2,776	1,651	1,651
Derivatives liabilities	3,508	3,541	5,397	5,534
Debt issued and borrowings	103,739	103,949	172,045	166,096
Total	851,383	848,632	766,918	756,995

The following methods and assumptions are used in estimating fair value of financial instruments as disclosed herein:

Cash and interbank and money market items (assets)

The carrying amounts of cash and interbank and money market items (assets) presented in the statement of financial position approximate fair value.

Investments, net

The determination of fair value for 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 to customers and accrued interest receivables, net

Loans to customers 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. The fair value approximates the outstanding balance of loans to customers and accrued interest receivables less allowance for doubtful accounts.

Deposits

The carrying amount of deposits presented in the statement of financial position 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 statement of financial position approximates fair value.

Liabilities payable on demand

The carrying amount of liabilities payable on demand presented in the statement of financial position approximates fair value.

Debt issued and borrowings

The carrying amount of debt issued and borrowings presented in the statement of financial position approximates fair value, except for subordinated and long-term senior securities floating rate notes which fair values are based on the actual market price.

Derivative assets and liabilities

Derivative assets and liabilities mainly comprise forward foreign exchange contracts which derive their value from underlying interest rates and foreign exchange rates. The fair values of derivatives are determined using quoted market prices and exchange rate for instruments with similar characteristics and maturities. The Bank estimates the fair value by applying the mark to market model policy which is required to determine the validated rate for revaluation in accordance with the criteria established by the Bank and accounting standards.

4.6 Capital funds

Under the Bank of Thailand's regulation on supervision of capital fund, it requires the commercial bank to maintain the minimum capital requirement, to have the capital adequacy assessment process in place and to disclose of both quantitative and qualitative information relevant to capital maintenance. The minimum capital requirement ratio is 8.5% of total risk weighted assets with the condition that the Tier 1 capital shall not be less than 4.25% of total risk weighted assets. The Bank thus conducts the internal capital adequacy assessment process in accordance with the supervisory review process of the Bank of Thailand and monitors on a regular basis to ensure that the current and future capital requirements are aligned with the risk appetite in the Bank.

The Bank maintains its capital funds in accordance with the criteria, methodologies and conditions prescribed by the Bank of Thailand. As at December 31, 2012 and 2011, the Bank's total capital funds can be categorized as follows:

Unit : THB million

	2012	2011
Tier 1 capital		
Issued and paid-up share capital	60,741	60,741
Premium on share capital	13,802	13,802
Legal reserve	1,642	1,317
Unappropriated retained earning	9,260	7,339
Less Deduction items from Tier 1	(3,691)	(2,356)
Total Tier 1 capital	81,754	80,843
Tier 2 capital	44,799	30,279
Total capital fund	126,553	111,122

	Percentage	
	2012	2011
Total capital/ Total risk assets	16.94	16.29
Total tier 1 capital / Total risk assets	10.94	11.85

The Bank discloses the capital maintenance information under the Notification of the Bank of Thailand Re : Public Disclosure of Capital Maintenance for Commercial Bank as details as below.

Location of disclosure	www.krungsri.com
Date of disclosure	within April 2013
Information as of	December 31, 2012

On November 8, 2012, the Bank of Thailand has issued the new Notification regarding supervisory guideline on capital fund for the commercial bank to comply with global regulatory framework (Basel III) of Basel Committee on Banking Supervision (BCBS) which is effective by phase starting on January 1, 2013 up to January 1, 2019. The capital adequacy is the initial implementation with the objective to improve the quality of the bank's capital so as to be able to support the loss which may incur in the normal and crisis situation. The Bank has no material impact from the new guideline.

5. ESTIMATES AND ASSUMPTIONS

Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions in certain circumstances, affecting reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. The significant areas requiring management to make judgments and estimates that affect reported amounts and disclosures are as follows:

5.1 Fair value

For a business acquisition, the Bank's management estimates the fair value of assets, liabilities and other contingent liabilities of the acquiree's identifiable assets and liabilities at the acquisition date and any adjustments of the initial provision are finalized within 12 months after the acquisition date.

5.2 Allowance for doubtful accounts

The Bank and subsidiaries estimate the minimum allowance for doubtful accounts in accordance with the BOT's and the Office of the Securities and Exchange Commission's guidelines. In addition, the Bank and subsidiaries estimate an additional allowance which the management has considered based on the uncollectible loss from past experience, current economic conditions and the ability to repay loans and accrued interest receivable. The Bank and subsidiaries consider the value of collateral where the source of repayment comes from the sales of the collateral.

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.

5.3 Allowance for properties for sale

The Bank and subsidiaries estimate the allowance for impairment of properties for sale when there is a decline in net realizable value. For consideration in net realizable value, the Bank and its subsidiaries consider the appraised value together with other factors which can effect the realizable value such as related selling expenses, holding costs and discounted future expenses.

5.4 Goodwill

Goodwill is tested for impairment using a fair value method of discounted cash flows on a semi-annual basis.

5.5 Impairment of assets

The carrying amounts of the Bank and subsidiaries' assets are reviewed at each financial statement date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated by using discounted cash flows.

5.6 Provisions

Provisions are recognized as liabilities in the statement of financial position 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.

5.7 Loss from the impaired assets transferred to the Thai Asset Management Corporation (TAMC)

The probable loss arising from the impaired assets transferred to the Thai Asset Management Corporation (TAMC) is estimated from expected loss based on the maximized loss sharing that the Bank and subsidiaries will absorb.

5.8 Provision for contingent liabilities

The Bank provides a provision for contingent liabilities with high credit risk such as loan guarantees, avals or non cancellable contingent liabilities at the same rate as that provided for those debtors on the statement of financial position.

6. ADDITIONAL INFORMATION

6.1 Additional information of cash flows

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

Unit : THB million

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2012	2011	2012	2011
Premises and equipment payable at the beginning of the years	1,255	1,163	1,303	1,163
Purchases of premises and equipment	2,552	1,736	1,864	1,191
Less Cash payment	(3,403)	(1,644)	(2,822)	(1,051)
Premises and equipment payable at the end of the years	404	1,255	345	1,303

6.1.2 Non-cash transactions of computer software for the years ended December 31, are as follows:

Unit : THB million

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2012	2011	2012	2011
Computer software payable at the beginning of the years	30	5	30	5
Purchases of computer software	947	609	658	512
Less Cash payment	(734)	(584)	(483)	(487)
Computer software payable at the end of the years	243	30	205	30

6.1.3 Others non-cash transactions for the years ended December 31, are as follows:

Unit : THB million

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2012	2011	2012	2011
Increase (decrease) in revaluation surplus on investments	862	(213)	861	(213)
Accumulated depreciation of premises appraisal deducted from premises revaluation surplus	(274)	(253)	(274)	(253)
Properties for sale acquired from debt repayment	200	184	200	184
Properties and premises transferred to be properties foreclosed	25	-	25	-

6.1.4 The Extraordinary Meeting of Shareholders of the Bank No. 1/2012 held on March 20, 2012 approved the Bank and/ or its subsidiaries' acquisition of the retail banking business in Thailand from the Hongkong and Shanghai Banking Corporation Limited, Bangkok Branch ("HSBC"), which operates credit card, personal loan and mortgage businesses and raising deposits and bills of exchange funding, under a foreign bank branch license and the Bank of Thailand's supervision. This acquisition was on March 31, 2012.

Consolidated financial statements

Fair values of assets and liabilities of HSBC's retail banking business and book value of each item are as follows:

Unit : THB million

	Book Value	Fair Value
Assets		
Receivable and loans	13,042	13,889
Others	454	1,314
	13,496	15,203
Liabilities		
Deposit and borrowings	9,557	9,557
Others	233	633
	9,790	10,190
Net assets	3,706	5,013
Goodwill		2,426
Purchase price		7,439

As at December 31, 2012, the final fair values for assets and liabilities of acquired HSBC's retail banking business are completely determined, and there are retrospective adjustments to those provisional values on the acquisition date.

6.1.5 Realized and unrealized gains (losses) on foreign exchange

In the preparation of cash flows statements, realized gains (losses) on foreign exchange are based on a cash basis. Unrealized gains (losses) on foreign exchange are based on the translation difference of assets and liabilities in foreign currencies as described in the accounting policies. It is presented as an adjustment to reconcile income before tax to cash received (paid) from operating activities.

6.2 Interbank and money market items, net (Asset)

Interbank and money market items, net (Asset) as at December 31, 2012 and 2011, are as follows:

Unit : THB million

CONSOLIDATED FINANCIAL STATEMENTS

	2012			2011		
	At Call	Time	Total	At Call	Time	Total
Domestic items						
Bank of Thailand and Financial Institution Development Fund	8,865	24,900	33,765	6,047	60,500	66,547
Commercial banks	1,710	30,283	31,993	1,488	5,617	7,105
Other financial institutions	4,215	8,834	13,049	2,784	4,786	7,570
Total	14,790	64,017	78,807	10,319	70,903	81,222
Add Accrued interest receivables	-	106	106	-	86	86
Less Allowance for doubtful accounts	-	(98)	(98)	-	(86)	(86)
Total domestic items	14,790	64,025	78,815	10,319	70,903	81,222
Foreign items						
US Dollar	125	22	147	164	92	256
Other currencies	131	297	428	162	178	340
Total foreign items	256	319	575	326	270	596
Total domestic and foreign items	15,046	64,344	79,390	10,645	71,173	81,818

Unit : THB million

THE BANK'S FINANCIAL STATEMENTS

	2012			2011		
	At Call	Time	Total	At Call	Time	Total
Domestic items						
Bank of Thailand and Financial Institution Development Fund	8,864	24,900	33,764	6,047	60,500	66,547
Commercial banks	477	30,283	30,760	189	5,617	5,806
Other financial institutions	4,215	8,834	13,049	2,784	4,786	7,570
Total	13,556	64,017	77,573	9,020	70,903	79,923
Add Accrued interest receivables	-	106	106	-	86	86
Less Allowance for doubtful accounts	-	(98)	(98)	-	(86)	(86)
Total domestic items	13,556	64,025	77,581	9,020	70,903	79,923
Foreign items						
US Dollar	125	22	147	164	92	256
Other currencies	131	297	428	162	178	340
Total foreign items	256	319	575	326	270	596
Total domestic and foreign items	13,812	64,344	78,156	9,346	71,173	80,519

6.3 Derivatives

6.3.1 Fair value and the notional amount classified by type of risk as at December 31, 2012 and 2011, are as follows:

Unit : THB million

CONSOLIDATED FINANCIAL STATEMENTS

Risk type	2012			2011		
	Fair value / Readjustment based on an accrual basis		Notional Amount	Fair value / Readjustment based on an accrual basis		Notional Amount
	Asset	Liabilities		Asset	Liabilities	
Exchange rate	3,002	3,063	301,138	4,437	5,025	315,060
Interest rate	412	445	86,054	397	369	86,573
Total	3,414	3,508	387,192	4,834	5,394	401,633

Unit : THB million

THE BANK'S FINANCIAL STATEMENTS

Risk type	2012			2011		
	Fair value / Readjustment based on an accrual basis		Notional Amount	Fair value / Readjustment based on an accrual basis		Notional Amount
	Asset	Liabilities		Asset	Liabilities	
Exchange rate	3,002	3,063	301,138	4,437	5,028	315,178
Interest rate	412	445	86,054	397	369	86,573
Total	3,414	3,508	387,192	4,834	5,397	401,751

6.3.2 Proportion of derivatives transactions classified by type of counterparty on the basis of notional amount as at December 31, 2012 and 2011, are as follows:

Unit : THB million

Counterparty	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2012 Proportion (%)	2011 Proportion (%)	2012 Proportion (%)	2011 Proportion (%)
Financial institutions	84.86	78.93	84.86	78.91
Subsidiaries and associates	-	-	-	0.03
Third parties	15.14	21.07	15.14	21.06
Total	100.00	100.00	100.00	100.00

6.4 Investments, net

Investments, net as at December 31, 2012 and 2011 consisted of the following:

Unit : THB million

CONSOLIDATED FINANCIAL STATEMENTS

	2012				2011			
	Cost/ Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value	Cost/ Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities for Trading								
Government and state enterprise securities	2,527	2	-	2,529	196	1	-	197
Private sector's debt securities	61	-	-	61	56	-	-	56
	2,588	2	-	2,590	252	1	-	253
Add Revaluation allowance	2			-	1			-
Total	2,590			2,590	253			253
Securities Available-for-Sale								
Government and state enterprise securities	49,890	154	(25)	50,019	54,240	61	(105)	54,196
Private sector's debt securities	14,352	107	(6)	14,453	13,435	89	(31)	13,493
Domestic marketable equity	6,677	1,020	(70)	7,627	6,042	434	(128)	6,348
	70,919	1,281	(101)	72,099	73,717	584	(264)	74,037
Add Revaluation allowance	1,180		-		320			-
Less Allowance for impairment	(373)		(373)		(373)			(373)
Total	71,726		71,726		73,664			73,664
Securities Held-to-Maturity								
Government and state enterprise securities	336				1,033			
Private sector's debt securities	250				50			
Investment in account receivable	2,964				5,232			
	3,550				6,315			
Less Allowance for impairment	(91)				(50)			
Total	3,459				6,265			
Securities for General Investments								
Domestic non-marketable equity securities	715				1,192			
Foreign non-marketable equity securities	28				28			
	743				1,220			
Less Allowance for impairment	(216)				(198)			
Total	527				1,022			
Total Investments, net	78,302				81,204			

Unit : THB million

THE BANK'S FINANCIAL STATEMENTS

	2012				2011			
	Cost/ Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value	Cost/ Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities for Trading								
Government and state enterprise securities	2,527	2	-	2,529	196	1	-	197
Private sector's debt securities	61	-	-	61	56	-	-	56
	2,588	2	-	2,590	252	1	-	253
Add Revaluation allowance	2			-	1			-
Total	2,590			2,590	253			253
Securities Available-for-Sale								
Government and state enterprise securities	49,890	154	(25)	50,019	54,240	61	(105)	54,196
Private sector's debt securities	13,775	107	(6)	13,876	12,787	89	(31)	12,845
Domestic marketable equity Securities	6,671	1,020	(66)	7,625	6,037	434	(125)	6,346
	70,336	1,281	(97)	71,520	73,064	584	(261)	73,387
Add Revaluation allowance	1,184			-	323			-
Less Allowance for impairment	(26)			(26)	(26)			(26)
Total	71,494			71,494	73,361			73,361
Securities Held-to-Maturity								
Government and state enterprise securities	336				1,033			
Private sector's debt securities	50				50			
Investment in account receivable	2,940				5,031			
	3,326				6,114			
Less Allowance for impairment	(91)				(50)			
Total	3,235				6,064			
Securities for General Investments								
Domestic non-marketable equity securities	682				1,158			
Foreign non-marketable equity securities	28				28			
	710				1,186			
Less Allowance for impairment	(200)				(182)			
Total	510				1,004			
Total Investments, net	77,829				80,682			

As at December 31, 2012 and 2011, the investments classified as held-to-maturity debt securities (government and state enterprise securities) included the 10 year-term non-negotiable promissory notes avalled by the Financial Institution Development Fund in the consolidated financial statements and the Bank's financial statements of THB 336 million and THB 1,033 million, respectively, issued by the Thai Asset Management Corporation (TAMC) for assets transferred to TAMC. During the years ended December 31, 2012 and 2011, TAMC redeemed promissory notes of the Bank of THB 697 million, and THB 2,241 million, respectively.

For the year ended December 31, 2012, the Bank sold held-to-maturity investment in loans to the third party in the amount of THB 1,855 million for portfolio risk realignment.

For the years ended December 31, 2012 and 2011, revaluation surplus (deficit) on investments presented in the equity consists of the following:

Unit : THB million

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2012	2011	2012	2011
Beginning balance	319	532	323	536
Increase (decrease) during the period	862	(213)	861	(213)
Ending balance	1,181	319	1,184	323

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

Unit : THB million

	CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS	
	2012	2011
Manufacturing	3	21
Total	3	21

In the consolidated and the Bank's financial statements as at December 31, 2012 and 2011, the Bank and its subsidiary had investments in available-for-sale securities and general investments of 2 companies subject to be delisted from the SET, with cost of THB 13 million and market price of THB 0.

6.5 Investments in subsidiaries and associates, net

The Bank's investments 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 as at December 31, 2012 and 2011, are as follows:

Unit : THB million

CONSOLIDATED FINANCIAL STATEMENTS

					2012			2011		
Company Name	Business Type	Securities Investment Type	Registered Share Capital	Ownership %	Investment (Cost)	Investment (Equity Method)	Dividend	Investment (Cost)	Investment (Equity Method)	Dividend
Associates										
Tesco Card Services Limited [1]	Credit cards and personal loans	Common stock	780	50.00	390	886	-	390	726	-
Tesco Life Assurance Broker Limited [2]	Life insurance broker	Common stock	2	50.00	-	20	-	-	12	-
Tesco General Insurance Broker Limited [2]	General insurance broker	Common stock	77	50.00	-	41	-	-	32	-
Metro Designee Company Limited[3]	Special purpose vehicle	Common stock	-	21.90	-	-	-	-	-	-
Investments in associates, net					390	947	-	390	770	-

[1] Indirect holding via Ayudhya Capital Services Company Limited.
[2] Indirect holding via Tesco Card Services Limited.
[3] The company with was established for the transfer of the throughout rights as per Mass Rapid Transit Authority of Thailand (MRT) and Bangkok Metro Public Company Limited (BMCL) in case of BMCL breaches agreement with MRT or BMCL breaches the loan agreement with the creditor group.

Unit : THB million

Company Name	Business Type	Securities Investment Type	THE BANK'S FINANCIAL STATEMENTS 2012 Registered Share Capital	Ownership %	Investment (Cost)	Dividend
Subsidiaries						
Ayudhya Development Leasing Company Limited	Leasing and hire- purchase	Common stock	705	99.99	929	35
Ayudhya Capital Auto Lease Public Company Limited	Hire-purchase and auto leasing	Common stock	1,045	99.99	16,281	-
Ayudhya Total Solutions Public Company Limited [1]	Hire-purchase	Common stock	299	99.81	634	98
CFG Services Company Limited	Hire-purchase and motorcycle loans	Common stock	190	99.99	26	-
		Preferred stock			1	-
Ayudhya Card Services Company Limited	Credit cards and personal loans	Common stock	180	99.99	4	-
Ayudhya Capital Services Company Limited	Credit cards and personal loans	Common stock	125	99.99	6,141	1,000
General Card Services Limited	Credit cards and personal loans	Common stock	758	99.99	881	-
Krungsriayudhya Card Company Limited	Credit cards and personal loans	Common stock	1,100	99.99	1,304	-
Siam Realty and Services Company Limited	Car leasing and personnel services	Common stock	100	99.99	100	50
Total Services Solutions Public Company Limited	Collection services	Common stock	331	99.99	1,614	80
Krungsri Asset Management Company Limited	Fund management	Common stock	350	76.59	204	-
Krungsri Ayudhya AMC Limited	Asset management	Common stock	6,000	99.99	6,000	-
Krungsri Securities Public Company Limited	Securities	Common stock	600	98.71	731	-
Krungsri Factoring Company Limited (Formerly Ayudhya Factoring Company Limited)	Factoring	Common stock	300	99.99	300	-
Associated Company						
Metro Designee Company Limited [2]	Special purpose vehicle	Common stock	-	21.90	-	-
Investments in subsidiaries and associated company					35,150	1,263
Less Allowance for impairment					(2,667)	-
Investments in subsidiaries and associated company, net					32,483	1,263

[1] Subsidiary is under the liquidation process.
[2] The company which was established for the transfer of the throughout rights as per the concession agreement between MRT and BMCL in case of BMCL breaches agreement with MRT or BMCL breaches the loan agreement with the creditor group.

Unit : THB million

Company Name	Business Type	Securities Investment Type	THE BANK'S FINANCIAL STATEMENTS 2011 Registered Share Capital	Ownership %	Investment (Cost)	Dividend
Subsidiaries						
Ayudhya Development Leasing Company Limited	Leasing and hire- purchase	Common stock	705	99.99	929	35
Ayudhya Auto Lease Public Company Limited [1]	Hire-purchase	Common stock	713	99.79	813	-
		Preferred stock			197	-
Ayudhya Capital Auto Lease Public Company Limited	Hire-purchase and auto leasing	Common stock	1,045	99.99	16,281	601
Ayudhya Total Solutions Public Company Limited [2]	Hire-purchase	Common stock	299	99.81	634	215
CFG Services Company Limited	Hire-purchase and motorcycle loans	Common stock	514	99.99	26	-
		Preferred stock			1	-
Ayudhya Card Services Company Limited	Credit cards and personal loans	Common stock	180	99.99	4	180
Ayudhya Capital Services Company Limited	Credit cards and personal loans	Common stock	125	99.99	6,141	2,400
General Card Services Limited	Credit cards and personal loans	Common stock	758	99.99	881	-
Krungsriayudhya Card Company Limited	Credit cards and personal loans	Common stock	1,100	99.99	1,304	-
Siam Realty and Services Company Limited	Car leasing and personnel services	Common stock	100	99.99	100	-
Total Services Solutions Public Company Limited	Collection services	Common stock	331	99.99	1,614	72
Krungsri Asset Management Company Limited	Fund management	Common stock	350	76.59	204	-
Krungsri Ayudhya AMC Limited	Asset management	Common stock	6,000	99.99	6,000	-
Krungsri Securities Public Company Limited	Securities	Common stock	600	88.13	651	-
Krungsri Factoring Company Limited (Formerly Ayudhya Factoring Company Limited)	Factoring	Common stock	300	99.99	300	-
Associated Company						
Metro Designee Company Limited [3]	Special purpose vehicle	Common stock	-	21.90	-	-
Investments in subsidiaries and associated company					36,080	3,503
Less Allowance for impairment					(2,984)	-
Investments in subsidiaries and associated company, net					33,096	3,503

[1] Subsidiary registered the completion of liquidation in 2012
[2] Subsidiary is under the liquidation process.
[3] The company which was established for the transfer of the throughout rights as per the concession agreement between MRT and BMCL in case of BMCL breaches agreement with MRT or BMCL breaches the loan agreement with the creditor group.

DISCLOSURE OF THE STATEMENTS OF CASH FLOWS OF ASSET MANAGEMENT COMPANY ("AMC")

KRUNGSRI AYUDHYA AMC LIMITED
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

Unit : THB million

	2012	2011
Cash flows from operating activities		
Income before income tax	492	467
Adjustments to reconcile income to cash received (paid) from operating activities		
Bad debt and doubtful accounts	211	298
Loss on impairment of properties for sale	80	36
Gain on sales of properties for sale	(235)	(248)
Depreciation and amortization	2	2
Employment benefits expenses	4	3
Interest income, net	(38)	23
Dividend income	(2)	(1)
Dividend received	2	1
Interest received	209	304
Interest paid	(172)	(328)
Income tax paid	(79)	(20)
Income from operations before changes in operating assets and liabilities	474	537
(Increase) decrease in operating assets		
Investment in receivables	1,783	2,816
Loans to customers	254	(2)
Properties for sale	1,344	1,562
Other assets	(442)	308
Increase (decrease) in operating liabilities		
Other liabilities	121	(14)
Net cash from operating activities	3,534	5,207
Cash flows from investing activities		
Cash paid for purchase of equipment	(4)	(1)
Net cash from investing activities	(4)	(1)
Cash flows from financing activities		
Proceeds from bill of exchange issued	42,540	44,750
Cash paid for repayment of bill of exchange	(46,150)	(49,875)
Net cash from financing activities	(3,610)	(5,125)
Net increase (decrease) in cash and cash equivalents	(80)	81
Cash and cash equivalents as at January 1,	93	12
Cash and cash equivalents as at December 31,	13	93

6.6 Loans to customers and accrued interest receivables, net

Loans to customers and accrued interest receivables, net as at December 31, 2012 and 2011, are as follows:

(1) Classified by products

Unit : THB million

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2012	2011	2012	2011
Overdrafts	46,547	44,489	46,111	43,119
Loan against contract	366,030	319,653	542,882	452,170
Trade bill	144,923	145,998	144,742	145,606
Hire-purchase receivable	234,404	182,249	-	-
Lease contract receivable	24,069	22,441	-	-
Credit card receivable	45,985	28,683	-	-
Others	7,424	7,892	135	374
Total	869,382	751,405	733,870	641,269
Less Deferred revenue	(39,374)	(31,898)	(39)	(26)
Loans to customers after deferred revenue, net	830,008	719,507	733,831	641,243
Add Accrued interest receivables	2,257	1,859	1,418	1,106
Loans to customers and accrued interest receivable after deferred revenue, net	832,265	721,366	735,249	642,349
Less Allowance for doubtful accounts				
1) BOT requirement :				
Individual approach	(14,591)	(14,445)	(13,780)	(13,124)
Collective approach	(3,429)	(3,864)	-	-
2) Surplus reserve	(12,286)	(12,467)	(5,629)	(6,102)
Less Revaluation allowance for debt restructuring	(723)	(503)	(17)	(27)
Total loans to customers, net	801,236	690,087	715,823	623,096

(2) Classified by currency and residence of debtors

Unit : THB million

	CONSOLIDATED FINANCIAL STATEMENTS					
	2012			2011		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	814,414	817	815,231	689,013	811	689,824
US Dollar	13,231	984	14,215	15,574	2,634	18,208
Other currencies	562	-	562	11,475	-	11,475
Total	828,207	1,801	830,008	716,062	3,445	719,507

Unit : THB million

	THE BANK'S FINANCIAL STATEMENTS					
	2012			2011		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	718,237	817	719,054	621,476	811	622,287
US Dollar	13,231	984	14,215	15,574	2,634	18,208
Other currencies	562	-	562	748	-	748
Total	732,030	1,801	733,831	637,798	3,445	641,243

(3) Classified by business type and classification

Unit : THB million

CONSOLIDATED FINANCIAL STATEMENTS 2012

	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	6,834	187	42	102	249	7,414
Manufacturing and trading	199,280	2,979	1,979	1,064	5,001	210,303
Real estate and construction	45,834	1,463	181	387	748	48,613
Public utilities and services	98,152	5,328	1,236	1,100	1,093	106,909
Housing loans	100,072	1,587	979	956	1,109	104,703
Others	334,252	12,748	2,640	1,598	828	352,066
Total	784,424	24,292	7,057	5,207	9,028	830,008

Unit : THB million

CONSOLIDATED FINANCIAL STATEMENTS 2011

	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	6,452	263	59	157	465	7,396
Manufacturing and trading	171,845	7,031	1,210	1,360	7,396	188,842
Real estate and construction	40,535	2,132	1,139	358	2,558	46,722
Public utilities and services	95,230	7,091	1,082	3,289	1,517	108,209
Housing loans	88,500	1,794	880	949	1,920	94,043
Others	256,100	12,998	2,890	1,418	889	274,295
Total	658,662	31,309	7,260	7,531	14,745	719,507

Unit : THB million

THE BANK'S FINANCIAL STATEMENTS 2012

	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	5,899	187	30	102	140	6,358
Manufacturing and trading	196,321	2,751	1,946	950	3,589	205,557
Real estate and construction	44,978	1,417	177	348	315	47,235
Public utilities and services	97,873	5,277	1,188	1,009	820	106,167
Housing loans	100,072	1,587	979	956	833	104,427
Others	262,393	598	398	525	173	264,087
Total	707,536	11,817	4,718	3,890	5,870	733,831

Unit : THB million

THE BANK'S FINANCIAL STATEMENTS 2011

	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	5,612	263	49	82	210	6,216
Manufacturing and trading	168,599	6,578	1,175	1,055	4,874	182,281
Real estate and construction	39,453	1,927	1,072	317	1,435	44,204
Public utilities and services	94,248	7,074	1,076	3,289	884	106,571
Housing loans	88,500	1,794	880	950	940	93,064
Others	207,878	386	199	293	151	208,907
Total	604,290	18,022	4,451	5,986	8,494	641,243

(4) Classified by type of classification

Unit : THB million

	CONSOLIDATED FINANCIAL STATEMENTS 2012			
	Loans to Customers and Accrued Interest Receivables	Outstanding Balance Use for Calculation Allowance	% Use for Calculation Allowance(3)	Allowance for Doubtful Accounts(4)
1. Minimum allowance per BOT guideline				
Normal	786,545	462,438	1	7,205
Special mention	24,414	11,758	2, 11	1,651
Substandard	7,057	3,778	38, 100	3,337
Doubtful	5,207	2,243	38, 100	2,142
Doubtful of loss	9,042	3,259	100	3,685
Total	832,265	483,476		18,020(1)
2. Surplus Reserve				12,286(2)
Total				30,306

Unit : THB million

	CONSOLIDATED FINANCIAL STATEMENTS 2011			
	Loans to Customers and Accrued Interest Receivables	Outstanding Balance Use for Calculation Allowance	% Use for Calculation Allowance(3)	Allowance for Doubtful Accounts(4)
1. Minimum allowance per BOT guideline				
Normal	660,330	363,443	1	5,031
Special mention	31,444	13,855	2, 11	2,603
Substandard	7,260	3,998	49, 100	2,923
Doubtful	7,532	3,542	50, 100	3,089
Doubtful of loss	14,800	4,563	100	4,663
Total	721,366	389,401		18,309(1)
2. Surplus Reserve				12,467(2)
Total				30,776

(1) Including allowance for doubtful accounts on a collective approach for hire-purchase loans as at December 31, 2012 and 2011 of THB 3,429 million and THB 3,864 million, respectively.

(2) Including allowance for doubtful accounts of loans granted to subsidiaries as at December 31, 2012 and 2011, at the rate of 1% of THB 208,851 million and THB 164,433 million equal to THB 2,089 million and THB 1,644 million, respectively, which are not eliminated but treated as surplus reserve in the consolidated financial statements.

(3) % set up are the minimum rates required by the Bank of Thailand for loans to customers and the rates used for the collective approach valuation.

(4) Excluding revaluation allowance for debt restructuring as at December 31, 2012 and 2011, of THB 723 million and THB 503 million, respectively, and excluding allowance for doubtful accounts for interbank and money market items as at December 31, 2012 and 2011, of THB 98 million and THB 87 million, respectively.

Unit : THB million

	THE BANK'S FINANCIAL STATEMENTS 2012			
	Loans to Customers and Accrued Interest Receivables	Outstanding Balance Use for Calculation Allowance	% Use for Calculation Allowance	Allowance for Doubtful Accounts(2)
1. Minimum allowance per BOT guideline				
Normal	708,892	402,105	1	6,829
Special mention	11,879	925	2	601
Substandard	4,718	1,470	100	1,945
Doubtful	3,890	933	100	1,491
Doubtful of loss	5,870	2,489	100	2,914
Total	735,249	407,922		13,780
2. Surplus Reserve				5,629(1)
Total				19,409

Unit : THB million

	THE BANK'S FINANCIAL STATEMENTS 2011			
	Loans to Customers and Accrued Interest Receivables	Outstanding Balance Use for Calculation Allowance	% Use for Calculation Allowance	Allowance for Doubtful Accounts(2)
1. Minimum allowance per BOT guideline				
Normal	605,319	324,486	1	4,489
Special mention	18,099	2,106	2	1,509
Substandard	4,451	1,364	100	1,364
Doubtful	5,986	2,475	100	2,503
Doubtful of loss	8,494	3,159	100	3,259
Total	642,349	333,590		13,124
2. Surplus Reserve				6,102(1)
Total				19,226

(1) Including allowance for doubtful accounts of loan granted to subsidiaries as at December 31, 2012 and 2011, at the rate of 1% of THB 208,851 million and THB 164,433 million, equal to THB 2,089 million and THB 1,644 million, respectively.

(2) Excluding revaluation allowance for debt restructuring as at December 31, 2012 and 2011, of THB 17 million and THB 27 million, respectively and excluding allowance for doubtful accounts for interbank and money market items as at December 31, 2012 and 2011, of THB 98 million and THB 87 million, respectively.

For the years ended December 31, 2012 and 2011, the Bank and a subsidiary entered into agreements to sell non-performing loans (NPLs) to the third parties and a related company as follows:

Unit : THB million

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2012	2011	2012	2011
Book value	6,761	8,849	5,688	5,106
Net book value	4,578	5,189	3,496	2,956
Sale price	4,781	5,313	3,496	2,956

For the year ended December 31, 2011, the Bank entered into an agreement to sell non-performing loans (NPLs) to a subsidiary totalling THB 655 million with a book value of THB 4,058 million and a net book value of THB 655 million. The sales amount had been received in full.

As at December 31, 2012 and 2011, the Bank and KrungsriAyudhaya AMC Limited ("AMC") had non-performing loans which included interbank and money market items as follows:

Unit : THB million

	2012		
	The Bank	AMC	The Bank and AMC
Non-performing loans	14,478	2,086	16,564
Percentage of total loans	1.82	100.00	2.08
Non-performing loans, net	8,128	1,583	9,711
Percentage of total loans, net	1.03	100.00	1.23

Unit : THB million

	2011		
	The Bank	AMC	The Bank and AMC
Non-performing loans	18,931	5,479	24,410
Percentage of total loans	2.66	100.00	3.40
Non-performing loans, net	11,801	4,465	16,266
Percentage of total loans, net	1.67	100.00	2.29

As at December 31, 2012 and 2011, the Bank and its subsidiaries' non-performing loans are THB 21,292 million and THB 29,536 million, respectively.

(5) Troubled debt restructuring

For the years ended December 31, 2012 and 2011, the Bank and its subsidiaries had restructured the following debts:

Unit : THB million

	CONSOLIDATED FINANCIAL STATEMENTS							
	2012				2011			
Form of Restructuring	Number of Debtors	Amount of Debt Before Restructuring	Type of Assets Acquired	Fair Value	Number of Debtors	Amount of Debt Before Restructuring	Type of Assets Acquired	Fair Value
Transfer of assets	-	-		-	2	126	Land and building	126
Modification of terms	15,056	3,700		-	14,433	5,593		-
Reduction of principal and interest	4,656	2,714		-	2,121	1,976		-
Various forms of restructuring	281	1,310		-	247	1,441	Land and building	24
Total	19,993	7,724		-	16,803	9,136		150

Unit : THB million

	THE BANK'S FINANCIAL STATEMENTS							
	2012				2011			
Form of Restructuring	Number of Debtors	Amount of Debt Before Restructuring	Type of Assets Acquired	Fair Value	Number of Debtors	Amount of Debt Before Restructuring	Type of Assets Acquired	Fair Value
Transfer of assets	-	-		-	2	126	Land and building	126
Modification of terms	1,055	2,912		-	883	4,336		-
Reduction of principal and interest	521	2,515		-	644	1,924		-
Various forms of restructuring	281	1,310		-	246	1,436	Land and building	6
Total	1,857	6,737		-	1,775	7,822		132

For the years ended December 31, 2012 and 2011, the Bank and its subsidiaries calculated the net realizable value for the trouble debt 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:

Unit : THB million

	CONSOLIDATED FINANCIAL STATEMENTS							
	2012				2011			
	Average Aging (Year)	Number of Debtor	Amount of Debt		Average Aging (Year)	Number of Debtor	Amount of Debt	
			Before Restructuring	After Restructuring			Before Restructuring	After Restructuring
Present value of future cash flows	3.98	13,878	1,218	1,218	3.84	13,305	1,092	1,092
Fair value of collateral	6.17	1,178	2,482	2,351	5.24	1,128	4,501	3,850

Unit : THB million

THE BANK'S FINANCIAL STATEMENTS

	2012				2011			
	Average Aging (Year)	Number of Debtor	Amount of Debt		Average Aging (Year)	Number of Debtor	Amount of Debt	
			Before Restructuring	After Restructuring			Before Restructuring	After Restructuring
Present value of future cash flows	6.67	27	561	561	5.10	28	486	486
Fair value of collateral	7.05	1,028	2,351	2,351	6.86	855	3,850	3,850

For the years ended December 31, 2012 and 2011, the Bank and its subsidiaries recognized losses on debt restructured and interest received from debt restructured in the statements of comprehensive income as follows:

Unit : THB million

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2012	2011	2012	2011
Losses on debt restructured	989	821	162	117
Interest received from debt restructured	1,221	1,054	1,062	865

As at December 31, 2012 and 2011, the Bank and its subsidiaries recorded balances of total debt restructured and debt restructured during the years ended December 31, 2012 and 2011, in the statements of financial position as follows:

Unit : THB million

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2012	2011	2012	2011
Balances of total debt restructured	13,168	20,242	11,582	18,240
Balances of debt restructured during the years	4,475	7,046	3,619	5,732

(6) Lease receivables (Included hire-purchase receivables and finance lease)

Unit : THB million

CONSOLIDATED FINANCIAL STATEMENTS 2012

	Amount due per agreements			
	Within 1 Year	Over 1-5 Years	Over 5 Years	Total
Minimum lease payments	80,232	166,379	11,862	258,473
Less Unearned interest income				(39,200)
Present value of the minimum lease payments				219,273
Less Allowance for doubtful accounts				(5,404)
Total lease receivables, net				213,869

Unit : THB million

CONSOLIDATED FINANCIAL STATEMENTS 2011

	Amount due per agreements			
	Within 1 Year	Over 1-5 Years	Over 5 Years	Total
Minimum lease payments	65,791	129,770	9,129	204,690
Less Unearned interest income				(31,769)
Present value of the minimum lease payments				172,921
Less Allowance for doubtful accounts				(6,115)
Total lease receivables, net				166,806

6.7 Allowance for doubtful accounts

Allowance for doubtful accounts as at December 31, 2012 and 2011, are as follows:

Unit : THB million

CONSOLIDATED FINANCIAL STATEMENTS 2012

	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Surplus Reserve	Total
Beginning balance	5,031	2,603	2,923	3,089	4,663	12,467	30,776
Doubtful accounts	2,175	(948)	3,480	(431)	6,365	(180)	10,461
Bad debts written off	-	-	(3,038)	(3)	(5,613)	-	(8,654)
Bad debts written off from sales of NPLs	(1)	(4)	(28)	(513)	(1,730)	-	(2,276)
Other	-	-	-	-	-	(1)	(1)
Ending balance	7,205	1,651	3,337	2,142	3,685	12,286	30,306

Unit : THB million

CONSOLIDATED FINANCIAL STATEMENTS 2011

	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Surplus Reserve	Total
Beginning balance	5,257	1,170	5,564	1,268	7,485	12,666	33,410
Doubtful accounts	(225)	1,434	(251)	3,547	7,124	(201)	11,428
Bad debts written off	-	-	(2,325)	(1,318)	(4,825)	-	(8,468)
Bad debts written off from sales of NPLs	(1)	(1)	(65)	(408)	(5,121)	-	(5,596)
Other	-	-	-	-	-	2	2
Ending balance	5,031	2,603	2,923	3,089	4,663	12,467	30,776

As at December 31, 2012 and 2011, the consolidated financial statements included the allowance for doubtful account of hire-purchase loans applying a collective approach basis in the amounts of THB 3,429 million and THB 3,864 million, respectively.

Unit : THB million

	THE BANK'S FINANCIAL STATEMENTS 2012						
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Surplus Reserve	Total
Beginning balance	4,489	1,509	1,364	2,503	3,259	6,102	19,226
Doubtful accounts	2,341	(904)	1,482	(496)	2,428	(472)	4,379
Bad debts written off	-	-	(873)	(3)	(1,043)	-	(1,919)
Bad debts written off from sales of NPLs	(1)	(4)	(28)	(513)	(1,730)	-	(2,276)
Other	-	-	-	-	-	(1)	(1)
Ending balance	6,829	601	1,945	1,491	2,914	5,629	19,409

Unit : THB million

	THE BANK'S FINANCIAL STATEMENTS 2011						
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Surplus Reserve	Total
Beginning balance	4,994	528	3,946	962	4,332	5,392	20,154
Doubtful accounts	(504)	982	(2,362)	3,266	4,149	708	6,239
Bad debts written off	-	-	(155)	(1,318)	(101)	-	(1,574)
Bad debts written off from sales of NPLs	(1)	(1)	(65)	(407)	(5,121)	-	(5,595)
Other	-	-	-	-	-	2	2
Ending balance	4,489	1,509	1,364	2,503	3,259	6,102	19,226

As at December 31, 2012 and 2011, the Bank estimated the minimum total allowance* under the BOT Guidelines of THB 18,841 million and THB 18,899 million, respectively for the consolidated financial statements and THB 13,895 million and THB 13,238 million, respectively for the Bank's financial statements.

* Such allowance for doubtful accounts consists of allowance for doubtful accounts for loans to customers and accrued interest receivables, allowance for doubtful accounts for interbank and money market items and revaluation allowance for debt restructuring.

The Bank and its subsidiaries recorded allowance for doubtful accounts in the financial statements as follows:

Unit : THB million

	2012	2011
Consolidated financial statements	31,127	31,366
The Bank and Krungsri Ayudhya AMC Limited	20,512	21,514
The Bank's financial statements	19,525	19,340

As at December 31, 2012 and 2011, the Bank and its subsidiaries had loans to customers and accrued interest receivables to companies which have certain problems in financial position and result of operations as defined in the Guideline of the SET dated July 8, 1998 regarding the Quality of Assets and Transactions with Related Parties and the allowance for doubtful accounts for such loans as follows:

Unit : THB million

	CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS 2012			
	Number	Outstanding Balance	Collateral	Allowance for Doubtful Accounts
Companies subject to be delisted by SET	4	2,629	655	2,070
Total	4	2,629	655	2,070

Unit : THB million

	CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS 2011			
	Number	Outstanding Balance	Collateral	Allowance for Doubtful Accounts
Companies subject to be delisted by SET	3	70	53	20
Total	3	70	53	20

6.8 Revaluation allowance for debt restructuring

Revaluation allowance for debt restructuring as at December 31, 2012 and 2011, are as follows:

Unit : THB million

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2012	2011	2012	2011
Beginning balance	503	543	27	35
Increase during the year	989	821	162	117
Amount written off	(769)	(861)	(172)	(125)
Ending balance	723	503	17	27

6.9 Properties for sale, net

Properties for sale, net as at December 31, 2012 and 2011, are as follows:

Unit : THB million

Type of Properties For Sale	CONSOLIDATED FINANCIAL STATEMENTS			
	Balance as at January 1, 2012	Acquisition	Disposition	Balance as at December 31, 2012
1. Assets acquired from debt repayment				
1.1 Immovable	13,808	235	(2,539)	11,504
1.2 Movable	373	3,744	(3,578)	539
Total	14,181	3,979	(6,117)	12,043
2. Others	85	31	(42)	74
Total properties for sale	14,266	4,010	(6,159)	12,117
Less Provision for impairment	(2,529)	(1,405)	1,269	(2,665)
Total properties for sale	11,737	2,605	(4,890)	9,452

Unit : THB million

Type of Properties For Sale	CONSOLIDATED FINANCIAL STATEMENTS			
	Balance as at January 1, 2011	Acquisition	Disposition	Balance as at December 31, 2011
1. Assets acquired from debt repayment				
1.1 Immovable	16,739	714	(3,645)	13,808
1.2 Movable	316	2,821	(2,764)	373
Total	17,055	3,535	(6,409)	14,181
2. Others	90	-	(5)	85
Total properties for sale	17,145	3,535	(6,414)	14,266
Less Provision for impairment	(2,418)	(1,102)	991	(2,529)
Total properties for sale	14,727	2,433	(5,423)	11,737

Unit : THB million

Type of Properties For Sale	THE BANK'S FINANCIAL STATEMENTS			
	Balance as at January 1, 2012	Acquisition	Disposition	Balance as at December 31, 2012
1. Assets acquired from debt repayment				
1.1 Immovable	8,011	210	(1,325)	6,896
1.2 Movable	12	-	-	12
Total	8,023	210	(1,325)	6,908
2. Others	79	31	(39)	71
Total properties for sale	8,102	241	(1,364)	6,979
Less Provision for impairment	(2,165)	(466)	357	(2,274)
Total properties for sale	5,937	(225)	(1,007)	4,705

Unit : THB million

Type of Properties For Sale	THE BANK'S FINANCIAL STATEMENTS			
	Balance as at January 1, 2011	Acquisition	Disposition	Balance as at December 31, 2011
1. Assets acquired from debt repayment				
1.1 Immovable	9,327	539	(1,855)	8,011
1.2 Movable	13	-	(1)	12
Total	9,340	539	(1,856)	8,023
2. Others	84	-	(5)	79
Total properties for sale	9,424	539	(1,861)	8,102
Less Provision for impairment	(1,864)	(641)	340	(2,165)
Total properties for sale	7,560	(102)	(1,521)	5,937

Immovable assets for sale classified by external and internal appraisers as at December 31, 2012 and 2011 consist of the following:

Unit : THB million

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2012	2011	2012	2011
Immovable assets-Foreclosed assets				
Appraised by external appraisers	3,805	4,063	3,382	3,475
Appraised by internal appraisers	7,699	9,745	3,514	4,536
Total	11,504	13,808	6,896	8,011

6.10 Premises and equipment, net

Premises and equipment, net as at December 31, 2012 and 2011, are as follows:

Unit : THB million

	CONSOLIDATED FINANCIAL STATEMENTS				
	Balance as at January 1, 2012	Increase	Decrease	Others	Balance as at December 31, 2012
Land					
Cost	3,775	-	(33)	(11)	3,731
Appraisal increase (Year 2009)	3,759	-	(13)	(6)	3,740
Appraisal decrease (Year 2009)	(190)	-	7	5	(178)
Premises					
Cost	6,332	83	(49)	435	6,801
Appraisal increase (Year 2009)	6,105	-	(27)	(4)	6,074
Appraisal decrease (Year 2009)	(70)	-	2	-	(68)
Equipment	12,860	1,834	(1,389)	84	13,389
Leasehold improvement	1,721	271	(120)	213	2,085
Total	34,292	2,188	(1,622)	716	35,574
Less Accumulated depreciation					
Premises					
- Cost	(2,877)	(259)	22	8	(3,106)
- Appraisal increase (Year 2009)	(3,291)	(242)	16	1	(3,516)
Equipment	(9,657)	(1,133)	1,363	(3)	(9,430)
Leasehold improvement	(1,305)	(144)	99	(2)	(1,352)
Total	(17,130)	(1,778)	1,500	4	(17,404)
Construction in progress	406	464	-	(740)	130
Premises and equipment, net	17,568				18,300

Unit : THB million

	CONSOLIDATED FINANCIAL STATEMENTS				
	Balance as at January 1, 2011	Increase	Decrease	Others	Balance as at December 31, 2011
Land					
Cost	3,777	-	(2)	-	3,775
Appraisal increase (Year 2009)	3,765	-	(6)	-	3,759
Appraisal decrease (Year 2009)	(190)	-	-	-	(190)
Premises					
Cost	6,065	43	(2)	226	6,332
Appraisal increase (Year 2009)	6,109	-	(4)	-	6,105
Appraisal decrease (Year 2009)	(70)	-	-	-	(70)
Equipment	12,190	1,206	(537)	1	12,860
Leasehold improvement	1,584	152	(79)	64	1,721
Total	33,230	1,401	(630)	291	34,292
Less Accumulated depreciation					
Premises					
- Cost	(2,661)	(217)	1	-	(2,877)
- Appraisal increase (Year 2009)	(3,049)	(244)	-	2	(3,291)
Equipment	(9,087)	(1,087)	517	-	(9,657)
Leasehold improvement	(1,247)	(120)	64	(2)	(1,305)
Total	(16,044)	(1,668)	582	-	(17,130)
Construction in progress	366	335	(4)	(291)	406
Premises and equipment, net	17,552				17,568

Unit : THB million

	2012	2011
Depreciation for the years	1,778	1,668

As at December 31, 2012 and 2011, the Bank and its subsidiaries had premises and equipment which were fully depreciated but still in use, with the original costs amounting to THB 7,749 million and THB 8,474 million, respectively.

The equipment at cost of THB 100 million is under finance leases as at December 31, 2012.

Unit : THB million

	THE BANK'S FINANCIAL STATEMENTS				
	Balance as at January 1, 2012	Increase	Decrease	Others	Balance as at December 31, 2012
Land					
Cost	3,767	-	(33)	(10)	3,724
Appraisal increase (Year 2009)	3,759	-	(13)	(6)	3,740
Appraisal decrease (Year 2009)	(190)	-	7	5	(178)
Premises					
Cost	6,298	68	(49)	435	6,752
Appraisal increase (Year 2009)	6,105	-	(27)	(4)	6,074
Appraisal decrease (Year 2009)	(70)	-	2	-	(68)
Equipment	9,937	1,334	(881)	84	10,474
Leasehold improvement	718	112	(31)	211	1,010
Total	30,324	1,514	(1,025)	715	31,528
Less Accumulated depreciation					
Premises					
- Cost	(2,853)	(257)	23	7	(3,080)
- Appraisal increase (Year 2009)	(3,290)	(243)	16	1	(3,516)
Equipment	(7,665)	(842)	867	(2)	(7,642)
Leasehold improvement	(463)	(70)	20	-	(513)
Total	(14,271)	(1,412)	926	6	(14,751)
Construction in progress	407	450	-	(741)	116
Premises and equipment, net	16,460				16,893

Unit : THB million

	THE BANK'S FINANCIAL STATEMENTS				
	Balance as at January 1, 2011	Increase	Decrease	Others	Balance as at December 31, 2011
Land					
Cost	3,770	-	(3)	-	3,767
Appraisal increase (Year 2009)	3,765	-	(6)	-	3,759
Appraisal decrease (Year 2009)	(190)	-	-	-	(190)
Premises					
Cost	6,031	43	(2)	226	6,298
Appraisal increase (Year 2009)	6,109	-	(4)	-	6,105
Appraisal decrease (Year 2009)	(70)	-	-	-	(70)
Equipment	9,357	788	(207)	(1)	9,937
Leasehold improvement	661	25	(32)	64	718
Total	29,433	856	(254)	289	30,324
Less Accumulated depreciation					
Premises					
- Cost	(2,638)	(216)	1	-	(2,853)
- Appraisal increase (Year 2009)	(3,049)	(243)	-	2	(3,290)
Equipment	(7,018)	(840)	193	-	(7,665)
Leasehold improvement	(426)	(65)	30	(2)	(463)
Total	(13,131)	(1,364)	224	-	(14,271)
Construction in progress	365	335	(4)	(289)	407
Premises and equipment, net	16,667				16,460

Unit : THB million

	2012	2011
Depreciation for the years	1,412	1,364

As at December 31, 2012 and 2011, the Bank had premises and equipment which were fully depreciated but still in use, with the original costs amounting to THB 5,942 million and THB 6,564 million, respectively.

6.11 Goodwill and other intangible assets, net

Goodwill and other intangible assets, net as at December 31, 2012 and 2011, are as follows:

Unit : THB million

	CONSOLIDATED FINANCIAL STATEMENTS				
	Balance as at January 1, 2012	Increase	Decrease	Others	Balance as at December 31, 2012
Cost					
Goodwill	7,521	2,426	-	-	9,947
Software	3,938	947	(113)	(2)	4,770
Other intangible assets	4,494	1,119	(25)	-	5,588
Total	15,953	4,492	(138)	(2)	20,305
Accumulated amortization					
Software	(2,135)	(388)	94	1	(2,428)
Other intangible assets	(1,764)	(678)	-	-	(2,442)
Total	(3,899)	(1,066)	94	1	(4,870)
Goodwill and other intangible assets, net	12,054				15,435

Unit : THB million

	CONSOLIDATED FINANCIAL STATEMENTS				
	Balance as at January 1, 2011	Increase	Decrease	Others	Balance as at December 31, 2011
Cost					
Goodwill	7,521	-	(97)	97	7,521
Software	3,333	609	(8)	4	3,938
Other intangible assets	4,310	131	-	53	4,494
Total	15,164	740	(105)	154	15,953
Accumulated amortization					
Software	(1,874)	(304)	(2)	45	(2,135)
Other intangible assets	(663)	(918)	14	(197)	(1,764)
Total	(2,537)	(1,222)	12	(152)	(3,899)
Goodwill and other intangible assets, net	12,627				12,054

Unit : THB million

	2012	2011
Amortization for the years	1,066	1,222

As at December 31, 2012 and 2011, the Bank and its subsidiaries had intangible assets which were fully amortized but still in use, with the original costs amounting to THB 1,199 million and THB 986 million, respectively.

Unit : THB million

	THE BANK'S FINANCIAL STATEMENTS				
	Balance as at January 1, 2012	Increase	Decrease	Others	Balance as at December 31, 2012
Cost					
Goodwill	-	1,054	-	-	1,054
Software	3,308	658	(24)	-	3,942
Other intangible assets	13	38	-	-	51
Total	3,321	1,750	(24)	-	5,047
Accumulated amortization					
Software	(1,667)	(311)	7	(2)	(1,973)
Other intangible assets	(6)	-	-	-	(6)
Total	(1,673)	(311)	7	(2)	(1,979)
Goodwill and other intangible assets, net	1,648				3,068

Unit : THB million

	THE BANK'S FINANCIAL STATEMENTS				
	Balance as at January 1, 2011	Increase	Decrease	Others	Balance as at December 31, 2011
Cost					
Software	2,796	512	-	-	3,308
Other intangible assets	7	6	-	-	13
Total	2,803	518	-	-	3,321
Accumulated amortization					
Software	(1,430)	(237)	-	-	(1,667)
Other intangible assets	(5)	(1)	-	-	(6)
Total	(1,435)	(238)	-	-	(1,673)
Goodwill and other intangible assets, net	1,368				1,648

Unit : THB million

	2012	2011
Amortization for the years	311	238

As at December 31, 2012 and 2011, the Bank had intangible assets which were fully amortized but still in use, with the original costs amounting to THB 940 million and THB 791 million, respectively.

6.12 Deferred tax assets

Deferred tax assets as at December 31, 2012 and 2011, are as follows:

Unit : THB million

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2012	2011	2012	2011
Deferred tax assets	6,061	5,631	2,637	2,356

Movements in deferred tax assets during the years were as follows:

Unit : THB million

	CONSOLIDATED FINANCIAL STATEMENTS				
	Balance at January 1, 2012	Items arising from business combination	Items as recognized into Profit and Loss	Items as recognized into Other Comprehensive Income	Balance at December 31, 2012
Temporary differences					
Impairment of assets	764	-	(101)	-	663
Allowance for doubtful debt	2,753	-	135	-	2,888
Employee benefits	627	-	76	(15)	688
Unrealized loss on investment	415	-	-	-	415
Others	1,072	(118)	453	-	1,407
Total	5,631	(118)	563	(15)	6,061

Unit : THB million

	CONSOLIDATED FINANCIAL STATEMENTS			
	Balance at January 1, 2011	Items as recognized into Profit and Loss	Items as recognized into Other Comprehensive Income	Balance at December 31, 2011
Temporary differences				
Impairment of assets	1,670	(906)	-	764
Allowance for doubtful debt	3,489	(736)	-	2,753
Unrealized loss on investment	607	(192)	-	415
Others	1,820	(748)	-	1,072
Total before adoption of TAS 19 "Employee Benefits"	7,586	(2,582)	-	5,004
Effect of the adoption of TAS 19 "Employee Benefits"	758	(177)	46	627
Total after adoption of TAS 19 "Employee Benefits"	8,344	(2,759)	46	5,631

Unit : THB million

	THE BANK'S FINANCIAL STATEMENTS				
	Balance at January 1, 2012	Items arising from business combination	Items as recognized into Profit and Loss	Items as recognized into Other Comprehensive Income	Balance at December 31, 2012
Temporary differences					
Impairment of assets	604	-	(53)	-	551
Employee benefits	531	-	42	(17)	556
Unrealized loss on investment	414	-	-	-	414
Others	807	12	297	-	1,116
Total	2,356	12	286	(17)	2,637

Unit : THB million

	THE BANK'S FINANCIAL STATEMENTS			
	Balance at January 1, 2011	Items as recognized into Profit and Loss	Items as recognized into Other Comprehensive Income	Balance at December 31, 2011
Temporary differences				
Impairment of assets	1,456	(852)	-	604
Unrealized loss on investment	599	(185)	-	414
Others	1,135	(328)	-	807
Total before adoption of TAS 19 "Employee Benefits"	3,190	(1,365)	-	1,825
Effect of the adoption of TAS 19 "Employee Benefits"	658	(160)	33	531
Total after adoption of TAS 19 "Employee Benefits"	3,848	(1,525)	33	2,356

For the year 2011, the Bank and its subsidiaries have decreased deferred tax assets with respect to reduction of the income tax rate in accordance with the Royal Decree No. 530 B.E. 2554.

6.13 Other assets, net

Other assets, net as at December 31, 2012 and 2011, are as follows:

Unit : THB million

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2012	2011	2012	2011
Accrued income	2,206	1,196	344	324
Prepayment	404	377	182	113
Other receivables	8,420	3,503	2,943	1,350
Others	1,268	1,336	877	750
Total	12,298	6,412	4,346	2,537

6.14 Deposits

Deposits as at December 31, 2012 and 2011, are as follows:

(1) Classified by product

Unit : THB million

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2012	2011	2012	2011
Current deposit	18,646	19,265	19,626	20,317
Savings deposit	350,814	218,395	355,664	220,976
Time deposit				
- Less than 6 months	147,053	153,741	147,055	153,745
- 6 months to 1 year	120,927	71,319	120,927	71,320
- over 1 year	49,719	97,820	49,722	97,820
Total	687,159	560,540	692,994	564,178

(2) Classified by currency and residence of depositors

Unit : THB million

	CONSOLIDATED FINANCIAL STATEMENTS					
	2012			2011		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	682,292	553	682,845	557,137	339	557,476
US Dollar	2,228	189	2,417	1,766	208	1,974
Other currencies	1,854	43	1,897	1,045	45	1,090
Total	686,374	785	687,159	559,948	592	560,540

Unit : THB million

	THE BANK'S FINANCIAL STATEMENTS					
	2012			2011		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	688,127	553	688,680	560,775	339	561,114
US Dollar	2,228	189	2,417	1,766	208	1,974
Other currencies	1,854	43	1,897	1,045	45	1,090
Total	692,209	785	692,994	563,586	592	564,178

6.15 Interbank and money market items, net (liability)

Interbank and money market items, net (liability) as at December 31, 2012 and 2011, are as follows:

Unit : THB million

	CONSOLIDATED FINANCIAL STATEMENTS					
	2012			2011		
	At Call	Time	Total	At Call	Time	Total
Domestic items						
Bank of Thailand and Financial Institution Development Fund	-	9,265	9,265	-	700	700
Commercial banks	520	24,120	24,640	214	7,036	7,250
Specialized financial institutions	40	6,026	6,066	98	760	858
Other financial institutions	8,152	688	8,840	3,074	11,525	14,599
Total domestic items	8,712	40,099	48,811	3,386	20,021	23,407
Foreign items						
US Dollar	10	-	10	334	-	334
Total foreign items	10	-	10	334	-	334
Total domestic and foreign items	8,722	40,099	48,821	3,720	20,021	23,741

Unit : THB million

	THE BANK'S FINANCIAL STATEMENTS					
	2012			2011		
	At Call	Time	Total	At Call	Time	Total
Domestic items						
Bank of Thailand and Financial Institution Development Fund	-	9,265	9,265	-	700	700
Commercial banks	1,475	22,710	24,185	963	6,192	7,155
Specialized financial institutions	40	6,026	6,066	98	760	858
Other financial institutions	8,152	688	8,840	3,074	11,525	14,599
Total domestic items	9,667	38,689	48,356	4,135	19,177	23,312
Foreign items						
US Dollar	10	-	10	334	-	334
Total foreign items	10	-	10	334	-	334
Total domestic and foreign items	9,677	38,689	48,366	4,469	19,177	23,646

Additional information on Interbank and money market items, net (liability) is as follows:

1. As at December 31, 2012, the outstanding balance of borrowing from the Bank of Thailand is THB 9,265 million bearing interest rate at 0.01% per annum. The loan is restricted for soft loan program for flood relief in year 2011 provided to small and medium enterprises (SME) and individuals at the rate not over 3% per annum. The soft loan program duration is 5 years and will be ended on December 31, 2018.

2. On October 25, 2012, the Bank entered into a loan agreement facility of USD 200 million with International Finance Corporation, a member of the World Bank, which composed of a 36-month term loan of USD 100 million, a 48-month term loan of USD 50 million and a 60-month term loan of USD 50 million at the interest rate of 3-month LIBOR plus applicable spreads. The purpose of this facility is to provide the Bank funding for financing to small or medium enterprises directly and indirectly impacted by flooding in Thailand.

6.16 Debt issued and borrowings

Debt issued and borrowings as at December 31, 2012 and 2011, are as follows:

Unit : THB million

				CONSOLIDATED FINANCIAL STATEMENTS					
				2012			2011		
	Currency	Interest rate (%)	Maturity	Domestic	Foreign	Total	Domestic	Foreign	Total
Subordinated debentures	THB	4.35–5.50	2020-2022	34,844	-	34,844	20,000	-	20,000
Senior securities	THB	2.75–4.50	2013-2015	71,170	-	71,170	26,300	-	26,300
Bills of exchange	THB	2.05–4.20	2013-2014	48,523	-	48,523	155,785	-	155,785
Other borrowings	THB	0.00 –0.50	2013-2017	92	-	92	6,178	-	6,178
				154,629	-	154,629	208,263	-	208,263

Unit : THB million

				THE BANK'S FINANCIAL STATEMENTS					
				2012			2011		
	Currency	Interest rate (%)	Maturity	Domestic	Foreign	Total	Domestic	Foreign	Total
Subordinated debentures	THB	4.35–5.50	2020-2022	34,844	-	34,844	20,000	-	20,000
Senior securities	THB	2.75–4.50	2013-2015	39,112	-	39,112	4,000	-	4,000
Bills of exchange	THB	2.05–4.20	2013-2014	29,691	-	29,691	141,867	-	141,867
Other borrowings	THB	0.00–0.50	2013-2017	92	-	92	6,178	-	6,178
				103,739	-	103,739	172,045	-	172,045

Additional information on debts issued and borrowings is as follows:

1. On June 23, 2010, the Bank issued subordinated debentures #1/2010 in the amount of THB 20,000 million with maturity on June 23, 2020 at the fixed interest rates of 4.35% per annum for the years 1-3, 4.75% per annum for the years 4-6 and 5.50% per annum for the years 7-10, payable quarterly on the 23 of March, June, September and December of each year. The Bank has the right to redeem debentures #1/2010 before the maturity date subject to the approval of the Bank of Thailand. The Bank may redeem the debentures prior to the fifth anniversary of the issue date if the Bank is notified by the Bank of Thailand that the debentures shall not be treated as Tier 2 capital or the debentures shall be treated as Tier 2 capital less than 50% of Tier 1 capital of the Bank.

2. On November 7, 2012, the Bank issued subordinated debentures No. 1/2012 in the amount of THB 14,844 million for a 10-year tenor at the fixed interest rate of 4.70% per annum, payable quarterly in February, May, August and November of each year. The Bank has the right to redeem debentures on the fifth anniversary of the issue date or on any interest payment date after the fifth anniversary.

6.17 Provisions

Provisions for the years ended December 31, 2012 and 2011, are as follows:

Unit : THB million

	CONSOLIDATED FINANCIAL STATEMENTS					
	Balance at January 1, 2011	Adjustment due to change in accounting policies	Increase (Decrease)	Balance at December 31, 2011	Increase (Decrease)	Balance at December 31, 2012
Provision for post-employment benefits obligation	15	2,333	444	2,792	150	2,942
Provision for loss on impairment of assets transferred to the Thai Asset Management Corporation	2,057	-	49	2,106	25	2,131
Provision for customer loyalty program	1,156	-	88	1,244	373	1,617
Others	462	-	292	754	(110)	644
Total	3,690	2,333	873	6,896	438	7,334

Unit : THB million

	THE BANK'S FINANCIAL STATEMENTS					
	Balance at January 1, 2011	Adjustment due to change in accounting policies	Increase (Decrease)	Balance at December 31, 2011	Increase (Decrease)	Balance at December 31, 2012
Provision for post-employment benefits obligation	4	2,021	333	2,358	75	2,433
Provision for loss on impairment of assets transferred to the Thai Asset Management Corporation	1,996	-	74	2,070	-	2,070
Provision for customer loyalty program	7	-	14	21	8	29
Others	469	-	252	721	(77)	644
Total	2,476	2,021	673	5,170	6	5,176

Post-employment benefits obligation

The Bank and its subsidiaries operate post-employment benefits plans under the Thai Labor Protection Act, which are considered as unfunded defined benefit plans. These plans are recognized as provision in the statement of financial position.

Movements in the present value of the defined benefits obligation for the years ended December 31, 2012 and 2011, are as follows:

Unit : THB million

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2012	2011	2012	2011
Opening defined benefits obligation	2,792	15	2,358	4
Add Adjustment due to change in accounting policies	-	2,333	-	2,021
Opening defined benefit obligation – as adjusted	2,792	2,348	2,358	2,025
Current service cost	238	190	179	145
Interest cost	106	95	90	82
Actuarial (gains) losses	(75)	232	(83)	166
Benefit paid	(119)	(73)	(111)	(60)
Closing defined benefit obligation	2,942	2,792	2,433	2,358

For the year ended December 31, 2012, the actuarial gains are recognized in the consolidated and the Bank's statements of comprehensive income in the amounts of THB 75 million and THB 83 million, respectively.

Amounts recognized in the statements of comprehensive income in respect of the defined benefit plans for the years ended December 31, 2012 and 2011, are as follows:

Unit : THB million

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2012	2011	2012	2011
Current service cost	238	190	179	145
Interest on obligation	106	95	90	82
	344	285	269	227

The principal actuarial assumptions used to calculate the obligation under the defined benefit plans as at December 31, 2012 and 2011, are as follows:

Unit : THB million

	CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS	
	2012	2011
Financial assumptions		
Discount rate	3.9%	3.8%
Salary increase rate	6.0%	6.0%
Turnover rate	9.9%	9.4%
Retirement age	55 and 60 years	55 and 60 years

Transfer of sub-quality assets to Thai Asset Management Corporation

On October 12, 2001, the Bank and a 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 should be those which 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 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 avalled 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. In addition, pursuant to the TAMC Decree, in case when profits are realized, the first portion of the profits, not exceeding 20% of the transfer price of the sub-quality assets transferred to TAMC, will be allocated equally between TAMC and the Bank/subsidiary. The second portion of the profits will be allocated in full to the Bank/subsidiary. The two portions of the profits combined together shall not exceed the difference between the book value and the transfer price of the sub-quality assets transferred to TAMC. The residual amount of the profits after allocation of the second portion will be given to TAMC. In case when losses are realized, this will be shared between TAMC and the Bank/subsidiary. The Bank and subsidiary will absorb the first portion of the losses, not exceeding 20% of the transfer price of the sub-quality 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 sub-quality 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 portion will be absorbed by TAMC. The calculation of such profits and losses by TAMC is based on the fully repaid assets or the process of assets transfer has been completed in case of transfer of assets for repayment purposes.

As at December 31, 2012 and 2011, the provisions for possible losses were set up in the amounts of THB 2,132 million and THB 2,106 million, respectively, for the consolidated financial statements and the same amount of THB 2,071 million as of those dates for the Bank's financial statements.

TAMC has liquidated since June 9, 2011. On October 14, 2011, the Liquidation Committee of Thai Asset Management Corporation (TAMC) sent a letter to the Bank regarding the principles and guidelines for the redemption of maturing promissory notes following the wrap-up of the TAMC.

Currently, the Bank and its subsidiaries are in the process of filing the application to settle the obligation with the Liquidation Committee of TAMC, according to the Royal Decree on the Liquidation of Thai Asset Management Corporation.

6.18 Deferred tax liabilities

Deferred tax liabilities as at December 31, 2012 and 2011, are as follows:

Unit : THB million

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2012	2011	2012	2011
Deferred tax liabilities	2,505	2,276	1,617	1,452

Movements of deferred tax liabilities during the years are as follows:

Unit : THB million

	CONSOLIDATED FINANCIAL STATEMENTS				
	Balance at January 1, 2012	Items arising from business combination	Items as recognized into Profit and Loss	Items as recognized into Other Comprehensive Income	Balance at December 31, 2012
Temporary differences					
Asset appraisal surplus	1,323	-	(58)	(5)	1,260
Other	953	282	(158)	168	1,245
Total	2,276	282	(216)	163	2,505

Unit : THB million

	CONSOLIDATED FINANCIAL STATEMENTS			
	Balance at January 1, 2011	Items as recognized into Profit and Loss	Items as recognized into Other Comprehensive Income	Balance at December 31, 2011
Temporary differences				
Asset appraisal surplus	2,048	(73)	(652)	1,323
Other	1,991	(944)	(94)	953
Total	4,039	(1,017)	(746)	2,276

Unit : THB million

	THE BANK'S FINANCIAL STATEMENTS			
	Balance at January 1, 2012	Items arising from business combination	Items as recognized into Profit and Loss	Items as recognized into Other Comprehensive Income	Balance at December 31, 2012
Temporary differences					
Asset appraisal surplus	1,322	-	(58)	(5)	1,259
Other	130	62	(2)	168	358
Total	1,452	62	(60)	163	1,617

Unit : THB million

	THE BANK'S FINANCIAL STATEMENTS			
	Balance at January 1, 2011	Items as recognized into Profit and Loss	Items as recognized into Other Comprehensive Income	Balance at December 31, 2011
Temporary differences				
Asset appraisal surplus	2,047	(73)	(652)	1,322
Other	272	(48)	(94)	130
Total	2,319	(121)	(746)	1,452

For the year 2011, the Bank and subsidiaries had decreased deferred tax liabilities with respect to reduction of the income tax rate in accordance with the Royal Decree No.530 B.E.2554.

6.19 Finance lease liabilities

Finance lease liabilities as at December 31, 2012, are as follows:

Unit : THB million

	CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS 2012		
	Principal	Interest	Payment
Within one year	17	4	21
One year to five years	73	6	79
Total	90	10	100

As at December 31, 2011, the bank and subsidiaries did not have any finance Lease Liabilities.

6.20 Other liabilities

Other liabilities as at December 31, 2012 and 2011, are as follows:

Unit : THB million

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2012	2011	2012	2011
Accrued expenses	9,041	8,047	6,577	5,753
Tax payable	2,959	3,692	1,200	1,177
Deposit	8,001	6,675	183	73
Other payable	3,322	1,019	1,638	756
Others	8,454	6,391	3,467	2,456
Total	31,777	25,824	13,065	10,215

6.21 Share capital

6.21.1 Capital management

The Bank and its subsidiaries' objectives when managing capital are to maintain the Bank and its subsidiaries' ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure for reducing capital's cost of funds and to comply with regulator's rules.

For maintenance or restructuring of capital, the Bank may adjust the dividend policy for shareholders to refund its capital to shareholders, or issue new shares or sell property in order to reduce debt obligation.

6.21.2 Legal reserve

Pursuant to the Public Limited Companies Act, 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. The reserve fund is not available for dividend distribution.

6.21.3 Dividend payment

At the General Shareholders' meeting held on April 7, 2011, the shareholders approved a resolution authorizing a dividend payment for the second half year ended December 31, 2010 to the shareholders of 6,074,143,747 ordinary shares at THB 0.35 per share which totaled THB 2,126 million, with payment made on May 4, 2011.

The Board of Directors' Meeting No.8/2011 held on August 24, 2011, had approved a resolution authorizing a dividend payment for the first half year ended June 30, 2011 to the shareholders of 6,074,143,747 ordinary shares at THB 0.35 per share which totaled THB 2,126 million, with payment made on September 22, 2011.

At the General Shareholders' meeting held on April 24, 2012, the shareholders approved a resolution authorizing a dividend payment for the second half year ended December 31, 2011 to the shareholders of 6,074,143,747 ordinary shares at THB 0.35 per share which totaled THB 2,126 million, with payment made on May 22, 2012.

The Board of Directors' Meeting No.8/2012 held on August 22, 2012, had approved a resolution authorizing a dividend payment for the first half year ended June 30, 2012 to the shareholders of 6,074,143,747 ordinary shares at THB 0.40 per share which totaled THB 2,430 million, with payment made on September 20, 2012.

6.22 Assets with obligations and restrictions

As at December 31, 2012 and 2011, government and state enterprise securities with book value of THB 4,412 million and THB 6,313 million, respectively, are used as collateral for other commitments with government departments and state enterprises.

6.23 Contingencies

Contingencies as at December 31, 2012 and 2011, are as follows:

Unit : THB million

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2012	2011	2012	2011
Avals to bills	977	1,585	977	1,585
Guarantees of loans	90	180	90	180
Liability under unmatured import bills	1,548	1,465	1,548	1,465
Letters of credit	8,043	8,293	8,043	8,293
Other contingencies				
- Unused overdraft limit	59,049	53,734	59,181	53,884
- Other guarantees	35,172	36,063	35,172	36,063
- Others	506	293	506	293
Total	105,385	101,613	105,517	101,763

The Bank and its subsidiaries have entered into a long-term information technology service agreement, which will be expired in 2019, with a local company. As at December 31, 2012, the Bank and its subsidiaries have a commitment to pay in the amount of THB 4,386 million.

As at December 31, 2012 and 2011, the Bank has commitments to be paid regarding the information technology services in the amounts of THB 86 million and THB 35 million, respectively.

6.24 Related party transactions

The Bank has business transactions with subsidiaries, associates and related companies. These transactions are with companies that have shareholding and/or major shareholders and/or joint directors with the Bank and with related persons. Such loans to related party have the allowance for doubtful accounts policy which complied with the same BOT regulations as those granted to other debtors.

According to the Bank of Thailand's Notification Sor.Nor.Sor.6/2553 regarding the Guideline on Consolidated Supervision dated June 28, 2010, the Bank is required to disclose the Inter-Group Transactions in the Financial Business Group Policy and the Risk Management for Inter-Group Transactions in the Financial Business Group Policy as follows:

1. The Inter-Group Transactions in the Financial Business Group Policy

   The inter-group transactions shall be the same conditions or criteria, including interest rate or service fee charged, as applied when the Bank conducts the transactions with general customers with the same risk level and the Bank does not allow the companies in the financial business group borrow from or lend to each other.

2. The Risk Management for Inter-Group Transactions in the Financial Business Group Policy

   The Bank manages risk for all inter-group transactions based on the Credit Risk Management for the Financial Business Policy which covers the key credit risk management process, namely credit risk control, credit risk measurement, and credit risk monitoring, in accordance with the Bank's policy and the Bank of Thailand's requirements.

Related party transactions are as follows:

6.24.1 Loans to, deposits, borrowing and contingencies with certain officers from the levels of Bank's Directors, Executive Vice Presidents and higher, and Vice Presidents/equivalent positions and higher in the Finance and Accounting Functions and the companies in which they and/or the Bank directors and/or their related parties and/or the Bank owned and the companies in which the directors and/or shareholders of the Bank having significant voting right either direct or indirect as at December 31, 2012 and 2011, are as follows:

Unit : THB million

	CONSOLIDATED FINANCIAL STATEMENTS							
	2012				2011			
	Loans	Deposits	Borrowings	Contingencies	Loans	Deposits	Borrowings	Contingencies
Associates								
Tesco Card Services Limited	10,073	397	-	-	7,595	267	-	-
Tesco Life Assurance Broker Limited	-	47	-	-	-	18	-	-
Tesco General Insurance Broker Limited	-	231	-	-	-	186	-	-
Less Allowance for doubtful accounts	(101)	-	-	-	(76)	-	-	-
Total	9,972	675	-	-	7,519	471	-	-
Related companies having joint major shareholders or directors	1,335	4,099	1,700	418	619	9,032	353	169
Less Allowance for doubtful accounts	(13)	-	-	-	(6)	-	-	-
Total	1,322	4,099	1,700	418	613	9,032	353	169
Individual and related parties	244	547	21	-	178	284	127	-
Less Allowance for doubtful accounts	(1)	-	-	-	-	-	-	-
Total	243	547	21	-	178	284	127	-
Total	11,537	5,321	1,721	418	8,310	9,787	480	169

Unit : THB million

	THE BANK'S FINANCIAL STATEMENTS							
	2012				2011			
	Loans	Deposits	Borrowings	Contingencies	Loans	Deposits	Borrowings	Contingencies
Subsidiaries								
Ayudhya Development Leasing Company Limited	10,013	45	-	161	9,154	50	-	642
Ayudhya Auto Lease Public Company Limited	-	-	-	-	-	695	-	-
Ayudhya Capital Auto Lease Public Company Limited	125,441	693	-	-	94,019	345	-	-
Ayudhya Total Solutions Public Company Limited	-	2,070	-	-	-	151	751	-
CFG Services Company Limited	5,273	17	-	-	3,750	218	-	-
Ayudhya Card Services Company Limited	4,600	247	-	-	4,100	216	-	-
Ayudhya Capital Services Company Limited	21,109	738	-	3	18,100	471	-	3
General Card Services Limited	11,658	268	-	-	11,190	161	-	-
Krungsriayudhya Card Company Limited	26,471	885	-	1	14,748	342	-	1
Siam Realty and Services Company Limited	496	71	-	-	335	40	-	-
Total Services Solutions Public Company Limited	-	246	400	-	-	351	200	-
Krungsri Asset Management Company Limited	-	104	300	613	-	78	300	634
Krungsri Ayudhya AMC Limited	2,357	15	-	38	5,967	83	-	38
Krungsri Securities Public Company Limited	-	853	-	-	-	82	600	-
Krungsri Factoring Company Limited (Formerly Ayudhya Factoring Company Limited)	1,433	177	-	-	3,070	235	-	-
Krungsri Life Assurance Broker Company Limited	-	137	-	-	-	90	-	-
Krungsri General Insurance Broker Company Limited	-	224	-	-	-	179	-	-
Total	208,851	6,790	700	816	164,433	3,787	1,851	1,318
Less Allowance for doubtful accounts	(2,088)	-	-	-	(1,644)	-	-	-
Total	206,763	6,790	700	816	162,789	3,787	1,851	1,318

Unit : THB million

	THE BANK'S FINANCIAL STATEMENTS							
	2012				2011			
	Loans	Deposits	Borrowings	Contingencies	Loans	Deposits	Borrowings	Contingencies
Associates								
Tesco Card Services Limited	10,073	397	-	-	7,595	267	-	-
Tesco Life Assurance Broker Limited	-	47	-	-	-	18	-	-
Tesco General Insurance Broker Limited	-	231	-	-	-	186	-	-
Less Allowance for doubtful accounts	(101)	-	-	-	(76)	-	-	-
Total	9,972	675	-	-	7,519	471	-	-
Related companies having joint major shareholders or directors	1,335	4,099	1,700	418	619	9,032	353	169
Less Allowance for doubtful accounts	(13)	-	-	-	(6)	-	-	-
Total	1,322	4,099	1,700	418	613	9,032	353	169
Individual and related parties	196	547	21	-	140	284	127	-
Total	218,253	12,111	2,421	1,234	171,061	13,574	2,331	1,487

As at December 31, 2012 and 2011, the Bank charges interest rates to the officer or related parties at 1.00% - 18.99% p.a. and 1.00% - 7.63%, respectively.

As at December 31, 2012 and 2011, the allowance for doubtful accounts of loans granted to subsidiaries of THB 2,088 million and THB 1,644 million, respectively, are not eliminated but treated as surplus reserve in the consolidated financial statements.

As at December 31, 2012 and 2011, the Bank granted loans to KrungsriAyudhya AMC Limited as short-term promissory notes of THB 2,357 million and THB 5,967 million at the interest rates of 3.57% - 4.00% and 4.01% - 4.05% per annum, respectively.

6.24.2 The Bank has investments in subsidiaries and associates as disclosed in note 6.5 and has investments in related companies as follows:

Unit : THB million

	CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS						
				2012		2011	
	Business Type	Registered Share Capital	Ownership (%)	Investment Cost	Dividend Amount	Investment Cost	Dividend Amount
Related companies							
Sri Ayudhya Capital Public Company Limited (Formerly Ayudhya Insurance Public Company Limited)	Insurance	250	10.92	419	14	419	33
Less Allowance for impairment				(7)	-	(7)	-
Investment in related companies, net				412	14	412	33

6.24.3 Income and expenses between the Bank and its subsidiaries, associates and related companies for the years ended December 31, 2012 and 2011, are as follows:

Unit : THB million

	CONSOLIDATED FINANCIAL STATEMENTS							
	2012				2011			
	Income		Expenses		Income		Expenses	
	Interest income	Non-interest income	Interest expenses	Non-interest expenses	Interest income	Non-interest income	Interest expenses	Non-interest expenses
Associates								
Tesco Card Services Limited	354	150	2	-	269	130	3	-
Tesco General Insurance Broker Limited	-	13	3	-	-	4	2	-
Total	354	163	5	-	269	134	5	-
Related companies having joint major shareholders or directors	41	60	131	332	21	46	221	300
Total	41	60	131	332	21	46	221	300
Individual and related parties	6	4	13	-	6	-	6	-
Total	401	227	149	332	296	180	232	300

Unit : THB million

	THE BANK'S FINANCIAL STATEMENTS							
	2012				2011			
	Income		Expenses		Income		Expenses	
	Interest income	Non-interest income	Interest expenses	Non-interest expenses	Interest income	Non-interest income	Interest expenses	Non-interest expenses
Subsidiaries								
Ayudhya Development Leasing Company Limited	404	3	-	-	252	4	-	-
Ayudhya Auto Lease Public Company Limited	-	-	5	-	1	1	18	-
Ayudhya Capital Lease Company Limited	-	-	-	-	-	-	21	-
Ayudhya Capital Auto Lease Public Company Limited	4,320	62	4	1	3,454	49	3	1
Ayudhya Total Solutions Public Company Limited	-	2	42	-	2	5	21	-
CFG Services Company Limited	223	25	1	-	140	15	1	-
Ayudhya Card Services Company Limited	133	74	-	-	131	82	-	-
Ayudhya Capital Services Company Limited	791	161	2	11	608	100	4	20
General Card Services Limited	445	8	2	1	396	7	4	-
Krungsriayudhya Card Company Limited	868	92	3	1	490	44	4	-
Siam Realty and Services Company Limited	17	1	-	435	13	1	-	439
Total Services Solutions Public Company Limited	-	3	11	70	-	3	25	42
Krungsri Asset Management Company Limited	-	125	9	6	-	86	7	10
Krungsri Ayudhya AMC Limited	171	31	-	-	327	15	-	-
Krungsri Securities Public Company Limited	-	21	19	3	-	16	16	5
Krungsri Factoring Company Limited (Formerly Ayudhya Factoring Company Limited)	88	5	1	-	109	3	1	-
Krungsri Life Assurance Broker Company Limited	-	1	1	-	-	-	-	-
Krungsri General Insurance Broker Company Limited	-	-	1	-	-	-	-	-
Total	7,460	614	101	528	5,923	431	125	517

Unit : THB million

	THE BANK'S FINANCIAL STATEMENTS							
	2012				2011			
	Income		Expenses		Income		Expenses	
	Interest income	Non-interest income	Interest expenses	Non-interest expenses	Interest income	Non-interest income	Interest expenses	Non-interest expenses
Associates								
Tesco Card Services Limited	354	12	2	-	269	7	3	-
Tesco General Insurance Broker Limited	-	13	3	-	-	4	2	-
Total	354	25	5	-	269	11	5	-
Related companies having joint major shareholders or directors	41	60	131	332	21	46	221	300
Total	41	60	131	332	21	46	221	300
Individual and related parties	6	4	13	-	6	-	6	-
Total	7,861	703	250	860	6,219	488	357	817

6.24.4 For the year ended December 31, 2012, the Bank and a subsidiary entered into an agreement to sell non-performing loans (NPLs) to a related company totalling THB 1,698 million with a book value of THB 2,353 million and a net book value of THB 1,566 million. The sale amount has been received.

For the year ended December 31, 2012 and 2011, the Bank entered into the agreements to sell non-performing loans (NPLs) to a subsidiary totalling THB 33 million and THB 655 million with book values of THB 825 million and THB 4,058 million and net book values of THB 33 million and THB 655 million. The sale amounts have been received.

6.24.5 For the years ended December 31, 2012 and 2011, related party transactions among subsidiaries include collection services and other services of THB 826 million and THB 867 million and office and vehicle rental and facilities service of THB 51 million and THB 22 million, respectively.

6.24.6 For the years ended December 31, 2012 and 2011, subsidiaries have related party transactions from the licenses relevant to technology and software for THB 59 million and THB 50 million, respectively.

6.24.7 For the years ended December 31, 2012 and 2011, related party transactions among subsidiaries from other services were THB 1,053 million and THB 1,035 million, respectively.

6.24.8 The Extraordinary Board of Directors' Meeting of the Bank on July 20, 2009 approved the Bank to accept the entire business transfer of Ayudhya Card Services Company Limited, operating credit card and personal loan and the Bank held 100% of total shares sold. The transaction was approved by the Extraordinary Shareholders' Meeting No. 2/2009 on August 27, 2009.

The Bank's Board of Directors Meeting No. 6/2012 held on June 27, 2012 resolved to adjust its operating plan whereby the Bank will not accept the entire business transfer of AYCS as previously approved by the EGM referred above. However, Krungsriayudhya Card Company Limited, operating credit card and personal loan business in which the Bank currently holds 100% of the total shares sold, will consider accepting the entire business transfer of Ayudhya Card Services Company Limited.

6.24.9 On April 21, 2012, Ayudhya Total Solutions Public Company Limited (AYTS) has already completed the transfer of its entire business to Ayudhya Capital Auto Lease Public Company Limited (AYCAL) at net book value of THB 721 million, having total assets and total liabilities of THB 858 million and THB 137 million, respectively on the transfer date, as approved by the extraordinary meeting of shareholders No. 1/2011 of AYTS as well as the annual general meeting of shareholders No. 51 of AYTS and the extraordinary meeting of shareholders No. 1/2011 of AYCAL.

6.24.10 As at March 1, 2011, Ayudhya Capital Services Company Limited ("AYCAP"), the Bank's subsidiary, has additionally invested in Tesco Card Services Limited ("TCS") by 1%, resulting in total holding at 50%.

6.24.11 On June 18, 2011, Ayudhya Auto Lease Public Company Limited transferred its entire business to Ayudhya Capital Auto Lease Public Company Limited at net book value of THB 65 million, having total assets and total liabilities of THB 144 million and THB 79 million, respectively at the transfer date.

6.25 Management compensation

The Bank has no special benefits given to the directors and executive officers beyond the general benefits made as usual, included contingency benefits from employment agreements compensation and other benefits from those persons.

The Bank did not sell, give or lease any properties to the directors, executive officers, or their related parties. The Bank has not purchased or leased any assets from those persons.

For the years ended December 31, 2012 and 2011, compensations paid to key management personnel under TAS 24 (Revised 2009) "Related Party Disclosures" are as follows.

Unit : THB million

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2012	2011	2012	2011
Short-term employee benefits	1,211	926	809	596
Post-employment benefits	31	22	19	11
Total	1,242	948	828	607

6.26 Long-term leases

The Bank and its subsidiaries have entered into land and/or buildings and equipment lease agreements for branch offices and operation. The Bank and its subsidiaries are committed to pay future rental as at December 31, 2012 and 2011, which are summarized as follows:

Unit : THB million

TYPE OF LEASE	PERIOD	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
		2012	2011	2012	2011
Land and/or premises and equipment	Within 1 year	460	446	489	451
	Over 1-5 years	581	625	537	666
	Over 5 years	85	96	85	96
		1,126	1,167	1,111	1,213

6.27 Position and results of operations classified by domestic and foreign business

(1) Position classified by type of business

Position classified by domestic and foreign business as at December 31, 2012 and 2011, are as follows:

Unit : THB million

CONSOLIDATED FINANCIAL STATEMENTS 2012

	Domestic	Foreign	Elimination	Total
Total assets	1,073,071	4,037	(5,143)	1,071,965
Interbank and money market items, net (Assets)	78,815	575	-	79,390
Investments, net	77,765	537	-	78,302
Loans to customers and accrued interest receivable, net	799,456	1,780	-	801,236
Deposits	686,675	484	-	687,159
Interbank and money market items, net (Liabilities)	48,811	10	-	48,821
Debt issued and borrowings	154,629	-	-	154,629

Unit : THB million

CONSOLIDATED FINANCIAL STATEMENTS 2011

	Domestic	Foreign	Elimination	Total
Total assets	948,558	5,695	(6,456)	947,797
Interbank and money market items, net (Assets)	81,222	596	-	81,818
Investments, net	80,525	679	-	81,204
Loans to customers and accrued interest receivable, net	686,683	3,404	-	690,087
Deposits	560,030	510	-	560,540
Interbank and money market items, net (Liabilities)	23,741	-	-	23,741
Debt issued and borrowings	208,263	-	-	208,263

Unit : THB million

THE BANK'S FINANCIAL STATEMENTS 2012

	Domestic	Foreign	Elimination	Total
Total assets	987,573	4,037	(5,143)	986,467
Interbank and money market items, net (Assets)	77,581	575	-	78,156
Investments, net	77,292	537	-	77,829
Loans to customers and accrued interest receivable, net	714,043	1,780	-	715,823
Deposits	692,510	484	-	692,994
Interbank and money market items, net (Liabilities)	48,356	10	-	48,366
Debt issued and borrowings	103,739	-	-	103,739

Unit : THB million

	THE BANK'S FINANCIAL STATEMENTS 2011			
	Domestic	Foreign	Elimination	Total
Total assets	887,584	5,695	(6,456)	886,823
Interbank and money market items, net (Assets)	79,923	596	-	80,519
Investments, net	80,003	679	-	80,682
Loans to customers and accrued interest receivable, net	619,692	3,404	-	623,096
Deposits	563,669	510	-	564,179
Interbank and money market items, net (Liabilities)	23,646	-	-	23,646
Debt issued and borrowings	172,045	-	-	172,045

(2) Results of operations classified by business

Results of operations classified by domestic and foreign business for the years ended December 31, 2012 and 2011, are as follows:

Unit : THB million

	CONSOLIDATED FINANCIAL STATEMENTS 2012			
	Domestic	Foreign	Elimination	Total
Interest income	64,534	106	-	64,640
Interest expenses	24,684	3	-	24,687
Net interest income	39,850	103	-	39,953
Fees and service income, net	12,716	19	-	12,735
Other operating income	11,213	(41)	(2,671)	8,501
Other operating expenses	44,765	89	(2,671)	42,183
Profit (loss) from operating before tax	19,014	(8)	-	19,006

Unit : THB million

	CONSOLIDATED FINANCIAL STATEMENTS 2011			
	Domestic	Foreign	Elimination	Total
Interest income	56,290	138	-	56,428
Interest expenses	18,961	2	-	18,963
Net interest income	37,329	136	-	37,465
Fees and service income, net	10,771	16	-	10,787
Other operating income	9,497	(68)	(2,377)	7,052
Other operating expenses	41,930	137	(2,377)	39,690
Profit (loss) from operating before tax	15,667	(53)	-	15,614

Unit : THB million

	THE BANK'S FINANCIAL STATEMENTS 2012			
	Domestic	Foreign	Elimination	Total
Interest income	43,377	106	-	43,483
Interest expenses	23,212	3	-	23,215
Net interest income	20,165	103	-	20,268
Fees and service income, net	5,697	19	-	5,716
Other operating income	7,944	(41)	(2,671)	5,232
Other operating expenses	25,728	89	(2,671)	23,146
Profit (loss) from operating before tax	8,078	(8)	-	8,070

Unit : THB million

	THE BANK'S FINANCIAL STATEMENTS 2011			
	Domestic	Foreign	Elimination	Total
Interest income	37,261	138	-	37,399
Interest expenses	17,975	2	-	17,977
Net interest income	19,286	136	-	19,422
Fees and service income, net	5,024	16	-	5,040
Other operating income	9,685	(68)	(2,377)	7,240
Other operating expenses	25,334	137	(2,377)	23,094
Profit (loss) from operating before tax	8,661	(53)	-	8,608

6.28 Interest income

Interest income for the years ended December 31, 2012 and 2011, are as follows:

Unit : THB million

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2012	2011	2012	2011
Interbank and money market items	2,481	3,095	2,470	3,089
Investment and trading transactions	206	79	206	77
Investment in debt securities	2,495	1,946	2,479	1,927
Loans to customers	42,563	36,355	38,328	32,306
Hire purchase and financial lease	16,895	14,952	-	-
Total interest income	64,640	56,427	43,483	37,399

6.29 Interest expenses

Interest expenses for the years ended December 31, 2012 and 2011, are as follows:

Unit : THB million

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2012	2011	2012	2011
Deposits	13,450	8,956	13,496	9,005
Interbank and money market items	1,183	1,631	1,157	1,508
Contributions to Financial Institution Development Fund and Deposit Protection Agency	3,206	2,229	3,206	2,229
Debt issued and borrowing				
- Subordinated debenture	1,021	919	1,021	919
- Other	5,746	5,221	4,266	4,315
Borrowing fee expense	69	-	69	-
Other	12	7	-	1
Total interest expenses	24,687	18,963	23,215	17,977

6.30 Fees and service income, net

Fees and service income, net for the years ended December 31, 2012 and 2011, are as follows:

Unit : THB million

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2012	2011	2012	2011
Fees and service income				
- Acceptances, aval and guarantees	518	601	518	603
- Other	15,916	13,237	6,716	5,771
Total fees and service income	16,434	13,838	7,234	6,374
Fees and service expenses	3,699	3,051	1,518	1,334
Total fees and service income, net	12,735	10,787	5,716	5,040

6.31 Gains (losses) from trading and foreign exchange transactions, net

Gains (losses) from trading and foreign exchange transactions, net for the years ended December 31, 2012 and 2011, are as follows:

Unit : THB million

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2012	2011	2012	2011
Gains (losses) from trading and foreign exchange transactions				
- Foreign currency and derivative of currency	1,471	1,254	1,473	1,243
- Derivative of interest rates	(9)	(1)	(9)	(1)
- Debt securities	55	(3)	55	(3)
- Equity securities	25	28	(10)	(13)
Total	1,542	1,278	1,509	1,226

6.32 Gains (losses) on investments

Gains (losses) on investments for the years ended December 31, 2012 and 2011, are as follows:

Unit : THB million

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2012	2011	2012	2011
Gains (losses) on sales of investments				
- Available-for-sale	436	348	436	348
- General investments	382	472	385	472
- Subsidiaries and associates	-	-	(1)	33
	818	820	820	853
Loss on impairment				
- General investments	(18)	-	(18)	-
- Subsidiaries and associates (Reversal)	-	-	-	523
Total	800	820	802	1,376

6.33 Impairment loss of loans and debt securities

Impairment loss of loans and debt securities for the years ended December 31, 2012 and 2011, are as follows:

Unit : THB million

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2012	2011	2012	2011
Interbank and money market items	11	52	11	52
Securities held-to-maturity	41	-	41	-
Loans to customers	10,344	11,341	4,261	6,239
Loss on troubled debt restructuring	989	821	162	117
Total	11,385	12,214	4,475	6,408

6.34 Income tax

Income tax for the years ended December 31, 2012 and 2011, are as follows:

Unit : THB million

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2012	2011	2012	2011
Current tax for the period	5,114	4,610	1,919	1,153
Deferred tax before effect of reduced tax rate	(777)	(385)	(345)	308
Deferred tax from effect reduced tax rate	-	2,085	-	1,096
Total income tax expense	4,337	6,310	1,574	2,557

Reconciliation of effective tax rate

	CONSOLIDATED FINANCIAL STATEMENTS				THE BANK'S FINANCIAL STATEMENTS			
	2012		2011		2012		2011	
	(in million Baht)	Rate (%)	(in million Baht)	Rate (%)	(in million Baht)	Rate (%)	(in million Baht)	Rate (%)
Profit before tax	19,006		15,614		8,070		8,608	
Income tax at the domestic tax rate	4,371	23.00	4,684	30.00	1,856	23.00	2,582	30.00
Add Tax effect of income and expense that are not exempt for tax purposes	492	2.59	1,023	6.55	155	1.92	137	1.59
Less Tax effect of income and expense that are not exempt for tax purposes	(526)	(2.77)	(1,482)	(9.49)	(437)	(5.42)	(1,258)	(14.61)
Add Deferred tax from effect Of reduced tax rate	-	-	2,085	13.35	-	-	1,096	12.73
Income tax as per statements of comprehensive income	4,337	22.82	6,310	40.41	1,574	19.50	2,557	29.71

According to the Royal Decree No.555 B.E.2555 issued under the Revenue Code regarding the corporate income tax rate reduction effective on December 27, 2012, the corporate income tax was reduced from 30% to 23% for an accounting period beginning on or after January 1, 2012 and 20% for two consecutive accounting periods beginning on or after January 1, 2013 and 2014.

Therefore, the Bank and subsidiaries used tax rate of 30% for the corporate income tax calculation for the year ended December 31, 2011 and used tax rate of 23% for the corporate income tax calculation for the year ended December 31, 2012 to conform to such tax rate changes.

The Bank and subsidiaries used the tax rate of 23% and 20% for the calculation of deferred tax for the year ended December 31, 2011 and 20% for the calculation of deferred tax for the year ended December 31, 2012.

6.35 Income tax related to other comprehensive income

Income tax related to other comprehensive income for the year ended December 31, 2012 and 2011, are as follows:

Unit : THB million

	CONSOLIDATED FINANCIAL STATEMENTS					
	2012			2011		
	Amount before tax	Tax income (expenses)	Net amount after tax	Amount before tax	Tax income (expenses)	Net amount after tax
Gains (losses) on remeasuring available-for-sale investment	862	(162)	700	(213)	94	(119)
Actuarial gains (losses) on defined benefit plans	75	(15)	60	(232)	46	(186)
Effect of reduced tax rate relating to assets revaluation	-	-	-	-	652	652
Other comprehensive income	937	(177)	760	(445)	792	347

Unit : THB million

	THE BANK'S FINANCIAL STATEMENTS					
	2012			2011		
	Amount before tax	Tax income (expenses)	Net amount after tax	Amount before tax	Tax income (expenses)	Net amount after tax
Gains (losses) on remeasuring available-for-sale investment	861	(163)	698	(213)	94	(119)
Actuarial gains (losses) on defined benefit plans	84	(17)	67	(166)	33	(133)
Effect of reduced tax rate relating to assets revaluation	-	-	-	-	652	652
Other comprehensive income	945	(180)	765	(379)	779	400

6.36 Approval of financial statements

These financial statements have been approved for issue by the Bank's authorized directors and the Audit Committee on February 13, 2013.

AUDITOR'S FEE

AUDIT FEES*

The Bank and its subsidiaries paid audit fees as per the following:

- To the Bank and its subsidiaries' auditors: THB 23,973,400.
- To auditing firms, individuals or businesses whom the Bank's auditors employed: THB 1,052,000.

NON-AUDIT FEES

The Bank and its subsidiaries paid non-audit fees for services consisting of preparation of special reporting as required by Bank of Thailand, special audits etc., to:

- The Bank and its subsidiaries' auditors
  In the past year, sum of THB 180,000, and in the future, an additional sum of THB 1,103,000 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, sum of THB 2,757,008, and in the future, an additional sum of THB 170,881 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.

GENERAL INFORMATION

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, Yan Nawa, Bangkok 10120
Telephone:	0-2296-2000
Facsimile:	0-2683-1304
Krungsri Call Center:	1572
Website:	www.krungsri.com

Nature of Business

The Bank engages in business as defined by the Commercial Banking Act, the Securities Act, the Securities and Exchange Commission's regulations, the Stock Exchange of Thailand, and related notices. The Bank's services are classified into three core categories:

1. Deposit services – The Bank accepts deposits from ordinary persons and business organizations, which are divided into four types:

- Current accounts
- Savings accounts
- Time deposits
- Foreign currency deposits

2. Loan services – The Bank provides different loan services as follows:

- Overdrafts (O/D)
- Loans, including promissory notes and term loans to business customers
- Housing loans and personal loans to retail customers
- Foreign currency loans
- 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 services through e-channels
- Domestic money transfer services
- International money transfer services
- Electronic banking services to facilitate international trade via Krungsri Trade Link
- Automatic account debit and credit (auto payments), life insurance and non-life insurance brokerage services
- Investment banking services
- Securities business services
- Cash management services
- Foreign currency purchase/sale in advance and financial tools for risk management, exchange rates and interest rates
- Trade finance services
- Government bonds, treasury bills and state enterprise bonds

THE BANK'S SECURITIES

(a) Ordinary shares

Registered capital — As of December 31, 2012: THB 70,893,927,550.00
Number of shares: 7,089,392,755. Par value: THB 10.00.

Issued and paid-up capital — As of December 31, 2012: THB 60,741,437,470.00
Number of shares: 6,074,143,747. Par value: THB 10.00.

(b) Debt Instruments or Convertible Securities

Unit : THB million

Type of debentures	Interest rates (p.a.)	Maturity date	Conditions	Unredeemed amount and value as of December 31, 2012
Long Term Bonds (Non-Collaterals)				
1. Subordinated Debenture No. 1/2010 (BAY206A) Amount: 20,000.00 Issue date: June 23, 2010 Debenture Rating (Fitch / TRIS): A+ / A+ Agent: TMB Bank PCL	1–3 years: 4.35% 4–6 years: 4.75% 7–10 years: 5.50%	June 23, 2020 (10 years)	The Bank has the right to call option on 5th year maturity counting from the issue date or from the date of interest payment after the 5th year maturity, with prior approval from the Bank of Thailand	20,000.00
2. Debenture No.1/2012 Series 1 (BAY142A) Amount: 3,000.00 Issue date: February 24, 2012 Debenture Rating (Fitch): AA- Agent: Thanachart Bank PCL	1–6 months : 3.20% 7–12 months : 3.44% 13–18 months: 4.00% 19–24 months: 4.20%	February 24, 2014 (2 years)	-	3,000.00
3. Debenture No.1/2012 Series 2 (BAY152A) Amount: 4,340.00 Issue date: February 24, 2012 Debenture Rating (Fitch): AA- Agent: Thanachart Bank PCL	1 year: 3.30% 2 years: 3.65% 3 years: 4.50%	February 24, 2015 (3 years)	-	4,340.00
4. Debenture No.1/2012 Series 3 (BAY142B) Amount: 8,600.00 Issue date: February 24, 2012 Debenture Rating (Fitch): AA- Agent: Thanachart Bank PCL	3.70%	February 24, 2014 (2 years)	-	8,600.00
5. Debenture No.1/2012 Series 4 (BAY152B) Amount: 1,900.00 Issue date: February 24, 2012 Debenture Rating (Fitch): AA- Agent: Thanachart Bank PCL	3.80%	February 24, 2015 (3 years)	-	1,900.00
6. Subordinated Debenture No.1/2012 (BAY22NA) Amount: 14,843.60 Issue date: June 23, 2010 Debenture Rating (Fitch): A+ Agent: TMB Bank PCL	4.70%	November 7, 2022 (10 years)	-	14,843.60

Unit : THB million

Type of debentures	Interest rates (p.a.)	Maturity date	Conditions	Unredeemed amount and value as of December 31, 2012
Other Debt Instruments (Non-Collaterals)				
1. Other Debt Instruments (non-collaterals) Short-term Debenture (issued in 2012) Public offering and institution investor Amount: 100,727.10 Issue date: February 29–December 31, 2012 Debenture Rating (Fitch): AA Agent: None	2.75%–3.15%	Depending on the date of purchase (not over 270 days)	-	21,272.20
2. Bill of exchange (issued in 2012) Major investment Amount: 93,060.00 Issue date: January 4–December 31, 2012 Debenture Rating (Fitch / TRIS): None Agent: None	2.15%–3.22%	Depending on the date of purchase (3 days–270 days)	- Non-negotiable bearer B/E - Early redemption is not allowed	7,180.00
3. Bill of Exchange (issued in 2012) Institution investor Amount: 21,892.30 Issue date: January 4–December 31, 2012 Debenture Rating (Fitch / TRIS): None Agent: None	2.20%–3.37%	Depending on the date of purchase (7 days–36 months)	- Non-negotiable Bearer B/E - Early redemption is not allowed	14,668.00

Remark:
1 Thailand Securities Depository Co., Ltd. is the Registrar for the Bank's ordinary share
2 Treasury and Capital Market Operations Department is the Registrar for the Bank's Debenture and Bill of Exchange

Debentures redeemed during 2012

Unit : THB million

Type of Debenture	Amount	Issue date	Maturity date
Long Term Bonds (Non-Collaterals)			
Debenture No.1/2008 Series 3 (BAY123A)	4,000.00	March 18, 2008	March 18, 2012

(c) Binding obligations for future share Issuance

The Annual General Meeting of Shareholders No. 92 on April 27, 2004 resolved to approve on an issuance of three billion new ordinary shares with a value of THB 10.00 per share by which the Bank has already offered two billion issued ordinary shares to GE Capital International Holdings Corporation (GECIH), remaining the other one billion for offering to existing shareholders on a pro rata basis. The existing shareholders has the right to subscribe shares in excess of their existing rights. However, such remaining position has yet not been allocated.

DIVIDEND PAYOUT POLICY

1. OUR DIVIDEND PAYOUT POLICY

The Bank shall pay dividends to the shareholders at a rate not less than 30% of consolidated net profit.

The dividend payment shall be in compliance with Article 41 of the Bank's Articles of Association, that states "Dividends shall not be paid from sources other than profits. The company shall allocate as reserves a portion of its 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, and after approval by the shareholders' at the AGM."

The Bank may from time to time pay shareholders interim dividends if the Board of Directors considers it appropriate given the Bank's consolidated profitability levels. The payment of interim dividends shall be reported to the shareholders at the next general meeting of shareholders.

Dividends shall be paid within the period prescribed by the Law, beginning from the date that the dividend resolution is passed by the general meeting of the shareholders or by the Board of Directors. A written notice shall also be sent to shareholders and dividend payment announcements shall be published in a newspaper.

2. OUR SUBSIDIARIES' DIVIDEND PAYOUT POLICY

All dividend payments by the Bank's subsidiaries must be approved by a resolution of the shareholders at a general shareholder meeting and must be in compliance with relevant rules and regulations.

The subsidiaries may from time to time pay shareholders interim dividends if their Board of Directors considers it appropriate given profitability levels.

In each case, the company must allocate not less than one-twentieth of its net profits as reserves until the total amount allocated is equal to or more than one-tenth of the company's capital.

REFERRAL PARTIES

Name, office, telephone and facsimile of referral parties:

Registrar

• Ordinary shares	Thailand Securities Depository Co., Ltd. 62 The Stock Exchange of Thailand Building, Rachadapisek Road, Klongtoey, Bangkok 10110 Tel: 0 2229 2800 Fax: 0 2359 1259
• Subordinated Debenture No. 1/2010 • Subordinated Debenture No. 1/2012 • Long Term Debenture No. 1/2012 (4 tranches)	Bank of Ayudhya PCL 1222 Rama III Road, Bang Phongphang, Yan Nawa, Bangkok 10120 Tel: 0 2296 5689-90 and 0 2296 5695-6 Fax: 0 2683 1581-2, 0 2683 1293

Agent

• Subordinated Debenture No. 1/2010 • Subordinated Debenture No. 1/2012	TMB Bank PCL 393 Silom Road, Soi 7 Silom, Bangrak, Bangkok 10500 Tel: 0 2230 6320, 0 2230 5706 Fax: 0 2266 9779
• Long Term Debenture No. 1/2012 (4 tranches)	Thanachart Bank PCL Petchburi Building, 2nd Floor 1101 Phetchaburi Road, Makkasan, Ratchathewi, Bangkok 10400 Tel: 0 2208 5000 ext. 4503, 0 2208 5016 Fax: 0 2651 7899, 0 2651 7915

Auditors

Dr. Suphamit Techamontrikul
Certified Public Accountant Registered No. 3356

Mr. Permsak Wongphatcharapakorn
Certified Public Accountant Registered No. 3427

Mr. Niti Jungnitnirundr
Certified Public Accountant Registered No. 3809

Mr.Chawala Tienprasertkit
Certified Public Accountant Registered No. 4301

Deloitte Touche Tohmatsu Jaiyos
Audit Co., Ltd.
183 Rajanakarn Building, 25th Floor
South Sathon Road, Yan Nawa
Sathon, Bangkok 10120
Tel: 0 2676 5700 Fax: 0 2676 5757

Legal Advisors

Pol. Gen. Ajiravid Subarnbhesaj
Mr. Chotechuong Thapvongse
Mr. Kanok Indrambarya
1222 Bank of Ayudhya PCL
Rama III Road
Bang Phongphang, Yan Nawa
Bangkok 10120
Tel: 0 2296 3872 and 0 2296 3882 Fax: 0 2683 1436

GROUP OF COMPANIES

SUBSIDIARIES AND ASSOCIATED COMPANIES

KRUNGSRI AUTO
Ayudhya Capital Auto Lease PCL
87/1 Capital Tower, Floor 3 and 87/2 CRC Tower, Floor 30 All Seasons Place
Wireless Road, Lumpini, Pathumwan, Bangkok 10330
Telephone: 0-2627-6010, 0-2740-7400 Fax: 0-2627-8211

KRUNGSRI LEASING
Ayudhya Development Leasing Co., Ltd.
65/182-185 Chamnan-Phenjati Business Center, Floor 22
Rama IX Road, Huay Kwang, Bangkok 10320
Telephone: 0-2643-1980 Fax: 0-2643-1059-60

KRUNGSRI SECURITIES
Krungsri Securities PCL
Bank of Ayudhya Building, Ploenchit Office, Floor 5
550 Ploenchit Road, Pathumwan, Bangkok 10330
Telephone: 0-2659-7000 Fax: 0-2646-1111

KRUNGSRI ASSET MANAGEMENT
Krungsri Asset Management Co., Ltd.
898 Ploenchit Tower Floor 1-2 Zone A, and Floor 12
Ploenchit Road, Pathumwan, Bangkok 10330
Telephone: 0-2657-5757 Fax: 0-2657-5777

KRUNGSRI MICROFINANCE
CFG Services Co., Ltd.
Juthamard Building, Floors 4, 5, 10
89/170 Moo 3, Vibhavadi Rangsit Road
Talad Bangkhen, Laksi, Bangkok 10210
Telephone: 0-2792-1888 Fax: 0-2792-1949

KRUNGSRI SERVICES
Siam Realty and Services Co., Ltd.
Bank of Ayudhya PCL Head Office (Tower C Floor 5A)
1222 Rama III Road, Bang Phongphang, Yan Nawa, Bangkok 10120
Telephone: 0-2296-3435, 0-2296-2364 Fax: 0-2296-2369

Total Services Solutions PCL
2/3 Moo 14, Bangna Tower B
Bangna-Trad Road, Km. 6.5, Bangkaew, Bangplee, Samutprakarn
Telephone: 0-2714-5199 Fax: 0-2627-8554

Metro Designee Co., Ltd.
189 Rama IX Road, Huay Kwang, Bangkok 10320

KRUNGSRI FACTORING
Krungsri Factoring Co., Ltd.
Bank of Ayudhya PCL Head Office, Floor 19
1222 Rama III Road, Bang Phongphang, Yan Nawa, Bangkok 10120
Telephone: 0-2208-2888 Fax: 0-2208-2858

KRUNGSRI CONSUMER
Ayudhya Card Services Co., Ltd.
Bank of Ayudhya Building, Ploenchit Office, Floor 7
550 Ploenchit Road, Pathumwan, Bangkok 10330
Telephone: 0-2697-8822 Fax: 0-2697-8800

Ayudhya Capital Services Co., Ltd.
87/1 Capital Tower, All Seasons Place, Floor 1–6, 8–11,
Wireless Road, Lumpini, Pathumwan, Bangkok 10330
Telephone: 0-2627-8000

General Card Services Limited
87/1 Capital Tower, All Seasons Place, Floor 1–6, 8
Wireless Road, Lumpini, Pathumwan, Bangkok 10330
Telephone: 0-2627-8111 Fax: 0-2627-8381

Krungsriayudhya Card Co., Ltd.
87/1 Capital Tower, All Seasons Place, Floor 1–6, 8–11
Wireless Road, Lumpini, Bangkok 10330
Telephone: 0-2646-3000 Fax: 0-2646-3001

Krungsri Life Assurance Broker Limited
87/1 Capital Tower, All Seasons Place
Wireless Road, Lumpini, Pathumwan, Bangkok 10330
Telephone: 0-2627-8029 Fax: 0-2627-4117

Krungsri General Insurance Broker Limited
87/1 Capital Tower, All Seasons Place, Floor 11
Wireless Road, Lumpini, Pathumwan, Bangkok 10330
Telephone: 0-2627-8029 Fax: 0-2627-4117

Tesco Card Services Limited
87/1 Capital Tower, All Seasons Place, Floor 1–6
Wireless Road, Lumpini, Pathumwan, Bangkok 10330
Telephone: 0-2627-4130 Fax: 0-2627-4774

Tesco Life Assurance Broker Limited
87/1 Capital Tower, All Seasons Place, Floor 10
Wireless Road, Lumpini, Pathumwan, Bangkok 10330
Telephone: 0-2627-4772 Fax: 0-2627-8611

Tesco General Insurance Broker Limited
87/1 Capital Tower, All Seasons Place, Floor 10
Wireless Road, Lumpini, Pathumwan, Bangkok 10330
Telephone: 0-2627-6090 Fax: 0-2627-8611

KRUNGSRI AMC
Krungsri Ayudhya AMC Ltd.
Bank of Ayudhya PCL Head Office, Floor 11
1222 Rama III Road, Bang Phongphang, Yan Nawa, Bangkok 10120
Telephone: 0-2296-4100 Fax: 0-2683-1400

COMPANIES UNDER DISSOLUTION AND LIQUIDATION PROCESS

Ayudhya Total Solutions PCL
Bank of Ayudhya Building, Ploenchit Office, Floor 7
550 Ploenchit Road, Pathumwan, Bangkok 10330
Telephone: 0-2627-6010 Fax: 0-2627-8211

Siam Bangkok Port Limited
51/1 Moo 3 Poochao Samingphrai Road, Bang Ya Phraek
Phra Pradaeng, Samutprakan 10130

COMPANIES THAT THE BANK HOLDS SHARES OF 10% BUT LESS THAN 20% OF IT PAID-UP CAPITAL

Sri Ayudhya Capital PCL
898 Ploenchit Tower, Floor 7, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330
Telephone: 0-2263-0336 Fax: 0-2263-0589

P.P. Parawood Co., Ltd.
111/1 Moo 1 Tambonbanchang, Phanatnikom, Chonburi 20140
Telephone: (038)464-268-80 Fax: (038)464-261-2

Asian Trade and Leasing Co., Ltd.
Goldenland Building, Floor 5
153/3 Soi Mahardlekluang 1, Rajdamri Road, Lumpini, Pathumwan, Bangkok 10330
Telephone: 0-2652-1199 Fax: 0-2652-1577-8

COMPANIES WITH SHARES ACQUIRED THROUGH DEBT RESTRUCTURING

Lenso Phonecard Co., Ltd.
292 Srinakarin Road, Huamark, Bangkapi, Bangkok 10240
Telephone: 0-2351-8116 Fax: 0-2351-8009

UMC Metals Limited
32/40 Sino-Thai Tower, Floor 16, Sukhumvit 21 Road (Asok)
North Klongtoey, Wattana, Bangkok 10110
Telephone: 0-2259-2942-5 Fax: 0-2259-2946

DISTRIBUTION NETWORK

BANK OF AYUDHYA PUBLIC COMPANY LIMITED

(as of December 31, 2012)

HEAD OFFICE

1222 Rama III Road, Bang Phongphang,
Yan Nawa, Bangkok 10120

Telephone:	0-2296-2000
Krungsri Call Center:	1572
Fax:	0-2683-1304
Website:	www.krungsri.com

BRANCH AND FINANCIAL SERVICES CENTERS

Number of branches in Thailand	**601**
Greater Bangkok and vicinity	273
Upcountry	328
Number of overseas branches outside Thailand	**4**
Foreign Currency Exchange Booths	**80**
Exclusive Banking Zones	**19**

No.	Branch	Telephone
1	RAMA III OFFICE	0 2296 2000
2	PLOENCHIT OFFICE BRANCH	0 2208 2170, 0 2208 2111, 0 2208 2172, 0 2208 2196, 0 2208 2197
3	RAJWONGSE BRANCH	0 2224 5510, 0 2224 5626
4	PHAHURAD BRANCH	0 2221 1604, 0 2221 7740
5	PRATUNAM BRANCH	0 2251 3277, 0 2253 8963
6	VORACHAK BRANCH	0 2221 7678, 0 2223 7118
7	BANGRAK BRANCH OFFICE	0 2237 7177, 0 2237 7148
8	BANGKRABUE BRANCH	0 2243 3256, 0 2243 3262
9	PAKKLONG-TALAD BRANCH	0 2223 0530, 0 2222 9637

No.	Branch	Telephone
10	WONGWIEN 22 KARAKADA BRANCH	0 2222 7585, 0 2223 0760
11	BANGLAMPOO BRANCH	0 2282 8253-4
12	KLONGTEOI BRANCH	0 2249 8012-4
13	SAPAN-KWAI BRANCH	0 2272 2993-4
14	EKAMAI BRANCH	0 2714 0082-5
15	WONGWIEN-YAI BRANCH	0 2437 0173-4
16	BANGKHAE BRANCH	0 2454 2947-50
17	CHOL BURI BRANCH	0 3827 7740-2, 0 3879 2318-20
18	SUPHAN BURI BRANCH	0 3552 3961-3
19	NAKORN RAJSIMA BRANCH	0 4425 1340-2
20	BANPHAI BRANCH	0 4327 2108, 0 4327 2681
21	UDORNDHANI BRANCH	0 4222 1523, 0 4224 4738
22	UBOLRAJDHANI BRANCH	0 4524 4885, 0 4525 4065

No.	Branch	Telephone
23	CHAIYAPHOOM BRANCH	0 4482 1339-41
24	LAMPANG BRANCH	0 5432 3269-72, 0 5422 7077
25	CHIENGMAI BRANCH	0 5325 1811-2, 0 5325 1130-1
26	PETCHABOON BRANCH	0 5672 2572-3
27	CHANTABURI BRANCH	0 3934 6385-8
28	HAADYAI BRANCH	0 7423 9065-6, 0 7424 3051
29	TUNGSONG BRANCH	0 7541 2684-5
30	TRANG BRANCH	0 7522 2416-7, 0 7521 8338
31	PATTANI BRANCH	0 7333 2772-3
32	NARADHIWAAS BRANCH	0 7351 1202-3
33	PAKCHONG BRANCH	0 4431 3908-9
34	PETCHBURI NEW EXT. RD. BRANCH	0 2308 0041-5
35	BANGKAPI BRANCH	0 2377 1724, 0 2377 5352
36	SAO-CHINGCHA BRANCH	0 2222 5206, 0 2224 8805
37	PHRA-PRADAENG BRANCH	0 2463 5230, 0 2463 1012
38	DAO-KHANONG BRANCH	0 2476 0036, 0 2476 5369
39	SUAN-PHLU BRANCH	0 2287 3011-3
40	KHON-KAEN BRANCH	0 4322 0856-7
41	PRANBURI BRANCH	0 3254 4105-6
42	NONG-PHAI BRANCH	0 5678 1411-5
43	RATCHATHEVI BRANCH	0 2653 6720-2
44	FUTURE MART RAMA III BRANCH	0 2292 0673-4, 0 2289 1141
45	SAMYAEK BRANCH OFFICE	0 2221 1520-9
46	BANG-KHEN BRANCH	0 2561 3017-8
47	TRAD BRANCH	0 3952 1151-3
48	HIN-KONG BRANCH	0 3637 9013-4
49	PHRABUDHABATH BRANCH	0 3626 8022-4
50	KLONGSARN BRANCH	0 2437 1377, 0 2437 2646

No.	Branch	Telephone
51	DIN-DAENG BRANCH	0 2642 8838-40
52	KLONG PRAPA BRANCH	0 2270 0829, 0 2271 3171
53	CHAKRAPHAT PHONG BRANCH	0 2280 1757-8
54	MUAKLEK BRANCH	0 3634 1076-7, 0 3634 1048-9
55	WANG NOI BRANCH	0 3527 1882-3
56	TIWANON (KHAERAI) BRANCH	0 2588 3986, 0 2588 4638
57	SONGPHINONG BRANCH	0 3553 1491-2
58	AYUDHYA BRANCH	0 3524 5718-20
59	PHITSANULOK BRANCH	0 5522 1721-3, 0 5530 2599
60	CHACHOENGSAO BRANCH	0 3851 4272-3, 0 3851 1220
61	RANGSIT BRANCH	0 2958 0245-9
62	SAMRONG BRANCH	0 2384 3623-4
63	THANON NANG LINCHI BRANCH	0 2678 3016-8
64	TAPHAN-HIN BRANCH	0 5662 2313-4
65	PHUNPHIN BRANCH	0 7731 1523, 0 7731 1967
66	DONMUANG (NEW BRIDGE) BRANCH	0 2972 5644-7
67	UTTARADIT BRANCH	0 5541 1357, 0 5541 1457
68	OCEAN CHUMPHON BRANCH	0 7751 1491, 0 7751 1493
69	SRI CHIENGMAI BRANCH	0 4245 1336-8
70	SIYAEK WISUTKASAT BRANCH	0 2282 4688-9
71	SIYAEK SAPAN KRUNGDHON BRANCH	0 2424 0125, 0 2424 5023
72	YALA BRANCH	0 7321 1688-9
73	HUA-HIN BRANCH	0 3251 1120, 0 3251 1442
74	THA MUANG BRANCH	0 3461 1412-3
75	PRAISANEEKLANG BRANCH	0 2233 4372-3
76	U THONG BRANCH	0 3552 3022-3, 0 355 51081

No.	Branch	Telephone
77	DET-UDOM BRANCH	0 4536 1001-2
78	BAN PONG BRANCH	0 3220 1949-50, 0 3222 1869
79	PHIBUN MANGSAHAN BRANCH	0 4544 1400-1
80	CHAINAT BRANCH	0 5641 2696-9
81	PHON THONG BRANCH	0 4357 1035-7
82	KRATHUMBAEN BRANCH	0 3447 2580-1
83	BANG PAKONG BRANCH	0 3853 1250-1
84	SI RACHA BRANCH	0 3832 5605-6
85	BAN BUNG BRANCH	0 3844 4019-20
86	CHUM PHAE BRANCH	0 4331 1309-10
87	PHAN BRANCH	0 5372 1251-2
88	SAM PHRAN BRANCH	0 3432 2796-9
89	LUK KAE BRANCH	0 3456 6423-4
90	TAKHLI BRANCH	0 5626 1249, 0 5626 1530
91	RAJAVAT BRANCH	0 2241 3978, 0 2241 4143
92	SUAN MALI BRANCH	0 2223 5413, 0 2223 7305
93	THA RUA BRANCH	0 3534 1969-70
94	SONGKHLA BRANCH	0 7432 1077-9
95	CHARU MUANG BRANCH	0 2214 2352-3
96	TAK BRANCH	0 5551 3511-3
97	SAMUT PRAKAN BRANCH	0 2387 1814-5
98	MAHA SARAKHAM BRANCH	0 4372 2227-8
99	ROI ED BRANCH	0 4351 1615-6
100	SALA DAENG BRANCH	0 2237 7143-4
101	SING BURI BRANCH	0 3652 0697-8
102	KALASIN BRANCH	0 4381 1556-7
103	UNION MALL LAT PHRAO BRANCH	0 2511 3149, 0 2511 1698
104	TALAT PHLU BRANCH	0 2466 9766, 0 2466 9672
105	NAKHON NAYOK BRANCH	0 3731 2644-5
106	SIYAEK ASOK BRANCH	0 2261 8119-21
107	CHIANG RAI BRANCH	0 5374 4641-3
108	LOP BURI BRANCH	0 3641 1599-600

No.	Branch	Telephone
109	THA DIN DAENG BRANCH	0 2437 2509, 0 2437 3359
110	SAMRAY BRANCH	0 2438 6811-2
111	TAO PUN BRANCH	0 2585 4217, 0 2585 6799
112	BANGKOK NOI BRANCH	0 2424 0599-600
113	SUKHUMWIT 35 BRANCH	0 2259 0020-3
114	YAOWARAT BRANCH	0 2223 5336-7
115	PHRAE BRANCH	0 5451 1595-6
116	RATCHABURI BRANCH	0 3232 5650-2
117	SIYAEK SUAPA BRANCH	0 2223 5334-5
118	SAMUT SAKHON BRANCH	0 3441 1986-7
119	NAKHON SAWAN BRANCH	0 5622 8017-8
120	SIAM SQUARE BRANCH	0 2255 1116-7
121	PHETCHABURI BRANCH	0 3242 8611-2
122	SURAWONG BRANCH	0 2631 4050-9
123	SURAT THANI BRANCH	0 7728 3116-9, 0 7727 3007-8
124	BANG SU BRANCH	0 2587 0635-6
125	SAM YOD BRANCH	0 2223 7855-7
126	BURI RAM BRANCH	0 4461 4128-30
127	URUPHONG BRANCH	0 2215 7000-1
128	SAPHANLUANG BRANCH	0 2215 4593-4
129	SURIN BRANCH	0 4451 5061-2
130	THANON CHAN BRANCH	0 2287 4384-8
131	PHANAT NIKHOM BRANCH	0 3846 1378-9
132	SIKHIU BRANCH	0 4441 2465-6
133	KLAENG BRANCH	0 3867 4427-8
134	PAK KRET BRANCH	0 2960 7961-2
135	NAM PHONG BRANCH	0 4343 1341-2
136	PHUKET BRANCH	0 7621 1110, 0 7621 1592
137	PRATU CHANG PHUAK BRANCH	0 5321 1700-1
138	NAKHON SI THAMMARAT BRANCH	0 7534 2789, 0 7534 6125
139	THA PHRA BRANCH	0 2457 0067, 0 2457 0534

No.	Branch	Telephone
140	HUAMARK BRANCH	0 2314 6746-7, 0 23145841, 0 23181136
141	THANON MITTRAPHAP BRANCH	0 4425 6866, 0 4425 6900
142	CHAKKRAWAT BRANCH	0 2222 1677, 0 2222 1848
143	SANAM POA BRANCH	0 2615 0198-9
144	NONTHABURI BRANCH	0 2967 2000-1
145	NAKHON PATHOM BRANCH	0 3425 1155-7
146	SARABURI BRANCH	0 3622 2277-9
147	RAYONG BRANCH	0 3861 6072-3, 0 38612846
148	RATCHADAPHISEK (HUAIKHWANG) BRANCH	0 2275 666-10
149	KANCHANABURI BRANCH	0 3451 5058-9
150	SAPHAN PHRACHAO TAKSIN BRANCH	0 2437 0230, 0 2438 7726
151	SUTTHISAN BRANCH	0 2270 0164-5
152	SAPHAN PRA PINKLAO BRANCH	0 2433 0085-8
153	SI SAKET BRANCH	0 4561 2293-4
154	ARUN-AMARIN BRANCH	0 2412 6186-8
155	THANON PHET KASEMHAT YAI BRANCH	0 7423 0557-8
156	PHUTTHAISONG BRANCH	0 4468 9114-5
157	BANG PLA MA BRANCH	0 3558 7623-4
158	RANONG BRANCH	0 7781 1777, 0 7782 1205
159	PHU WIANG BRANCH	0 4329 1290-2
160	NON SUNG BRANCH	0 4437 9111-3
161	WIANG SA BRANCH	0 7736 1958-60
162	SAMUT SONGKHRAM BRANCH	0 3471 3039-40
163	YASOTHON BRANCH	0 4571 2954-6
164	SUKHOTHAI BRANCH	0 5561 2671-2
165	THANON PHATTHANAKAN BRANCH	0 2318 3289, 0 2314 7700
166	LAT PHRAO 102 BRANCH	0 2539 4508-11
167	KAMPHAENG PHET BRANCH	0 5571 3013-4
168	SAKON NAKHON BRANCH	0 4271 3001-2

No.	Branch	Telephone
169	NAN BRANCH	0 5477 2584-6
170	THANON MALIWAN BRANCH	0 4323 7952, 0 4324 2566, 0 43333941-3
171	PATTAYA BRANCH	0 3842 6907-8, 0 38424440
172	NA KLANG BRANCH	0 4235 9023-4
173	PHANOM PHRAI BRANCH	0 4359 1141-2
174	SIYAEK KHAO RAI YA BRANCH	0 3933 5398-9
175	BANG SAI BRANCH	0 3537 1444-5, 0 3574 1111-5
176	RAT BURANA BRANCH	0 2464 1445-6
177	WANON-NIWAT BRANCH	0 4279 1165-6
178	HUAI KRA BOK BRANCH	0 3220 1949-50, 0 3229 1091-3
179	BANG-O BRANCH	0 2424 0948, 0 2435 2257
180	BAN TAK BRANCH	0 5559 1249-50
181	SUKHUMWIT 101/1 (PIYAROM PLACE)	0 2730 5549-51
182	KHAO YOI BRANCH	0 3249 9057-8, 0 3243 9811-3
183	KHAI BANG RACHAN BRANCH	0 3659 7050-2
184	SRINAKARIND-ON NUJ BRANCH	0 2321 1584, 0 2321 8838
185	CHAENG WATTHANA 14 BRANCH	0 2574 6174-6
186	THANON PHRARAM THI 4 (KLONGTEOI) BRANCH	0 2260 9506-10
187	BO PHLOI BRANCH	0 3458 1055-6
188	BAN RONG PO BRANCH	0 3824 1031-4
189	THUNG YAI BRANCH	0 7548 9004-5
190	CENTRAL WONGSAWANG BRANCH	0 2913 9708-11
191	PRACHIN BURI BRANCH	0 3721 3217-8
192	NONG KHAI BRANCH	0 4242 0743-4
193	MUANG SAMSIP BRANCH	0 4548 9004-5

No.	Branch	Telephone
194	SUKHUMWIT 23 BRANCH	0 2229 4433, 0 2229 4435, 0 22611 914-7
195	PHATTHALUNG BRANCH	0 7461 1365-6
196	RATCHADAPHISEK (THAPHRA-TAKSIN) BRANCH	0 2477 9692-4
197	KO SAMUI BRANCH	0 7742 0176-9
198	KANCHANADIT BRANCH	0 7737 9028-30
199	PATONG BRANCH	0 7634 0809-10
200	THANON CHAYANGKUN UBONRATCHATHANI BRANCH	0 4524 4594-5
201	THA RUA PHRA THAEN BRANCH	0 3456 2005-6
202	KAMPHAENG SAEN BRANCH	0 3435 1705-6
203	SIYAEK WANG HIN BRANCH	0 2570 5584-7
204	NONGBUA UDONTHANI BRANCH	0 4224 3434
205	THAP PUT BRANCH	0 7644 2228-30
206	BANGBON BRANCH	0 2416 8366, 0 2416 8367
207	PHAYAO BRANCH	0 5448 1863-4
208	THANON CHANG KHLAN CHIANG MAI BRANCH	0 5327 0431-4
209	NONG PRATHIP CHIANG MAI BRANCH	0 5324 0240-3
210	LOM SAK BRANCH	0 5670 2009-11
211	BANG MUN NAK BRANCH	0 5663 1844-7
212	THANON SRINAKRIND-THEPHARAK BRANCH	0 2385 0975-9, 0 2385 7923-4
213	THANON SI PHUWANAT HAT YAI BRANCH	0 7422 1003-5
214	UTHAI THANI BRANCH	0 5651 2561-4
215	MAP TA PHUT BRANCH	0 3860 8891-4
216	PATHUM THANI BRANCH	0 2581 3908-10
217	SATTAHIP BRANCH	0 3843 7781-3
218	PURE PLACE RAMKHAMHANG 110 BRANCH	0 2373 4740-2
219	WONG WIEN SA KAEO LOP BURI BRANCH	0 3642 2601-2

No.	Branch	Telephone
220	THANON SAWANWITHI NAKHON SAWAN BRANCH	0 5622 7866-7, 0 5622 7493-4
221	SUNGAI KOLOK BRANCH	0 7361 5741-3
222	MIN BURI BRANCH	0 2517 9897-9
223	LAT BUA LUANG BRANCH	0 3537 9350-2
224	THANON TIWANON (KHLONG BANG TALAT) BRANCH	0 2580 6611, 0 2580 6622
225	KRABI BRANCH	0 7562 1258-61, 0 7566 4002-3
226	PRACHUAP KHIRI KHAN BRANCH	0 3261 1980-1
227	THA YANG BRANCH	0 3246 1826-7, 0 3277 1067-9
228	THANON SUKHUMWIT CHOLBURI BRANCH	0 3827 4520-1
229	MAE HONG SON BRANCH	0 5361 1868-9, 0 5361 2334-5
230	PHANGNGA BRANCH	0 7641 1989, 0 7641 2444
231	BANG MOT BRANCH	0 2428 4389-90
232	LOEI BRANCH	0 4281 2619-20
233	ROJANA INDUSTRIAL PARK BRANCH	0 3533 0515, 0 3533 0525
234	THANON RAT BURANA (BANGPAKOK) BRANCH	0 2428 4534-7
235	THANON CHAROEN NAKHON SOI 4 BRANCH	0 2439 1104, 0 2439 6448, 0 2438 9424
236	FORTUNE TOWN BRANCH	0 2248 3380-3
237	AO UDOM BRANCH	0 3835 2466-9, 0 3835 2904-5
238	SOI THONG LO BRANCH	0 2392 2838-9
239	LUMPINI BRANCH	0 2285 6696-9
240	PHOTHARAM BRANCH	0 3235 4317-8
241	NAVANAKORN BRANCH	0 2529 2076-8
242	SAM LIAM DIN DAENG BRANCH	0 2642 4020-1
243	KACHET BRANCH	0 3864 8295-6
244	NONG DON BRANCH	0 3639 7225-8

No.	Branch	Telephone
245	THANON RAMKHAMHAENG 19 BRANCH	0 2718 9302-3
246	BANG BUA THONG BRANCH	0 2571 3530-4
247	LAT KRABANG BRANCH	0 2326 8815-8
248	THANON SUKHAPHIBAN 1 BRANCH	0 2375 5801-2
249	BANG YAI BRANCH	0 2594 0608-9, 0 2594 0605
250	SATUN BRANCH	0 7472 2500-2
251	ON NUJ 23 BRANCH	0 2332 2737, 0 2332 2837
252	PHICHIT BRANCH	0 5661 2510-4
253	CHA-AM BRANCH	0 3247 2047-51
254	NAKHON PHANOM BRANCH	0 4251 3082-5
255	THANON RAM INDRA KM.8 BRANCH	0 2509 5880-3
256	PHANOM SARAKHAM BRANCH	0 3855 1840-3
257	THANON SURASAK1 SIRACHA BRANCH	0 3832 4272-6
258	THANON ROT FAI RATCHABURI BRANCH	0 3232 5650-2, 0 3232 2388-91
259	PRACHA NIWET 1 BRANCH	0 2954 3880-2
260	SA KAEO BRANCH	0 3724 1810-3
261	MAKHAMTIA BRANCH	0 7728 8750-3
262	TALAT SI MUM MUANG BRANCH	0 2536 8154-6
263	THANON RATCHADAPHISEK (OLYMPIA THAI TOWER)	0 2513 8731-5
264	PLOENCHIT TOWER BRANCH	0 2263 0667-9
265	NAKHON CHAISI BRANCH	0 3433 3640-4
266	HANG DONG BRANCH	0 5344 1986-7
267	THANON PHET KASEM 33 (FUTURE PARK PLAZA) BRANCH	0 2454 8700-7
268	THANON BOONYAWAT LAMPANG BRANCH	0 5422 8184-6
269	THANON RANGSIT-NAKHON NAYOK (KHLONG 2) BRANCH	0 2966 0916-8
270	ANG THONG BRANCH	0 3562 5150-1

No.	Branch	Telephone
271	MUKDAHAN BRANCH	0 4261 3035-6
272	THANON SUKHAPHIBAN 2 BRANCH	0 2374 1935-8
273	THANON POON PHOL PHUKET BRANCH	0 7622 1284-6, 0 7622 1009
274	SENA BRANCH	0 3520 2009, 0 3520 2280
275	THANON BANG NA-TRAT (CENTRAL CITY) BRANCH	0 2361 0625-6, 0 2361 0562-5
276	THANON PHET KASEM 55 BRANCH	0 2454 6969, 0 2454 9966
277	THANON THIAM RUAM MIT BRANCH	0 2274 4008-10
278	MAE SOT BRANCH	0 5553 3781-3
279	HA YAEK PHOKHUN MENGRAI BRANCH	0 5371 1292, 0 5371 1793, 0 5371 1292
280	THANON CHOM THONG BRANCH	0 2468 5740, 0 2468 8096
281	SOI CHARAN SANITWONG 13 BRANCH	0 2864 0977-9
282	THANON SRINAKARIND-KRUNG THEP KRITHA BRANCH	0 2375 1249, 0 2375 3917, 0 5371 1292
283	NONGKHAEM BRANCH	0 2444 2958-9
284	CHUMPHON BRANCH	0 7750 5032, 0 7750 5069
285	PARADISE PARK BRANCH	0 2746 0194-9
286	THANON NGAMWONGWAN BRANCH	0 2951 8403-4
287	THANON SRINAKARIND-SUKHUMWIT BRANCH	0 2389 1443, 0 2389 1465
288	LANG SUAN BRANCH	0 7758 2513-5
289	SAPHAN PRA NANGKLAO BRANCH	0 2527 0241-4
290	THANON HAISOKE ROI ET BRANCH	0 4351 1830, 0 4351 3307, 0 4351 5002
291	LAMPHUN BRANCH	0 5351 0246-50
292	THANON HUAI KAEO CHIANG MAI BRANCH	0 5321 9804-6

No.	Branch	Telephone
293	THANON SUKHUMWIT 71 BRANCH	0 2390 1936, 0 2381 2171
294	LAM NARAI BRANCH	0 3646 1994-5
295	THANON RAM INDRA KM.2 BRANCH	0 2971 6678-82
296	SAPHAN CHOM KLAO PHETCHABURI BRANCH	0 3241 3185-7
297	THANON WAT KINGKAEO BRANCH	0 2316 9495-6
298	THANON SATHU PRADIT BRANCH	0 2295 1104-5
299	THANON CHAENG WATTHANA (SOFTWARE PARK) BRANCH	0 2962 3104-8
300	THANON PRACHA UTHIT BRANCH	0 2427 1041, 0 2427 1415
301	MAE SAI BRANCH	0 5364 0769-71
302	THANON SONG PRAPHA BRANCH	0 2566 4291-3
303	THANON BANG NA TRAT (NATION TOWER) BRANCH	0 2751 4036-9
304	THANON PATTAYA TAI BRANCH	0 3842 5524-5
305	OM NOI BRANCH	0 2431 0131-6
306	THANON SUEKSA CHAROEN PHETCHABOON	0 5672 2247-8
307	THA PHRA KHON KAEN BRANCH	0 4326 1661-5
308	THANON RAMA II BRANCH	0 2451 4094-8
309	BANG PA-IN BRANCH	0 3522 1071-4
310	PHRAN NOK BRANCH	0 2411 4543, 0 2418 2515
311	THANON BANG KHUN THIAN BRANCH	0 2416 3481-2
312	NARESUAN UNIVERSITY BRANCH	0 5526 1125-6
313	THANON MAHIDOL (SIYAEK NONG HOI) BRANCH	0 5380 1700-3
314	THANON VIBHAVADIRANGSIT (SUNTOWERS) BRANCH	0 2617 6486-90
315	KAENG KHOI BRANCH	0 3624 5320-3

No.	Branch	Telephone
316	NONG KHAE BRANCH	0 3632 6400-3
317	SUKHUMWIT 103 (UDOM SUK) BRANCH	0 2383 8793-7
318	PHRA PRATHON BRANCH	0 3424 2826-7
319	BANG SAPHAN BRANCH	0 3254 8404-7
320	RAMA IX-SRINAKARIND BRANCH	0 2300 1642, 0 2300 1645
321	KABIN BURI BRANCH	0 3720 3015-9
322	THANON THEP KRASATTRI PHUKET BRANCH	0 7623 6337-8
323	THANON MITTRAPHAP-YAER PAKTHONGCHAI BRANCH	0 4427 7324-5
324	SAN KAMPHAENS BRANCH	0 5339 2592-6
325	THANON SUKHUMWIT 63 BRANCH	0 2711 4600-6
326	BANG PU BRANCH	0 2324 3581-5
327	WARIN CHAMRAP BRANCH	0 4526 9470-4
328	NONG BUA LAM PHU BRANCH	0 4231 2536-40
329	THANON KANCHANAWANIT SONGKHLA BRANCH	0 7432 5806-10
330	MAE RIM BRANCH	0 5329 9916-9
331	THANON SUKHUMWIT TRAD BRANCH	0 3952 0969, 0 3952 0994-7
332	THANON PHRAEKSA SAMUTPRAKAN BRANCH	0 2387 0081-2
333	HUA THALE NAKHON RATCHASIMA BRANCH	0 4426 6042-6
334	AMNAT CHAROEN BRANCH	0 4551 1731-4
335	THANON WAT KINGKAEO (RACHA TEWA) BRANCH	0 2312 4795-7
336	KASETSART UNIVERSITY BRANCH	0 2561 3661, 0 2561 3490-1
337	PHON SAWAN BRANCH	0 4259 5119, 0 4259 5091
338	PRATUNAM PHRA-IN BRANCH	0 3521 9851-4
339	BANG BO BRANCH	0 2708 5393, 0 2708 5419
340	DON PHUT BRANCH	0 3638 5112-4

No.	Branch	Telephone
341	THANON RAM INDRA-VACHARAPHOL BRANCH	0 2509 4993, 0 2509 5095
342	KHUAN DON BRANCH	0 7473 5271-5
343	THANON CHAROEN NAKHON SOI 35 BRANCH	0 2439 1104, 0 2439 6448, 0 2439 0615, 25
344	SI BANPHOT BRANCH	0 7468 9164-7
345	THANON BOROMARAJAJONANI (TALING CHAN) BRANCH	0 2880 9908-9
346	THANON THEPHARAK BRANCH	0 2385 0975-9
347	THANON SUKSAWAT 53 BRANCH	0 2463 2510, 0 2463 2920, 0 2463 2560
348	THANON PHATTHANAKAN KHUKHWANG BRANCH	0 7531 7841-5
349	THANON MITTRAPHAP KHONKAEN BRANCH	0 4332 5411-5
350	THANON CHOTANA CHIANGMAI BRANCH	0 5340 9420-4
351	THANON PHRAPHANVASA SUPHANBURI BRANCH	0 3552 5128-32
352	THANON BOROMARAJAJONANI (PINKLAO) BRANCH	0 2433 1468, 0 2433 4985
353	THANON PHAHONYOTHIN 26 (ELEPHANT TOWER) BRANCH	0 2937 4983-92
354	THANON SATHON NUA (A.I.-CENTER) BRANCH	0 2637 7276-85
355	THANON AKATOSAROT PHITSANULOK BRANCH	0 5522 5173-7
356	CHOKCHAI 4 BRANCH	0 2530 1696, 0 2530 3790
357	THANON PRACHARAT SAI 1 BRANCH	0 2585 2610, 0 2586 8897
358	NANG RONG BRANCH	0 4462 4318-22
359	ON NUJ 69 BRANCH	0 2726 0475-8
360	THANON RATCHADAPHISEK (CENTRAL RAMA III) BRANCH	0 2673 6309-14
361	BETONG BRANCH	0 7324 5861-4
362	THANON PHAHON YOTHIN SARABURI BRANCH	0 3631 8401-4

No.	Branch	Telephone
363	FANG BRANCH	0 5338 2813-7
364	NOENTENG CHOLBURI BRANCH	0 3826 1101-3
365	THANON KANCHANAWANIT HAT YAI BRANCH	0 7421 7111-3
366	SIYAEK SANAMBIN CHIANGMAI BRANCH	0 5328 0525-7
367	ONG KHARAK BRANCH	0 3732 2268-9
368	THANON RAT BANCHOP SAMUT SAKHON BRANCH	0 3442 8126-7
369	THANON PHOSI UDONTHANI BRANCH	0 4224 9736-7
370	THANON LAMLUKKA (KHLONG 2) BRANCH	0 2523 3933-5
371	ASSUMPTION UNIVERSITY (THANON BANGNA-TRAD KM.26) BRANCH	0 2707 0350-4
372	NAKHON RATCHASIMA RAJABHAT UNIVERSITY BRANCH	0 4424 8405-6
373	SUAN DUSIT RAJABHAT UNIVERSITY BRANCH	0 2241 8325-7
374	SAKON NAKNON RAJABHAT UNIVERSITY BRANCH	0 4271 4303, 0 4271 6887, 0 4297 0101-3
375	CHIANGRAI RAJABHAT UNIVERSITY BRANCH	0 5377 6038, 0 5377 6066
376	CHAWENG BEACH BRANCH	0 7741 3736-8
377	CENTRAL LAT PHRAO BRANCH	0 2541 1176-7
378	ASSUMPTION UNIVERSITY (HUA MARK) BRANCH	0 2300 4452-4
379	BURI RAM RAJABHAT UNIVERSITY BRANCH	0 4460 1519, 0 4461 4159
380	MAE FAH LUANG UNIVERSITY BRANCH	0 5378 7121, 0 5378 7185, 0 5391 2121-2
381	MAE NAM BRANCH	0 7742 7787-9
382	AO NANG KRABI BRANCH	0 7569 5429-31
383	IRPC RAYONG BRANCH	0 3862 3939-41,
384	STAR PLAZA RAYONG BRANCH	0 3862 3842-4

No.	Branch	Telephone
385	CENTRAL RAMA II BRANCH	0 2872 1478-80
386	KHAO LAK PHANG-NGA BRANCH	0 7642 3425-7 0 7648 5425-7
387	KHONKAEN UNIVERSITY BRANCH	0 4320 2260, 0 4334 2388
388	LAMPANG RAJABHAT UNIVERSITY BRANCH	0 5431 7950-2
389	CHULALONGKORN 42 BRANCH	0 2219 1624-6
390	UBON RATCHATHANI RAJABHAT UNIVERSITY BRANCH	0 4525 5416, 0 4525 5537
391	NIKHOM PHATTHANA RAYONG BRANCH	0 3863 7585-6, 0 3889 7504
392	EASTERN SEABOARD INDUSTRIAL ESTATE BRANCH	0 3865 6256-7, 0 3895 4704
393	BIG C UDON THANI BRANCH	0 4221 2733-4, 0 4220 4920
394	LAMAI BEACH BRANCH	0 7741 9017-8, 0 7723 0821
395	KASETSART UNIVERSITY (SAKON NAKHON) BRANCH	0 4275 4228-30
396	TESCO LOTUS AMATA NAKORN CHONBURI BRANCH	0 3845 7462-5
397	HA YAEK CHALONG PHUKET BRANCH	0 7638 4034-6
398	THE MALL BANG KAPI BRANCH	0 2374 6177-8, 0 2374 6294
399	THE MALL BANG KHAE BRANCH	0 2455 3930-1, 0 2455 3921
400	QUEEN SIRIKIT NATIONAL CONVENTION CENTER BRANCH	0 2229 5592-4
401	304 INDUSTRIAL PARK PRACHIN BURI BRANCH	0 3727 4300-1, 0 3720 8314
402	RAJAMANGALA UNIVERSITY OF TECHNOLOGY THANYABURI BRANCH	0 2577 4504-5, 0 2927 4744
403	IMPACT MUANG THONG THANI BRANCH	0 2504 5162-4
404	KAMALA BEACH PHUKET BRANCH	0 7627 8113-4, 0 76386 125-6

No.	Branch	Telephone
405	THANON SAI ASIA NAKHONSAWAN BRANCH	0 5622 8188-90
406	HI-TECH INDUSTRIAL ESTATE BRANCH	0 3531 4337-9
407	SOCIAL SECURITY OFFICE BRANCH	0 2526 9610-2
408	WELLGROW INDUSTRAIL ESTATE BRANCH	0 3851 7820-1, 0 3884 2253
409	THANON PHET KASEM HUA HIN BRANCH	0 3251 3927, 0 3251 3932
410	THE MALL NGAM WONG WAN BRANCH	0 2550 0630-1, 0 2550 0905
411	TESCO LOTUS PATTAYA (NORTH) BRANCH	0 3842 3399, 0 3842 3044
412	CENTRAL FESTIVAL PHUKET BRANCH	0 7636 7005-7
413	THANON RATCHAWITHI NAKHON PATHOM BRANCH	0 3427 5020-1, 0 3428 0282
414	FASHION ISLAND BRANCH	0 2947 5140-2
415	THANON BANG KHUN THIAN - CHAI THALE BRANCH	0 2894 6537-9
416	PHI PHI ISLAND BRANCH	0 7561 8109, 0 7561 8033, 0 7560 1010-2
417	KASEMRAD PRACHACHUEN HOSPITAL BRANCH	0 2587 4240-1, 0 2587 5707
418	SOI NOEN PLUB WAN PATTAYA BRANCH	0 3840 2272-3
419	TESCO LOTUS PHUKET BRANCH	0 7621 2619, 0 7621 2656, 0 7652 4235-8
420	J-AVENUE THONG LO BRANCH	0 2185 3113-4
421	CHOENG THALE PHUKET BRANCH	0 7632 5062, 0 76325 139
422	THANON CHALOEM PHRA KIAT PHUKET BRANCH	0 7637 6001 - 2
423	BEACH ROAD (CHAWENG) BRANCH	0 7741 3464, 0 7746 8413
424	TALAT THANOMMIT VACHARAPHOL BRANCH	0 2347 0292-5
425	THANON KIJMANEE SAMUT SAKHON BRANCH	0 3442 5122, 0 3445 5120

No.	Branch	Telephone
426	SI YAEK PAK RUAM BRANCH	0 3833 7245-6
427	KO CHANG BRANCH	0 3955 1431-3
428	EMPIRE TOWER BRANCH	0 2670 1648-50
429	GRAND CANAL BRANCH	0 2575 2163-4
430	KASEMRAD RATTANATIBETH HOSPITAL BRANCH	0 2594 0937-9
431	TALAT WONGSAKORN BRANCH	0 2563 5341-2, 0 2563 5350
432	THANON CHOMSIN HUA HIN BRANCH	0 3251 5370 - 1, 0 3251 5406
433	BANGKOK SAMUI HOSPITAL BRANCH	0 7741 4033, 0 7741 4058-9
434	TOPS CHAROEN KRUNG BRANCH	0 2291 1602, 0 2291 1782, 0 2291 1894, 0 2235 5812-4
435	LAEM CHABANG BRANCH	0 3849 3542-3, 0 3849 3556
436	TALAT MIN BURI BRANCH	0 2517 1022-3, 0 2517 1025
437	THAI SUMMIT TOWER BRANCH	0 2251 3114 - 6
438	CENTRAL PINKLAO BRANCH	0 2433 4830-1, 0 2433 4836
439	THANON KHEHA ROMKLAO BRANCH	0 2557 1033-5
440	BANG SAO THONG BRANCH	0 2313 4547-9
441	PTT THANON PHATTHANAKAN BRANCH	0 2322 1278-80
442	THANON RATCHAPHRUEK BRANCH	0 2423 0181-3
443	THANON NANAI PATONG BRANCH	0 7634 5 161, 0 7634 5163-4
444	CHOENG MON BEACH BRANCH	0 7748 4223
445	TALAAD THAI BRANCH	0 2529 1121, 0 2529 1960, 0 2529 2508
446	TESCO LOTUS BOWIN BRANCH	0 3811 7120-3
447	ZUELLIG HOUSE BRANCH	0 223 35134-6
448	THANON SUKHUMWIT PATTAYA BRANCH	0 3842 4376, 0 38424 722-3

No.	Branch	Telephone
449	KHLONG KHRU SAMUT SAKHON BRANCH	0 3442 8916-7, 0 3442 8930
450	THANON MUEANGMAI BANGPHLI 2 BRANCH	0 2315 1112-4
451	KING MONGKUT'S INSTITUTE OF TECHNOLOGY LADKRABANG BRANCH	0 2326 4715-7
452	KABINBURI INDUSTRIAL ZONE BRANCH	0 3745 5334, 0 3745 5502-3
453	CENTRAL WORLD BRANCH	0 2251 7055-9
454	Q.HOUSE CONVENT BRANCH	0 2234 5475-7
455	NAVA NAKORN INDUSTRIAL PROMOTION ZONE BRANCH	0 2529 1295, 0 2529 3266, 0 2529 3974
456	NORTHERN REGION INDUSTRIAL ESTATE (LAMPHUN) BRANCH	0 53582 112 - 4
457	SAHA GROUP INDUSTRIAL PARK SIRACHA BRANCH	0 3848 2325, 0 3848 2334, 0 3848 2366
458	HOME PRO RATCHAPHRUEK BRANCH	0 2423 3645-8
459	HOME PRO BANG NA BRANCH	0 2325 1167-9
460	EASTERN SEABOARD INDUSTRIAL ESTATE 2 BRANCH	0 3865 6446-8
461	TOPS RAMA III BRANCH	0 2213 0796-7, 0 2213 0713
462	BIG C CHAENG WATTHANA 2 BRANCH	0 2584 1411, 0 21432, 1561
463	CENTURY PLAZA BRANCH	0 2245 9517-9
464	CENTRAL RATTANATHIBET BRANCH	0 2525 4546-8
465	CENTRAL AIRPORT CHIANG MAI BRANCH	0 5328 1660-2
466	SIAM PARAGON BRANCH	0 2129 4560-5
467	PTT THANON KANCHANAPHISEK BRANCH	0 2455 9316-7
468	PTT THANON RATCHAPHRUEK BRANCH	0 2432 2223-5
469	KO PHA-NGAN BRANCH	0 7737 7276, 0 7737 7672

No.	Branch	Telephone
470	BOPHUT BRANCH	0 7742 7540, 0 7742 7541, 0 7742 7542
471	BANG PHUN BRANCH	0 2581 8545, 0 2581 8546, 0 2581 8547
472	PTT THANON PHUTTHAMONTHON SAI 4 BRANCH	0 2429 2051, 0 2429 2104, 0 2429 2130
473	Q. HOUSE LUMPINI BRANCH	0 2343 8791-3
474	PTT THANON CHALONG KRUNG BRANCH	0 2360 5213-5
475	BANGKOK PATTAYA HOSPITAL BRANCH	0 3842 2514, 0 3842 2526, 0 3842 2534
476	PINTHONG INDUSTRIAL ESTATE BRANCH	0 3834 8184-6
477	RAJAMANGALA UNIVERSITY OF TECHNOLOGY KRUNGTHEP BRANCH	0 2286 0324, 0 2286 0341
478	PTT THANON RANGSIT-NAKHON NAYOK (KHLONG 7) BRANCH	0 2577 4636-8
479	THANON PATAK (KARON) BRANCH	0 7639 8249-51
480	PTT THANON LAT PHAKHAO BRANCH	0 2570 2169, 0 2570 2172
481	SOI BOONSAMPAN PATTAYA BRANCH	0 3840 6683-5
482	SOI BUAKHAO PATTAYA BRANCH	0 38415 873-5
483	PTT THANON KASET-NAWAMIN BRANCH	0 2553 2031-3
484	SOI NAKLUEA 16 PATTAYA BRANCH	0 3841 6617-9
485	DON HUALO (AMATA NAKON CHON BURI) BRANCH	0 3845 3049-51
486	KO PHO CHON BURI BRANCH	0 3820 9787-9
487	PTT THANON EKKACHAI BRANCH	0 3441 8190-2, 0 3486 7708-10
488	PTT THANON SURANARAI NAKHON RATCHASIMA BRANCH	0 4425 7061-3

No.	Branch	Telephone
489	PTT THANON THEPHARAK BRANCH	0 2385 5986-8
490	THANON CHALOEM PHRA KIAT (PATTAYA SAI 3) BRANCH	0 3841 3485-7
491	PTT WARIN CHAMRAP BRANCH	0 4532 3770-3
492	THANON BAN KOK KHON KAEN BRANCH	0 4327 0455-7
493	SILPAKORN UNIVERSITY (SANAM CHANDRA PALACE CAMPUS) BRANCH	0 3427 1133, 0 3427 1484, 0 3427 1598
494	THANON PHRAYASATCHA CHON BURI BRANCH	0 3827 2319-20, 0 38272 400
495	BAN SAI YUAN (RAWAI) BRANCH	0 7638 8804-6
496	PTT THANON TIWANON BRANCH	0 2584 5501-3
497	HOMEPRO KHON KAEN BRANCH	0 43271 624-6
498	HOMEPRO UDON THANI BRANCH	0 4224 6000, 0 4224 6733-4
499	BAN PHO CHACHOENGSAO BRANCH	0 3813 0134-6
500	NONGKAE HUA HIN BRANCH	0 32516 546-8
501	PAI BRANCH	0 53699 062, 0 53699 097
502	THANON KLANGMUEANG KHON KAEN BRANCH	0 4322 2588, 0 4322 2799, 0 4322 3877
503	ESPLANADE RATCHADA BRANCH	0 2660 9120-22
504	PETCHKASEM AVENUE BRANCH	0 2809 2961-2, 0 2809 2403
505	J.J. MALL BRANCH	0 2265 9544-6
506	PTT RIMKOK CHIANG RAI BRANCH	0 5371 8 383, 0 5371 8 830, 0 5371 8969
507	PHATTHANANIKHOM SOI 12 (LOPBURI) BRANCH	0 3643 6066, 0 3643 6114, 0 3643 6252
508	PTT THANON THEPPRASIT PATTAYA BRANCH	0 3890 6623-5

No.	Branch	Telephone
509	ALL SEASONS PLACE BRANCH	0 2250 1240-1, 0 2250 1244, 0 2685 3032-3
510	HUACHIEW CHALERMPRAKIET UNIVERSITY BRANCH	0 2312 6625, 0 2312 6719, 0 2312 6765
511	IMPERIAL WORLD SAMRONG BRANCH	0 2380 6214-6
512	ROBINSON SRIRACHA BRANCH	0 3832 2067, 0 3832 2107
513	TALAT SAVE ONE NAKHON RATCHASIMA BRANCH	0 4422 2131, 0 4422 2141, 0 4422 2158
514	THANON PHUTTHAMONTHON SAI 5 BRANCH	0 2420 7715, 0 2420 7720, 0 2420 7723
515	JUNGCEYLON PHUKET BRANCH	0 7636 6029, 0 7636 6030, 0 7636 6031
516	THE AVENUE CHAENGWATTHANA BRANCH	0 2573 8106, 0 2573 8107, 0 2573 8108
517	THE AVENUE PATTAYA BRANCH	0 3805 2003-5
518	THANON PHRABARAMI PHUKET BRANCH	0 7632 2179, 0 7632 2180, 0 7632 2181
519	THANON THEPHARAK KM.22.5 (YES BANGPHLI) BRANCH	0 2315 2984-6
520	PA KHLOK PHUKET BRANCH	0 7637 9851-3
521	THANON CHAO FA (EAST) PHUKET BRANCH	0 7652 5071-3
522	SAM KONG PHUKET BRANCH	0 7652 3200-2
523	TESCO LOTUS SALAYA BRANCH	0 2482 2100-1
524	PTT THANON SERI THAI BRANCH	0 2379 8910, 0 2379 8914, 0 2379 8916
525	SOI KHAO TA LO PATTAYA BRANCH	0 3833 3255-7
526	PTT THANON VIBHAVADIRANGSIT 32 BRANCH	0 2513 1290, 0 2513 1298, 0 2513 1129

No.	Branch	Telephone
527	PTT RATCHAPHRUEK - RATTANATHIBET BRANCH	0 2191 9864-66
528	PTT THANON PRADIT MANUTHAM BRANCH	0 2538 3772, 0 2538 3511, 0 2538 3540
529	BANGSAEN BRANCH	0 3838 5353-5
530	THANON THAVEERATPHAKDEE (CHAWENG) BRANCH	0 7748 4451-3
531	BIG C AYUTTHAYA BRANCH	0 3574 7152-4
532	LAEM CHABANG INDUSTRIAL ESTATE (FREE ZONE 2) BRANCH	0 3849 1270-2
533	THE GOVERNMENT COMPLEX COMMEMORATING (BUILDING B) BRANCH	0 2143 9636-8
534	CENTRAL CHAENG WATTHANA BRANCH	0 2193 8081-3
535	CENTRAL FESTIVAL PATTAYA BEACH BRANCH	0 3804 3250-2
536	HARBOR MALL LAEM CHABANG BRANCH	0 3849 3673-5
537	CENTRAL CHON BURI BRANCH	0 3805 3601-3
538	NICHADA THANI BRANCH	0 2582 2668-9, 0 2582 3015
539	SUNEE TOWER UBONRATCHATHANI BRANCH	0 4531 6804-5, 0 4531 6015
540	TALAT SURANAKHON NAKHONRATCHASIMA BRANCH	0 4434 2828-30
541	THANON KANCHANAVITHI SURATTHANI BRANCH	0 7791 0133-5
542	THANON VIBHAVADIRANGSIT (DON MUEANG) BRANCH	0 2533 4590-2
543	BAN CHANG BRANCH	0 3860 4771-3
544	LAT PHRAO 101 BRANCH	0 2375 5553, 0 2375 5196, 0 2375 5317
545	PTT THANON KANCHANAPHISEK 2 BRANCH	0 2447 9050-1
546	SOI MANGKORN SAMUT PRAKAN BRANCH	0 2334 3334-6

No.	Branch	Telephone
547	CENTRAL KHONKAEN BRANCH	0 4328 8100-2
548	THONGLOR (SOMERSET SUKHUMVIT) BRANCH	0 2381 4710-2
549	ENERGY COMPLEX BRANCH	0 25370130-1, 0 2537 0156
550	JOMTIEN BEACH (KONGDONGTAN) BRANCH	0 3805 9572-4
551	ODEAN FASHION MALL HATYAI BRANCH	0 7422 3861-3
552	SAHATHAI PLAZA THUNGSONG BRANCH	0 7541 1666, 0 7541 1900, 0 7541 1918
553	THANON BANGNA-TRAT (BANGNA TOWER) BRANCH	0 2312 0370-2
554	K VILLAGE SUKHUMVIT 26 BRANCH	0 2661 5016, 0 2661 5024, 0 2661 5027
555	THE MALL NAKHONRATCHASIMA BRANCH	0 4439 3457-9
556	THANON EAKKACHAI PHOJAE BRANCH	0 3445 1636-8
557	TESCO LOTUS KAMTHIENG CHIENG MAI BRANCH	0 5322 2873-5
558	BO BAE BRANCH	0 2282 0524-25, 0 2282 0538
559	TESCO LOTUS ARANYAPRATHET BRANCH	0 3754 1718-20
560	ROBINSON TRANG BRANCH	0 7582 0301-3
561	CHAMCHURI SQUARE BRANCH	0 2160 5240-2
562	THANON ROJANA (AYUDHYA) BRANCH	0 3532 3597-9
563	TESCO LOTUS CHUMPHON BRANCH	0 7765 9917-8 0 77659-927
564	SEACON SQUARE BRANCH	0 2138 5711-3
565	CENTRAL PLAZA CHIANGRAI BRANCH	0 5317 9712-4
566	BIG C HATYAI BRANCH	0 7421 4570-2
567	SILOM BRANCH	0 2235 3950-2
568	PA PAYOM PHATTHALUNG BRANCH	0 7484 1144-6

No.	Branch	Telephone
569	THANON MAHARAT KRABI BRANCH	0 7562 4580-2
570	TESCO LOTUS HATYAI-NAI BRANCH	0 7425 5098, 0 7425 5754-5
571	TESCO LOTUS THALANG PHUKET BRANCH	0 7631 1522-4
572	SUKHUMVIT 15 BRANCH	0 2255 1763-5
573	CENTRAL PLAZA PHITSANULOK BRANCH	0 5533 8662
574	CENTRAL PLAZA GRAND RAMA 9 BRANCH	0 2160 2912-4
575	BIG C CHANTABURI BRANCH	0 3943 6467-9
576	WANG WISET TRANG BRANCH	0 9629 6189-91
577	THE CRYSTAL BRANCH	0 2515 0980-2
578	TESCO LOTUS KHLONG THOM KRABI BRANCH	0 7569 9530-2
579	BUENG KAN BRANCH	0 4249 1692, 0 4249 1961, 0 4249 1965
580	KANTHARALAK BRANCH	0 4566 1282, 0 4566 1812, 0 4566 2594
581	TALAT-RANGSIT BRANCH	0 2567 2453-5
582	EXCHANGE TOWER BRANCH	0 2261 1686-8
583	TESCO LOTUS LAMTHAP KRABI BRANCH	0 7570 2184-6
584	SATHORN SQUARE BRANCH	0 2163 2811-3
585	ROBINSON SUPHANBURI BRANCH	0 3545 4366-8
586	BIG C NAKHONPATHOM BRANCH	0 3427 2086-8
587	THAKHONYANG MAHASARAKHAM BRANCH	0 4397 0304-6
588	CENTRAL PLAZA UDONTHANI BRANCH	0 4292 1433-5
589	TESCO LOTUS KLONG NGAE BRANCH	0 7454 1117, 0 7454 1127, 0 7454 1128
590	BIG C CHACHOENGSAO BRANCH	0 385 12364, 0 3851 2365, 0 3851 2406

No.	Branch	Telephone
591	THAI LIFE INSURANCE BUILDING (RATCHADAPISEK ROAD) BRANCH	0 2246 0091-3
592	THONGLOR (VASU BUILDING) BRANCH	
593	MEGA BANGNA BRANCH	0 2105 1530-2
594	PATPONG BRANCH	0 2233 6681-3
595	TESCO LOTUS CHAIYA BRANCH	0 7743 1502-3, 0 7743 1753
596	PURE PLACE RATCHAPHRUEK BRANCH	0 2194 8476-8

No.	Branch	Telephone
597	ZEER RANGSIT BRANCH	0 2992 7271 -3
598	AYUTTHAYA PARK SHOPPING COMPLEX BRANCH	0 3533 7122-4
599	ASAWANN SHOPPING COMPLEX NONG KHAI BRANCH	0 4241 4131, 0 4241 4137, 0 4241 4142
600	CENTRAL STATION TOWER BRANCH	0 2236 603740
601	BIG C BANG PHLI BRANCH	0 2312 2252-3, 0 2312 2433-4

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