BANK OF AYUDHYA

We stand by our services-

a trusted partner for the success

of all our customers.

Annual Report 2008

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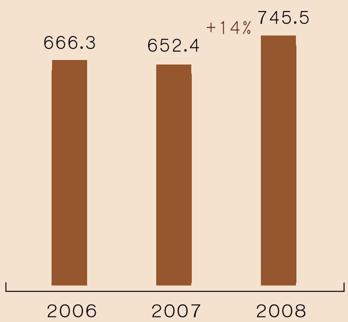
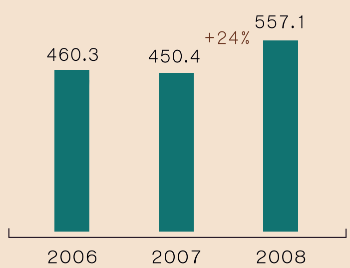
Consolidated (Baht Billion)

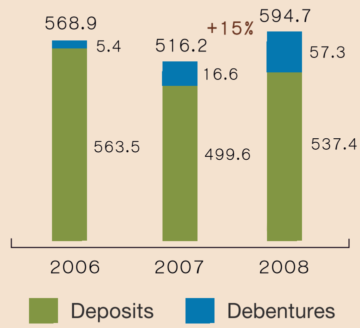
Assets



Loans

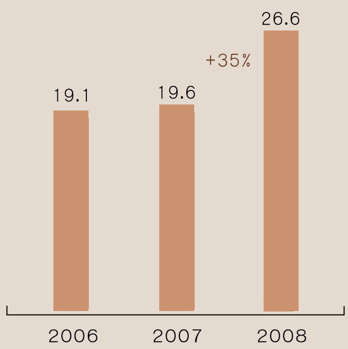


Deposits and Debentures



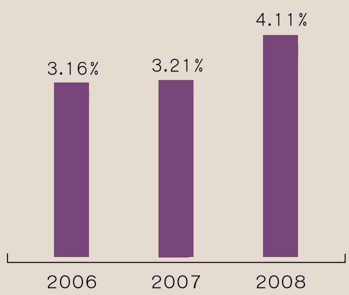
Consolidated (Baht Billion)

Net Interest and Dividend Income



Consolidated

Net Interest Margin (NIM)

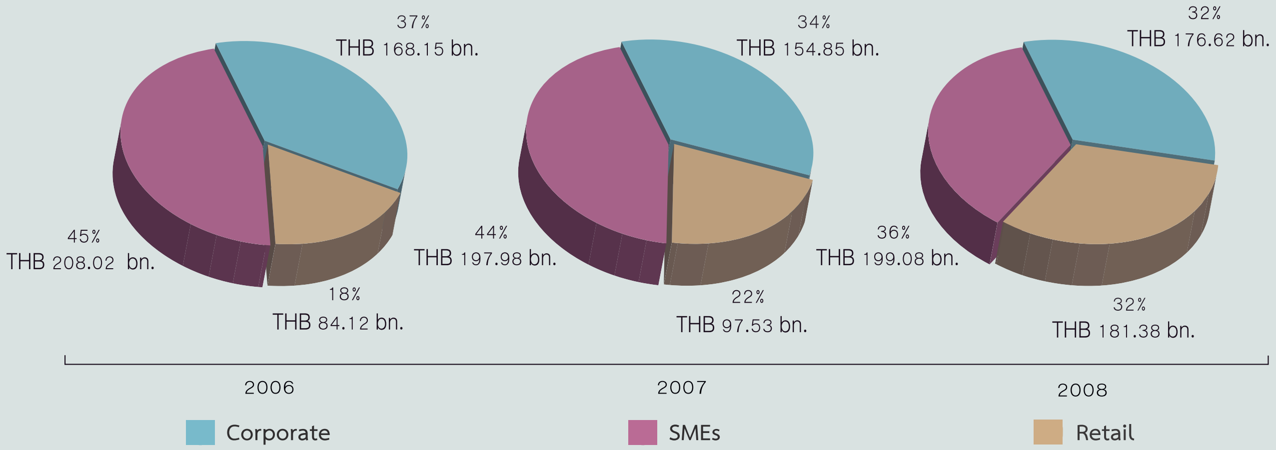


Consolidated (Baht Billion)

Fees and Service Income

Consolidated

Breakdown of Loan Portfolio



	Consolidated Financial Statements					Separate Financial Statements				
	2008	2007	2006	2005	2004	2008	2007	2006	2005	2004
Balance Sheet Information (Million Baht)										
Assets	745,477	652,387	666,342	647,817	575,356	742,576	650,623	664,558	636,936	568,390
Loans	557,077	450,356	460,288	453,774	420,102	540,443	444,962	459,267	443,551	415,108
Allowance for doubtful accounts	32,308	35,219	28,812	20,965	20,863	23,725	29,509	22,821	18,266	18,762
Net NPLs	32,954	43,627	39,747	50,721	50,298	21,838	30,095	25,463	29,396	28,082
Gross NPLs	55,137	70,633	63,187	63,900	64,445	38,226	53,678	43,595	41,736	42,046
Liabilities	660,109	574,320	619,196	607,443	542,213	657,103	570,618	616,506	597,552	535,571
Deposits	537,354	499,627	563,496	559,890	497,443	540,747	500,406	563,673	553,532	492,365
Shareholders' equity	85,367	78,067	47,146	40,374	33,142	85,473	80,006	48,051	39,384	32,819
Operating Performance (Million Baht)										
Interest and dividend income	41,163	35,064	35,726	24,622	20,271	33,948	34,278	34,676	23,756	19,813
Interest expenses	14,595	15,442	16,678	7,949	6,802	13,770	15,324	16,474	7,700	6,691
Net interest and dividend income	26,568	19,622	19,048	16,673	13,469	20,178	18,954	18,202	16,056	13,122
Bad debt and doubtful accounts	6,060	12,365	11,361	6,060	3,548	4,700	11,500	6,339	4,100	3,000
Non-interest income	6,170	7,547	9,154	8,263	5,652	4,279	5,387	4,188	5,508	4,494
Non-interest expenses	21,224	18,664	15,267	12,752	10,769	16,757	16,351	13,358	11,439	9,935
Net profit (loss)	4,896	(3,992)	1,666	6,017	4,673	2,929	(3,518)	2,684	6,017	4,673
Financial Ratios										
Return on average assets (%)	0.70	(0.61)	0.25	0.98	0.85	0.42	(1.53)	0.41	1.00	0.86
Return on average equity (%)	5.99	(6.38)	3.81	16.37	15.08	3.54	(5.49)	6.14	16.67	15.22
Net profit (loss) per share (Baht)	0.83	(0.76)	0.58	2.10	1.64	0.50	(0.67)	0.93	2.10	1.64
Non-interest expenses / Total Income (%)	64.83	68.70	54.13	51.14	56.32	68.52	67.17	59.66	53.05	56.40
Capital to risk assets ratio [1/] (%)	17.41	19.80	11.59	10.49	10.19	17.79	20.35	11.67	11.01	10.72
Tier 1 capital to risk assets ratio [1/] (%)	13.92	15.12	7.47	6.30	5.84	14.31	15.66	7.52	6.62	6.15
Book value per share (Baht)	14.05	13.55	13.85	14.06	11.62	14.07	13.88	14.12	13.72	11.51
Loans to deposit ratio (%)	103.67	90.14	81.68	81.05	84.45	99.94	88.92	81.48	80.13	84.31
Loans to deposit and debentures ratio (%)	93.67	87.24	80.91	n.a.	n.a.	90.35	86.07	80.70	n.a.	n.a.
NPLs / loan (net) [2/] (%)	5.45	10.20	9.02	11.35	12.13	3.68	7.07	5.73	6.72	6.85
NPLs / loan (gross) [3/] (%)	8.80	15.53	13.63	13.89	15.03	6.26	11.95	9.43	9.28	9.92
Total allowance to loans (%)	1.09	2.75	2.47	1.34	0.84	0.87	2.58	1.38	0.92	0.72
Total allowance to NPLs (%)	58.69	49.92	45.65	32.91	32.63	62.20	55.05	52.42	43.92	44.81

[1/] Consolidated number represent Bank and Ayudhaya Asset Management Company only (BASEL I).
[2/] Represents percentage of net NPLs divided by loans including money market loans less NPLs reserves.
[3/] Represents percentage of gross NPLs divided by loans including money market loans.

Message from the Chairman and the President and Chief Executive Officer

Tan Kong Khoon
President and CEO

Veraphan Teepsuwan
Chairman

The year 2008 witnessed a turbulent change in the world economy. The troubles arising from the US sub-prime credit market spread widely to other countries and abruptly turned into the worst global economic and financial crisis in 80 years. The impact from the global crisis, coupled with the prolonged political tensions in Thailand that escalated to more violence and eventually airport closures around the year end, resulted in the Thai economy suffering a downturn. GDP growth suddenly decelerated from over 5% in the first half year to contract 0.4% in the second half of the year with deep negative growth of -4.3% registered in the fourth quarter. This was mainly due to deteriorating performance in exports and tourism, sectors that had been leading earners of foreign exchange income for many years. At the same time, confidence among consumers and investors plummeted. Consequently, the Thai economy in 2008 grew 2.6%, a decline from 4.9% growth in 2007.

The Bank of Ayudhya, despite the prevailing highly challenging situation for its business operations, was able to report satisfactory improvement in its 2008 performance. This is the result of the Bank's underlying strength and prudent business approach that enable it to deal with the rapidly changing environment in a globalized world. In addition, thanks to the dedication and hard work of both the management and staff, we were able to report a net profit of Baht 4.896 billion in 2008, a dramatic improvement from a net loss of Baht 3.992 billion in the previous year. Key drivers for the improvement are a 35% surge in net interest and dividend income and a 38% jump in fee and service income. Non-interest expenses increased by only 14% and there was a decrease in provisions for doubtful accounts. In addition, under prudent practice the Bank set aside an additional Baht 2.293 billion making 100% provision for its held-to-maturity CDO investments.

A major contributor to the improved profitability of the Bank is the significant net loan growth of 24% in 2008. This came from both organic growth and the successful acquisition of GE Capital Auto Lease Public Company Limited, a leader in the auto hire purchase business in Thailand, which has now been renamed Ayudhya Capital Auto Lease Public Company Limited. The Bank is now a market leader in the auto HP business with 18% of its total loan portfolio made up of auto HP. At the same time, its retail loan portfolio increased to 32% of total loans. As at end of 2008, the Bank's loan portfolio structure was of a better balanced mix, with similar portions of corporate, SME, and retail loans.

Another key development for the Bank was the significant improvement in its asset quality. The Bank continued to successfully sell more non-performing loans (NPLs) in 2008. Thus, on a consolidated basis, the gross NPLs and net NPLs at the end of 2008 decreased to 8.8% and 5.5% of total loans respectively, a substantial drop from 15.5% and 10.2% respectively at the end of 2007. At the same time, loan loss reserve ratio improved to 59% from 50% in the prior year. These improvements reflect a strengthened balance sheet.

In pursuit of its policy objective of becoming a Thai Commercial Bank with highest standard of Good Corporate Governance, the Bank has implemented its "Core Values" which embrace Integrity, Accountability, Team Spirit, Innovation, and Passion for Progress. Awareness of these values among personnel at all levels will help drive continuous improvement towards service excellence. In addition, the Bank realizes the importance of information technology in support of service quality improvement in terms of greater speed, accuracy, and precision. The achievements of the Bank in these areas are reflected by the fact that the Bank won the "Best Local Trade Finance in Thailand" award for two consecutive years.

For its 2009 business operations, the Bank is prepared for an even more challenging environment. It is likely that the negative effects stemming from the turbulent global financial and economic situation in 2008 would continue to be felt in Thailand. Nevertheless, with its strong fundamental structure, a healthy capital adequacy ratio standing above 15%, a commitment to continuous improvement of risk management and human resource development and an adherence to prudent principles, the Bank is confident that it will be able to weather the stormy business conditions and continue to deliver against its business plan.

In the name of the Bank of Ayudhya Public Company Limited, we both would like to express sincere thanks to our shareholders, customers, the general public, the Bank's staff, and all related persons and organizations for their unfaltering support for the Bank. Their confidence has helped the Bank of Ayudhya to prosper and emerge stronger.

(Veraphan Teepsuwan)	(Tan Kong Khoon)
Chairman	President and CEO

Board of Directors

1 Mr. Veraphan Teepsuwan
Chairman

2 Mr. Tan Kong Khoon
Director
President and Chief Executive Officer

3 Mr. Surachai Prukbamroong
Independent Director
Chairman of Audit Committee

4 Mr. Karun Kittisataporn
Independent Director
Chairman of Nomination and Remuneration Committee

5 Mr. Virat Phairatphiboon
Independent Director
Member of the Audit Committee
Member of the Nomination and
Remuneration Committee

6 Mr. Yongyuth Withyawongsaruchi
Independent Director
Member of the Audit Committee

7 Mr. Pongpinit Tejagupta
Director

8 Mrs. Janice R. Van Ekeren
Director

9 Mr. Pornsanong Tuchinda
Director
Member of the Nomination and
Remuneration Committee

10 Mr. Chet Raktakanishta
Director

(Please refer to page 77-80 for each director’s profile)

Senior Management

1 Mr. Tan Kong Khoon
President and Chief Executive Officer

2 Mr. Pongpinit Tejagupta
Head of Distribution

3 Mrs. Janice R. Van Ekeren
Chief Financial Officer

4 Mr. Virojn Srethapramotaya
Head of Corporate Banking

5 Mr. Poomchai Wacharapong
Head of SME Banking

6 Mr. Roy A. Gunara
Head of Consumer Banking

7 Mr. Tinnawat Mahatharadol
Head of Treasury

8 Mr. Chandrashekar Subramanian Krishoolndmangalam
Chief Risk Officer

9 Mrs. Wanna Thamsirisup
Head of Operations

10 Miss Phawana Niemloy
General Counsel

11 Mr. Sudargo Harsono
Chief Marketing Officer

12 Miss Nopporn Tirawattanagool
Head of Human Resources

13 Dr. Yaowalak Poolthong
Head of Corporate Communications & Investor Relations

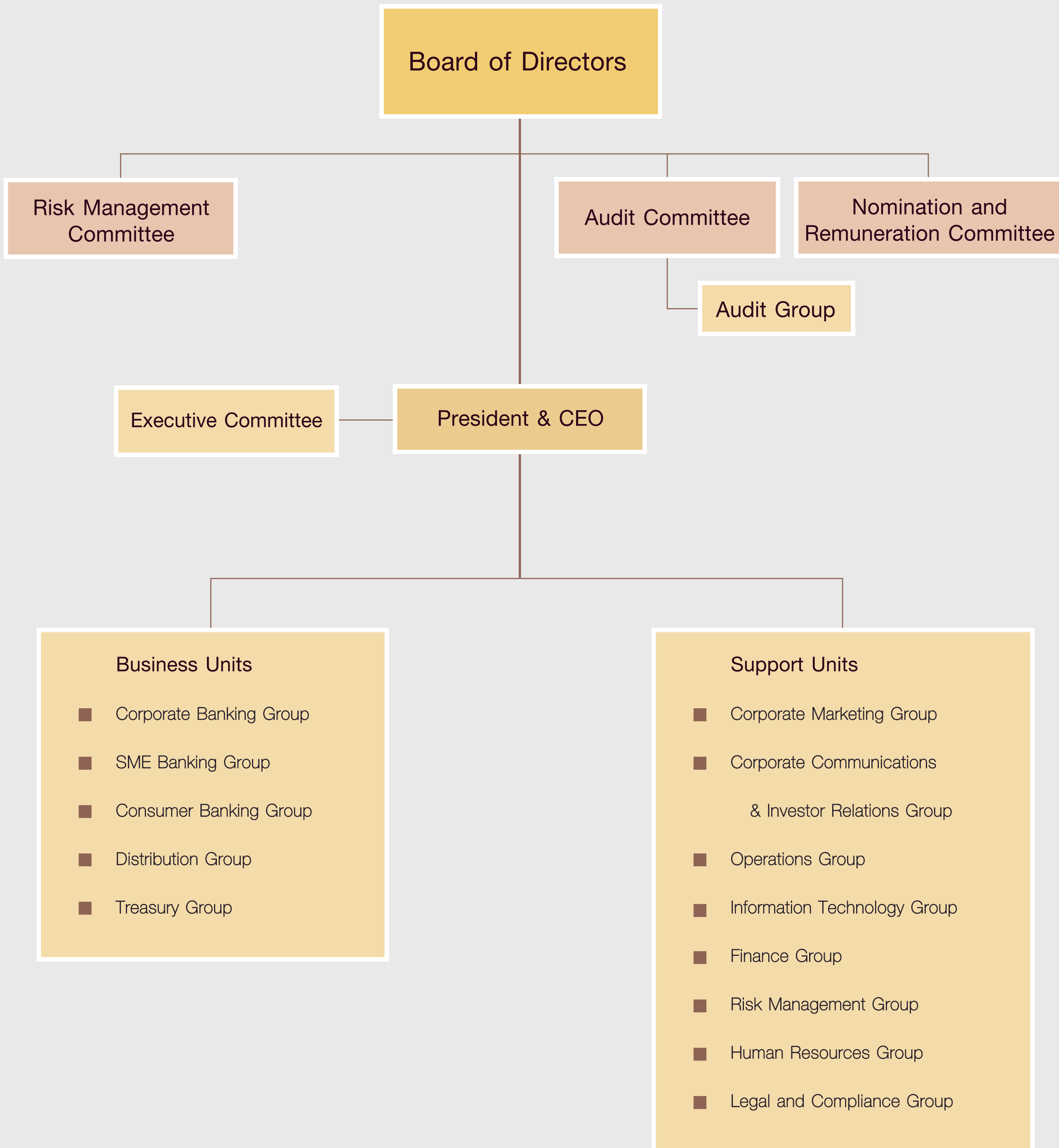
14 Mr. Apirom Noi-Am
Head of Information Technology

15 Mr. Somrit Srithongdee
Head of Special Project - Human Resources

16 Mr. Chalermpol Vuttisombut
Audit Group and Acting Head of Audit
(Retired on December 31,2008. Currently assuming Specialist and Acting Head of Audit Position.)

(Please refer to page 79-84 for each executive's profile.
Information as of 1 March 2009)

Organization Structure



We stand by our individual customers' sides, fostering their brimming confidence through our complete services.

We support SME businesses-
being an integral part
of their success and prosperity.

We're a partner for the success of our corporate clients - providing financial advice, solutions, and support to keep their businesses running smoothly.

We stand by our services - a trusted partner for the success of all our customers.

At the Bank of Ayudhya, we're always there for our customers - individuals, SME, and large corporate enterprises alike. We're a proud partner in the success of all our customers. We offer the best, most innovative, and most comprehensive range of financial products and services specially tailored to meet the needs of our customers in all segments. We're there to ensure that our customers' business and lifestyle forge ahead, fulfil their potential for growth, sharpen the competitiveness and confidence in joining every race and every business competition for sustainable growth.

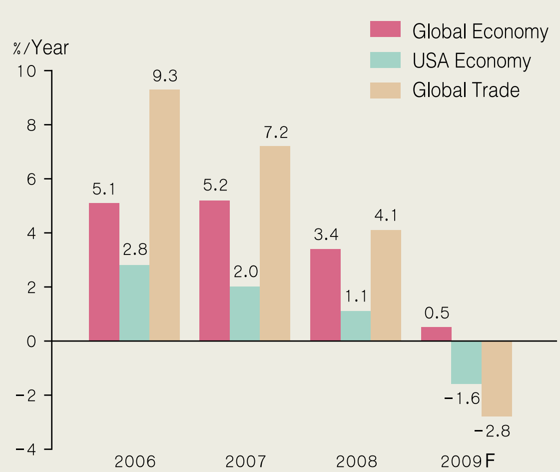
The Thai Economy in 2008 and the Outlook for 2009

2008 saw a turbulent change in the Thai economy

The Thai economy in 2008 experienced a high degree of volatility. During the first half year, commodity prices surged vigorously especially among most agricultural products, which substantially boosted farm income. Meanwhile, the economies of Thailand's major trading partners kept on growing, accounting for a strong export growth in USD terms of over 20%. In spite of domestic political tensions that turned violent from time to time and a surge in oil prices that eroded the incentive for consumption and investment, **the Thai economy as a whole in the first half year still enjoyed a healthy growth of over 5%.**

In the second half year however, events changed drastically. The US financial crisis, which started in the middle of 2007, caused many leading financial institutions and companies to go into bankruptcy or faced shortage of liquidity. This crisis had a severe impact on the US economy and spread widely, turning into a global economic crisis. According to most estimations, the crisis is the worst in 80 years. The economies of many countries, especially industrialized countries, contracted in the second half of the year. Crude oil prices in the world market, that had reached a record peak of 147 USD/barrel in July, reversed course, tumbling rapidly along with the prices of other commodities. The phenomena clearly reflect the collapse of bubbles in the world commodity markets. For Thailand, the adverse effects of the global economic and financial crisis were exacerbated by unfavorable domestic political events. The tensions reached a crucial point when the Government House compound and the two main international airports were seized by demonstrators. This had a strong negative effect on the country's image and credibility. The tourism sector and related businesses suffered tremendous damage. At the same time, the export sector was adversely affected by the sudden deterioration of global demand. Export growth in Q4 turned negative for

Global Economic Growth



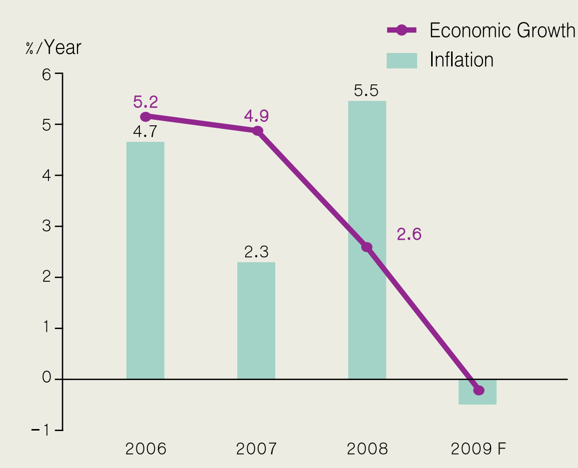
the first time in 6 years at -9.4%. Investor and consumer confidence simultaneously plunged. The stock market price index at year-end had tumbled by 50% from the start of the year. Capacity utilization in the industrial sector sank to the lowest level in a decade. Inflation however, that had climbed to as high as 9.2% in July, declined to a mere 0.4% in December mainly because of tumbling oil and commodity prices and the sluggish demand for goods and services. Economic growth in Q4 thus fell into negative territory for the first time in 10 years. Consequently, the Thai economy for the full year of 2008 registered a mild growth of only 2.6%, the lowest expansion in 7 years.

The Thai economy in 2009 is likely to experience abrupt change and slow down substantially as a result of the global economic crisis.

• The depressed global economy will continue to result in deteriorating export performance in terms of both quantity and price.

The current global economic and financial crisis is anticipated to cause gigantic damage worldwide as the synchronicity of recession among major economies is truly unprecedented. Economic superpowers like the US, EU, and Japan, whose combined economies make up more than 60% of the global economy, are all in crisis at the same time. The troubles started in pseudo-economy and from the collapse of large bubbles in the US housing sector, stock exchanges, commodity markets and other assets. The severe contraction of derivative markets after an unprecedented enlargement in recent years to the point where, by some estimations, it was 10 times the size of the world's real economy was also

Thai Economic Growth and Inflation



a major factor. The crisis spread rapidly throughout the financial sector causing a tight liquidity situation worldwide, which in turn dragged the real economic sectors of many countries into recession. The collapse of these bubbles has drastically reduced wealth of both households and businesses, so many of which went into or are on the brink of bankruptcy. Many countries have had to cooperate on a synchronized stimulus action and extend a large number of rescue schemes. Monetary policy has been extremely relaxed, with large cuts in policy interest rates to record lows in most countries around the globe. Unprecedented numerous and expansive fiscal measures have also been applied to revive the financial sector and stimulate the whole economic system into life again.

The crisis that has spread widely around the globe is likely to result in a continued contraction in global demand in 2009, thereby dampening the export earnings of Asian countries to the most depressed levels in nearly a decade. Industrial production could grow at the slowest rate in years. Excessive capacity utilization left over could lead to price wars. A continuous tumbling in the prices of goods and services under shrinking global demand would certainly hurt the Thai export sector, whose size is equivalent to 70% of gross domestic product, and has acted as the country's main driver of economic growth for years. Thai exports are likely to suffer a substantial contraction in terms of both quantity and price, resulting in negative growth in total export value in 2009 of approximately 10% or more.

- **Declining confidence will continue to affect consumption, investment, and tourism, leading to unemployment.**

A weak demand for goods and services under sluggish economic conditions combined with the effect of domestic political uncertainties has further eroded public confidence in the country's economic prospects. Pressures arising from increasing excess production capacity are likely to lead to a contraction of new investments in the private sector. With declining export earnings, sluggish private investment activity, and the tourism sector facing a dim outlook as a result of the sluggish global economy, unemployment is likely to rise sharply and become an important economic issue for the government to resolve in 2009. Private consumption potential will be trimmed due to weak confidence in the overall economic outlook and fewer employment opportunities due to business closures or downsizing to survive. However, the tendency for people to spend more will depend upon the government measures to stimulate consumption and restore confidence among the public. If the government can restore some confidence in the economic outlook, total consumption would have a chance to grow at a rate close to the prior year with the help of significantly reduced interest rates and commodity prices including oil which reduce production costs of business enterprises and increase purchasing power of consumers.

- **Stimulus measures from the public sector are the only hope for the Thai economy.**

How much government stimulus measures can compensate for the impacts arising from the contraction in global demand, and whether or not public confidence can be revived to help stimulate consumption and investment spending depend on the severity of the current global crisis and the effectiveness of the government. If the global economy can achieve a slightly positive or mildly negative growth, say within the range of -1.0 to +0.5%, and the government is able to sustain political stability to facilitate efficient and effective implementation of economic stimulation measures to the extent that consumer and investor confidence could be shored up, the whole Thai economy in 2009 might only contract slightly.

Key Economic Indicators

	2007	2008	2009 F
1. GDP Growth (%)	4.9	2.6	-1.5 to -0.3
2. Consumption (% change)	2.7	2.2	1.9 - 2.5
Private Sector	1.6	2.5	0.8 - 1.2
Public Sector	9.2	0.4	8.0 - 10.0
3. Investment (% change)	1.3	1.1	-2.3 to -0.6
Private Sector	0.6	3.2	-4.8 to -3.2
Public Sector	3.4	-4.8	5.5 - 7.5
4. Foreign Trade (% change in USD terms)			
Exports	17.3	16.8	-21.5 to -16.5
Imports	9.1	26.4	-25.5 to -20.5
5. Consumer Price Index (% change)	2.3	5.5	-1.1 to -0.2
6. Unemployment Rate (% of labour force)	1.4	1.4	3.0 - 4.0
7. Repurchase Rate (1 day) (% p.a. at year-end)	3.25	2.75	0.50 - 1.00
8. Exchange Rate (Baht/USD: Avg.)	34.56	33.36	35.5 - 37.0
9. Oil Prices (Dubai) (USD/Barrel: Avg.)	68.8	93.7	40 - 50

Remark : F = Forecast

Source : BOT, NESDB; 2009 projections by BAY Research Department (March 2009)

Banking Business Overview in 2008 and Banking Business Outlook in 2009

Overview of the Commercial Bank Business in 2008

2008 was a year in which Thai commercial banks experienced a great deal of volatility, mainly because of the fluctuations in both the broad economy and the general business environment. The global financial crisis emanating from the slump in the US real estate and financial sectors caused a substantial depreciation of asset prices held by leading financial institutions in many industrial countries that, in turn, led to the need for mergers, acquisitions, or even partial liquidations to ensure survival. The effects of global financial crisis spilled over into the real economic sector. The economies of most countries around the globe plunged into recession in the second half of the year. Thailand was no exception because of the open nature of its economy, where the economic and financial systems are closely linked to those of many trading partner countries.

Nevertheless, Thai commercial banks that had survived from the 1997 economic and financial crisis have improved their operations resulting in much stronger financial position. The current crisis has small direct impact with a writedown of relatively small investments in derivative instruments which were the origin of this crisis. However, indirect effects possibly arising from fluctuations in the financial, capital, and foreign exchange markets, as well as in the general economy and business atmosphere, especially the serious impact from shrinking exports given that the export sector has been a major growth driver in Thailand for many years, remain an issue of concern. This is because the demand for loans from customers as well as the asset quality could be affected. As such, it is necessary for commercial banks to adjust business strategies to suit the changing economic and business environment. Risk management, especially on loan extension and fund raising as well as the development of financial products and services would be emphasized to ensure continued and sustainable business. At the same time, good corporate governance is of importance as well as compliance with regulatory requirements, especially the Bank of Thailand Act, the Financial Institution Business Act, the Deposit Protection Agency Act, and the Basel II Accord.

- **Commercial bank deposits** as of the end of 2008 stood at 7 trillion baht, an increase of 560 billion baht or 8.6% compared with a nearly flat growth of 0.02% in 2007. However, deposits during January - October 2008, had a minus growth of 0.2% from the same period last year as most banks resorted to fund raising through the issuance of Bills of Exchange (B/E) and debentures which provide attractive returns to holders. This was to help preserve a target group of customers during a time of low returns from interest rates in the money market. If B/E and debentures are included, the total deposit base grew by 4.2% from the same period of the prior year. Meanwhile, depositors were diversifying part of their savings to other forms of investment such as mutual funds, government bonds, and life insurance.

In addition, deposit growth was indirectly affected by the severe global financial crisis and domestic political tensions which caused a substantial slowdown and decrease of domestic investment by foreign investors. Market capitalization in the Stock Exchange of Thailand as of the end of 2008 tumbled tremendously by 50% from the start of the year, which in turn resulted in a shrinking of the wealth of businesses and households. At the same time, households had to face the burden of rising cost of living and hence tended to save less during the first seven months of the year because of inflation that had accelerated along with the skyrocketing oil and commodity prices. Towards year's end, however, deposit growth seemed to regain momentum partly as a result of higher deposit rates offered by commercial banks during the middle of the year and the launch of special deposit products from time to time to attract specific groups of deposit customers. Also, public confidence returned when the government extended the blanket deposit protection scheme for three more years. In addition, some Thai investors withdrew investment in foreign markets and moved it back to Thailand. These were the factors supporting the acceleration of deposit growth toward year's end. Deposits, inclusive of B/E and debentures at the end of 2008 grew 10.4% from the end of 2007.

Commercial bank deposit and lending rates moved in the same direction as policy interest rates which had been adjusted in accordance with the inflation outlook. Large commercial banks' one year deposit and minimum lending rates (MLR) as of the end of 2008 were quoted at 1.75-2.00% and 6.75-7.00% respectively, compared with 2.25-2.375% and 6.875-7.125% respectively at the end of 2007, while the savings deposit rate remained unchanged at 0.75%.

- **Commercial bank loans** as at the end of 2008 amounted to 6.7 trillion baht, an increase of 690 billion baht from the end of 2007. In terms of growth, 11.4% was recorded in 2008, higher than 4.7% in 2007. Loan growth accelerated from the start of the year mainly as a result of improved confidence among businesses and households following the establishment of the newly elected government after the general election in December 2007. In addition, inflation jumped significantly during the first seven months of the year because of expensive oil and commodities. Accordingly, there was rising demand for loans from businesses, especially loans to export-related businesses registered continued growth. Loans to the business sector (representing 75.3% of total loans) expanded by 10.5%, a substantial acceleration from the growth rate of 1.5% in the prior year. Most of the loans were working capital, demand for which increased along with the rising cost of raw materials and transportation expenses.

However, the rising domestic political tensions, combined with the weaker Thai economy because of the impact of the global crisis that resulted in shrinking exports for the first time in five years during the 4th quarter, led to deceleration of demand for loans both from businesses and households toward year's end. A continuous plunge in consumer confidence has also caused more prudent borrowing by consumers. Growth in consumer loans (24.7% of total loans) decelerated to 14% in 2008, compared with 16.2% in 2007, where most of the growth was generated from housing mortgages, term loans and hire-purchase loans for the purchase of automobiles and motorcycles.

• **Non-performing loans before deduction of loan loss provision** (gross NPLs) which refers to loans outstanding classified as substandard, doubtful, doubtful of loss, and loss, as of the end of 2008 amounted to 400 billion baht or 5.3% of total loans of commercial banks. This represented a decrease of 56 billion baht from the end of 2007 when gross NPLs represented 7.3% of total loans. As for non-performing loans after deducting loan loss reserve (net NPLs), the amount totaled 220 billion baht or 2.9% of total loans. This represented a decrease of 20 billion baht from the end of 2007 when net NPLs were 3.9% of total loans. The decrease in NPLs was mainly the result of commercial banks applying more prudent measures in monitoring loan quality, debt restructuring, and the sale of NPLs to other entities. The NPLs to loans ratio has been decreasing in almost all business sectors. The NPLs ratio in consumer loans decreased to 3.4% in 2008 compared with 4.1% in the prior year.

• **Net profit (loss) for 2008** in the commercial banking system totaled 99 billion baht, an increase of 24 billion baht from 2007. This was mainly the result of higher loan growth and the emphasis on improvement of asset quality which substantially reduced both the total NPLs and the amount of loan loss provision. In the prior year, the requirements for a substantial loan loss provision according to IAS39 standard totaling 104 billion baht had already been met.

However, a quarterly analysis of the performance in 2007 indicates that commercial bank net profit declined from 30 billion baht in the first quarter to only 18 billion in the fourth quarter which was mainly attributable to the unfavorable global economic environment and domestic political conditions that discouraged consumption and investment spending, while commercial banks also suffered losses from investments abroad. In addition, the competition for deposit fund raising and customer loan expansion among commercial banks increased commercial banks' operating costs to some extent. However, the increased profit improved the commercial banks' capital fund to risk assets ratio under Basel I criteria from 14.9% at the end of 2007 to 15.7% in the third quarter of

2008 before adjusting downward to 14.2% at the end of 2008 when the Basel II criteria came into effect. This is far above the 8.5% minimum requirement set by the authorities, and will provide more opportunity for commercial banks to expand their business in the future.

- **Implementation of new requirements in 2008** pertaining to laws related to Thai financial institutions included: the Financial Institution Business Act, Consolidated Supervision, the Deposit Protection Agency Act, and Basel II Criteria. These requirements will help strengthen the commercial banking business and equip commercial banks with solid capital bases as well as provide more financial tools and support the development of risk management to international standard. In addition, commercial banks will have more room to deal with a variety of channels of financial transactions covering all financial needs of all groups of customers.

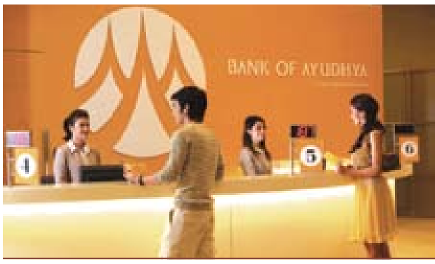
Commercial Bank Business Outlook for 2009

The commercial bank business is closely linked to the global economic and financial environment which continues to be unfavorable and fluctuating and therefore will not support business growth. As the economies of most of its significant trading partners have entered recession, the Thai economy will inevitably slow in most areas including manufacturing, consumption, investment, exports, and tourism. Unemployment is likely to rise, which would cause further economic setbacks and adversely affect the performance of commercial banks either directly or indirectly. Even though commercial banks have been adjusting themselves continuously during the past decade to cope with risks that might occur, it is still necessary for commercial banks to place more emphasis on risk management, specifically in the areas of lending operations and liquidity arrangements to suit an overall market situation. In addition, competition is more intense in almost all financial products while, at the same time, commercial banks also have to observe new regulations and requirements mandated by the authorities. If the government implements an economic stimulation policy that brings about immediate improvement in the economy, this, along with the implementation of appropriate monetary policy, should revive aggregate demand from the business and household sectors, which should induce more demand for financial services at commercial banks.

- **Deposits** are likely to expand by a similar rate to that in 2008. Deposit growth will be negatively affected by the global economic slowdown resulting in a decrease in income and savings. In addition, the Thai Government has a plan to issue a large amount of bonds both to fund the annual budget deficit and as a source of funds for investment in mega-projects. This could also absorb a portion of public savings from the commercial banking system. However, as commercial banks need to preserve their customer base and maintain certain sources of funds to meet increasing demand for the use of funds whenever the general economy starts to recover, special deposit, B/E and debentures, a relatively high return, are likely to be launched from time to time. This is to attract additional funds from target groups of customers and to arrange an appropriate matched funding. In addition, since the full protection of commercial bank deposits under the Deposit Protection Agency Act has been extended until August 2011, deposits at commercial banks are still considered one of the safest havens among various forms of investment. Commercial bank deposits therefore have the potential to grow in 2009.

- **Loans** are likely to expand at a slower rate than in 2008 as the general economy is expected to slow down significantly, signifying a faltering demand for loans from both the business and household sectors. Furthermore, low inflation would lessen the need for working capital, leading to less demand for loans. Commercial banks are also likely to adopt a more prudent stance on loans extension. Customer accounts will be closely monitored to provide assistance and maintain satisfactory asset quality as different enterprises may suffer different degrees of impact from the economic crisis. This, in turn, might affect some customers' ability to repay debt. There are risks of rising NPLs and hence increases the burden on loan loss provision among commercial banks. The potential for loan expansion and income earning by the commercial banking system, therefore, seems to be limited. However, if the government could quickly apply effective fiscal policy to stimulate the economy and NPLs could be managed, the potential for loan expansion and the accompanying profitability for commercial banks would certainly be maintained.

- **Implementation of new guidelines** under the Financial Sector Master Plan will occur in 2009. The purposes of the guidelines are to promote efficiency and competitiveness, and to strengthen the Thai financial system. Accordingly, commercial bank operating costs could be reduced by the removal of unnecessary rules and regulations. In addition, the scope for the development of basic structures has been expanded to cover the improvement of operating capacity to facilitate competition with any newcomers inclusive of non-bank competitors, as well as for the benefit of more accessibility to retail customers. Furthermore, all commercial banks will be required to maintain capital funds according to the full Basel II criteria, which cover all 3 Pillars by year's end. Where Pillar I refers to the Minimum Capital Requirement that supports the management of credit, market and operation risks, Pillar II refers to the Supervisory Review Process and Pillar III refers to supervision under the Market Discipline. In the short term, the capital of most banks might be eroded to some extent as a consequence of more stringent rules. This, in turn, makes it necessary for banks to expand their business more cautiously. However, in the longer term, the stringent rules would promote financial stability, which brings about public confidence. A commercial bank would then be able to maintain an appropriate level of capital according to the degree of risks arising from the nature of financial transactions under a sound and internationally accepted risk management system. This would eventually benefit the financial operations that are completely linked to the global financial market in the future.



Business Operations

Bank of Ayudhya Public Company Limited was established on 27 January 1945 with a registered capital of Baht 1 million. The Bank opened for business on 1 April 1945 and was listed on the Stock Exchange of Thailand on 26 September 1977. The Bank's registered capital is Baht 70.89 billion and its paid-up capital is Baht 60.74 billion. As of the end of 2008, the Bank was the country's 5th largest bank in terms of assets, loans, and deposits.

Bank of Ayudhya is a leading commercial bank in Thailand providing a full range of financial services to meet the needs of all customer segments: large corporations, small and medium enterprises (SME), and retail customers. It has an extensive branch network nationwide. In addition to financial services being offered by the Bank directly, a greater variety of financial services are offered by its subsidiary companies that include eight businesses: i.e. credit cards, insurance, life insurance, mutual funds, stock-brokerage, new-auto leasing, machine-leasing, and factoring.

In addition to deposit taking and credit underwriting; payment services, trade financing, and investment services are offered to meet the specific needs of customers in each segment. They are, for example, AVAL, letter of guarantee, letter of credit, interest rate swap services, investment banking services, advisory services, cash management, foreign exchange, domestic and international funds transfer, ATM and debit cards, credit cards, bancassurance, and mutual funds investment. To ensure that these comprehensive financial services reach its diverse base of customers in the most effective manner, the Bank has organized its corporate structure into five business units and eight support units.

The Bank's business units are Corporate Banking, SME Banking, Consumer Banking, Distribution Network, and Treasury. The support units consist of Risk Management, Operations, Human Resources, Information Technology, Finance, Corporate Marketing, Corporate Communications and Investor Relations, and Legal and Compliance.

2008 Business Overview

- In 2008, the Bank achieved its business objectives, due to both organic and inorganic growth. In addition to business acquisition, the Bank made a marked progress in asset quality improvement, mainly from sales of non-performing loans (NPLs).
- Acquisition: Following approval from its shareholders in the extraordinary general shareholders meeting held on September 26, 2007 and approval from the Bank of Thailand, the Bank completed its acquisition and asset transfer of GE Capital Auto Lease Pcl (GECAL) on 14 February 2008. The total investment was Baht 16,180 million. GECAL was a leader in the auto hire purchase business in Thailand. On the transfer date, it had total assets of Baht 78.01 billion baht and outstanding loans of Baht 75.28 billion.

The acquisition of GECAL combined the competitive and operational strengths of the two organizations and enabled the Bank to provide a full range of auto financing services to customers. The GECAL acquisition resulted in an 17% increase in the loan portfolio as of the acquisition date.

• NPL sales: In 2008, the Bank entered into two agreements to sell NPLs with total book value of Baht 15.01 billion to third parties at a net book value of 5.61 billion.

The key developments mentioned above resulted in a significant growth of the Bank and improvement in asset quality. As at the end of 2008, loan composition of the Bank reflected a more diversified risk structure with 32%, 36%, and 32% of loans spread across its large corporate, SME, and retail customers respectively. The 32% retail loan portfolio registered a significant growth from 22% of total loans in 2007 and, as a result, placed the Bank amongst the leading players in consumer banking in the Thai banking system. For its distribution network, at the end of 2008, the Bank had 579 domestic braches and three branches overseas, in Hong Kong, Vientiane, and the Cayman Islands.

2008 Performance Highlights

• Operating performance: The Bank and its subsidiaries had an operating profit (before provisions for doubtful accounts and income tax) of Baht 11.51 billion, a 35% increase when compared to 2007. After setting aside a Baht 6.06 billion in provisions for doubtful accounts and Baht 559 million for income tax, a net profit of Baht 4.89 billion was posted, a considerable improvement from the Baht 3.99 billion net loss in the prior year as a result of loan loss provisions in compliance with IAS 39.

A key driver for the improvement in the Bank's operations in 2008 compared to 2007 was the 35% increase in interest and dividend income. Net interest margin also rose considerably to 4.1% against 3.2% a year earlier, thanks in large part to the much higher yield of consumer loans and the decrease of Baht 15.50 billion in non-performing loans. In addition, non-interest income rose 38% from growth in the Bank's fee income base as well as from fees generated by newly acquired GECAL, of which the Bank made a complete acquisition in February 2008. On the other hand, non-interest expenses increased by only 14% and while the Bank made a further 80% provision of Baht 2.29 billion to fully provide for its CDO investment, the Bank still posted significantly improved performance in 2008.

• Financial status: As at 31 December 2008, the Bank and its subsidiaries reported consolidated assets of Baht 745.48 billion, an increase of Baht 93.10 billion or 14% over a year earlier. Total loans were Baht 557.08 billion, an increase of Baht 106.72 billion or 24%. The Bank was also able to sell NPLs worth a total of Baht 15.50 billion. As a result, as at the end of 2008 its gross NPLs to total loans ratio was 8.8%, down from 15.5% in 2007, while net NPLs (net of provisions for doubtful accounts) to total loans ratio stood at 5.5%, a decrease from 10.2%.

Meanwhile, the Bank's consolidated liabilities were Baht 660.10 billion in total, an increase of Baht 85.80 billion, or 15% compared to 2007. This was due largely to a significant rise of Baht 37.73 billion in bank deposits and Baht 46.03 billion in debentures. This was in line with its funding restructuring to better match its lending structure, which was marked by a growing proportion of loans with fixed lending rates. The Bank maintained a strong capital base with the BIS ratio at 14.9% with Tier-1 capital standing at 12.4%. (Details of the Bank's 2008 Operating Performance appear under Management Discussion and Analysis on page 52).

At the beginning of 2008, the Bank prepared for its acquisition of AIG Retail Bank Pcl (AIGRB) and AIG Card (Thailand) Co., Ltd. (AIGCC) from American International Group Inc (AIG). On February 5, 2009, the Bank and AIG signed an acquisition agreement under which the Bank will acquire 99.5% of shares of AIGRB and 100% of AIGCC for a total consideration of Baht 2.06 billion, subject to adjustments on the closing date.

The combined assets of the two companies are expected to increase the Bank's assets by approximately Baht 32 billion, the Bank's retail loans by Baht 25 billion or 14%, and approximately 222,000 credit cards. The transaction, subject to the approval of the Bank's shareholders and Bank of Thailand, is expected to be completed in April 2009.

Business Management and Income Structure

The Bank's operations in 2008 were greatly affected by a number of challenging factors including political instability, the volatility in oil and agricultural products prices, the inflation rate, and the impact of the financial crisis that broke out in the US before spreading across the globe. As one of the country's leading financial institutions, BAY recognizes the need for a customer-centric operational structure as much as the necessity for strong risk management and good corporate governance. To efficiently meet the financial requirements of all its customers, the Bank is structured as follows.

Corporate Banking Group

The group is responsible for corporate customers with credit lines, sales, or assets totaling over Baht 200 million and/or multinational corporations. Large corporations in general have complex and diverse financial requirements. To best match with their needs, the Bank provides them with financial products: short- and long-term loans, project finance, syndicated loans, international trade service, cash management, and investment banking services. The vast array of services aside, the Bank also supports its customers through Relationship Management teams with specific industrial expertise.

Corporate banking is a major source of income in terms of credit extension and related services. As of the end of 2008, it represented 32% of BAY's total loans. The Bank meanwhile enhanced its services further by introducing the LEAN process, an expertise proprietary to GE , to improve its working process in dealing with corporate businesses and to increase customer satisfaction with the Bank's product range and services. The LEAN process aims at cutting down turnaround time (from the initial agreement with the loan officers to loan approval). Improvement in the working process involves work flow adjustments, the introduction of new call reports, and a new sales support unit. Following the implementation of LEAN, the Bank was able to cut down turnaround time by approximately 40%.

Signing of Loan Agreements with Large Corporate Clients

The Corporate Business Group itself also underwent an internal restructuring to ensure a speedier and more efficient internal work flow. In connection with this, a division for business and product development was set up to improve existing products and develop new financial products that correspond to the requirements of large corporate clients. Moreover, to better serve the needs of similar customers located across the regions, the Bank has plans to establish six Corporate Business Centers. The first center, at Nern Dheng Branch in Chonburi Province was launched in 2008.

SME Banking Group

SME Banking Group is responsible for SME businesses with a credit line under Baht 200 million. SME Banking is also considered another key contributor in terms of the growth of the Bank. SME businesses as of the end of 2008 represented a 36% share of the Bank's total loans. The Bank aggressively expanded its services to meet the requirements of SME customers in every region of the country through the establishment of 15 nationwide Krungsri SME Business Centers with five in Bangkok and the greater metropolitan area and ten in other major regions. In 2009, the Bank has plans to further expand such business centers for wider country coverage.

In 2008, the Bank introduced SME Quick Loan, a product designed for small enterprises with a credit limit of Baht 7.5 million as it recognized the size of this group of customers and their growth potential. At the same time, it also applied LEAN to the credit approval process and reduced the turnaround time of credit reviews. It was able to cut the turnaround time to ten days from first contact with the customer to credit line approval. This new approach was launched in Bangkok and the greater metropolitan area before being expanded to other provinces with complete implementation expected in 2009.

Consumer Banking Group

This group offers financial services to individual customers whose financial needs vary from loans to deposits to investments. In 2008, the Consumer Banking Group expanded its customer base through the development of new financial products, new service distribution channels, and sales promotion activities under the theme "Krungsri makes life easy". They are summarized as follows.

• Auto Hire Purchase (HP) Loans: In February 2008, the Bank succeeded in acquiring GE Capital Auto Lease Public Co., Ltd. (GECAL). The acquisition turned the Bank into a leader in

Seminars for Corporate and SME Banking Customers

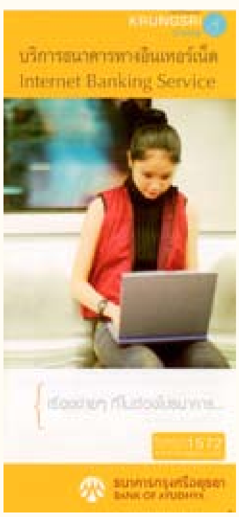
SME Business Center

auto HP in the market. At present, the Bank has restructured its auto HP subsidiaries into a single auto business to enhance the effectiveness of business management and to rationalize operating costs and expenses. GECAL merged two of the Bank's subsidiaries carrying out similar business, namely Ayudhya Capital Lease Co., Ltd. which operated the new car and inventory financing and leasing business and Ayudhya Hire Purchase Co., Ltd., which operated the refinancing business. Subsequently, GECAL was renamed Ayudhya Capital Auto Lease Pcl or AYCAL in line with the shareholding structure with Bank of Ayudhya as the sole shareholder.

As of the end of 2008, the Bank's total auto HP loans stood at Baht 103.18 billion or 18.5% of total loans, which makes it one of the country's top players in auto HP business. AYCAL offers a diverse range of products and services that encompass new car, used car and motorcycle financing, top up loans, Car for Cash for car refinancing, Cash to Car loans for cars directly purchased from existing owners, leasing services, and inventory finance for Dealers. Thus, the Bank has a full range of auto loan services on offer while it plans to boost its cross-selling efforts via its 600-strong nationwide branch network.

• Mortgages: Under the concept of "Krungsri Home Loan", the image of the Bank's home loan products was refreshed in 2008. This gives it more access to consumers with the financial requirement for home purchases from property developers. Meanwhile, "Krungsri Home Loan for Home Building" was designed for customers who wanted to build their own houses. The rebranding of Krungsri Home for Cash was implemented for better recognition by customers. Krungsri Home Care Services was also developed as a post-sales service to enable Krungsri Home Loan customers to have access to information and services related to housing on a 24/7 basis.

Another critical development pertaining to the Bank's home loan business involved the introduction of the LEAN process to enhance the efficiency of its working process. While the LEAN process effectively helps expedite the approval process, the use of M-Gage technology enhances working capability. It allows customers to check the status of their loan applications with a detailed record of every process relating to the status of their applications from the moment the application is submitted to the completion of the process. Thanks to the introduction of the LEAN process and the use of the M-Gage system, the loan approval time



Consumer Banking Products and Services

is shorter and, in the process, gives the Bank a competitive edge.

• Unsecured Personal Loans: Given GE's expertise in personal loans, the Bank was able to expand this area of its business as planned. In 2008, customers were able to make cash withdrawals within 1-3 operating days using the personal loan product called "Smile Cash". Then, the Bank moved a step further by offering customers a revolving line service under the "Smile Cash Line" to give them flexibility to immediately access cash when needed.

• Credit Card Loans: The Bank's credit card operations are managed under its subsidiary, Krungsriayudhya Card Co., Ltd. As at the end of 2008, it has a total of 861,138 cards outstanding.

• Bancassurance: In 2008, a wide range of insurance products and services were developed in collaboration with subsidiaries of the Bank. Ayudhya Insurance Pcl, provides non-life insurance services and Ayudhya Alliance C.P. Co., Ltd. provides life insurance products. Additional cooperation with external partners like AIA Group brought in more insurance service alternatives. During the past year, the bancassurance business grew satisfactorily.

• Deposits and Investment Services: The Bank offers a vast array of savings and investment products in accordance with the varied requirements of customers. In addition to the Bank's branch network, 14 Exclusive Banking Service Centers were also set up to specifically provide high net-worth individuals with advice on wealth management via savings, bank deposits, government bonds, debentures, mutual funds, and securities trading, among others. A significant increase in deposits and debentures was sold through these centers.

The Bank also offers other savings-related products including ATM and Debit cards, fund transfer services, and internet banking services.

• Marketing Activities for Consumer Banking: The Bank regularly organizes marketing activities to boost its image and foster customer relations while bringing added value to its customers through innovative services. The Bank was the main official sponsor of Academy Fantasia (AF) Amateur Singing Contest. It also offers SMS Banking alerts and answers to customers' inquiries on the movements of their savings accounts. The Bank also offers Krungsri Yellow Points, where customers can earn points through bank transactions and the points can be redeemed against a range of attractive gifts.

Distribution Group

This group is responsible for the development of the Bank's branch network to ensure quality and efficient services for its nationwide customers. It continues to expand and enhance its service channels and service processes. The branch system, the ATM network, and the foreign currency

Consumer Banking Products and Services

exchange booths make up the Bank's crucial sales network where both individual and corporate customers avail themselves of financial services from which the Bank grows its loan books and fee-based income.

Sales Force Effectiveness is the business model employed by the Bank to enhance branch sales efficiency. The model also advances the efficiency of branch operations as paperwork is minimized and administrative functions are reduced. In 2008, BAY's major branches underwent an image revamping program to be more visible and attractive. At the same time, additional automated processing machines including those for cash deposit and passbook update were installed in response to the present-day lifestyle where customers demand convenience and swift transactions. In connection with this, branches were strategically located in high-traffic areas such as commercial centers, industrial sites, tourist spots, housing estates, malls, office buildings, transportation centers, gas stations, educational institutions, and hospitals.

By the end of 2008, BAY has a total of 582 branches. Of the 579 domestic branches, 277 are in Bangkok and the greater metropolitan area while 302 are spread across the rest of the country. Three branches are located overseas: in Hong Kong, Vientiane, and the Cayman Islands. In 2008, the Bank added ten more domestic branches to its existing branch network and introduced 14 Exclusive Banking Service Centers for its high net-worth individual customers. In addition, the Bank had a total of 3,969 ATM, automated deposit taking machines, automated passbook update machines, and foreign currency exchange booths.

Treasury Group

Treasury Group manages liquidity and risks related to interest rate changes for the Bank and its subsidiaries. It is also in charge of trading of foreign currency, debt instrument and derivatives.

The Treasury Group also maintains units which are entrusted with the tasks of overseeing the operation of International Trade Services. The Bank provides financial support to international trade finance, export and import financing for customers both local and foreign, loans for investment in imported machines and equipment, and financial services to clients' international counterparts. Customers can also take advantage of the Bank's international trading advisory service through its foreign-Chamber-of-Commerce-endorsed teams of experts. Moreover, convenient services for online inquiries regarding international trade transactions are also available via 'Krungsri Trade Link' 24 hours a day.

Thanks to the Bank's strong expertise in supporting exporters and importers, it was named the winner of "Best Local Trade Bank in Thailand 2008"


award by Euromoney Trade Finance Magazine for the second consecutive year.

In addition, the Bank's money transfer service was recognized for its excellence as the Bank's branch won the Western Union Club 500 Asia Pacific 2007 award in the 2008 Service Excellence Program of Western Union.

Business Support Operations

To enhance its service and competitive potential, the Bank recognizes the need for ongoing development to boost its support capabilities, in particular in areas involving human resources, information technology, and operation systems.

• Human Resources Development: Enhancing the staff's potential and skill were at the heart of the Bank's development efforts for its human resources in 2008. Training courses were organized and staff at every level had equal chance to participate. These year-round training courses resulted in 64% of the Bank employees taking part in the programs. For the business group, staff and executives received training for knowledge and skill enhancement in sales, service, and management. More importantly, the Bank's attempt to build its own pool of internal lecturers, especially in sales courses, paid off in effectively enhancing staff skills.

The Bank also sees the need for awareness building and encourages its employees to continually commit themselves to its five corporate values of integrity, accountability, team spirit, innovation, and passion for progress. To demonstrate their importance, these core values have been incorporated into every training course.

• Information Technology and Operating Process Development: Throughout the year, the Bank took steps to enhance its productivity and stress the importance of service excellence by introducing the International Quality Standard Management System ISO 9001: 2000 and institutionalizing of its standards and quality management. LEAN was another instrument used in improving operating efficiency to streamline working processes both in terms of efficiency and productivity while maintaining internal control effectiveness.

Service Excellence Awards

Core Values

The Bank enhanced the effiency of its technology platform structure and added the lastest security features available. In 2008, several crucial operating systems went through major modification in response to business growth and customers' requirements. Core banking, treasury, and trade finance are three major operating systems that were upgraded. In addition, measures were also taken to improve the systems that are essential to the ongoing work flow of treasury, cash management, and data warehouse.

Where the network system is concerned, the branch communication circuit underwent an improvement program for enhanced capacity and efficiency to ensure uninterrupted services. To this end, the ATM communication circuit and IT Service Management were boosted to help maximize their contribution to the organization through the introduction of the Service Desk based on the Single Point of Contact Service principle.

The Bank made investments to improve the security of its information systems, especially the areas involving electronic transactions. These systems include the Firewall System, Intrusion Protection System, Intrusion Detection System, Phishing Devices, Identity Management and Single Sign On System, and Desktop Management System. Measures were taken to maintain and supervise information in connection with the Bank's Policy and Code of Practice on compliance and the Computer Violation Act 2007.

For operations, the Bank has centralized its Back Office Operation along with a range of units responsible for retail lending analysis, loan follow-up, credit operations, customer call service, electronic banking service, cash product services, and foreign trade service as well as treasury, capital markets, and business-related operational support.

Service channel enhancement efforts saw the revamp of the Call Center System to ensure customers could make their transactions either via telephone call or by personal contact with staff of the Bank around-the-clock. Krungsri E-payment and Krungsri Online systems, in the meantime, represented other service features intended for customer's improved security with the use of the One Time Password (OTP) device.

- Risk Management and Asset Quality Development: The Bank is acutely aware of the significance of risk management in the banking business that has to take into account the interest of related parties. Therefore, the working procedures and corporate structure provides for a specific department to oversee its comprehensive risk management. To ensure maximum efficiency, it determines guidelines for such important tasks as analysis, evaluation, credit review, and risk management control. The Bank's Integrated Risk Management encompasses three key areas: credit risks, market risks regarding price and interest rate changes, and operational risks. Adhering to good corporate governance, the Risk Management Group operates independently from the Business Group. In addition, risk management policies covering different aspects of the operation were drawn up along with the development of tools, organization of risk management processes, and preparation for regular risk status reports for the Bank's senior executives.

Risk Spreading and Risk Rating Systems were installed to help appraise the credit risk of large corporate and SME customers. The effort was also made to pave the way for the implementation of IAS 39 and Basel II. In 2008, the Risk Integrated Systems Knowledge Project was initiated to strengthen the efficiency of the data warehouse system. The PD (Probability of Default) based

Rating Model for large corporate and SME customers was implemented. In addition, preparation for the use of Stress Test instruments along with other credit risk management tools both for individual clients and the entire lending portfolio was also underway. These tools will help the Bank to better pre-empt possible financial risks. (Details of the Bank's risk management appear under Risk Factors and Risk Management on page 41).

For asset quality improvement, a specific unit was assigned to resolve NPLs with the objective of minimizing losses. In 2008, the Bank made marked progress in its asset quality improvement following two NPL sales with a total of Baht 15.01 billion to two external parties. As a result, the Bank's NPLs dropped significantly while its loan loss reserve ratio showed an improvement.

• Good Corporate Governance: In its operations, the Bank underlines the importance of good corporate governance by laying down policies relating to official regulations and guidelines for every unit to follow. The units responsible for the Bank's compliance and fraud control and violation make sure that all the operating units do nothing to violate any official rules or guidelines. By establishing an Anti-Money Laundering System based on the guidelines stipulated by the Office for the Prevention and Suppression of Money Laundering, the Bank is determined to boost its efficiency and productivity in the prevention of money-laundering or terrorist funding activities, a move that saw the inclusion of technology systems in the screening of both individual and organizational names on the watch list to safeguard the Bank from being implicated as a channel for money laundering and/or terrorist funding activities.

2008 saw sweeping changes in the laws and regulations pertaining to financial institutions. The Bank therefore readied itself for their implementation. Board members, executives, and staff took part in training courses organized by the Bank to enable them to come to grips with the new laws and regulations so they could perform their duties accordingly. Meanwhile, the Bank rolled out its Policy Procedure and Process Project (PPP) in an attempt to improve the policy and working procedure of all its operations, and, in the process, bring them up to date with the legal and regulatory changes. (Details of Good Corporate Governance appear under Good Corporate Governance, page 89).

Subsidiaries, Associated and Related Companies

List of companies where the Bank holds 10% or more of paid-up capital as of 31 December 2008 are as follows;

Subsidiaries and Associated Companies

Name and Address	Business Type	Issued Shares		Ownership (%)
		Share Type	No. of Share	
1. Ayudhya Asset Management Co., Ltd. 11th Floor Bank of Ayudhya Plc., 1222 Rama III Road, Bang Phongphang, Yan Nawa, Bangkok 10120 Tel : 0-2296-4129 Fax : 0-2683-1400	Asset Management	Ordinary	600,000,000	99.99
2. Siam Realty and Services Co., Ltd. Bank of Ayudhya Building, 5th Floor Ploenchit Office, 550 Ploenchit Road, Patumwan, Bangkok 10330 Tel : 0-2208-2465-9 Fax : 0-2253-8609	Service	Ordinary	1,000,000	99.99
3. K.S. Law Office Co., Ltd. * Bank of Ayudhya Building, 3rd - 6th Ploenchit Office, 550 Ploenchit Road, Patumwan, Bangkok 10330 Tel : 0-2208-2608 Fax : 0-2251-6581	Service	Ordinary	3,200,000	99.99
4. Ayudhya Capital Lease Co., Ltd. * 16th Floor Ploenchit Tower 898 Ploenchit Road, Lumpini, Patumwan, Bangkok 10330 Tel : 0-2673-3777 Fax : 0-2673-3773	Finance (Auto Financing) **	Ordinary	300,000,000	99.99
5. Ayudhya Hire Purchase Co., Ltd. * Bank of Ayudhya Building 4th Floor Ploenchit Office, 550 Ploenchit Road, Patumwan, Bangkok 10330 Tel : 0-2627-6010	Finance (Auto Financing-Sale and Lease Back) **	Ordinary	50,000,000	99.99

Name and Address	Business Type	Issued Shares		Ownership
		Share Type	No. of Share	(%)
6. Ayudhya Capital Auto Lease Plc. (Previous name : GE Capital Auto Lease Plc.) 87/1 Capital Tower, 3rd Floor and 87/2 C R C Tower, 30th Floor All Seasons Place, Wireless Road, Lumpini, Patumwan, Bangkok 10330 Tel : 0-2627-6010, 0-2627-6060	Finance (Auto Financing)	Ordinary	104,500,000	99.99
7. Ayudhya Fund Management Co., Ltd. 12th Floor Ploenchit Tower, 898 Ploenchit Road, Lumpini, Patumwan, Bangkok 10330 Tel : 0-2657-5757 Fax : 0-2657-5777	Asset Management	Ordinary	3,500,000	99.99
8. Ayudhya Factoring Co., Ltd. Bank of Ayudhya Building, 3rd Floor Ploenchit Office, 550 Ploenchit Road, Patumwan, Bangkok 10330 Tel : 0-2208-2888 Fax : 0-2208-2858	Factoring	Ordinary	10,000,000	99.99
9. Ayudhya Development Leasing Co., Ltd. 22nd Floor Chamnan-Phenjati Business Center, 65/182-185 Rama IX Road, Huay Kwang, Bangkok 10320 Tel : 0-2643-1980 Fax : 0-2643-1059-60	Finance (Leasing & Hire-Purchase)	Ordinary	70,500,000	99.99
10. Ayudhya Auto Lease Plc. 3rd Floor Ploenchit Tower, 898 Ploenchit Road, Lumpini, Patumwan, Bangkok 10330 Tel : 0-2209-8333 Fax : 0-2209-8388	Finance (Auto Financing)	Ordinary Preferred	235,000,000 50,000,000	99.55
11. Ayudhya Securities Plc. 12th Floor, The Offices at Central World, 999/9 Rama I Road, Patumwan, Bangkok 10330 Tel : 0-2659-7000 Fax : 0-2646-1100	Securities	Ordinary	60,000,000	86.33

Name and Address	Business Type	Issued Shares		Ownership
		Share Type	No. of Share	(%)
12. Krungsriayudhya Card Co., Ltd. Capital Tower, All Seasons Place, 1st – 6th, 8th – 11th Floor, 87/1 Wireless Road, Lumpini, Patumwan, Bangkok 10330 Tel : 0-2646-3000 Fax : 0-2646-3001	Finance (Credit Card & Personal Loan)	Ordinary	110,000,000	49.99

Remark : * Under the liquidation process for dissolution

** Transfer the whole business to Ayudhya Capital Auto Lease Plc. on December 5, 2008

Related Companies

Name	Business Type	Issued Shares		Ownership
		Share Type	No. of Share	(%)
1. The Ayudhya Insurance Plc. 7th Floor Ploenchit Tower, 898 Ploenchit Road, Lumpini, Patumwan, Bangkok 10330 Tel : 0-2263-0335 Fax : 0-2263-0589	Insurance	Ordinary (listed)	250,000,000	10.92
2. P.P. Parawood Co., Ltd. 111/1 Moo 1 Tambonbanchang, Phanatnikom, Chonburi 20140 Tel : (038) 464-268-80 Fax : (038) 464-261-2	Furniture Manufacturer	Ordinary	95,000	10.00
3. PrimaVest Asset Management Co., Ltd. 5th Floor Tonson Tower, 900 Ploenchit Road, Lumpini, Patumwan, Bangkok 10330 Tel : 0-2257-0555 Fax : 0-2257-0360	Asset Management	Ordinary	25,000,000	10.00
4. Asian Trade and Leasing Co., Ltd. 5th Floor Golden Land Building, 153/3 Soi Mahardlekluang 1, Rajdamri Road, Lumpini, Patumwan, Bangkok 10330 Tel : 0-2652-1199 Fax : 0-2652-1577-8	Leasing & Hire Purchase	Ordinary	1,500,000	10.00

Companies shares Acquired through Debt Restructuring Process

Name and Address	Business Type	Issued Shares		Ownership
		Share Type	No. of Share	(%)
1. Siam Bangkok Port Limited 51/1 Moo 3 Poochao Samingphrai Road, Bang Ya Phraek, Phra Pradaeng, Samut Prakan 10130 Tel : 0-2384-2876	Cargo Loading Warehouse	Ordinary	6,000,000	10.00
2. Lenso Phonecard Co., Ltd. 292 Srinakarin Road, Huamark, Bangkapi, Bangkok 10240 Tel : 0-2351-8116 Fax : 0-2351-8009	International Line Public Phone Card	Ordinary	62,423,190	10.00
3. Wongpaitoon Group Plc. 70/19 Moo 6, Ekkachai Road, Bang Bon, Bangkok 10150 Tel : 0-2416-4647-9, 0-2415-8680 Fax : 0-2416-1850	Manufacturing (Footwear)	Ordinary	868,268,161	37.31
4. Wongpaitoon Planner Co.,Ltd.[1/] 70/19 Moo 6, Ekkachai Road, Bang Bon, Bangkok 10150 Tel : 0-2416-4642 Fax : 0-2416-1850	Planning Management	Ordinary Preferred	45,000 5,000	10.00
5. UMC Metals Ltd. 15th Floor Sino-Thai Tower, 32/37 Sukhumvit 21 Road, North Klongteoy, Wattana, Bangkok 10110 Tel : 0-2259-2942-5 Fax : 0-2259-2946	Manufacturing and Trading (Steel Rod)	Ordinary Preferred	95,000,000 50,000,000	10.00

Remark : [1] Shares acquired from conditions of purchase of claims

Income Structure of the Bank and Subsidiaries

For 2008 operating perfomance, the Bank and subsidiaries had interest and dividend income and non-interest income at a ratio of 86.96% and 13.04%, respectively. Interest on loans constituted the largest proportion representing 54.72% of total income. Details are as follows:

Income Structure	2008 (THB mn)	2008 (%)	2007 (THB mn)	2007 (%)	2006 (THB mn)	2006 (%)
Interest and Dividend Income						
Interest on loans	25,900	54.72	26,329	61.79	27,106	60.40
Interest on interbank and money market items	2,382	5.03	3,726	8.74	4,651	10.36
Hire purchase and financial lease income	10,440	22.05	1,644	3.86	1,164	2.59
Investments	2,441	5.16	3,365	7.90	2,805	6.25
Total Interest and Dividend Income	41,163	86.96	35,064	82.29	35,726	79.60
Non-Interest Income						
Gain (loss) on investments	(2,255)	(4.76)	(669)	(1.57)	1,406	3.13
Income from equity interest in associated company	(8)	(0.02)	-	-	31	0.07
Fees and service income						
Acceptances, aval and guarantees	50	0.11	43	0.10	58	0.13
Others	7,438	15.71	5,399	12.67	4,761	10.61
Gain on exchange	860	1.82	1,004	2.36	703	1.57
Gain (loss) on sales of properties foreclosed	(742)	(1.57)	551	1.29	445	0.99
Income from investments in receivables	303	0.64	458	1.07	951	2.12
Other income	524	1.11	761	1.79	799	1.78
Total Non-Interest Income	6,170	13.04	7,547	17.71	9,154	20.40
Total Income	**47,333**	**100.00**	**42,611**	**100.00**	**44,880**	**100.00**

• Financial Business

Names and Income Structure	2008		2007		2006	
	THB mn.	%	THB mn.	%	THB mn.	%
1. Bank of Ayudhya Plc.						
Income Structure						
Total Interest and Dividend Income	33,948	-	34,278	-	34,676	-
Net Interest and Dividend Income 1/	15,478	78.34	7,454	58.05	11,862	73.91
Non-interest Income	4,279	21.66	5,387	41.95	4,188	26.09
Total	19,757	100.00	12,841	100.00	16,050	100.00
2. Ayudhya Capital Lease Co., Ltd.*						
Income Structure						
Total Interest and Dividend Income	1,591.5	-	465.0	-	1.0	100.00
Net Interest and Dividend Income 2/	(101.8)	(142.78)	18.8	33.33	1.0	100.00
Non-interest Income	173.1	242.78	37.6	66.67	-	-
Total	71.3	100.00	56.4	100.00	1.0	100.00
3. Ayudhya Asset Management Co., Ltd.						
Income Structure						
Total Interest and Dividend Income	428.0	-	508.7	-	603.6	-
Net Interest and Dividend Income 1/	(198.7)	(51.76)	(565.9)	(117.07)	(4,626.6)	151.53
Non-interest Income	582.6	151.76	1,049.3	217.07	1,573.3	(51.53)
Total	383.9	100.00	483.4	100.00	(3,053.3)	100.00
4. Ayudhya Fund Management Co., Ltd.						
Income Structure						
Fee and Service Income	358.6	98.82	341.7	98.59	246.2	98.09
Other Income	4.3	1.18	4.9	1.41	4.8	1.91
Total	362.9	100.00	346.6	100.00	251.0	100.00
5. Ayudhya Factoring Co.,Ltd.**						
Income Structure						
Total Interest and Dividend Income	74.3	-	4.6	-	-	-
Net Interest and Dividend Income 2/	31.6	57.98	1.8	46.15	-	-
Non-interest Income	22.9	42.02	2.1	53.85	-	-
Total	54.5	100.00	3.9	100.00	-	-

Names and Income Structure	2008		2007		2006	
	THB mn.	%	THB mn.	%	THB mn.	%
6. Ayudhya Development Leasing Co., Ltd.						
Income Structure						
Total Interest and Dividend Income	451.2	-	389.2	-	318.9	-
Net Interest and Dividend Income 2/	235.9	64.81	132.4	51.52	118.4	52.79
Non-interest Income	128.1	35.19	124.6	48.48	105.9	47.21
Total	364.0	100.00	257.0	100.00	224.3	100.00
7. Ayudhya Hire Purchase Co., Ltd.***						
Income Structure						
Total Interest and Dividend Income	895.2	-	-	-	-	-
Net Interest and Dividend Income 2/	487.9	74.24	-	-	-	-
Non-interest Income	169.3	25.76	-	-	-	-
Total	657.2	100.00	-	-	-	-
8. Ayudhya Capital Auto Lease Plc.						
Income Structure						
Total Interest and Dividend Income	6,789.7	-	9,888.9	-	10,518.3	-
Net Interest and Dividend Income 2/	3,736.8	91.14	6,075.5	74.26	6,180.2	81.18
Non-interest Income	363.4	8.86	2,105.7	25.74	1,432.4	18.82
Total	4,100.2	100.00	8,181.2	100.00	7,612.6	100.00
9. Ayudhya Auto Lease Plc.						
Income Structure						
Total Interest and Dividend Income	536.9	-	843.1	-	929.3	-
Net Interest and Dividend Income 1/	397.8	81.08	248.0	78.28	188.5	62.92
Non-interest Income	92.8	18.92	68.8	21.72	111.1	37.08
Total	490.6	100.00	316.8	100.00	299.6	100.00
10. Ayudhya Securities Plc.						
Income Structure						
Fee and Service Income	286.4	79.42	338.8	73.44	362.1	78.70
Gain (Loss) on Investment	27.5	7.63	82.5	17.89	60.5	13.15
Other Income	46.7	12.95	40.0	8.67	37.5	8.15
Total	360.6	100.00	461.3	100.00	460.1	100.00
11. Krungsriayudhya Card Co., Ltd.						
Income Structure						
Interest Income	2,266.9	71.40	2,264.0	67.05	2,161.1	69.77
Non-interest Income	907.9	28.60	1,112.4	32.95	936.2	30.23
Total	3,174.8	100.00	3,376.4	100.00	3,097.3	100.00

• Supporting Business

Names and Income Structure	2008		2007		2006	
	THB mn.	%	THB mn.	%	THB mn.	%
1. Siam Realty and Services Co., Ltd.						
Income Structure						
Car Leasing Income	211.8	33.70	228.0	37.22	215.2	37.77
Service Income	357.3	56.86	337.3	55.06	301.1	52.84
Other Income	59.3	9.44	47.3	7.72	53.5	9.39
Total	628.4	100.00	612.6	100.00	569.8	100.00
2. K.S. Law Office Co., Ltd.						
Income Structure						
Operating Income	-	-	175.0	98.93	149.3	99.73
Other Income	0.04	100.00	1.9	1.07	0.4	0.27
Total	0.04	100.00	176.9	100.00	149.7	100.00

Remarked : Year 2008 data are unaudited financial statement

* The company has been established since December 27, 2006

** The company has been established since February 1, 2007

*** The company has been established since January 24, 2008

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

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

Future Operation Targets

Following its 2008 achievement in both organic and inorganic growth resulting in a more balanced loan mix of corporate, SME, and retail loans, Bank of Ayudhya Pcl, which offers universal banking services, aims to increase retail loan portion to 50% of total loans in the medium term, i.e. by the end of 2010. This is to ensure that its loan portfolio has a more risk-diversified structure with a larger number of customers and higher yielding loans at the same time.

The Bank will maintain its universal banking policy, offering financial services both directly through the Bank and separately via its subsidiaries. In 2009, BAY is poised to pursue the following operation targets and business plan.

• The Bank's growth strategy will be driven by the four business pillars including corporate, SME, and retail banking, as well as investment and treasury. Other than the normal organic business expansion plan, it also plans to further expand inorganically through business acquisitions. The Bank's strong capital base bodes well for further acquisitions of businesses with the potential to add value to the organization following its successful acquisition of GECAL in February 2008. By doing so, it is optimizing the use of its existing capital fund to create the best possible returns for its shareholders.

• In normal practice, the Bank's loan growth target takes into account the country's GDP (Gross Domestic Product) growth. However, the level of growth estimates will differ among different customer groups. The Bank estimates Thailand's overall economic growth in 2009 to decline compared to 2008. A contraction of 1.5 to 3%

is likely, due largely to the economic recession in the world economy and similar situations in Thailand's major trading partners, including the US, the EU countries, and Japan. Also the global financial crisis has affected the Thai economy, resulting in sharp decline in exports and low growth in tourism. In the meantime, the country's persistent political uncertainty has compounded the situation further, with a negative impact on investment confidence and domestic consumption. In 2009, the Bank will therefore grow its loan portfolio at the level appropriate to the overall business environment. In addition, further inorganic growth opportunities will be considered to compensate for the slowdown in organic growth.

- For commercial lending, the Bank targets sectors with growth potential, including public utility projects, tourism in selected areas, medical services, processed food, and alternative energy projects, among others. In consumer banking, the Bank will concentrate on mortgages, personal loans, auto hire purchase, credit card loans, bancassurance, and wealth management services including investment advisory to the Bank's high net-worth individual customers.
- The Bank approaches its liquidity management plan with a matched-funding strategy whereby the funding and lending structures largely correspond. Thus, the loan to deposit plus debenture ratio will be maintained at about the 92% level. The Bank will also tap the capital markets as an alternative source of funds when appropriate.
- In addition to growing income from its main business through credit extension, the Bank will strive to generate more fee and service-based income through its sales network that includes Bank branches, ATMs, and foreign currency exchange booths, support to cross-selling services, and support for its subsidiaries. While these services are designed to better serve customers with more integrated services, they also represent channels of increased fee-based income for the Bank.
- New products will be on offer in response to customers' changing requirements. In this regard, priority will be given to the efficiency of product sales, staff preparedness, and system efficiency in areas covering Data Warehouse and Relationship Management (RM), which together represent an essential part of sales support and support for its consumer banking business.
- Following its liquidation of a total of Baht 18 billion in NPLs to external parties at the end of 2007 and 2008, the Bank continues to maintain plans for more NPL sales in 2009. At the same time, it also aims for additional sales of non-performing assets.
- To achieve its business objectives, the Bank envisages attempts to enhance its management efficiency by honing its credit extension tools and procedures. Its information technology systems, too, will be boosted and staff learning development promoted to cultivate an awareness of the importance of customer service and the delivery of service excellence to its customers.

Risk Factors and Risk Management

Risk Management Principles

The Bank has put in place risk management processes and procedures and an internal corporate structure based on the Principles of Prudent Risk Management. Checks and balances and thorough risk assessment is applied to ensure appropriate management.

BAY's Integrated Risk Management covers three major areas of risk namely Credit Risk, Market Risk, and Operational Risk. Credit risk management also provides guidelines for the subsidiaries within the Banking Group, which, in principle, correspond with the Bank's risk management principles.

Risk Management Structure

The Bank's Risk Management Unit oversees Credit Risk, Market Risk, and Operational Risk and is accountable for the formulation of risk management policies, the development of risk assessment processes and tools, the establishment of risk management procedures, and consistent reporting of the Bank's Risk Status to its top management. The committees involved in risk management have the following roles to play.

- Only the Board of Directors can approve all transactions greater than Baht 3.0 billion.
- The Credit Committee comprising the Bank's top executives from the Risk Management Unit and other independent units with no connection to the Business Group have the authority to consider credit approval upto Baht 3.0 billion. This authority is delegated by the Board of Directors.
- The Risk Management Committee is to perform the following functions:

  1.) Determine the Bank's Integrated Risk Management Policy;

  2.) Control and manage the Bank's business in accordance with its Integrated Risk Management Policy and Good Governance Principles;

  3.) Submit reports on operations risk assessment and the impact that could result from changes in the Bank's overall operation.

  4.) Analyze the level of Credit Risk, Market Risk, and Operational Risk in the business and its subsidiaries.

- The Operational Risk Management Committee is responsible for the following areas:

  1.) Determine the objectives of operational risk management to ensure that it corresponds with the Bank's strategy, marketing, and business expansion plans;

  2.) Review strategic adequacy employed to reduce operational risk and issues that could emerge out of operational risk and ongoing business contingency plans.

- The Asset and Liability Management Committee is entrusted with the following tasks:

  1.) Maintain a risk control policy for the Bank's interest rate risk, FOREX, securities investment, and its liquidity to ensure they remain at an appropriate level;

2.) Regulate, control, supervise, and examine policies to ensure the stability of liquidity management.

- The Collateral Valuation Committee has the following responsibilities:

1.) Specify policies and guidelines pertaining to collateral valuation for lending or credit extension and property foreclosure.

2.) Supervise and plan implementation of the Bank's internal policies in correspondence with guidelines of the Bank and those of BOT.

Credit Risk Management

Credit risk refers to the likelihood or the probability of the Bank's counterparties' ability to comply with its obligations or contracts with possible losses to the Bank in case of default. Credit risk is considered highly important as it involves credit analysis which represent the Bank's core business transactions of lending to customers. It involves balancing the risk factors, external factors beyond the Bank's control, and internal risk factors through a range of specified guidelines, credit consideration, approval procedures, monitoring, control, and review of clients' risks and transactions as appropriate to different customers.

Based on different risk levels, the Bank segregated the Risk Management Group portfolio into corporate risk management unit, SME risk management unit, and consumer risk management unit to oversee implementation of its credit principles.

In addition, the Risk Management Group is also accountable for the formulation of risk management guidelines needed to contain and monitor the size of loans and financial reserves to ensure they correspond with its risk management policy and strategies. Thus, guidelines for credit extension were specified to prevent risks from concentration of loans both in terms of industrial sectors and geographic locations, etc. At the same time, reviews and amendments are made in accordance with economic conditions and trends to make sure that the risk under the influence of a range of factors and variables remained at a level acceptable to the Bank.

Risk Control

Apart from ensuring the independence of the unit in charge of credit risk management from other business units to secure the efficiency of its risk management, BAY has adopted the following guidelines and approaches.

1.) **Credit Line Guidelines:**

Determine the size of credit line based on the customer's operating result, financial status, the requirement on the level of credit line, the ability to repay, risk level, and the BOT's compliance guidelines;

2.) **Credit Analysis Standards:**

The main purpose of credit analysis is to identify the risk that the Bank may incur in its dealing with its customers. The analysis takes into account such factors as their operating results and financial status as well as industrial outlook, management strength, etc.;

3.) **Credit Approval Standards:**

3.1) **Commercial Credit Approval/SME Credit Approval**

The Corporate Credit Analysis Division performs an analysis of the appropriateness of an individual approval request based on the objectives of the requested credit line, customer' risk level, the repayment ability, likely impacts on the business as a result of economic trends and industrial conditions against the risk that the Bank may incur. Credit Rating is then applied to determine the appropriateness of approval request before the result is submitted to committees with respective approval authority for consideration;

3.2) Consumer Credit Approval:

The sales network group is responsible for product and service offerings. To carry out its duty, it follows the guidelines specified by the Consumer Credit Risk Management Group whose duty is to stipulate credit policy for retail customers, credit scoring to assess the risk of housing loan customers, and other types of consumer credit. Approvals are managed by a team of Credit Underwriters based on the internal policy and program.

4.) Country Risk:

To be compliant with Basel II, Pillar II, the Bank is in the process of identifying different risk factors by seeking relevant input from its management for formulating the Capital Adequacy Assessment Procedure to ensure it corresponds with the Bank's actual risk level. It is expected that preparation under the Pillar II guidelines would be ready by 2009 as required by the Bank of Thailand.

Risk Grading

The Bank has a Risk Grading process to assess each customer's risk profile through Credit Rating. Credit rating represents a major factor in the credit approval process. The Bank has employed risk grading with major corporate customers since 2001.

The RISK Project (Risk Integrated Systems Knowledge Project) was rolled out in 2008 to give the Bank a risk assessment instrument and a better data gathering system that could result in better grade from a variety of banking transactions. Part of the RISK Project involves Probability of Default Based Rating used both for large corporate and SME customers. The Project will be implemented into 2009 to quantify the Probability of Default for each customer.

The RISK Project also involved the preparation of other credit risk management instruments including the Stress Test Device to be applied to individual customers and the Bank's credit portfolio.

Risk Monitoring : Post Approval of Credit Facilities/Exposure

The Bank has various processes to monitor and manage its customers.

1.) Annual Review:

After the approval of credit, the Bank's guidelines on consistent customer review and scrutiny are followed to reassess related operating results, financial status, and credit quality due to possible changes in the customers' finance and economy annually.

2.) Credit Portfolio Status Report:

The Bank maintains a specific policy whereby its credit portfolio report is prepared and submitted regularly to its Board of Directors and Management to keep them abreast of the Bank's current credit portfolio and as accompanying data to keep its risk within the desired level. Reports relating to other aspects of credit risk, including debt classification and maintenance of capital funds, are also prepared;

3.) Stress Test:

Stress Test is used to examine the effect on the Bank in terms of its capital fund, credit portfolio, and customers in the face of stress. This provides a set of guidelines to assess the possible impact that may result from certain changes or factors and an approach for credit risk management.

NPL Management

To tackle its non-performing loans, the Bank assigned a specific unit specialized in dealing with problematic loans to oversee this particular area of risk in order to minimize possible losses. It succeeded in reducing NPL by Baht 15.5 billion in 2008.

Market Risk

Market risk refers to the risk stemming from losses as a result of fluctuations in the Trading Book and Banking Book held by the Bank. The market factors that influence the prices include changes in interest rate, foreign exchange rate, and the market prices of debt instruments and commodities, all of which are beyond the Bank's control.

Market Risk Management Supervision

Recognizing the importance of a systematic and efficient approach to market risk management and control, the Board of Directors adopted firm policies on market and interest rate risk management involving the Bank's Trading Book Policy and the Banking Policy respectively. These were designed to help determine internal control approaches for market risk management and minimize the impact that could arise as a result. In this regard, continued efforts were made to enhance the Bank's market risk management process under the framework of Market Risk: Consolidated Supervision Policy to ensure that its risk was managed efficiently in tandem with the Bank of Thailand's (BOT) guidelines for market risk supervision under which the financial institutions were urged to have proper and world-class-standard market risk management systems based on its directives on market risk supervision, the maintenance of capital to contain financial-institutions-related market risk, the guidelines for interest rate risk in their banking books, and those on consolidated supervision.

Such management approaches come under the responsibility of the Risk Management Committee (RMC) whose role is to assess, minimize, and monitor related risks and bring them to the attention of the Board of Directors. It also has the duty of keeping the Bank's overall risk management procedure at an appropriate level to ensure that it is done efficiently in accordance with the Principles of Good Corporate Governance. At the same time, the Bank's Asset and Liability Committee (ALCO) was created to make policies and identify guidelines for asset and liability management that would result in a proper asset and liability structure, given both existing and future risks. The ALCO was also entrusted with the task of drawing up policies pertaining to interest rate, foreign exchange rate, and securities investment control. The Treasury, Capital Market, and Market Risk Management Units, meanwhile, worked together to assess and report the risk status, made recommendations on policy improvement/ strategic approaches for business competition, and readied the Bank for regulatory amendments and the pending implementation of such laws as the Financial Institutions Sector Development Plan II, Deposit Protection Agency Act, and Basel II.

Different tools and market risk assessment methods were employed to deal with a range of diverse transactions. The impact analysis of interest rate changes on transactions in the banking book, for example, was done by using the Net Interest Income Simulation, a device designed to assess the impact of future interest changes on net interest income and appraise interest rate risk that could reflect the sensitivity of the economic value of equity to interest rate changes. For the Trading Book, such instruments and market risk assessment methods as Value-at-Risk and Interest Rate Risk were used. Stress Testing was adopted as an important instrument to help identify the impact and severity resulting from unusual or crisis situations in order for the Bank to have appropriate approaches and guidelines prepared for timely mitigation in the case of the emergence of overall damages. Moreover, to enable it to manage its risk efficiently, the Bank regularly applied the Back Testing method to examine the accuracy and credibility of the instruments and the hypotheses used in risk assessment.

The Bank has specified an acceptable level of risk limits which are reviewed periodically in terms of scope, volume, and the complexities of its assets and liabilities positions. These risk limits implicate other areas including Value-at-Risk Limit, Interest Rate Risk Limit, Foreign Exchange Risk Limit, FX Derivative Risk Limit, Equity Limit, Loss Limit and Transaction Limits, among others. Clear procedure in transaction approvals and execution directions and in the approach and management of cases that are above and beyond the risk limits are all indicated.

Market Risk Assessment, Control and Monitoring Tools, and Directions

The bank divides its market-risk-related transactions into two groups, one under its Banking Book and the other under its Trading Book as detailed below.

Risk Stemming from Banking Book Transactions

1. Interest Rate Risk Management

In managing the risk related to changes in interest rates as a result of the differences between its interest rate structure and the nature of its financial mismatches, the Bank used the Gap Analysis method to determine the maturity gap or the period of interest rate changes in its assets and liabilities within any period of time. Then, the impact over the Bank's net interest income would be appraised and tested under Static and Dynamic Simulations based on the predicted interest trend and the Bank's changing business transactions supplied by its Research Department. To further test its impact, interest risk would also be assessed to reflect the sensitivity of BAY Economic Value of Equity to interest rate changes.

To maintain a balanced asset and liability structure, the Bank might be involved in transactions of interest derivatives and/or interest rate in its management of its asset and liability structure both in local and foreign currencies. In connection with this, it adopted a combination of risk prevention methods that include Cross Currency Swap and Interest Rate Swap or Foreign Exchange Forward within the scope of the FOREX Trade Limit and Risk Limit specified by the Board of Directors. The Treasury Group meanwhile makes sure to keep the Bank's position in line with its policy while a monthly report is submitted to the ALCO.

2. Price Risk Management

The Bank maintained an equity purchase and sale policy for its mid- and long-term investments. In connection with this, the issuer's potential was assessed while the total limit with acceptable risk which was subject to an annual review would be specified by the Board of Directors. The Board of Executive Directors meanwhile determined the Bank's policy, strategies, and management directions under the Board of Directors' policy framework with the ALCO doing the monitoring and managing of possible investment risks in a proper and efficient manner consistent with the economic and competitive financial situation.

Risk Stemming from Trading Book Transactions

Under its trading risk management policy, BAY applied market risk management guidelines to its trading transactions that included purchase/sale of such debt instruments as bonds and equities, purchase/sale of foreign currencies, and purchase/sale of derivatives with the Treasury Group responsible for the risk position management in relation to changes in interest rate, exchange rate, and derivatives. Such trading transactions were closely supervised by the ALCO to ensure that the Bank's total risks including Value-at-Risk Limits and Interest Rate Risk Limits did not exceed the aggregate limits. Related movements in these risk management areas were then prepared and submitted by the Treasury Group jointly with the Market Risk Department to the Board of Directors every month through the RMC and ALCO for risk limit consideration and adjustment.

The Stress Testing Method would be used when the Bank's Trading Book was in any way exposed to risk factors. Through hypotheses, the Method examined the extent of damage resulting from variables that affected its financial situation; changes in the Yield Curve, exchange rate, and SET Index would all go under the scrutiny of Stress Testing. Another instrument, the Back Testing Device, was used to consistently test the accuracy and credibility of the risk assessment instruments in the form of VaR assessment to compare the differences between the VaR Simulation Model and the resultant profit and loss to verify that the application of those risk testing instruments made it possible for the Bank to manage its trading-transaction-related market risk efficiently to a world-class standard.

Where the purchase/sale of derivatives in 2008 was concerned, the Bank offered this trading service to its customers and trading partners on a Back-to-Back basis. It also continued to develop the bond and equity risk management system and reviewed the way new products were introduced to allow the Bank to manage the risk associated with derivative transactions and/or new financial products in a timely and appropriate manner in line with the BOT's compliance rules and those of the Internal Audit Charter as well as the Derivative Transactions Risk Management Guidelines announced by the BOT on 3 August 2008.

1. Interest Rate Risk Management

Interest Rate Risk Management emerged in response to the intrinsic impact of reference-rate-based derivatives and derivative contracts, which were made available initially to meet customer's requirements. The Bank put this risk within a specified scope, with the Treasury Group entrusted with the task of portfolio management, mark-to-market price, and profit/loss results on a daily basis. The Market Risk Management Unit meanwhile monitored the risk limits using the Value-at-Risk Method to manage the interest rate risk and prepared a daily report for the Bank's top officers in related Groups.

2. Foreign Exchange Risk Management

The Bank maintained a policy whereby the net amount of foreign currencies held was limited mainly to meet the FOREX trading transaction requirements of its customers. The Board of Directors was in charge of specifying the limits for each specific currency under an acceptable risk level while the ALCO made sure the limits remained within the specified amount. The Treasury controlled and received daily reports relating to the mark-to-market price and profit and loss results. The Market Risk Management Unit monitored the risk level under the specified limits using the Value-at-Risk Method as the risk analysis tool to manage the exchange rate risk and prepared a daily report for the Bank's top officers in related Groups.

3. Equity Price Risk Management

Risk arising from bond and equity prices was managed following the guidelines to closely analyze data and situations in bond and equity investment trading. While the Board of Directors was responsible for the Total Limit which was subject to annual review, the Board of Executive Directors determined the policy, strategy, and management directions under the policy guidelines of the Board of Directors, and the ALCO monitored and managed the investment risk to ensure its efficiency and appropriateness according to the economic and business competition situation. The Capital Market Unit in the meantime controlled the trading transactions and prepared daily reports on the mark-to-market price and profit and loss results and the Market Risk Management Unit monitored the level of risk under the specified risk limits using the Value-at-Risk Method to manage the equity price risk and prepared a daily report for the Bank's top officers in related Groups.

Liquidity Risk

Liquidity risk refers to the ability to repay the Bank's contingencies when they are due. This involves the ability to convert its assets or secure adequate capital funds in a timely manner.

Liquidity Risk Management Guidelines

To manage liquidity risk, the Board of Directors drew up a framework for liquidity risk policy with details covering risk management strategy and the sources of liquidity risk which was part of the Market Risk: Banking Book Policy and other alarm indicators before a crisis breakout as guidelines for the Internal Control of liquidity risk management to help the Bank reduce the impact that might result from such risk. Moreover, the scope of policy in the daily management of liquidity risk under normal circumstances was also provided along with contingency plans to get the Bank prepared in the face of any liquidity crunch. These were the steps taken to ensure that the Bank's risk management efficiency was in line with the BOT's announced Guidelines on Financial Institutions' Liquidity Risk Management and the Regulation on Asset Liquidity Maintenance.

The ALCO closely monitored the liquidity status of the Bank by assigning top executives from the Treasury Group to perform periodic reviews of the right level of liquidity. The Treasury Group was also accountable for the Bank's daily liquidity management to meet its cash requirements for its financial undertakings. At the emergence of a liquidity crisis, coordination would be made to have the contingency plans, which contained details of secondary plans for liquidity contingency, asset management contingency, and liabilities management contingency, implemented so that the Bank could carry on with its normal business operations.

BAY approached its liquidity management both qualitatively and quantitatively as a means of risk diversification fitting to its asset and liability contingencies in an increasingly diverse, complex and competitive money market. In the meantime, strategies were adjusted in the likelihood of deposit outflow in favor of other higher-yield savings options in the capital market after the establishment of the Deposit Protection Agency Act. In so doing, the Bank took into account a range of variables including the customers' savings/withdrawal structure and behavior, the money market situation, competition, the economic situation, and financial returns to make sure it had adequate and suitable liquidity to meet the cash requirements of the Bank's operations and the undertakings of its Business Group while responding efficiently with competitive cost to other cash requirements during each period.

Tools and Approaches in Liquidity Risk Assessment, Control, and Monitoring

Giving priority to and following the changes resulting from the implementation of the Deposit Protection Agency Act and the subsequent impact possibilities over deposit diversifications across the entire banking industry and capital market, the Bank designed products and services and offered them through its Savings and Investment Product Group as a response to clients' needs which could change in the future. This effort was made to strengthen its liquidity management instruments and reduce the concentration of its source of funds. It was also meant to give customers more savings options from which to choose. In 2008, BAY offered bills of exchange (B/E) as a savings option to its retail customers and proceeded to issue short-term debentures within the extent of limit approved by the Board of Directors.

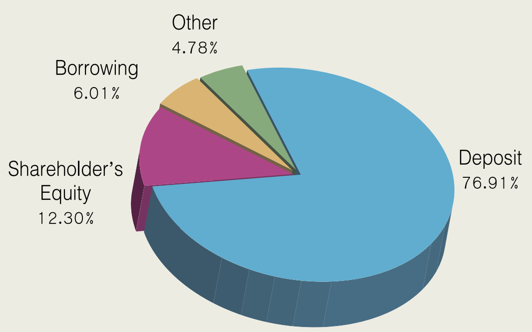
The Treasury Group was responsible for proposing to the ALCO business guidelines or strategy for liquidity risk management by employing instruments like the Contractual-Maturity-based Liquidity Gap Method and the preparation for another liquidity risk management instrument known as Stress Testing, a tool crucial to determining the impact and extent of the severity stemming from unusual circumstances and crises via different hypotheses, e.g. a 25% - 30% deposit withdrawal rate made by individual and juristic person customers within a month's time as opposed to the deposit withdrawals following the introduction of BOT's legal establishment of the Deposit Protection Agency, to help assess the impact and have contingency funding plans in place to accommodate the situation. Appropriate approaches and measures were also identified to enable timely mitigation of aggregated damage. In this instance, the Bank's continued efforts in liquidity risk evaluation and assessment development would make it ready to adopt a Data Adjustment Device involving Behavioral

Maturity and actual behavior so the Bank had a reporting system and efficient liquidity risk management device.

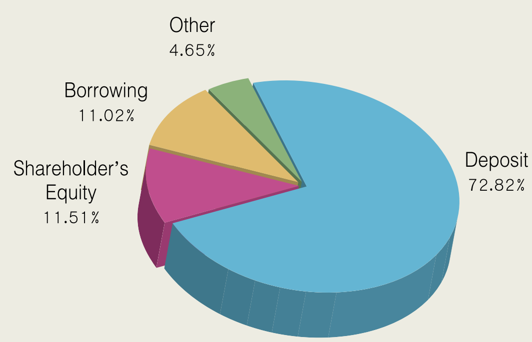
In addition, the Board of Directors had Liquidity Risk Indicators stipulated as an early warning system for the Bank. These included the Early Warning Point & Trigger Point, the daily level of total deposit drop, and the highest level of deposit per customer to minimize the concentration of the Bank's source of funds and a whole host of liquidity ratios including the lending to deposit ratio and the liquidity assets to short-term liabilities ratio, etc. The Market Risk Management Unit assessed and reported the extent of liquidity risk to the ALCO as part of its daily risk monitoring function.

The Bank's Source of Funds Structure

As at 31 December 2007

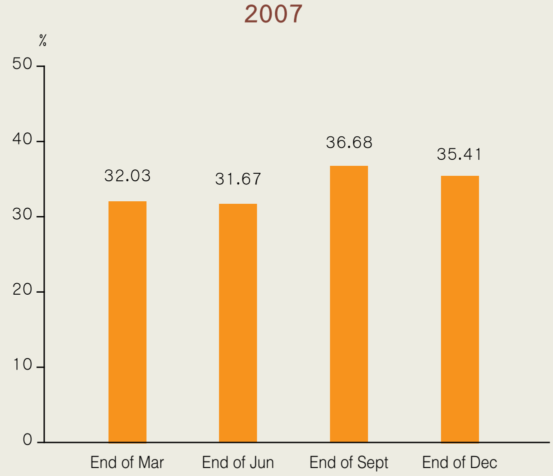


As at 31 December 2008

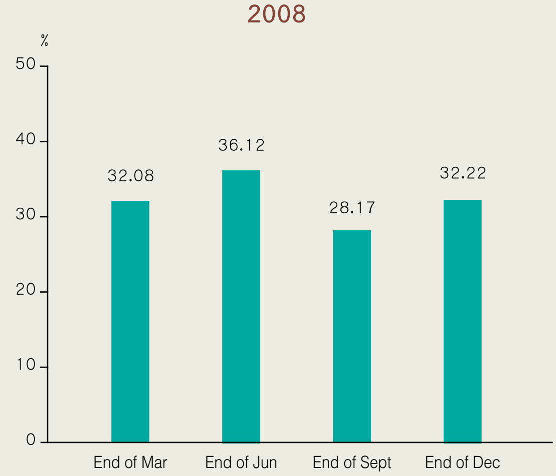


Liquidity Assets to Short-term Liabilities Ratio

2007



2008



Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. This definition includes legal risk but excludes strategic and reputation risk. The five causal factors are explained below.

- People: Losses arising from the conduct of internal and external personnel. People are the most important resource and still it is very difficult to measure and model risks of, for instance, human error, lack of integrity and honesty, lack of segregation and the risk of collaboration, lack of professionalism, insufficient skills, training, management or supervision, and lack of a control culture, etc.
- Processes: Losses arising from inadequate process design or work-flows, inadequate internal control procedures and routines. Well controlled and organized processes are essential. The primary elements of risk in processes are transaction process failures, documentation or contract risk, product complexity, capacity, management information/data integrity, compliance process failures, and disclosure.
- Systems: Losses arising from system collapse or delays in available data, inadequate integrity between old and new software, and incapability of hardware to fulfill business requirements. Inadequate systems may lead to data corruption, programming errors, security breaches, capacity problems, and system failures, programming errors, fraud, and network failures.
- External Events: Loss of assets or property as result of external fraud, criminal activities or catastrophe. Risks outside of the organization may affect the operational capability of the Bank. This includes the risk that people, systems, and processes become unavailable due to damage from fire, natural disaster, bombs; loss of utilities such as power, water; strikes; computer-viruses, etc.
- Legal: Loss arising from non- compliance with the laws or regulations of the government

Examples of these deficiencies include fraud, the lack of correct information in making decisions, interruption or breakdown in the computer systems, terrorism, natural disasters, etc. All these are regarded as risks that the Bank must closely monitor and control as they are involved in every operational process.

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

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

In previous years, not only did the Bank comply with the risk management policy and risk control guidelines of the Bank of Thailand but also improved its organization structure, its various committees, work systems, and tools used in identifying, assessing, following up on, controlling, and reducing risks. This was done together with improving internal management to increase efficiency and the ability to manage risks. The Bank raised the importance of risk management awareness among all levels of its employees under the program of Risk Control Self Assessment (RCSA). This program, among its various objectives, is to prepare the Bank to comply with Basel II and ensure sound practices for the management and supervision of operational risk as well as ensuring business units are aware of risks that fall into their own area of responsibilities. It has been implemented by experts in this field under the Bank's own risk management policy to assure the Bank of Thailand and the Board of Directors that the Bank has suitable policies to manage risk efficiently. Apart from the Operational Risk management team, the Bank has an Audit Committee which consists of people qualified and experienced in auditing and banking. Independent members of the committee are not employees or executives of the Bank and they are responsible for considering and examining financial statements to make sure that they are accurate and sufficient in disclosure. In addition, the Audit Committee has a duty to examine internal operations to ensure they are in accordance with the authorities' rules and regulations.

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

To maintain capital adequacy to manage operational risk, the Bank applies a standardized approach under the Basel II preliminary application.

The Bank reduces damage resulting from emergent incidents which make the Bank unable to serve customers by formulating a business continuity management (BCM) and a business continuity plan (BCP) both for Head Office and Branches to ensure that in case of sudden disruption all essential services can continue to serve to the customers and related parties. The BCP and DRP are reviewed and tested every year following the Bank of Thailand's regulations to ensure the Bank's business continuity whenever there is an emergent incident.

Overview Performance in 2008

2008 saw positive improvements in business operation and financial performance of the Bank of Ayudhya and its subsidiaries. This included the acquisition of GE Capital Auto Lease Public Company Limited (GECAL), a leading auto hire purchase company, in February 2008, which was in line with the Bank's inorganic growth plan. Various synergistic values were achieved from the acquisition with the Bank's portfolio mix was shifting towards higher yielding retail banking, the leveraging of the auto hire purchase business with a lower cost of funds and the use of the Banks extensive distribution network. Further synergy was obtained in December 2008 through an amalgamation of three auto hire purchase subsidiaries into one with GECAL renamed as Ayudhya Capital Auto Lease Company Limited (AYCAL).

A significant improvement in asset quality was achieved as the Bank succeeded in selling NPL of Baht 15,012 million in face value. After the NPL sale, the Bank and its subsidiaries still booked a Baht 106,722 million or 23.7% net loan growth in 2008. Deposits grew by Baht 37,727 million or 7.6% while debentures, an alternative source of funds that support a better match funding, grew by Baht 53,638 million or 386.7%

With contributions from both organic and inorganic growth in 2008, interest and dividend income grew by Baht 6,099 million or 17.4% and net interest income increased by Baht 6,946 million or 35.4% despite a decreasing interest rate environment. Net interest margin (NIM) improved from 3.2% in 2007 to 4.1% in 2008. Non-interest income declined slightly mainly due to a one-time charge to make a full provision for the Collateralized Debt Obligations (CDO) investment of Baht 2,293 million. However, fees and services income, the Bank's main source of non-interest income, rose by Baht 2,045 million or 37.6%. Operating Profit or profit before provisions for doubtful accounts and taxes was Baht 11,514 million, an increase of Baht 3,009 million or 35.4%.

The Bank and its subsidiaries reported a net profit in 2008 of Baht 4,896 million or 0.83 Baht earning per share. This compared favorably to the prior year where a net loss of Baht 3,992 million or 0.76 Baht loss per share was booked, as a result of loan loss provisions of Baht 12,364 million following the Bank of Thailand's new regulation in regard to International Accounting Standards No.39 (IAS 39).

Unit: Million Baht

Consolidated	2008	2007	Change	
			THB Million	%
Statement of income				
Profit from operation	11,514	8,505	3,009	35.4
Net income	4,896	(3,992)	8,888	222.6
Basic earnings per share (Baht)	0.83	(0.76)	1.59	209.2

Net Interest and Dividend Income

In 2008, the Bank and its subsidiaries' interest and dividend income was Baht 41,163 million, an increase of Baht 6,099 million or 17.4% as compared to the prior year. The improvement was mainly due to a shift in the composition of the loan portfolio with an expansion of higher yielding retail loans together with an improvement in asset quality. Meanwhile, interest expense was Baht 14,595 million, a decrease of Baht 847 million or 5.5% due to an overall lower interest rate when compared to 2007. As a result, net interest and dividend income in 2008 increased by Baht 6,946 million or 35.4% from the prior year to Baht 26,568 million. Details of the changes on the interest and dividend income are as follows:

Interest and dividend income

- Interest on loans was Baht 25,900 million, a slight decrease of Baht 429 million or 1.6% year over year as a result of a decline in the average interest rate. An increase in loan volume helped reduce the impact of interest rate decline.
- Interest on interbank and money market items were Baht 2,382 million, representing a decrease of Baht 1,344 million or 36.1% year over year, due mainly to the lower interest income on investment swaps, driven by the lower rates and the decrease of volume as a result of fund shifted for the GECAL acquisition.
- Hire purchase and financial lease income was Baht 10,440 million, representing an increase of Baht 8,796 million or 535.0% year over year resulting primarily from GECAL acquisition.
- Income on investments was Baht 2,441 million, a decrease of Baht 924 million or 27.5% year over year mainly resulting from the lower average rates.

Interest Expenses

- Interest on deposits was Baht 10,792 million representing a decrease of Baht 3,319 million or 23.5% resulting from a decline in the average interest rate in line with market trends.
- Interest on interbank and money market items totaled Baht 899 million, representing an increase of Baht 542 million or 151.8% mainly due to loans from financial institutions to partially finance GECAL acquisition initially, and the increase in long-term debentures sold to financial institution of Baht 7,783 million issued during the year 2008 to better match funding with shifting loan composition.
- Interest on short-term borrowings was Baht 689 million, increased by Baht 585 million or 562.5% mainly due to the increase of borrowings from non-financial institutions under Bill of Exchange (B/E) issued during the year 2008 of Baht 11,447 million.

• Interest on long-term borrowings was Baht 2,215 million, increased by Baht 1,345 million or 154.6% resulting from the increase in long-term debentures of Baht 46,031 million issued during the year 2008.

As a result of the Bank's increase in higher yielding assets while maintaining interest cost control, net interest margin in 2008 significantly improved from 3.2% in 2007 to 4.1% in 2008.

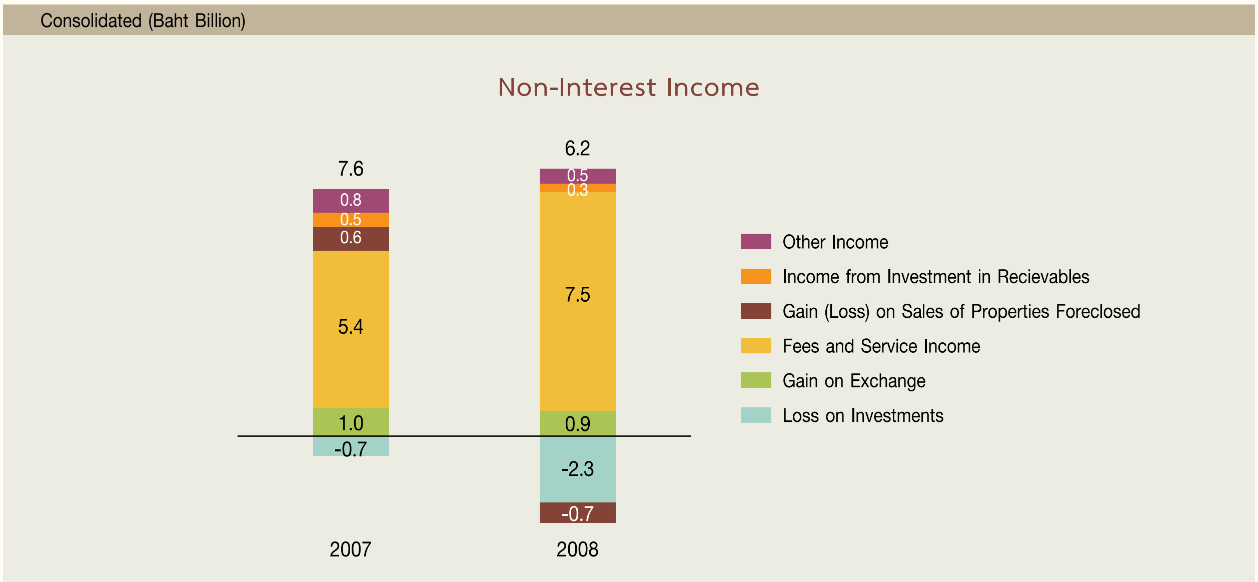
Unit: Million Baht

Consolidated	2008	2007	Change	
			THB Million	%
Statement of income				
Total interest and dividend income	41,163	35,064	6,099	17.4
Total interest expenses	14,595	15,442	(847)	(5.5)
Interest and dividend income, net	26,568	19,622	6,946	35.4

Non-Interest Income

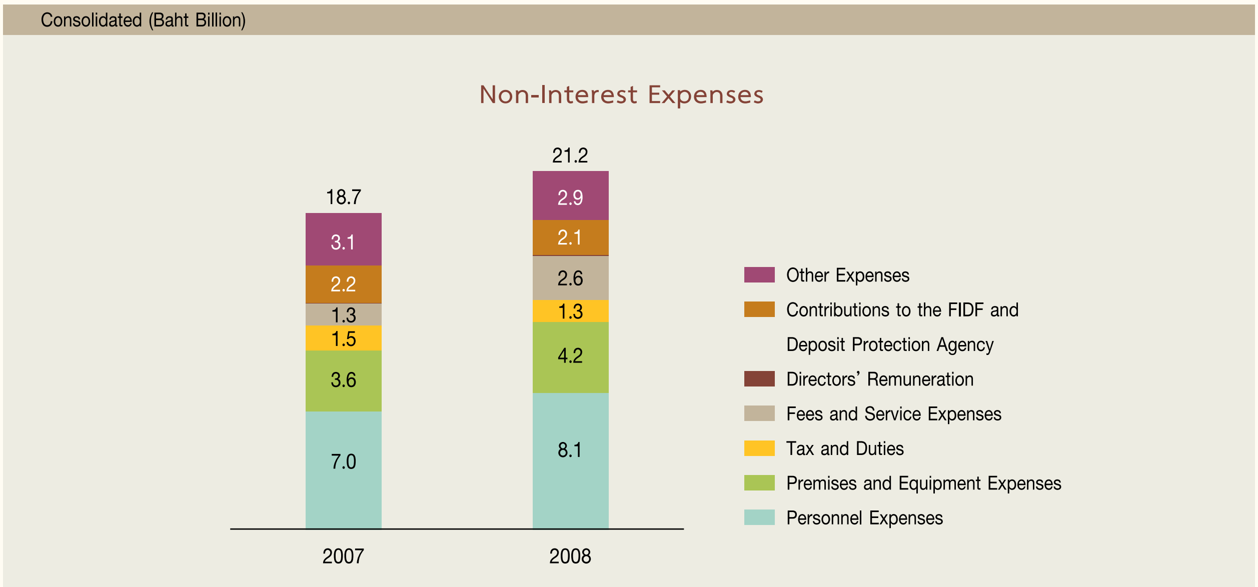
In 2008, the Bank and its subsidiaries' non-interest income was Baht 6,170 million, a decrease of Baht 1,377 million or 18.2% from the prior year as a result of a full provision on its CDO investment with a mark-to-market loss and impairment of Baht 2,293 million. Gain on sales of properties foreclosed decreased by Baht 1,293 million or 234.7% due to an increase in loss on fair market value of repossessed cars from the hire purchases business. However, the major item for the Bank's non-interest income, fees and service income in 2008 increased by Baht 2,045 million or 37.6% to Baht 7,487 million. The major drivers of a 37.6% increase in fees and services income were fees from the hire purchase business of Baht 1,145 million, together with the increase of the bank's fees and services income such as card-related fees, bancassurance and service fees and commission fees of subsidiaries, all of which was derived from services of the Bank's extensive network and solid customer base.

Consolidated (Baht Billion)



Non-Interest Expenses

The Bank and subsidiaries' non-interest expenses was Baht 21,224 million, an increase of Baht 2,560 million or 13.7% mainly from expenses of GECAL and business expansion of the Bank. Major increases were from fees and services expenses, representing Baht 1,312 million or 101.5%; personnel expenses, representing Baht 1,118 million or 16.0% and premises and equipment expenses, representing Baht 616 million or 17.3% from rebranding branches while taxes and duties decreased by Baht 199 million or 13.2% and other expenses decreased by Baht 141 million or 4.6% driven by the decrease in provisions for off-balance sheet obligations and provision on loss from NPLs transferred to TAMC.



Financial Status

1. Assets

As of 31 December 2008, the Bank and subsidiaries' total assets were Baht 745,477 million, an increase of Baht 93,101 million or 14.3% from December 2007. The key driver for this increase was a growth in loans of Baht 106,722 million or 23.7%. The Bank made positive progress on both performing loans and non-performing loans. The strong increase in performing loans was attributed to inorganic growth from the GECAL acquisition of Baht 78,249 million, organic loan growth in corporate, SME and retail loans of Baht 43,969 million as well as a NPL reduction of Baht 15,496 million, resulting from sales, settlements and write-offs. Consequently, the Bank's loan portfolio grew at the same time the quality of assets also improved.

Interbank and money market items were Baht 84,854 million, an increase of Baht 51,294 million or 152.8% due mainly to the Bank of Thailand has terminated the securities purchased under resale agreements, following the Bank of Thailand's Notification issued 12 February 2008. In addition, during the year 2008, so the Bank has changed to the deposit facilities with the Bank of Thailand. The deposit facilities and bilateral facilities with the Bank of Thailand increased by Baht 30,100 and 34,287 million respectively, while investment swaps decreased by Baht 20,713 million.

The breakdown of the Bank and subsidiaries' total assets for 2008 and 2007 was as follows:

Unit: Million Baht

Consolidated	2008		2007	
	amount	%	amount	%
Cash	20,419	2.74	19,200	2.94
Interbank and money market items	84,854	11.38	33,560	5.14
Securities purchased under resale agreements	-	-	76,000	11.65
Net investment in securities	57,229	7.68	54,950	8.42
Net loans and accrued interest receivables	526,453	70.62	417,208	63.95
Net properties foreclosed	21,371	2.87	23,523	3.61
Net property, premises and equipment	16,085	2.16	15,893	2.44
Others	19,066	2.55	12,042	1.85
Total	745,477	100.00	652,376	100.00

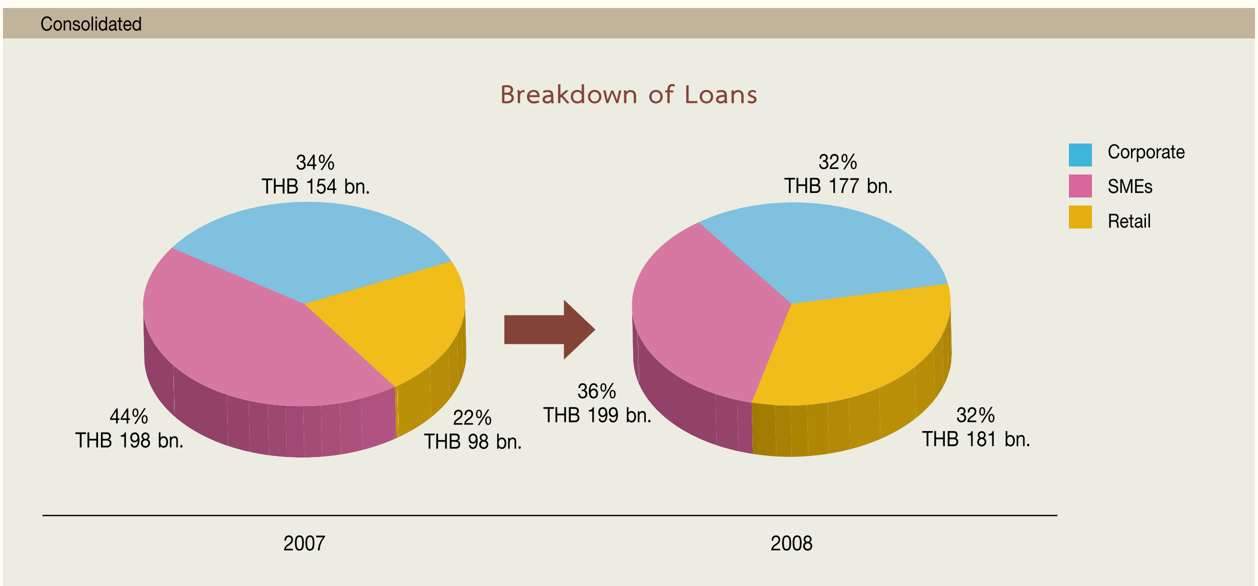
2. Assets Quality

2.1 Loans

1) Total Loans, Loans by Business Sector, and Loans by Classification of Assets are as follows:

Total Loans

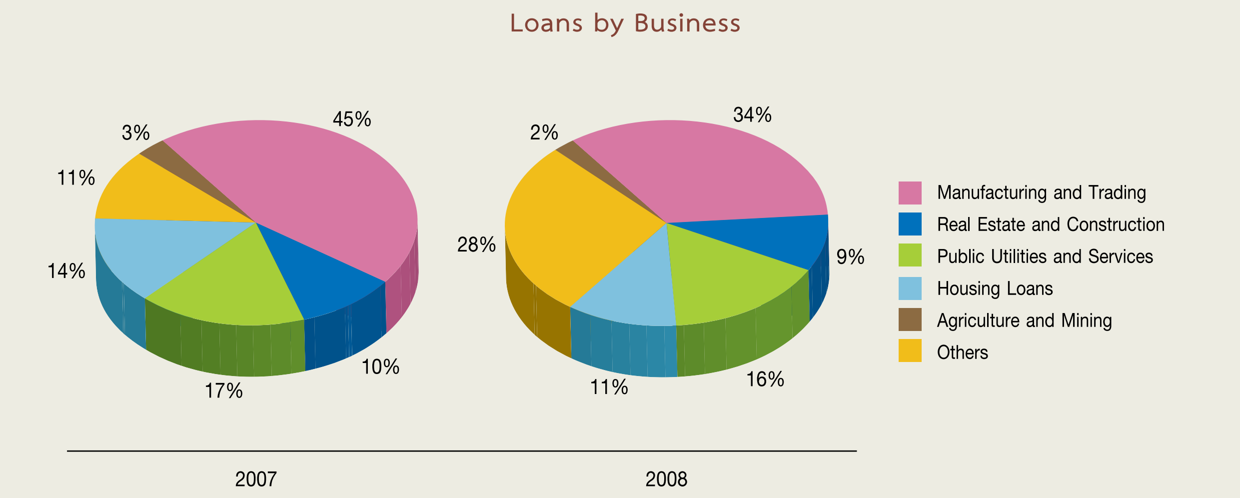
The Bank and subsidiaries' total loans increased from Baht 450,355 million as of 31 December 2007 to Baht 557,077 million as of 31 December 2008, mainly due to the GECAL acquisition of Baht 78,249 million and an increase in corporate loans of Baht 21,771 million or 14.1% while retail loans increased organically by Baht 5,596 million or 5.7%. The portfolio has evolved to a universal bank composition where the three segments are well balanced.



Loans by Business Sector

Broken down by business sector, the Bank's loan portfolio of Baht 557,077 million showed a high proportion of loans in manufacturing and commerce, which are among the country's top money earners. Together, these two sectors accounted for 33.9% of total loans. Loans to utilities and services business accounted for 16.2% of total loans.

Consolidated



Loans by Classification of Assets

Loans and accrued interest receivables under consolidated financial statements were classified as follows:

Unit: Million Baht

Categories	2008		2007	
	Amount	%	Amount	%
Normal	478,590	85.65	368,210	81.38
Special mention	23,479	4.20	12,206	2.70
Substandard	9,256	1.66	17,808	3.94
Doubtful	10,207	1.83	11,021	2.43
Doubtful of loss	36,227	6.48	42,974	9.50
Total	557,759	99.82	452,219	99.95
Plus deferred income/commission	1,001	0.18	208	0.05
Total	558,760	100.00	452,427	100.00

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

2) Non-performing loans

The level of NPL continued to improve since a qualitative reclassification in 2007, in which tightened underwriting criteria and NPL sales were implemented. As of 31 December 2008, net non-performing loans totaled Baht 32,954 million or 5.5% of the loans outstanding net of the provision for doubtful accounts. Gross non-performing loans as of 31 December 2008 stood at Baht 55,137 million or 8.8% of total loans, compared with Baht 70,633 million or 15.5% of total loans at the end of 2007.

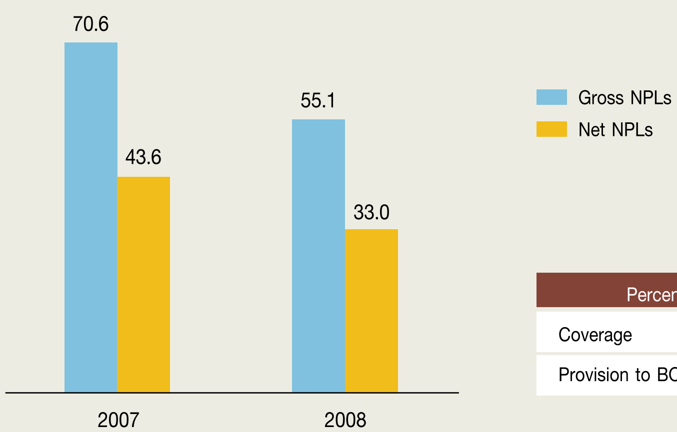
3) Allowance for doubtful accounts and revaluation for debt restructuring

As of 31 December 2008, the Bank and subsidiaries' allowance for doubtful accounts and revaluation for debt restructuring was Baht 32,359 million or 122.7% of required provisions based on Bank of Thailand guidelines, higher than the prior year provision level of 118.1%.

The ratio of allowance to non-performing loans stood at 58.7%, higher than the previous year ratio of 49.9%.

Consolidated (Baht Billion)

NPLs and Coverage Ratio



Percentage	2007	2008
Coverage	49.9	58.7
Provision to BOT requirement	118.1	122.7

4) Sales of non-performing loans during the year

In 2008, the Bank entered into two agreements to sell NPLs with total book value of Baht 15,012 million and a net book value of 5,610 million to third parties for the amount of Baht 5,610 million. The amounts have been received.

The provision of the Bank had taken into account these NPL sales, therefore no impact on the Bank's profit and loss for the year resulted from these transactions.

5) Debt Restructuring

In 2008, the Bank and subsidiaries' restructured debt totaled Baht 20,413 million, equivalent to 3.7% of total loans, compared to Baht 22,014 million or 4.9% in the prior year. At the end of 2008, outstanding debt restructured totaled Baht 54,514 million, a decrease of 10.6% when compared to the prior year.

6) Limiting Risk from Credit Default

Extending credit to customers exposes the Bank and subsidiaries to certain risks which the Bank has taken steps to minimize. The ability of any potential borrower to repay the loan is carefully analyzed. Customers are also required to provide collateral and/or a guarantor in order to obtain credit. In the case of a failure to honor the terms of the loan agreement, the Bank and subsidiaries have the right to seize or foreclose on the collateral and sell it at a fair price. To ensure that the Bank and subsidiaries are able to recover any potential loss, the Bank has adopted a general policy to grant loans worth approximately 50-100% of the collateral value.

For unsecured retail personal loan lending, the Bank has considered other factors in addition to the customer's ability to repay the loan. Customer income, repayment history, and customer quality are also analyzed. A maximum lending limit per customer is set to limit the Bank's loss per each individual customer.

Bad debt is written off when it becomes clear that the debt cannot be recovered, and bad debt recovery is recorded as income on the income statement when received.

2.2 Properties Foreclosed

Properties foreclosed, including both movable and immovable assets, are recorded at the lower of the fair value or the value of outstanding debt plus interest receivable whichever is less. When the Bank and subsidiaries determine that the selling price of an asset has fallen, it sets aside a corresponding allowance. Profit or loss from the sale of properties foreclosed are recognized at the time of sale and recorded as non interest income on the income statement. At the end of 2008, the value of properties foreclosed by the Bank and subsidiaries totalled Baht 21,371 million, compared to a prior year balance of Baht 23,523 million. In 2008, foreclosed properties sold by the Bank and subsidiaries totaled Baht 6,386 million.

2.3 Investment in Securities

1) Government Securities

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

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

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

The investments had a book value of Baht 38,197 million in 2008 and Baht 34,334 million in 2007. Their market value is assessed on a monthly basis. Any gap between book value and market price appears in the income statement or the shareholders' equity, depending on the type of investment, in accordance with Thai accounting standards.

2) Private Sector Securities

As of 31 December 2008 and 2007, private sector securities held by the Bank and subsidiaries had a total value of Baht 19,284 million and Baht 21,689 million, respectively. As of 31 December 2008 and 2007, these securities were divided into equity instruments worth Baht 8,802 million and Baht 9,376 million, respectively, and debt instruments worth Baht 10,482 million and Baht 12,313 million respectively.

Unit: Million Baht

Type of Securities	Amount (at cost value)			
	2008	%	2007	%
Equity Securities	**8,802**	**45.64**	**9,376**	**43.23**
Listed companies	3,645	18.90	3,703	17.07
Associated companies	550	2.85	550	2.54
Other investments	4,607	23.89	5,123	23.62
Debt Securities	**10,482**	**54.36**	**12,313**	**56.77**
Securities for trading	3,042	15.78	4,923	22.70
Securities available for sales	7,374	38.24	7,143	32.94
Securities held to maturity	66	0.34	247	1.13
Total	**19,284**	**100.00**	**21,689**	**100.00**

In 2008, investments in debt securities decreased by Baht 1,831 million or 14.9% due to sales of debt securities for trading.

As of 31 December 2008, the Bank made a full provision by marking down and posting an impairment for the loss on CDO investment totaling of Baht 2,293 million, resulting in a remaining fair value of zero.

For structured notes, in 2008, the Bank unwound its investment in Structured Deposits and realized loss on such investment of Baht 178 million in the statement of income.

3) Return on Securities Investment

The Bank and subsidiaries' interest and dividends income from investments totaled Baht 2,441 million in the current year, a decrease of Baht 924 million or 27.5% when compared to the prior year due mainly to volume increases offset by a decrease of average yields from 5.3% in 2007 to 4.4% in 2008 in line with the declining interest rate environment.

In 2008, the Bank and subsidiaries' investment performance represented a loss of Baht 2,255 million, an increase of Baht 1,586 million when compared to the prior year. The primary reason for the decline was the allowance for impairment of Baht 2,293 million for Collateralized Debt Obligations.

4) Investment in accounts receivable

As of 31 December 2008, the investments in secondary loans had a book value of Baht 3,409 million with maturities from 30 June 2009 to 30 April 2010. The interest rates are both fixed and floating rate according to the original contract.

3. Liquidity

Liquid Assets

As of 31 December 2008, the Bank and subsidiaries' liquid assets consisted of cash, inter-bank and money market items and investment in securities, totalling Baht 162,502 million or equivalent to 21.8% of total assets, decreased by 11.5% from 31 December 2007.

As of 31 December 2008, the ratio of liquid assets to deposits and short-term borrowings was 26.2% compared to 34.1% as of 31 December 2007. The loans to deposits ratio was 103.7%, as compared to 31 December 2007 at 90.1%. As a result of the Bank's retail loans proportion increasing, particularly due to fixed-rate auto hire purchase loans, the debentures, an alternative source of funds were issued totaling Baht 53,638 million, resulting in a loan to deposits including borrowings and debentures ratio of 93.7 %.

Cash Flows

The Bank and subsidiaries' cash flow statements reflect an increase in cash and cash-equivalent items of Baht 1,220 million as compared to a prior year increase of Baht 1,578 million, mainly due to a decrease in net cash used in operating activities of Baht 43,651 million, an increase in net cash used in investing activities of Baht 36,399 million and in financing activities of Baht 5,731 million.

4. Capital Expenditure

In 2008, capital expenditure was primarily on land, premises, and equipment totalling Baht 952 million.

5. Sources and Uses of Funds

Sources of Funds

At the end of 2008 and 2007, the Bank and subsidiaries' total sources of funds came from deposits, representing 72.1% and 76.6% of total sources, respectively. Borrowings represented 11.0% and 6.0%, respectively. Shareholders' equity accounted for 11.5% and 12.0%, whereas other sources of funds accounted for 5.4% and 5.4%, respectively.

Shareholders' equity

As of 31 December 2008, shareholders' equity was Baht 85,367 million, increased by Baht 7,300 million or 9.4% from December 2007 due to the increase of issued and paid-up share capital with premium ordinary shares of Baht 3,917 million from warrant conversions, and the increase of net income for the year 2008 of Baht 4,896 million offset by the increase in the revaluation deficit on investments of Baht 141 million and the interim dividend paid during 2008 of Baht 904 million.

Liabilities

As of 31 December 2008, total liabilities were Baht 660,109 million, increased by Baht 85,800 million or 14.9% from the prior year, resulting from a growth in deposits and borrowings. Deposits increased by Baht 37,727 million or 7.6% from Baht 499,627 million to Baht 537,354 million, representing primarily time deposits. Interbank and money market items and borrowings increased by Baht 46,168 million or 82.9% through the issuance of unsubordinated debentures in the amount of Baht 53,638 million, with tenors of 2, 3 and 4 years and interest rates ranging from 3.85% to 5.10% per annum.

The funding was raised in preparation for business organic and inorganic expansion and to ensure the Bank maintained adequate liquidity.

As of 31 December 2008, the Bank and subsidiaries' deposits were Baht 537,354 million, an increase of Baht 37,727 million or 7.6% from the prior year. The increase was mainly due to time deposits of Baht 35,847 million or 11.1% resulting from the launch of a number of deposit schemes toward the end of the year. Current account deposits rose by Baht 3,459 million or 24.2% while savings accounts decreased by Baht 1,579 million or 1.0%.

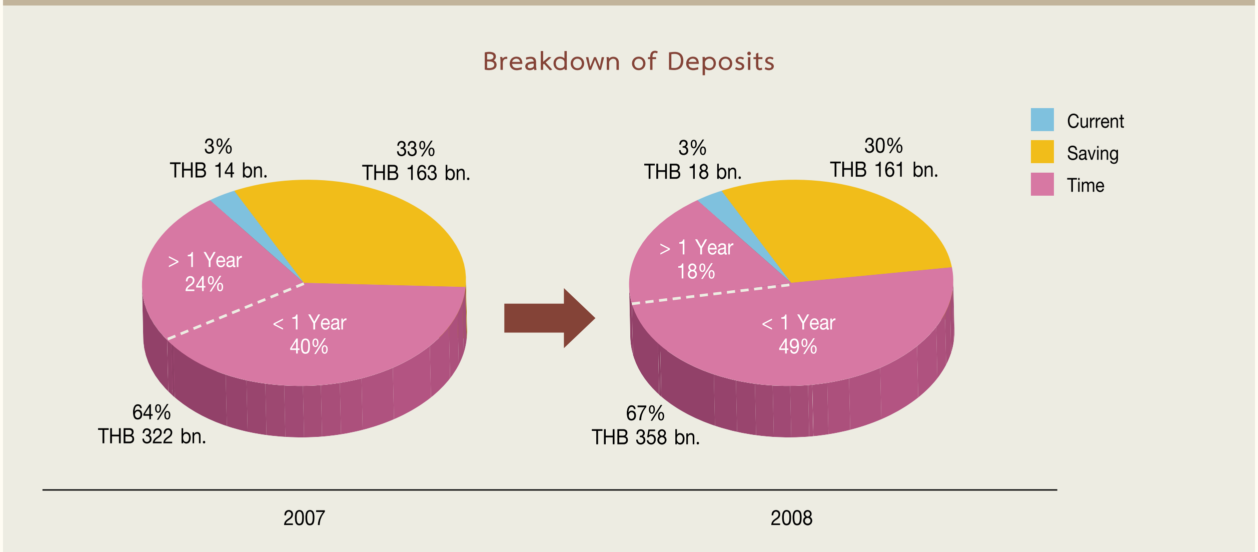
Proportion of deposits as of 31 December 2008 was as follows :

Time : 67%, Savings : 30%, Current : 3%

Proportion of deposits as of 31 December 2007 was as follows :

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

Consolidated



Uses of Funds

At the end of 2008, the Bank and subsidiaries' operating funds were allocated for credit extension at 75%, comparable to the prior year. Funds used for maintaining liquid assets as of 31 December 2008 and 2007, consisting of cash, interbank and money market items and investment in securities, accounted for 21.8% and 28.2% and for other items at 3.2% and 2.8%, respectively.

6. The Relation between Sources and Uses of Funds

An examination of the relationship between the Bank and subsidiaries' sources and uses of funds shows that the Bank and subsidiaries' largest source of funds is short-term deposits of less than one year while the largest portion of the use of funds is loans. Outstanding loans at the end of 2008 and 2007 are classified by the remaining maturity as follows:

Unit: Million Baht

Period	2008		2007	
	Amount	%	Amount	%
One year or less	228,366	39.58	172,327	37.87
More than one year	348,562	60.42	282,772	62.13
Total	576,928	100.00	455,099	100.00
Less Unearned discount on loans	(20,852)		(4,952)	
Add Deferred brokerage fee, net	1,001		208	
Total	557,077		450,355	

As of 31 December 2008, the Bank and subsidiaries' loans (before unearned discount on loans, deferred brokerage fee, accrued interest and excluding interbank and money market items) of Baht 576,928 million, with a remaining term of one year or less (including those without agreements and agreements that have expired) totaled Baht 228,366 million, an increased of 32.5% from the prior year while loans with a maturity date of more than one year totaled Baht 348,562 million, an increase of 23.3% from the prior year end.

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

Unit: Million Baht

	Consolidated Financial Statements 2008					
	0-1 Years*	1 – 5 Years	Greater than 5 Years	Non-Performing Loans	No Maturity	Total
Financial assets						
Interbank and money market items and securities purchased under resale agreement	83,880	905	–	–	69	84,854
Investments, net	26,137	22,458	881	–	7,753	57,229
Loans	168,937	161,005	171,998	55,137	–	557,077
Total	278,954	184,368	172,879	55,137	7,822	699,160
Financial liabilities						
Deposits	508,687	28,665	2	–	–	537,354
Interbank and money market items and securities sold under repurchase agreement	6,909	13,027	67	–	–	20,003
Borrowings	9,014	72,841	2	–	–	81,857
Total	524,610	114,533	71	–	–	639,214

* Included at Call

The average rate of interest earned in 2008 was 6.4%, an increase from 5.7% in 2007 mainly due to a shift in the composition of the loan portfolio with more higher yielding retail loans, while the average interest cost of 2.4% in 2008, decreased from 2.7% in the prior year in line with the decreasing interest rate period. The interest rate spread in 2008 were 4.1%, decreased when compared to 3.2% in 2007.

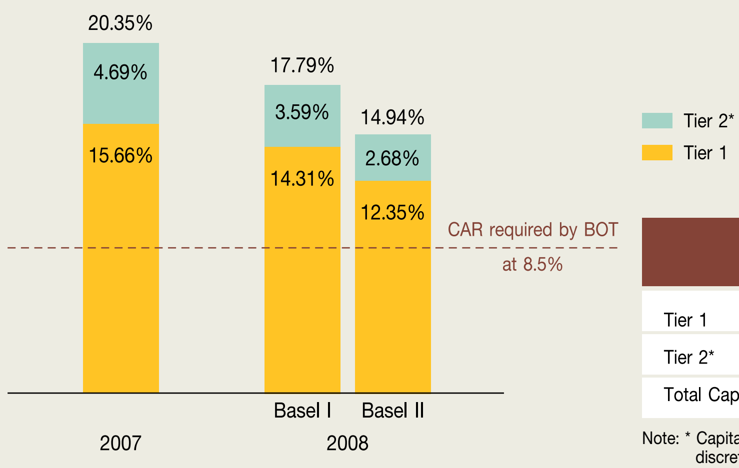
7. Capital Adequacy

As of 31 December 2008, the Bank's capital was Baht 95,561 million or equivalent to 14.94% of risk-weighted assets with 12.35% in Tier 1 under Basel II and 17.79% of risk-weighted assets with 14.31% in Tier 1 capital under Basel I. The capital as of 31 December 2007 was Baht 91,140 million, equivalent to 20.35% of risk-weighted assets, with 15.66% in Tier 1 under Basel I. The capital in comparison to risk-weighted assets decreased by 5.41% mainly due to the GECAL acquisition together with an decrease in risk assets of 2.85% driven primarily by the change from Basel I to Basel II starting from 31 December 2008 as required by the Bank of Thailand.

The Bank's capital adequacy ratio was high in comparison to the minimum BOT requirement of 8.5%, providing the Bank with flexibility to further explore inorganic growth.

Bank Only (Baht Billion)

Capital Base



	2007 (Basel I)	2008 (Basel I)	2008 (Basel II)
Tier 1	70.14	79.00	79.00
Tier 2*	21.00	19.80	17.12
Total Capital	91.14	98.24	95.56

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

8. Others

At the beginning of 2009, following its strategy to pursue further inorganic growth, the Bank announced an agreement under which the Bank will acquire AIG Retail Bank Public Company Limited and AIG Card (Thailand) Company Limited from American International Group, Inc. The transaction, subject to the approval of the Bank of Thailand and the Bank's shareholders, is expected to be completed in April 2009.

Credit Ratings

The Bank's credit rating by Moody's Investors Service, Standard & Poor's, Fitch Ratings and TRIS Rating as of 31 December 2008 are as follows:

Moody's Investors Service	
Bank Deposits	
Long Term	Baa2
Short Term	Prime-2
Debt	
Long Term - Senior Debt	Baa2
Long Term - Subordinated Debt	Ba1
Short Term	Prime-3
Debt and Deposit Rating Outlook	Stable
Bank Financial Strength Ratings	D
Outlook	Stable

Standard and Poor's	
Local Currency	
Long Term	BBB-
Short Term	A-3
Foreign Currency	
Long Term - Senior Debt	BBB-
Short Term	A-3
Bank Financial Strength Ratings	C
Outlook	Stable

Fitch Ratings	
International Rating (Foreign Currency)	
Long Term	BBB
Subordinated Debt	BBB-
Short Term	F3
Individual Rating	C
Support	3
Support Rating Floor	BB+
Outlook	Negative
National Ratings	
Long Term - Debenture	AA- (tha)
Subordinated Debt	A+ (tha)
Short Term	F1+ (tha)
Outlook	Stable

TRIS Rating	
Company Rating	A+
Issue Rating	A
Outlook	Positive

Shareholding and Management Structures

Registration and Shareholding Structure

Top Ten Shareholders

The top ten shareholders of Bank of Ayudhya Public Company Limited as appear in the share registrar as of the 2008 last closing date for suspension of share transfer on 18 September 2008 (issued and paid-up ordinary shares totaling 6,074,143,947 shares with par value at Baht 10 per share) were as follows:

Names of Shareholders	No. of Shares	% of All Shares
(1) GE Capital International Holdings Corporation	2,000,000,000	32.93
(2) Thai NVDR Co., Ltd.	607,414,374	10.00
(3) Stronghold Assets Co., Ltd.	166,536,980	2.74
(4) The Great Luck Equity Co., Ltd.	166,478,940	2.74
(5) GL Asset Co., Ltd.	166,414,640	2.74
(6) BBTV Satelvision Co., Ltd.	166,151,114	2.74
(7) BBTV Asset Management Co., Ltd.	163,112,900	2.69
(8) Bangkok Television and Radio Co., Ltd.	160,789,220	2.65
(9) Mahakij Holdings Co., Ltd.	158,726,810	2.61
(10) Tun Rung Rueng Co., Ltd.	157,889,440	2.60

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

Management

1. Committee Members and Executives

1.1 Committee Structure

The Committee structure comprises the Board of Directors and four Committees appointed by the Board of Directors to supervise the Bank's businesses as named below:

(1) Executive Committee

(2) Audit Committee

(3) Risk Management Committee

(4) Nomination and Remuneration Committee

The roles and responsibilities of the Board of Directors and the Management are clearly separated, including the positions and authority of the Chairman of the Board and the President & Chief Executive Officer, namely, the Chairman of the Board is responsible for overseeing the overall policies of the Bank while the President & Chief Executive Officer is in charge of the management to ensure that the Bank's activities complies with the law and adhere to the Code of Ethics and good corporate governance. Currently, the Chairman of the Board and the President & Chief Executive Officer are different persons.

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

(1) Board of Directors

Composition, Qualifications and Term of Office

According to the Bank's Articles of Association, Board of Directors consists of at least five directors, and not less than half of all directors shall have domicile in Thailand. All directors shall be nominated by the Nomination and Remuneration Committee, details as stated in Section Compliance with Good Corporate Governance. As of 31 December 2008, the Bank's Board of Directors consists of 10 directors i.e. three non-executive Directors, four independent directors and three executive directors. All directors possess qualifications as required by relevant laws, regulations of the Bank's supervisory authorities and the Bank's Articles of Association in regard to the Directors. A corporate secretary performs the duty of Secretary to the Board of Directors.

The Bank's Independent Directors neither have business relationship with nor provide any professional service to the Bank, its subsidiaries, affiliated companies or related legal entities which may pose a conflict with the Bank, in the amount exceeding that prescribed in the Capital Market Supervision Board's Notification on Request for Approval and Approval for Offering for Sale of Newly Issued Shares.

Term of Office

The directors' term of office is clearly specified. At every annual general meeting of shareholders, one-third of all directors who hold the longest term of office shall retire and if the number of directors is not a multiple of three, the nearest number of one-third shall retire. However, a member who retires by rotation may be reappointed.

Authority, Duties and Responsibilities

1. The Board of Directors has the authority to supervise and manage the Bank to ensure compliance with the laws, objectives, Articles of Associations and shareholders meeting resolutions, except for those as specified below, which are subject to prior shareholders meeting approval:

   (1) Matters for which the law requires resolutions of a shareholders meeting, e.g. increase or decrease of capital, dissolution, and merger.

   (2) Matters for which regulations of the regulatory require approval from a shareholders meeting such as related party transaction, acquisition or disposal of assets.

2. In addition to the authority and responsibilities to supervise and manage the Bank's operations as specified in 1 above.

The Board of Directors also has the following duties and responsibilities:

(1) To set overall direction and strategic goals for the Bank;

(2) To consider and approve policies proposed by the Bank's management;

(3) To ensure that the Bank's executives implement the approved policies effectively and efficiently in order to protect the interests of the Bank and its shareholders;

(4) To establish a system for preventing possible conflicts of interest;

(5) To draw up the Code of Conduct for the Bank's business and the Code of Ethics for directors, executives and employees and to ensure that they are communicated to the Bank's employees at all levels;

(6) To monitor the Bank's operations to ensure that the executives comply with the law;

(7) To arrange for effective internal control and internal auditing mechanisms;

(8) To monitor the Bank's executives to ensure implementation of effective risk management procedures and control and to carry out regular reviews of policies and strategies;

(9) To consider and approve the roles and responsibilities of various Committees and substantial changes in their scopes of power and duties;

(10) To be responsible for ensuring an effective system of reporting that enables the Board of Directors to receive adequate information from the Bank's executives for exercise of their authority and discharge of their responsibilities; and

(11) To be responsible for the consolidated financial statements of the Bank and its subsidiaries and for all other financial information which appears in the annual report and to ensure all relevant information is disclosed adequately and accurately.

Members of the Board of Directors

As of 31 December 2008, the members of the Board of Directors are as below:

- Non-executive Directors

(1)	Mr. Veraphan Teepsuwan	Chairman
(2)	Mr. Pornsanong Tuchinda	Director
(3)	Mr. Chet Raktakanishta	Director

- Independent Directors

(4)	Mr. Surachai Prukbamroong	Director
(5)	Mr. Karun Kittisataporn	Director
(6)	Mr. Virat Phairatphiboon	Director
(7)	Mr. Yongyuth Withyawongsaruchi	Director

- Executive Directors

(8)	Mr. Tan Kong Khoon	Director
(9)	Mrs. Janice Rae Van Ekeren	Director
(10)	Mr. Pongpinit Tejagupta	Director
	Mrs. Thidarat Sethavaravichit	Secretary to the Board of Directors

The authorized signatory directors of the Bank are either Mr. Pongpinit Tejagupta or Mr. Chet Raktakanishta co-sign with either Mr. Tan Kong Khoon or Mrs. Janice Rae Van Ekeren, a total of two directors, jointly affix their signatures and the Company seal.

Names of Members and Meetings of the Board of Directors

The Board of Directors meetings are convened on a regular basis at least once a month and are scheduled in advance for the whole year. In 2008, there was a total of 14 meetings, the attendance of the members are as detailed below:

Members of the Board of Directors	Number of Times Attended / Total Number of Meetings					Remark
	Board of Directors	Executive Committee	Audit Committee	Risk Management Committee	Nomination and Remuneration Committee	
Non-executive Directors						
(1) Mr.Veraphan Teepsuwan	14 / 14					
(2) Mr. Pornsanong Tuchinda	14 / 14				15 / 16	
(3) Mr. Chet Raktakanishta	14 / 14					
Independent Directors						
(4) Mr. Surachai Prukbamroong	14 / 14		7 / 7			
(5) Mr. Karun Kittisataporn	11 / 11				11 / 11	Elected by the shareholder meeting on 9 April 2008
(6) Mr. Virat Phairatphiboon	13 / 14		6 / 7		13 / 16	
(7) Mr. Yongyuth Withyawongsaruchi	13 / 14		7 / 7			
Executive Directors						
(8) Mr. Tan Kong Khoon	14 / 14	13 / 13		11 / 12		
(9) Mrs. Janice Rae Van Ekeren	14 / 14	11 / 13		11 / 12		
(10) Mr. Pongpinit Tejagupta	14 / 14	12 / 13				
Directors retired by rotation during the year						
(1) Mr. Thipsamat Na Chiengmai	3 / 3				5 / 5	Retired by rotation on 9 April 2008

(2) Executive Committee

Composition, Qualifications and Term of Office

The Board of Directors appoints the Executive Committee consisting of at least seven members, namely, President & Chief Executive Officer (being the Chairman of the Executive Committee by position), Chief Financial Officer, Chief Risk Officer, General Counsel and other appropriate executives. Each Committee member has a two-year term of office.

Authority, Duties and Responsibilities

1. To ensure that the Bank's operations and execution is in accordance with all relevant laws and regulations;

2. To supervise the Bank's management to ensure accomplishment of the Bank's goals, policies, strategies and business plans;

3. To provide full and complete information to the Board of Directors for the optimal benefit in establishment of policies and plans;

4. To screen strategic plans, annual business plans, capital expenditure budget, operational targets under various project plans and to monitor incomes/non-interest expenses and present them to the Board of Directors;

5. To assign matters arising from the Bank's normal operations to the Board of Directors and other Committees for further consideration;

6. To ensure the preparation of reports as designated by the Board of Directors;

7. To review policies and business plans established by the President & Chief Executive Officer and audited by the Financial Management Committee and present the reviewed business plans to the Board of Directors meeting for approval;

8. To consider policies and business plans approved by the Board of Directors on a quarterly basis and provide opinions on such policies and business plans to the Board of Directors;

9. To consider, approve and follow up on the following matters:

    9.1 Investment with a large amount of funds;

    9.2 Introduction of new products or suspension of provision of any product or change of price as approved;

    9.3 Joint investment, partnership, business alliance or execution of agreements or arrangements of a similar nature;

    9.4 Lending or guarantee other than those in the normal course of the Bank's business;

    9.5 Creation of rights over the Bank's property or assets;

    9.6 Debt repayment or early repayment;

    9.7 Amendment to the policy on payment of remuneration or employee fringe benefits;

    9.8 Amendment to the strategies and policies on lending and acceptance of deposits;

    9.9 Approval or termination of credit limits; and

    9.10 Execution of arrangements or establishment of policies on execution of arrangements with the authorities supervising the Bank's business, other than in cases where high-level executives of the Bank are authorized to do so.

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

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

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

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

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

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

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

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

Names of Members and Meetings of the Executive Committee

As of 31 December 2008, the Executive Committee consists of 9 members. Meetings are convened on a regular basis at least once a month and are scheduled in advance for the whole year. In 2008, there was a total of 13 meetings, the attendance of the members are as detailed below:

Members of the Executive Committee	Position	Number of Times Attended / Total Number of Meetings	Remark
(1) Mr. Tan Kong Khoon	Chairman	13/13	
(2) Mrs. Janice Rae Van Ekeren	Vice Chairman	11/13	
(3) Mr. Chandrashekar Subramanian Krishoolndmangalam	Member Member	9/13	
(4) Mr. Pongpinit Tejagupta	Member	12/13	
(5) Mr. Virojn Srethapramotaya	Member	11/13	
(6) Miss Phawana Niemloy	Member	13/13	
(7) Mr. Poomchai Wacharapong	Member	10/13	
(8) Mr. Sudargo Harsono	Member	12/12	Took office on 23 January 2008
(9) Mrs. Wanna Thammasirisup	Member	11/13	
Secretary to the Executive Committee is Miss Nopporn Tirawattanagool *			

* Currently, Miss Nopporn Tirawattanagool is a member of the Executive Committee. The Board of Directors has appointed Mrs. Thidarat Sethavaravichit as the Secretary to the Executive Committee effective from 1 January 2009.

(3) Audit Committee

Composition, Qualifications and Term of Office

The Board of Directors appoints the Audit Committee consisting of at least three independent directors of the Bank and one of the members shall be appointed as the Chairman of the Committee. Each Committee member has a three-year term of office.

Authority, Duties and Responsibilities

1. To ensure that Committee members, the Bank's auditors and internal auditors and the management team have a clear and common understanding of aspects relative to their work;

2. To carry out periodic reviews of the Regulations of the Audit Committee and make changes appropriate to the current organizational environment;

3. To nominate the Bank's auditors and propose auditing fees;

4. To ensure and attest the independence of the internal auditors and the Bank's auditors and also to nominate, transfer, terminate the Head of Internal Audit;

5. To question Bank's executives, internal auditors and the Bank's auditors about major business risks and measures taken to control or reduce such risks;

6. To examine and set the auditing scope and plans of the internal auditors and the Bank's auditors in an appropriate and effective manner;

7. To coordinate with the internal auditors and the Bank's auditors to review auditing procedures in order to eliminate redundancies and reduce expenses;

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

9. To coordinate with the internal auditors, the Bank's auditors and relevant managers to examine the accuracy and adequacy of all of the Bank's financial reporting and financial statements at the end of each quarterly and annual audit period;

10. To monitor the cooperation or interference of the Bank executives with the work of the Bank's auditors or internal auditors;

11. To coordinate with the Bank's executives and internal auditors to examine all major weaknesses identified during the course of the year and to review responses from the Bank's executives and relevant managers;

12. To review the charter of the Bank's internal auditors and ensure that it remains constantly updated;

13. To verify the Bank's compliance with all pertinent laws and regulations;

14. To attend the meetings along with the Bank's auditors, internal auditors and management team to consider any matter which the Audit Committee deems appropriate to hold a special meeting without management at least once a year;

15. To prepare performance reports and Audit Committee meeting reports for submission to the Board of Directors;

16. To prepare a report which reveals the Audit Committee's duties and undertakings as part of the annual report;

17. The Audit Committee has the authority to examine all Bank documents or data, and to summon any Bank employee for questioning;

18. The Audit Committee has the authority to hire or summon any expert to assist in or advise on audit work, or to undertake any investigation as appropriate on the expense of the Bank;

19. To provide opinion and consider disclosing the Bank's correct and complete information, especially in the cases of related party transactions or conflict of interest;

20. To report to the Board of Directors for rectifications within appropriate time as the Audit Committee deems appropriate for cases the Audit Committee discovers or suspects the following transactions or conducts;

- Conflict of interest transactions
- Critical fraud or irregularities or defects within the internal control system
- Violation of regulations and the Bank's Articles of Association including laws relating to the Bank's business operation.

In case the Audit Committee considers that the above transactions or conducts reported to the Board of Directors have not been rectified within the time specified by the Audit Committee without good justification, the Audit Committee is to report these matters in the Annual Report and report further to the Bank of Thailand and the Office of the Securities and Exchange Commission or the Stock Exchange of Thailand; and

21. The Audit Committee may not perform any other duties not contained in its charter unless otherwise authorized by the Bank's Board of Directors.

Names of Members and Meetings of the Audit Committee

As of 31 December 2008, the Audit Committee consists of 3 members who are competent and experienced in the audit of company financial statements. In 2008, there was a total of 7 meetings, the attendance of the members are as detailed below:

Members of the Audit Committee	Position	Number of Times Attended / Total Number of Meetings	Remark
(1) Mr. Surachai Prukbamroong	Chairman	7/7	
(2) Mr. Virat Phairatphiboon	Member	6/7	
(3) Mr. Yongyuth Withyawongsaruchi	Member	7/7	
Secretary to the Audit Committee is Mr. Jirachai Chansurb *			
Assistant Secretary to the Audit Committee is Mrs. Uraiprapa Rojjanasit			

* Retired on 31 December 2008 and the Board of Directors has appointed Miss Puntipa Hannorraseth as the Secretary to the Audit Committee effective from 1 January 2009.

(4) Risk Management Committee

Composition, Qualifications and Term of Office

The Board of Directors appoints the Risk Management Committee consisting of at least seven members, namely the President & Chief Executive Officer (being the Chairman of the Committee by position), Chief Risk Officer and other suitable executives to ensure coverage. Each Committee member has a two-year term of office.

Authority, Duties and Responsibilities

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

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

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

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

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

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

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

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

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

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

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

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

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

Names of Members and Meetings of the Risk Management Committee

As of 31 December 2008, the Risk Management Committee consists of 8 members. In 2008, there was a total of 12 meetings, the attendance of the members are as detailed below:

Members of the Risk Management Committee	Position	Number of Times Attended / Total Number of Meetings	Remark
(1) Mr. Tan Kong Khoon	Chairman	11/12	
(2) Mr. Chandrashekar Subramanian Krishoolndmangalam	Vice Chairman	11/12	
(3) Mrs. Janice Rae Van Ekeren	Member	11/12	
(4) Mr. Virojn Srethapramotaya	Member	11/12	
(5) Mr. Tinnawat Mahatharadol	Member	11/12	
(6) Mr. Poomchai Wacharapong	Member	10/12	
(7) Mr. Roy Agustinus Gunara	Member	11/12	
(8) Miss Phawana Niemloy	Member	8/12	
Secretary to the Risk Management Committee is Dr. Kamol Boondiskulchok *			

* Retired on 31 December 2008 and the Board of Directors has appointed Mr. Nuttawit Boonyawat as the Secretary to the Risk Management Committee from 1 January 2009 onwards.

(5) Nomination and Remuneration Committee

Composition, Qualifications and Term of Office

The Board of Directors appoints the Nomination and Remuneration Committee consisting of at least three non-executive directors of the Bank, provided that the Chairman of the Committee shall be an independent director. The Head of Human Resources acts as the Secretary to the Committee. Each Committee member has 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 through the date of the next annual general meeting of shareholders.

Authority, Duties and Responsibilities

1. To establish policies as stated below:
    1.1 Policies, rules and procedures for selection of the Bank's directors, Committee members and high-level executives, namely, President & Chief Executive Officer, Chief Officers/Heads, Deputy Chief Officers, First Executive Vice Presidents and Executive Vice President;
    1.2 Policies, rules and procedures for selection of directors of the businesses in which the Bank holds shares of at least 50 percent; and
    1.3 Policy on payment of remuneration and other benefits, including amounts of remunerations and benefits to the Bank's directors, Committee members and high-level executives, namely, President & Chief Executive Officer, Chief Officers/Heads, Deputy Chief Officers, First Executive Vice Presidents and Executive Vice President, with clear and transparent procedures for obtaining the Board of Directors' approval and submission to the Bank of Thailand upon request.
2. To select and nominate to the Board of Directors qualified individuals to the following positions:

2.1 Bank's directors;

2.2 Committee members reporting directly to the Board of Directors;

2.3 High-level executives, i.e., President & Chief Executive Officer, Chief Officers/Heads, Deputy Chief Officers, First Executive Vice Presidents and Executive Vice President; and

2.4 Directors of the businesses in which the Bank holds shares at least 50 percent.

3. To ensure that the Bank's directors, Committee members and high-level executives, i.e., President & Chief Executive Officer, Chief Officers/Heads, Deputy Chief Officers, First Executive Vice Presidents and Executive Vice President receive remunerations which is appropriate to their duties and responsibilities, in accordance with the Bank's rules and comparable to other banks. However, any Bank's director who is assigned to take higher responsibilities should be entitled to an additional remuneration suitable for the same.

4. To ensure that the Board of Directors' size and composition are proper to the organization and may be adjusted to be in line with a change of circumstance, and that the Board of Directors consists of individuals having proficiency, knowledge and experience.

5. To formulate guidelines for assessment and evaluation of performance of the Banks' directors and high-level executives, i.e., President & Chief Executive Officer, Chief Officers/Heads, Deputy Chief Officers, First Executive Vice Presidents and Executive Vice President for consideration the annual remuneration by taking into account the responsibilities and relevant risks as well as an increase in the shareholders' equity on a long-term basis.

6. To draw up a succession plan for the President & Chief Executive Officer and to consider and approve succession plans for the positions of Chief Officers/Heads.

7. To disclose policies and prepare a summary report on the performance of the Nomination and Remuneration Committee in the Bank's annual report.

8. In case of necessity, to seek at the Bank's expense, opinions on several matters, such as, salary survey and selection of the Bank's directors and executives from external (independent) advisors with specific expertise.

Names of Member and Meetings of the Nomination and Remuneration Committee

As of 31 December 2008, the Nomination and Remuneration Committee consists of 3 members. In 2008, there was a total of 16 meetings, the attendance of the members are as detailed below:

Members of the Nomination and Remuneration Committee	Position	Number of Times Attended / Total Number of Meetings	Remark
(1) Mr. Karun Kittisataporn	Chairman	11/11	Took office on 9 April 2008
(2) Mr. Virat Phairatphiboon	Member	13/16	
(3) Mr. Pornsanong Tuchinda	Member	15/16	
Director resigning during the year			
(1) Mr. Thipsamat Na Chiengmai	Member	5/5	Resigned on 1 April 2008
Secretary to the Nomination and Remuneration Committee is Miss Nopporn Tirawattanagool *			

* Appointed on 22 September 2008 in replacement for Mr. Somrit Srithongdee.

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

As of 31 December 2008

Name-Surname / Education	Age (Yrs)	Experience in the Last 5 years		
		Period	Position	Name of Organization
Non-Executive Directors				
1. Mr. Veraphan Teepsuwan	67	Jan 2007-Present	Chairman	Bank of Ayudhya Plc.
• MBA., Northeastern University, U.S.A.		Apr 2006-Jan 2007	Director	
• Bachelor of Economics, Boston University, U.S.A.		Nov 2006-Present	Chairman	Siam City Cement Plc.
• Certificate of Role of Chairman (RCP), Thai Institute of Association (IOD)		2003-Present	Vice Chairman	Eastern Star Real Estate Plc.
		1999-Present	Chairman	Ayudhya Insurance Plc.
		1995-Present	Chairman	Ayudhya Allianz C.P. Life Plc.
		1983-Present	Director	Bangkok Broadcasting & T.V. Co., Ltd.
2. Mr. Pornsanong Tuchinda	47	Feb 2007-Present	Nomination & Remuneration Committee Member	Bank of Ayudhya Plc.
• MBA. (Finance and Management), Babson College, U.S.A.		Jan 2007-Present	Director	
• BA. (Economics and Political Science), The University of Michigan, Ann Arbor, Michigan, U.S.A.		Dec 2007-Present	Chairman	Ayudhya Fund Management Co., ltd.
		2007-Present	Chairman	Triple P Development Co., Ltd.
• Certificate of Director Accreditation Program (DAP), Director Certification Program (DCP), Audit Committee Program (ACP), Thai Institute of Directors Association (IOD)		2005-Present	Independent Director and Audit Committee Member	Focus Development & Construction Plc. (Formerly Focus Engineering & Construction Plc.
		2005-Feb 2008	Independent Director and Audit Committee Member	Syrus Securities Co., Ltd.
		2005-2006	Independent Director and Chairman of the Audit Committee	GE Money Retail Bank Plc.
		2004-2005	Chairman	Nava Leasing Plc.
		2001-2004	President and CEO	DBS Thai Danu Bank Plc.
3. Mr. Chet Raktakanishta	67	Apr 2007-Present	Director (Authorized Signatory Director)	Bank of Ayudhya Plc.
• Bachelor of Science (Business Administration), Brigham Young University, U.S.A.		Jan 2007-Dec 2007	Head of Operations	
		Apr 2006-Dec 2007	Executive Committee Member	
		1995-Dec 2007	First Executive Vice President	
• Certificate of Director Certification Program (DCP), Finance for Non-Finance Director (FN), Audit Committee Program (ACP), Director Financial, DCP Refresher Course, Thai Institution of Directors Association (IOD)		Nov 2008-Present	Chairman of the Nomination & Remuneration Committee	Media of Medias Plc
		2003-Present	Independent Director and Audit Committee Member	
		1999-Present	Independent Director and Audit Committee Member	Siam City Cement Plc.
		Jan 2007-Present	Nomination and Remuneration Committee Member	Ayudhya Insurance Plc.
		1994-Present	Director	
		2001-Apr 2008	Chairman	Krungsriayudhya Card Co., Ltd.
		2005-2007	Director	National ITMX Co., Ltd.

Name-Surname / Education	Age (Yrs)	Experience in the Last 5 years		
		Period	Position	Name of Organization
Independent Directors				
4. Mr. Surachai Prukbamroong	70	1999-Present	Independent Director and Chairman of the Audit Committee	Bank of Ayudhya Plc.
• Bachelor of Accounting and Bachelor of Commerce, Thammasat University		1999-Present	Independent Director and Chairman of the Audit Committee	Ayudhya Insurance Plc.
• Certificate of Bank Examiner, Bank of Examination School, Federal Deposit Insurance Corporation, U.S.A.				
• Certificate of Pacific Rim Bankers Program, University of Washington, U.S.A.				
• Certificate of Senior Management, University of California, Berkeley, U.S.A.				
• Certificate of Senior Executive Program, Sasin Graduate Institute of Business Administration of Chulalongkorn University				
• Certificate of Financial Executive, The Thai Institute of Banking and Finance Association, The Thai Bankers' Association				
• Certificate of Chairman 2000, Director Accreditation Program (DAP), Board Performance Evaluation (BPE), Corporate Governance Report of Thai Listed Companies (CGR), DCP Refresher Course, Director Forum, Thai Institute of Directors Association (IOD)				
5. Mr. Karun Kittisataporn	61	Apr 2008-Present	Independent Director and Chairman of the Nomination & Remuneration Committee	Bank of Ayudhya Plc.
• M.A. (International Trade), Syracuse University, N.Y., U.S.A. (On USAID Scholarship)				
• Bachelor of Commerce & Administration, Victoria University of Wellington, New Zealand (On Colombo Plan Scholarship)		Sep 2003-Sep 2006 and Nov 2006-Present	Director	Council of State
		Jan 2008-Present	Director	Public Sector Development Commission
• National Defense College, Class 388				
• Certificate of Commercial Policy Course, GATT, Geneva		May 2008-Present	Chairman of the Executive Committee	The Support Arts and Craft International Centre of Thailand (Public Organization)
• Certificate of Director Certification Program (DCP), Role of Compensation Committee (RCC), Thai Institute of Directors Association (IOD)		Oct 2007-Present	Director	Insurance Commission
		Nov 2008-Present	Audit Committee Member	Sahamit machinery Plc.
		Oct 2006-Mar 2008	Director	National Legislative Assembly
		Dec 2003-Feb 2008	Director	Bank of Thailand
		Nov 2001-Sep 2007	Permanent Secretary	Ministry of Commerce
			Director	Securities and Exchange Commission

Name-Surname / Education	Age (Yrs)	Experience in the Last 5 years		
		Period	Position	Name of Organization
6. Mr. Virat Phairatphiboon • B.A. in Economics and Business Administration, Adams State College, Colorado, U.S.A. • Executive Development Program, Princeton University, U.S.A. • Certificate of Director Certification Program (DCP), Audit Committee Program (ACP), Role of Compensation Committee (RCC), Thai Institute of Directors Association (IOD)	60	Feb 2007-Present 1999-Present 1998-Present 2007-Present 2005-2007	Nomination & Remuneration Committee Member Audit Committee Member Independent Director Independent Director and Audit Committee Member Director and Chairman of the Audit Committee	Bank of Ayudhya Plc. Tipco Foods (Thailand) Plc. Bliss-Tel Plc.
7. Mr. Yongyuth Withyawongsaruchi • Bachelor of Accounting (Honor) and Bachelor of Commerce (Honor), Thammasat University • Certificate of Director Certification Program (DCP), Audit Committee Program (ACP), Board Performance Evaluation (BPE), Director Forum, DCP Refresher Course, Corporate Governance Report of Thai Listed Companies (CGR), Setting the CEO Performance Plan and Evaluation, Thai Institute of Directors Association (IOD)	68	Apr 2005-Present 1998-Apr 2005 Apr 2003-Present	Independent Director and Audit Committee Member Director Independent Director and Chairman of the Audit Committee Independent Director and Audit Committee Member	Bank of Ayudhya Plc. Media of Medias Plc. Eastern Star Real Estate Plc.
Executive Directors				
8. Mr. Tan Kong Khoon • Advanced Management Program, Harvard Business School, U.S.A. • Executive Management Program for Bankers, Wharton School of Business & National University of Singapore • BBA., Bishop's University, Canada • Certificate of Director Certification Program (DCP), Thai Institute of Directors Association (IOD)	51	Mar 2007-Present Jan 2007-Present Jun 2007-Present 2006-Feb 2007 2004-2006 2002-2004	President & Chief Executive Officer Director (Authorized Signatory Director) Chairman of the Executive Committee Chairman of the Risk Management Committee Regional Head, Consumer Banking (China & Hong Kong) Head, Consumer Banking (Hong Kong) General Manager - Branches & Direct Banking (Hong Kong)	Bank of Ayudhya Plc. Standard Chartered Bank

Name-Surname / Education	Age (Yrs)	Experience in the Last 5 years		
		Period	Position	Name of Organization
9. Mrs. Janice Rae Van Ekeren	49	Jan 2007-Present	Chief Financial Officer	Bank of Ayudhya Plc.
• MBA. (Finance), University of Chicago			Director (Authorized Signatory Director)	
• Bsc. in Industrial Administration, Iowa State University			Vice Chairman of the Executive Committee	
			Risk Management Committee Member	
• Certified Public Accountant (US)			First Executive Vice President	
• Certified Bank Auditor (US)				
• Certificate of Director Certification Program (English), Director Diploma Examination Program (Fellow Member), Thai Institute of Directors Association (IOD)		Aug 2003-Dec 2006	Finance Director, Global Operations Controller & GECIFC	GE Money, Stamford, Connecticut
10. Mr. Pongpinit Tejagupta	54	Jun 2007-Present	Head of Distribution	Bank of Ayudhya Plc.
• MBA., University of Detroit, U.S.A.		Apr 2006 - Present	Executive Committee Member	
• Certificate of Director Accreditation Program (DAP), Thai Institute of Directors Association (IOD)		Aug 2005-Present	Director (Authorized Signatory Director)	
		2002-Jun 2007	Risk Management Committee Member	
		Aug 2005-Jan 2007	President	
		2002-Apr 2006	Executive Committee Member	
		Feb 2004-Aug 2005	Senior Executive Vice President	
		2001-Feb 2004	First Executive Vice President	
		Apr 2003-Present	Director	Ayudhya Allianz C.P. Life Plc.
		Aug 1996-Present	Director	Krungsriayudhya Card Co., Ltd.
		Dec 2001-Apr 2008	Director	Ayudhya Asset Management Co., Ltd.
		2003-2005	Director	PrimaVest Asset Management Co., Ltd.
Executives				
11. Mr. Virojn Srethapramotaya	56	Jan 2007-Present	Head of Corporate Banking	Bank of Ayudhya Plc.
• MBA., Jacksonville State University, University, U.S.A.		Apr 2006-Present	Executive Committee Member	
		Feb 2004-Present	Senior Executive Vice President	
• Advanced Management Program for International Bankers, The Wharton School, University of Pennsylvania		2002-Present	Risk Management Committee Member	
		2002-Apr 2006	Executive Committee Member	
		1999-Feb 2004	First Executive Vice President	
• Certificate of Director Accreditation Program (DAP), Director Certification Program (Graduate Member), Director Diploma Examination (Fellow Member), Role of Chairman Program (RCP), Thai Institute of Directors Association (IOD)		Feb 2007-Present	Chairman	Ayudhya Factoring Co., Ltd.
		Apr 2008-Present	Director	Ayudhya Development Leasing Co., Ltd.
		1998-Present	Director	Ayudhya Insurance Plc.
		2004-Apr 2008	Chairman	Ayudhya Auto Lease Plc
		2003-Apr 2008	Chairman of the Executive Committee	
		2003-2004	Director	

Name-Surname / Education	Age (Yrs)	Experience in the Last 5 years		
		Period	Position	Name of Organization
12 Mr. Poomchai Wacharapong	50	Jan 2007-Present	Head of SME Banking	Bank of Ayudhya Plc.
• MS. (Economics), North Texas State University, U.S.A		Jun 2007-Present	Executive Committee Member	
			Risk Management Committee Member	
• Certificate of Senior Executive Program, Sasin Graduate Institute of Business Administration of Chulalongkorn University		May 2005-Present	First Executive Vice President	
		2002-2005	Executive Vice President	
		Feb 2007-Present	Director	Ayudhya Factoring Co., Ltd.
• Certificate of Director Certification Program (DCP), Role of Chairman Program (RCP), Thai Institute of Directors Association (IOD)		2001-Present	Chairman	Ayudhya Development Leasing Co., Ltd.
			Director	Ayudhya Asset Management Co., Ltd.
		Dec 2006-25 Dec 2008	Director	Ayudhya Capital Lease Co., Ltd.
13. Mr. Tinnawat Mahatharadol	50	Jan 2007-Present	Head of Treasury	Bank of Ayudhya Plc.
• MBA., Ball State University, U.S.A.		Aug 2005-Present	Risk Management Committee Member	
		May 2005-Present	First Executive Vice President	
		Oct 2000-May 2006	Executive Committee Member	
		Aug 2000-May 2005	Executive Vice President	
		2001-Present	Director	Krungsriayudhya Card Co., Ltd.
		Dec 2006-Apr 2008	Chairman	Ayudhya Capital Lease Co., Ltd.
		2003-2006	Chairman	Ploenchit Advisory Co., Ltd.
14. Mr. Chalermpol Vuttisombut	60	Jan 2007-Dec 2008	Head of Audit	Bank of Ayudhya Plc.
• Bachelor of Economics (Honor), Thammasat University		May 2005-Dec 2008	First Executive Vice President	
		Apr 2006-Jun 2007	Risk Management Committee Member	
		Apr 2006-Jan 2007	Executive Committee Member	
		2000-2005	Executive Vice President	
15. Miss Phawana Niemloy	48	May 2007-Present	General Counsel	Bank of Ayudhya Plc.
• LL.M. Harvard Law School		Jun 2007-Present	Executive Committee Member	
• Bachelor of Law (Gold Medal, Honors), Chulalongkorn University		Jan 2007-Present	Risk Management Committee Member	
			First Executive Vice President	
• Certificate of Director Certification Program (DCP), Finance for Non-Finance Director (FN), Thai Institute of Directors Association (IOD)		Jan 2007- May 2007	Deputy General Counsel	
		2005-2006	Executive Vice President-Legal & Compliance	GE Money Retail Bank Plc.
		2004-2005	General Counsel & Compliance Officer	GE Capital (Thailand) Co., Ltd.
		1997-2004	General Counsel, Executive Director	

Name-Surname / Education	Age (Yrs)	Experience in the Last 5 years		
		Period	Position	Name of Organization
16. Mr. Chandrashekar Subramanian KrishooIndmangalam • Master in Commerce, Bombay University	46	Jan 2007-Present Executive Committee	Chief Risk Officer Member Vice Chairman of the Risk Management Committee First Executive Vice President	Bank of Ayudhya Plc.
		Apr 2008-Present	Director Director	Ayudhya Asset Management Co., Ltd. Ayudhya Capital Auto Lease Plc.
		Jan 2006-Dec 2006	Vice President and Chief Risk Officer-India	GE Money
		Jan 2005-Dec 2005	Vice President and Head-Consumer Risk Management	ABN AMRO Bank, India
		Jan 2003-Dec 2004	Vice President and Head-Banking Risk Management	
17. Mr. Roy Agustinus Gunara • MBA. (Finance), University of Illinois, Urbana Champaign • Bsc. (Electrical Engineering), Drexel University	40	Jan 2007-Present	Head of Consumer Banking Risk Management Committee Member Asset and Liability Committee Member First Executive Vice President	Bank of Ayudhya Plc.
		Apr 2008-Present	Chairman Chairman Chairman	Ayudhya Auto Lease Plc. Ayudhya Capital Auto Lease Plc. Krungsriayudhya Card Co., Ltd.
		Apr 2008- 25 Dec 2008	Chairman Chairman	Ayudhya Hire Purchase Co., Ltd. Ayudhya Capital Lease Co., Ltd.
		Dec 2006-Apr 2008	Director	
		Feb 2007-Apr 2008	Director	Ayudhya Factoring Co., Ltd.
		May 2007-Apr 2008	Director	Krungsriayudhya Card Co., Ltd.
		Jan 2004-Dec 2006	Executive Vice President-Business Leader	GE Capital (Thailand) Co., Ltd.
18. 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)	48	Aug 2007-Present	Chief Marketing Officer First Executive Vice President	Bank of Ayudhya Plc.
		Jan 2008-Present	Executive Committee Member	
		Jan 2008-Present	Director Director	Ayudhya Capital Auto Lease Plc. Krungsriayudhya Card Co., Ltd.
		Apr 2005-Jul 2007	Chief Marketing Officer	GE Money Asia
		Jan 2002-Mar 2005	Region Vice President, Marketing & Sales	GE Consumer Finance Asia
		Jun 1997-Dec 2001	Managing Director	

Name-Surname / Education	Age (Yrs)	Experience in the Last 5 years		
		Period	Position	Name of Organization
19. Mrs. Wanna Thammasirisup	52	Jan 2008-Present	Head of Operations	Bank of Ayudhya Plc.
• Mini Master of Business Administration, Thammasat University			Executive Committee Member	
• Certified Public Accountant (Thailand)		Sep 2007-Present	First Executive Vice President	
• Diploma in Auditing, Thammasat University		Nov 2006-Sep 2007	Chief Operating Officer	AIG Consumer Finance Group (Thailand)
• Bachelor of Business Administration Major in Accountancy, Thammasat University		May 2004-Oct 2006	Director and General Manager	AIG Card (Thailand) Co., Ltd.
• Certificate of Director Accreditation Program (DAP), Director Certification Program (DCP), Thai Institute of Directors Association (IOD)				
20. Miss Nopporn Tirawattanagool	54	Sep 2008-Present	Head of Human Resources	Bank of Ayudhya Plc.
• Master of Accounting, Faculty of Commerce and Accountancy, Thammasat University			Secretary to the Nomination & Remuneration Committee	
• Certificate of Director Accreditation Program (DAP), Thai Institute of Directors Association (IOD)		Jun 2007-Present	Secretary to the Executive Committee	
		Dec 2004-Present	First Executive Vice President	
		Jun 2007-Sep 2008	Deputy Chief Financial Officer	
		Apr 2006-Jun 2007	Director and Secretary to the Executive Committee	
		2002-Jun 2007	Risk Management Committee Member	
		2002-Apr 2006	Secretary to the Executive Committee	
		2002-2004	Executive Vice President	
		Apr 2008-Present	Director	Ayudhya Fund Management Co., Ltd.
			Director	Ayudhya Capital Auto Lease Plc.
		May 2004-Present	Director	Dherakupt International Law Office Co., Ltd.
		2003-Present	Director	Ayudhya Auto Lease Plc.
		Apr 2008-25 Dec 2008	Director	Ayudhya Hire Purchase Co., Ltd.
		2000-Apr 2008	Director	Ayudhya Asset Management Co., Ltd.
		1999-Dec 2007	Director	K.S. Law Office Co., Ltd.
21. Mr. Somrit Srithongdee	59	Sep 2008-Present	Head of Special Project Human Resources First Executive Vice President	Bank of Ayudhya Plc.
• MA., Public Administration, Chulalongkorn University		Jan 2007-Sep 2008	Head of Human Resources	
• Mini MBA., Thammasat University		Feb 2007-Sep 2008	Secretary to the Nomination & Remuneration Committee	
• BA., Sociology, Chiengmai University				
• Certificate of Director Certification Program (DCP), Role of Compensation Committee (RCC), Thai Institute of Directors Association (IOD)		2000-Sep 2008	Executive Vice President	
		2002-Present	Director	Siam Realty and Services Co., Ltd.

Name-Surname / Education	Age (Yrs)	Experience in the Last 5 years		
		Period	Position	Name of Organization
22. Dr. Yaowalak Poolthong • Ph.D in Marketing (International Program), Faculty of Commerce and Accountancy, Thammasat University • MBA., University of Sydney, Australia • BA., Faculty of Arts, Chulalongkorn University	47	Jun 2007-Present Sep 2008-Present May 2005-Sep 2008 Apr 2004-May 2005 Oct 2002-Apr 2004	Head of Corporate Communications & Investor Relations First Executive Vice President Executive Vice President Vice President and Manager, the President Office Banking Analyst 8	Bank of Ayudhya Plc.
		Feb 2005-Present	Director	Ayudhya Fund Management Co., Ltd.
23. Mr. Apirom Noi-Am • MBA., North Texas State University, U.S.A. • BA., Faculty of Economics, Chulalongkorn University	52	Jan 2007-Present Sep 2005-Dec 2006	Head of Information Technology Executive Vice President	Bank of Ayudhya Plc.
		2004-Sep 2005 2001-2004	Sector Head, Institutional Transaction Banking Senior Vice President, e-Commerce and e-Banking Division	Bank of Asia Plc.
24. Mr. Sindre Ulvund • Master of International Management, Community of European Management Schools (CEMS) • Bsc. (Economics) in Government, London School of Economics and Political Science (LSE) • Bsc. in Business ("Siviløkonom"), Norwegian School of Economics (NHH)	38	Jul 2007-Present	Executive Vice President, Investor Financial Reporting Division, Finance Group	Bank of Ayudhya Plc.
		Feb 2006-Jun 2007	Senior Manager, Financial Planning & Analysis	GE International, Korea
		Jan 2004-Jan 2006	FP&A Manager	GE Capital Korea Ltd., Korea
25. Mr. John Howard Harker • Bachelor of Science, Geography University of Glasgow, Scotland	50	Jul 2007-Present	Executive Vice President, Operational Controllership Division, Finance Group	Bank of Ayudhya Plc.
		Mar 2004-Dec 2006	Finance Manager, e-Finance Function	GE Capital (Thailand) Co., Ltd.
		May 2002-Feb 2004	Region Controller	GE Capital Asia Pacific
26. Miss Duangdao Wongpanitkrit • MBA. (Financial Accounting), Chulalongkorn University • Bachelor of Business Administration (Accounting), Thammasat University • Certified Public Accountant (CPA Thailand)	40	Jun 2007-Present	Executive Vice President, Financial Planning and Analysis Division, Finance Group	Bank of Ayudhya Plc.
		Apr 2005-May 2007	Senior Vice President, Finance & Accounting	GE Money Retail Bank Plc.
		Jul 2004-Apr 2005 Jan 2002-Jul 2004	Senior Vice President, Business Finance Wholesales Bank Vice President, Business Finance Global Market	Standard Chartered Bank (Thai) Plc.

Name-Surname / Education	Age (Yrs)	Experience in the Last 5 years		
		Period	Position	Name of Organization
27. Mr. Nattawut Goysookho • MBA., Thammasat University • Bachelor of Banking and Finance, Faculty of Commerce and Accountancy, Chulalongkorn University	43	Oct 2007-Present	Senior Vice President and Manager, Financial Planning & Analysis Consolidation Department, Finance Group	Bank of Ayudhya Plc.
		Jul 2007-Sep 2007	Vice President, Financial Planning & Analysis Consolidation Department	
		Apr 2003-Jun 2007	Vice President, MIS & Planning Department	
28. Miss Pathatai Kulachan • MBA. (Finance), The George Washington University, D.C. (On Government Housing Bank Scholarship) • BBA. (Banking & Financing), 1st Class Honors and Top of the Class, Chulalongkorn University	35	Jul 2007-Present	Senior Vice President and Manager, Consumer Financial Planning & Analysis Department, Finance Group	Bank of Ayudhya Plc.
		Jan 2006-Dec 2006	Global Mortgage Leadership Program Participant	GE Money
		Jan 2005-Dec 2005	Vice President, Financial Planning & Analysis	GE Money Retail Bank Plc.
		Mar 2004-Dec 2004	Senior Manager, Financial Planning & Analysis	GE Capital (Thailand) Co., Ltd.
		May 2003-Mar 2004	Manager, Financial Planning & Analysis	
29. Mr. Jirapun Pongpanite • MBA., Finance and MA. Economics, Kent State University, U.S.A. (Scholarship from Kent State University / Graduate Assistant) • BBA., Finance & General Management Assumption University	34	May 2008-Present	Senior Vice President and Manager, Financial Planning & Analysis, Corporate & SME Banking, Finance Group	Bank of Ayudhya Plc.
		Mar 2006-Apr 2008	Senior Manager, Financial Planning & Analysis	GE Money Asia, Tokyo
		Jun 2002-Feb 2006	Vice President , Financial Planning & Analysis	GE Capital (Thailand) Co., Ltd.
30. Mrs. Varabhorn Achakornlak • MBA., International Business, Nova University, Florida, U.S.A. • Advance International Certificate PSCM (Purchasing and Supply Chain Management), International Trade Center, UNTAD / WTO • Advance Purchasing Research (IFPMM), The International Federation of Purchasing and Materials Management Salzburg, Austria	44	Mar 2008-Present	Senior Vice President, Procurement Section, Finance Group	Bank of Ayudhya Plc.
		Apr 2001-Mar 2008	Vice President, Country Procurement Services Unit Head	Citibank N.A., Bangkok Branch

Name-Surname / Education	Age (Yrs)	Experience in the Last 5 years		
		Period	Position	Name of Organization
31. Mrs. Orawan Tangsritrakul • Master of Science, Accounting, Thammasat University • Bachelor of Accounting, Faculty of Commerce and Accounting, Chulalongkorn University • Certified Public Accountant (CPA Thailand)	42	Nov 2008-Present Jul 2007-Oct 2008 Jan 2005-Jun 2007 Jan 2004-Dec 2004	Senior Vice President and Manager, Accounting Department Vice President, Financial Controller Senior Manager-Operation Support Finance and Accounting Consultant	Bank of Ayudhya Plc. AIG Retail Bank Plc. Standard Chartered (Thai) Plc. Pradap Thai Co., Ltd.
32. Mr. Kriangsak Jongsukkigparnich • MBA. (Finance), Western Michigan University • Bachelor in Cost Accounting, Chulalongkorn University	40	Jul 2007-Present Aug 1996-Mar 2007	Vice President, Operational Controllership Division, Finance Group Vice President, Accounting	Bank of Ayudhya Plc. GE Capital
33. Miss Winita Kimsawadi • Master of Accounting, Faculty of Commerce and Accountancy, Chulalongkorn University • Bachelor of Accounting, Faculty of Commerce and Accountancy, Chulalongkorn University	43	Jul 2007-Present Nov 2004-Jun 2007 2000-Nov 2004	Vice President, Investor Financial Reporting Division, Finance Group Vice President Vice President-Finance & Accounting	Bank of Ayudhya Plc. GE Money Retail Bank Plc. The Hong Kong and Shanghai Banking Corporation Limited
34. Mr. Jamorn Phianphrom • MBA. (Finance), Dhurakij Pundit University • Bachelor of Business Administration, Chiengmai University	47	May 2007-Present Oct 2002-Apr 2007	Vice President and Manager, Tax Management & Payment Verification Section, Accounting Department, Finance Group First Assistant Vice President, Accounting Department	Bank of Ayudhya Plc.
35. Mr. Kulawat Saisin • Master of Accounting, Chulalongkorn University	36	Aug 2008-Present Oct 2000-Jul 2008	Vice President and Section Manager, Accounting and Control Section, Accounting Department, Finance Group First Assistant Vice President, Accounting Department and Head of Financial Analysis & Reporting	Bank of Ayudhya Plc. Kasikorn Bank Plc.

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

Name-Surname	31 December 2008			31 December 2007		
	No. of Shares	Shareholding (%)	Warrants (unit)	No. of Shares	Shareholding (%)	Warrants (unit)
Non-executive Directors						
1. Mr. Veraphan Teepsuwan	249,449*	0.0041	-	178,178*	0.0031	71,271*
2. Mr. Pornsanong Tuchinda	-	-	-	-	-	-
3. Mr. Chet Raktakanishta	60,050	0.0010	-	110,050*	0.0019	-
Independent Directors						
4. Mr. Surachai Prukbamroong	-	-	-	-	-	-
5. Mr. Karun Kittisataporn	-	-	-	-	-	-
6. Mr. Virat Phairatphiboon	-	-	-	-	-	-
7. Mr. Yongyuth Withyawongsaruchi	-	-	-	-	-	-
Executive Directors						
8. Mr. Tan Kong Khoon	-	-	-	-	-	-
9. Mrs. Janice Rae Van Ekeren	150,000	0.0025	-	-	-	-
10. Mr. Pongpinit Tejagupta	140,000*	0.0023	-	-	-	-
Executives						
11. Mr. Virojn Srethapramotaya	-	-	-	-	-	-
12. Mr. Poomchai Wacharapong	2	0.0000	-	2	0.0000	-
13. Mr. Tinnawat Mahatharadol	-	-	-	-	-	-
14. Mr. Chalermpol Vuttisombut	-	-	-	-	-	-
15. Miss Phawana Niemloy	-	-	-	-	-	-
16. Mr. Chandrashekar Subramanian Krishoolndmangalam	-	-	-	-	-	-
17. Mr. Roy Agustinus Gunara	60,000	0.0010	-	-	-	-
18. Mr. Sudargo Harsono	-	-	-	-	-	-
19. Mrs. Wanna Thamsirisup	-	-	-	-	-	-
20. Miss Nopporn Tirawattanagool	-	-	-	-	-	-
21. Mr. Somrit Sritongdee	-	-	-	-	-	-
22. Dr. Yaowalak Poolthong	-	-	-	-	-	-
23. Mr. Apirom Noi-Am	-	-	-	-	-	-
24. Mr. Sindre Ulvund	-	-	-	-	-	-
25. Mr. John Howard Harker	-	-	-	-	-	-
26. Miss Duangdao Wongpanitkrit	-	-	-	-	-	-
27. Mr. Nattawut Goysookho	-	-	-	-	-	-
28. Miss Pathatai Kulachan	-	-	-	-	-	-
29. Mr. Jirapun Pongpanite	-	-	-	-	-	-
30. Mrs. Varabhorn Achakornlak	-	-	-	-	-	-
31. Mrs. Orawan Tangsritrakul	-	-	-	-	-	-
32. Mr. Kriangsak Jongsukkigparnich	-	-	-	-	-	-
33. Miss Winita Kimsawadi	-	-	-	-	-	-
34. Mr. Jamorn Phianphrom	2	0.0000	-	2	0.0000	-
35. Mr. Kulawat Saisin	-	-	-	-	-	-

Remark: (1) * Including spouse
(2) As of 31 December 2007, the Bank had a total of 5,747,746,840 shares sold. All of them were ordinary shares.
(3) As of 31 December 2008, the Bank had a total of 6,074,143,747 shares sold. All of them were ordinary shares.

1.4 Remuneration of Directors and Executives

Remuneration of Directors

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

Remuneration of Executives

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

Total Remuneration Paid in 2008

In 2008, the Bank paid remuneration to directors and executives as follows

(1) Cash remuneration

(a) Total remuneration (pensions, transportation cost, and meeting allowance) for 11 persons was Baht 25,654,800. Details of remuneration paid to each directors are as follows:

Board of Directors			Amount (baht)	
Non-executive members				
1.	Mr. Veraphan	Teepsuwan	4,462,800.00	Chairman
2.	Mr. Pornsanong	Tuchinda	3,326,400.00	Nomination and Remuneration Committee
3.	Mr. Chet	Raktakanishta	2,851,200.00	
Independent Directors				
4.	Mr. Surachai	Prukbamroong	3,355,200.00	Chairman of Audit Committee
5.	Mr. Thipsamat	Na Chiengmai	913,360.00	Chairman of Nomination and Remuneration Committee Resigned 9 April 2008
6.	Mr. Karun	Kittisataporn	2,441,840.00	Chairman of Nomination and Remuneration Committee Appointed 9 April 2008
7.	Mr. Virat	Phairatphiboon	3,801,600.00	Audit Committee / Nomination and Remuneration Committee
8.	Mr. Yongyuth	Withyawongsaruchi	3,326,400.00	Audit Committee
Executive members				
9.	Mr. Tan Kong Khoon*		-	
10.	Mrs. Janice Rae Van Ekeren*		-	
11.	Mr. Pongpinit	Tejagupta	1,176,000.00	
		Total	25,654,800.00	

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

(b)Total remuneration of Executive Committee and executives in 2008 (salary and bonus of Executive Committee, CEO, Chief Officers/Heads) for 16 persons is 191,691,829.32 Baht.

(2) Other remunerations

Provident fund of executives is 8,828,634.08 Baht

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

Compliance with Good Corporate Governance Principles: 2008

The Bank's Board of Directors recognizes the importance of good corporate governance and has, therefore, adopted a comprehensive set of practices to ensure compliance. The Bank is committed to conducting its business with integrity and accountability, and in line with a management vision defined by clear strategic goals and an unshakable sense of business ethics. As evidence of this, the Bank treats all its shareholders and other stakeholders fairly and equally; it exercises caution and restraint in all its business dealings in compliance with its comprehensive risk management program. The Bank also discloses all essential financial and non-financial information in a timely and transparent manner, as required by the country's bank regulators, and operates under an efficient and effective set of auditing and assessment systems and procedures.

In 2008, the Bank complied with the principles of good corporate governance stipulated by the SET and adapted from the guidelines set down by the Organization for Economic Cooperation and Development (OECD) and recommendations from the World Bank. These principles are divided into five major areas.

Section 1: Shareholder Rights

The Bank is committed to a policy of protecting the rights and benefits of all our shareholders. These rights extend to a role in all decisions regarding major changes at the Bank and the appointment of directors charged with representing the interests of shareholders. The Bank gives equal importance to the rights of all shareholders, which include the right to attend shareholder meetings or to appoint a proxy to attend shareholder meetings in their stead; the right to elect or remove members of the Board; the right to approve or reject directors' remuneration , the right to appoint an auditor and set his/her remuneration as well as other basic rights, such as the right to voice opinions and ask questions at shareholder meetings, the right to receive dividends, the right to be apprised of all important information about the Bank in a complete, correct, and timely manner, the right to buy, sell or transfer shares of stock that shareholders can freely buy or sell the shares whereby the bank has no defensive mechanism for any acquisition.

In addition to the basic shareholder rights prescribed by law, the Bank also accords shareholders other rights and privileges, such as the right of warrant holders to purchase ordinary shares in the Bank. However, because the Bank sees these conditions as having a direct impact on the ability of warrant holders to exercise their purchasing rights, the Bank posts two notices through the Stock Exchange of Thailand's SCP system and sends individual shareholder a letter as well as through other more conventional channels such as advertisement in two newspapers and through www.krungsri.com in both Thai and English.

The Board of Directors takes numerous steps to facilitate shareholders' attendance at the Bank's shareholder meetings. For instance, at the 96th annual general shareholder meeting, held April 9, 2008, the Bank did the following:

Prior to the Meeting

(1) **Convening the Meeting:** Once the Board had agreed on the date, time, place, and agenda for the annual meeting, notices were posted on www.krungsri.com and through the SET Community Portal. Announcements were also published in two local newspapers.

(2) **Giving shareholders a chance to add items to the proposed agenda and propose nominees to the Board of Directors:** At the time of the 96th General Shareholder Meeting, the Bank was still studying the matter, and therefore, no action was taken in this regard. However, the Bank is fully prepared to comply with the provisions of the Securities and Stock Exchange Act and other pertinent laws as part of its commitment to the principles of good corporate governance.

For the 97th General Shareholder Meeting in 2009, the Bank gives the shareholders the right to add items to the agenda and propose nominees to the Board of Directors prior to the posting of notification of the annual shareholder meetings pursuant to the regulation on exercise of rights as expressly specified by the SET which appears on www.krungsri.com and disseminated by the Bank through the SET's SCP system.

(3) **Posting invitations:** The Bank sends the shareholders copies of the annual report and notice of the General Shareholder Meeting not less than 10 days prior to the scheduled date of the meeting, in excess of the minimum legal requirement and disseminated the same on www.krungsri.com not less than 30 days before the scheduled date of the meeting to enable the shareholders to study information in advance and through the SET's SCP system. Notices to foreign shareholders are sent in English. In addition, the notice is advertised in newspapers for three consecutive days not less than three days prior to the scheduled date of the meeting. Notices are also sent to the Ministry of Commerce and relevant regulatory bodies. These notices specify the time, date, place and agenda of the meeting as well as the opinions of relevant committees on each of the agenda items and adequate information under the SET's regulation and applicable law to assist the shareholders in deciding how to vote on each agenda item. These items include:

The Bank also provides shareholders with an itemized list of guidelines and procedures as well as documents needed to gain entry to meetings and gathers inquiries about the meeting agenda and related information to present to the Chairman of the Board and designated person as information to be presented and/or supporting a clarification on the date of the meeting.

(4) **Appointing a proxy:** The Bank provides a proxy form as specified by the Ministry of Commerce by which the shareholder can cast his/her vote on each of the agenda items. This proxy form accompanies the notice of the meeting sent to Bank shareholders. Shareholders may also download a proxy form from www.krungsri.com. At the 96th General Shareholder Meeting, the Bank provided shareholders with an additional option by nominating the Chairman of the Board (Mr. Veraphan Teepsuwan); the independent director and Chairman of the Audit Committee (Mr. Surachai Prukbamroong); and the independent director and member of the Audit Committee (Mr. Yongyuth Withyawongsaruchi) to be appointed as proxies to attend the meeting and vote on their behalf. The Bank also made duty stamps available for unstamped proxy forms to facilitate the shareholders.

(5) **Attendance and registration:** the Bank's notice of meeting clearly specifies the date, time, and location of the meeting and is accompanied by a map listing bus routes that pass the meeting venue. Parking spaces are also set aside specifically for shareholders attending the shareholder meeting. Employees from the Bank's investor relations and share registration section are on hand to welcome shareholders and answer inquiries. Registration

opens not less than two hours prior to the scheduled start of the meeting, and the Bank employs a barcode system to identify each individual shareholder for fast and accurate registration. Information of shareholders is stored in the Bank's database for examination at a later date.

During the Meeting

(6) Attendance by the Board of Directors and Bank Executives: The Board of Directors and the Bank's top executives make every effort to attend the annual general shareholder meeting. In addition, the Bank's auditors and the independent financial advisor also attend the meeting to provide information and reply to questions from shareholders. Furthermore, because the Bank's Board of Directors consists of Thai and foreign members, the Bank arranges for interpretation throughout the meeting so as to eliminate any obstacles to communication between the shareholders, Board members and Bank executives.

At the start of the meeting, the Chairman of the Board, who serves as Chairman of the meeting, introduces by name and title each of the directors, executives, and committee chairperson in attendance. Explanations are also given for the absence of any Director or Bank executive. Then the Chairman announces the number/ratio of shareholders present in person or by proxy. Then the Corporate Secretary makes a slide presentation informing shareholders of the proper procedures for casting their votes on the agenda items. Once this is completed, shareholders vote on each item, and using the barcode system, votes are tallied and results announced. At the 96th General Shareholder Meeting no items were added to the agenda enclosed in the invitation sent to shareholders and prior notice of such was made to shareholders.

Attendance by directors and Bank executives at the last two annual General Shareholder meetings is shown below:

	2007	2008
Chairman of the Board	Present	Present
President & CEO	Present	Present
Chairman of the Audit Committee	Present	Present
Chairman of the Risk Management Committee	Present	Present
Chairman of the Nomination and Remuneration Committee*	Present	-

[*The Chairman of the Nomination and Remuneration Committee (whose term of office expired) waived his right to be reappointed to the position of Bank Director and resigned from his post as Chairman of the Nomination and Remuneration Committee at the 2008 Annual General Shareholder Meeting.]

(7) Use of multimedia: The Bank prepares the presentation of slides in support of the meeting content and showing the results of voting on each item. The Bank also arranges a nearby conference room to accommodate any shareholders unable to enter the actual meeting room due to a shortage of seating. Closed circuit TVs in such additional conference room keep shareholders apprised of proceedings throughout the entire meeting. In addition, the Bank tapes and posts VDO clip files for each agenda item on its website at www.krungsri.com.

(8) Opening the floor to shareholder questions and comments: Before calling for a vote on each agenda item, the Chairman opens the floor to shareholders' comments, suggestions or questions in each agenda item or related to the Bank. The Chairman of the Board and relevant Bank executives respond to questions and consider comments and proposals for further possible action, as appropriate.

(9) Voting: Voting is conducted in strict compliance with the law. Shareholders are free to approve, reject or abstain from voting on each item on the agenda. Election of members to the Board of Directors is on an individual basis, with one share equivalent to one vote. A majority of votes is required for an item to pass, and in the event of a tie, the Chairman of the Board shall cast the deciding vote, unless otherwise specified in the Bank's regulations or by law. In the case of a conflict of interest, the shareholder(s) involved shall be required to abstain from voting on the item in question, except in the case of the election of members to the Board of Directors who are chosen on an individual basis. In this case, if there are objections or abstentions, the Bank shall distribute only to those shareholders who object or abstain, special ballots on which they provide their first and last names, the number of shares they own, and their vote on the item in question. These votes are tallied and then subtracted from the total number of votes represented by the shareholders attending the meeting and having the right to vote. The remaining votes are recorded as approving vote and stored for the purposes of reference and verification. In addition, any shareholders who arrive after the meeting start time may vote on any item which has not yet come up for a vote.

After the Meeting

(10) Thanking and informing shareholders represented by Bank proxies of the outcome of the shareholder meeting: The Bank sends out letters informing shareholders of the summary outcome of the shareholder meeting and thanking them for their reservation of right and trust in appointing the Bank directors as their proxies.

(11) Preparing minutes of the meeting: The Bank prepares complete and accurate minutes of the shareholders meeting, including a list of the names and positions of Bank directors and executives in attendance at and absent from the meeting. The minutes also contain information on voting procedures and voting results given to shareholders prior to the start of the meeting; the opinions of the Board of Directors on each agenda item; key questions and answers; important observations and proposals made by shareholders, and voting outcomes on each agenda item, broken down by votes in favor, votes opposed, and abstentions.

(12) Distributing minutes of the meeting: Once the draft report has been checked for accuracy and completeness by the Chairman of the Board and the members of the Audit Committee, the Bank provides copies of the minutes of the shareholder meeting to all relevant government agencies within the given deadline. The minutes in Thai and English versions, meeting VCD and voting result of each agenda item are posted on www.krungsri.com. In this way, investors and other interested parties can review the results of the meeting long before the next annual general shareholder meeting.

Section 2: Equal Treatment of Shareholders

Because shareholders are all part owners of the business, the Bank has adopted as part of its good corporate governance policy a commitment to treating all shareholders equally and fairly. This policy extends to both large and small shareholders, both Thais and non-Thais, as well as both institutional and individuals investors. The Bank has implemented measures to ensure that its directors, executives, and other employees do not make illegal use of insider information for their own benefit, and requires these individuals to make full disclosure of their financial and business holdings so as to avoid any possible conflict of interest.

2.1 Implementing shareholder meeting protocol: To ensure equal treatment for all shareholders, the Bank has effective meeting procedures, including giving an opportunity to shareholders to propose an agenda item and nominate a person to the position of director.

Furthermore, the Bank also determines that any shareholders not being able to attend the meeting by person, he/she may appoint any person or the Bank director as proxy to attending the meeting and vote on his/her behalf. If the Bank director who is selected as proxy has interest in any agenda item, the Bank will inform the shareholders of the same in the notice of the meeting by which the shareholder can make a resolution clearly and pursuant to the shareholder's intention. In case of failure to do so, such Bank director shall abstain from voting in such agenda item for correctness, transparency and most fairness in voting.

2.2 Protecting inside information: To prevent the members of the Board and other Bank executives from making illegal use of inside information for their own benefit or the benefit of others, the Bank requires that all such individuals shall strictly comply with law, including the practical guideline for disclosure of information of listed companies provided for in Annual Registration Statement (Form 56-1) and Annual Report (Form 56-2) under the heading "Protecting Inside Information." In 2008, no Board member or executive trade his/her securities by using inside information.

2.3 Requiring directors and executives to make full disclosure of personal interest: The Bank ensures that Board members and other executives appreciate the importance of full and timely disclosure of information about personal business and financial interests as a means of allowing the Board of Directors and Bank executives to examine transactions for any possible conflict of interest and make decisions based on the best interests of the Bank as a whole. The Bank requires that disclosures be made prior to involvement in any such transaction with the Bank, its subsidiaries or joint ventures. In matters pertaining to disclosure of personal information, members of the Board and all Bank executives are also required to comply with the regulations of relevant agencies such as the Bank of Thailand and the Securities and Exchange Commission.

In the case of associated transactions conducted by the Bank, its subsidiaries or joint ventures with stakeholders or individuals having a real or potential conflict of interest either at the time or at any time in the future, the Audit Committee is responsible for evaluating the need for any such transaction and the appropriate price of the transaction, taking into account generally accepted industry criteria and comparable prices with outside individuals or current market prices. The Audit Committee is also charged with disclosing any and all information that may result in a conflict of interest. Directors or executives with a stake in the associated transaction in question shall be excluded from taking part in relevant discussions and voting.

In the case of an associated transaction, the Bank shall disclose to shareholders the names of individuals involved, their relation to the Bank, the Bank's pricing policy, the value of the transaction, and the opinion of the Board of Directors on the proposed transaction. Over the past year, the Bank was not in violation of the regulations pertaining to associated transactions.

Section 3: Role of Stakeholders

The Bank attaches tremendous importance to protecting the rights of all its stakeholders, whether they are shareholders, the Board of Directors, executives, or employees of the Bank and its subsidiaries, or external groups including customers, business partners, creditors, other commercial banks and financial institutions, or local communities, Thai society as a whole, and the environment by implementing guidelines in The Spirit & The Letter policy of the Bank which are binding on the members of the Board, the executives and all Bank employees. The Bank is committed to business success based on fair and equitable treatment of all stakeholders and strict compliance with the highest ethical, legal and professional standards and response to the needs of customers and the society in general while being responsive to economic changes and current and future changes in the needs of customers.

The Bank takes numerous steps to encourage employee compliance with its code of ethics: reminders are circulated in internal memoranda; executives send out notices pertaining to desired behaviors, and employees who treat customers with honesty and respect for their best interests receive recognition and praise.

Customers with inquires, complaints or information about possible violations of the law or ethical standards, financial information or about defects in the Bank's security systems may contact the Bank either through the Call Center at 1572 or by email at irgroup@krungsri.com. All customer comments and questions are immediately forwarded to the heads of the relevant functions for further proceeding under the appropriate and well-conceived mechanism which will be audited and reported to the Board of Directors.

In brief, the Bank has adopted the following practices for dealing with stakeholders:

- **Shareholders:** The Bank understands the importance of respecting shareholders' rights and treating all shareholders fairly and equitably. Management practices – based on the principles of prudence and efficiency – are designed to promote sustained growth, allow the Bank to compete on an international scale, and earn long-term yields for shareholders. The Bank has disclosed complete and accurate information for transparency and fairness and developed comprehensive internal administrative and risk management systems which are efficient and allow for a high degree of accountability. In addition, every possible effort is made to protect the assets and interests of shareholders as well as the reputation of the Bank.

- **The Board of Directors:** The Bank has taken steps that enable the members of the Board to work to their fullest potential and guarantee freedom to express their views on important business-related issues. Remuneration paid to Board members is commensurate with their responsibilities and in line with industry standards. Board members are notified of work-related training opportunities, and there are bodies in place to ensure that the Board of Directors carries out its duties in full compliance with the law.

- **Employees:** The Bank recognizes that its employees are among its most treasured assets since possession of quality employees is a key to long-term business success. For this reason, the Bank provides employees with generous salaries and other benefits, a provident fund, and opportunities for professional advancement. The Bank consistently encourages employees to upgrade their professional knowledge and skills and provides them with a safe and healthy working environment. Decisions regarding promotions and transfers are made fairly and on the basis of the best employee for the job. All staff are encouraged to show initiative and responsibility, and have regular opportunities to voice opinions and address their concerns to management. One of the roles of the Board of Directors is to ensure that the Bank treats all employees fairly and appropriately. Details of the Bank's personnel development policies and programs are contained in Forms 56-1 and 56-2 under the heading "Personnel Development."

- **Customers:** The Bank is built on honesty and integrity, and is committed to protecting the interests of customers. We offer a growing range of outstanding products and services specially designed to respond to customers' needs. We give careful attention to customers' comments and complaints, and respect their need for confidentiality. Our commitment to customer satisfaction is evidenced by such awards as the Customer Service Excellence award presented to Thanon Pattaya Tai branch, only one of five branches so recognized throughout the Asia Pacific region by the Western Union Club 500 Asia Pacific in 2007. Frontline Associates (FLAs) also recognized the bank personnel's dedication to customer service excellence.

In addition, the Bank was named Best Local Trade Bank in Thailand for the second consecutive year in EUROMONEY Trade Finance magazine's Awards for Excellence program in recognition of the excellent service quality.

- **Suppliers:** The Bank recognizes the importance of fulfilling its contractual obligations to suppliers, and shares information that facilitates joint business operations of the Bank and its suppliers. This is another mark of the Bank's integrity, which is a key to its continued success.
- **Creditors:** Likewise, the Bank is also pledged to fulfilling its contractual obligations to all its creditors, debenture holders, and depositors. The Bank provides information about risks related to other non-deposit type services.
- **Commercial Banks or Financial Institutions:** The Bank actively participates in the exchange of business-related information with other commercial banks and financial institutions as a means of protecting the interests and stability of the banking industry as a whole. It also promotes activities that foster understanding, treats competing banks and financial institutions in accordance with the law and all relevant rules and regulations, and contributes to efforts to reduce costs in the commercial banking sector and the overall economy.
- **Society and Environment:** The Bank realizes that it has an obligation to local communities, society and the environment, and that this obligation is central to sustainable development. That is why it frequently lends support to government and private-sector programs and policies aimed at improving living conditions at the local and national levels. The Bank works to ensure that its operations do not overstep the boundaries of the law, and that it does not provide support for illegal businesses or business activities that have an adverse impact on the environment. Executives and other employees at all levels throughout the organization are regularly reminded of their responsibilities to local communities and the society as a whole. In this regard, the Bank has not only comprehensible policy and guideline mentioned in The Spirit & The Letter, but also set up a sub-level committee responsible for overseeing safety, health and environmental standards in the workplace. In brief, the Bank is always careful not to conduct or support activities that could have a negative impact on society or the environment.

Section 4: Disclosure of Information and Transparency

The Bank recognizes the importance of making full, timely and transparent disclosure of financial and non-financial information pursuant to the standards and regulations as mandated by the Office of the SEC and SET. This information is regularly improved and updated and the effectiveness of disclosure process is evaluated on a yearly basis. In this way, shareholders, investors, analysts, and relevant government agencies, including general public can stay apprised of current informations. Information is made available in both Thai and English through the SET's SCP system and on www.krungsri.com.

In addition, the Bank's executives such as President & CEO and the Chief Financial Officer meet regularly with Thai and foreign analysts to answer questions and report on new developments.

One of the units of the Bank directly responsible for ensuring that individuals and organizations outside the Bank have fair and equal access to complete, accurate information is the Corporate Communications Department. Another is the Investor Relations Department, which is charged with maintaining the confidence of investors, securities analysts, fund managers, credit rating agencies, partner banks and other relevant organizations. The Investor Relations Department also responds to investors' inquiries via telephone, mail and e-mail. To contact, investors can call 02-296-2977, or click on "Contact Us" on the website at www.krungsri.com or send an email to irgroup@krungsri.com. They can send their questions or concerns to the Investor Relations Department, Bank of Ayudhya Plc., Headquarters, 1222 Rama III Road, Bang Pongpang, Yannawa, Bangkok 10120, or to P.O. Box 491, Bangkok 10331.

In addition to meeting legal disclosure requirements, the Bank has adopted further measures aimed at assuring the public of its commitment to transparency. These measures conform to the principles of good corporate governance and are additional proof of the Bank's concern for local communities, society and the environment.

4.1 Financial reporting and the Responsibility of the Board of Directors: The Board of Directors bears the responsibility for the Bank's financial statements and consolidated financial statements reviewed by the Audit Committee, including all financial information that appears in the Annual Report (Form 56-2) which are prepared in line with generally accepted accounting standards, and disclose sufficient important information in the notes attached to the financial statements subject to audit and unqualified opinion by a certified public accountant. The Bank reports the Board of Director's responsibility for 2008 financial report in the Annual Report (Form 56-2), together with an opinion of the Audit Committee, explanations on the Bank's financial standing and performance, competition condition and operational risks in the Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2).

In 2008, the Bank was not cited by either the Office of SEC or the SET for failing to comply with disclosure regulations.

4.2 Shareholding Structure: the Bank discloses its shareholding structure and Directors and management's shareholding in the Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2).

4.3 Directors and the Role of the Board of Directors: The Bank discloses the names of directors, independent directors and Committee members; individual profile and professional training, number of shares held , performance of duties, meeting attendance, as well as composition, qualifications, term of office, authority and responsibilities in the Annual Registration Statement (Form 56-1) and in the Annual Report (Form 56-2). This information is also available on www.krungsri.com.

4.4 Policy on Remuneration Paid to Directors and Executives: The Bank has a clear and transparent policy which provides for the payment of remuneration to members of the Board and top executives at levels comparable with other businesses of a similar nature and size. The Nomination and Remuneration Committee is charged with overseeing this policy and ensuring that remuneration and other benefits paid are commensurate with their duties and responsibilities and conform to Bank regulations.

The Nomination and Remuneration Committee submits its recommendations to the Board of Directors, who then present them to the annual general shareholder meeting for approval. The Bank's policy on remuneration paid to directors and other executives, along with the actual amounts paid to these individuals, appears in the Annual Registration Statement (form 56-1) and the Annual Report (form 56-2).

4.5 Compliance with the Principles of Good Corporate Governance: The Bank is committed to strict compliance with the principles of good corporate governance for registered companies as stipulated by the Stock Exchange of Thailand, the law, and the policies and regulations of relevant government agencies and regulatory bodies.

The Board of Directors conducts regular evaluations of the Bank's compliance with these principles, and each year makes recommendations for improving operations to better comply with good corporate governance principles and protect the interest of its stakeholders. The Bank has also set up a 'Compliance Review Committee' specially charged with overseeing compliance and ensuring that the Bank's operations and its entire management and staff conform to the principles of good corporate governance which is in accordance with regulations, laws and policies of related governmental agencies or commercial bank's supervisory institutions. It is to enhance trust among investors and shareholders and to communicate the bank's good corporate governance practice standard to related stakeholders.

4.6 Community, Social and Environmental Responsibility: In addition to its commitment to ethical business conduct and the principles of good corporate governance, the Bank also demonstrates concern for local communities, the society as a whole, and the environment through a slate of activities aimed at improving social and environmental conditions. A particular focus is on education, health, and growth opportunities for the country's young people through sports. The Bank believes that these activities lay the groundwork for a better future for our children (as per the details under "Social Responsibility and Environment").

4.7 Related Transactions: All related transactions undertaken by the Bank are reported in the notes to the balance sheet inspected and verified by the Bank's auditor. Such transactions are also disclosed in Annual Registration Statement (form 56-1), the Annual Report (form 56-2), and on www.krungsri.com.

4.8 Relations with Investors and Other Parties: The Investor Relations Department is charged with reporting to securities analysts, local and international fund managers, credit rating agencies, partner banks, and other relevant agencies on the Bank's performance, its financial status, its ability to compete in the banking sector, and its future policies and plans. The division also calls press conferences, holds one-on-one meetings, and organizes roadshows both in Thailand and abroad - all forums which give Bank executives an opportunity to meet with and answer questions from investors, analysts and other interested parties. Additional information is available on www.krungsri.com.

In 2008, Bank executives and staff from the Investor Relations Department took part in the following activities:

Activities	No. of Times	Attendance
• Press Conference	2	45/press conference
• Analyst Briefing	2	50/briefing
• One-on-one meeting between executives and investors/analysts	168	310
• Meeting with credit rating agencies	5	4 agencies
• Roadshow	8	5 countries

Section 5: Responsibilities of the Board of Directors

The Board of Directors is directly responsible for overseeing Bank operations and protecting the best interests of the Bank itself and its shareholders. All of the Board members meet the qualifications set down in the Bank's regulations, all relevant laws, and the rules and regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand. They have proven leadership skills, clear vision, and independent judgment. They are charged with ensuring that the Bank's operations are legal and ethical.

5.1 Structure of the Board of Directors: The members of the Board are all highly skilled, highly experienced banking professionals who fully appreciate the importance of their roles and responsibilities as directors of the Bank. The entire team is devoted to the Bank's long-term success and dedicates generous amounts of time and energy to the fulfillment of stated goals and objectives. There are currently 10 members of the Board and the Corporate secretary. Four directors are independent members (representing one-third of all Board members), three are non-executive members, and the remaining three are Bank executives. The Corporate Secretary acts as Secretary to the Board of Directors. The number of directors (exclusive of independent members) is in fair proportion to the investment of major groups of shareholders (details of the Board of Directors structure appear in the Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2) under "Shareholding Structure and Management").

Duties and responsibilities of the Board of Directors and Bank management are clearly defined and delineated. This ensures that activities are carried out in compliance with the law, the Bank's code of ethics and the principles of good corporate governance. At present the Chairman of the Board of Directors and the Bank's President & CEO are not the same individual. While the Chairman of the Board is responsible for setting policy, the President & CEO is in charge of administration, and although the Chairman of the Board is not an independent director, he exercises his duties as Board Chairman with complete independence from Bank management and major shareholders, giving priority to the best interests of the Bank and shareholders as a whole.

5.1.1 Terms of Office: The Bank's regulations specify terms of office for directors in line with the Public Company Limited Act. At each annual general shareholder meeting, terms expire for one-third of the members of the Board. If the total number of Board members is not divisible by three, then the number of members closest to one-third shall end their terms. Board members whose terms expire may be reelected to the Board.

The Bank has not yet set limits on the number of consecutive terms a Board member may serve. This is because the Bank feels that so long as an individual remains capable of fulfilling his/her responsibilities and protecting the rights of shareholders and the Bank itself, he/she should be allowed to continue serving as a member of the Board. After all, the knowledge and experience gained as a result of long-term service on the Board of Directors should greatly benefit shareholders and far outweigh any possible downsides.

Members of all sub-level committees are appointed to a two-year term but to ensure continuity, members may be reappointed to an indefinite number of two-year extensions.

5.1.2 Terms of Bank Directors and Senior Executives and Directors of Companies in which a 50% share is held by the Bank: One of the responsibilities of the Nomination and Remuneration Committee is to identify and propose nominees to serve as directors and senior executives and suitable persons to hold the position of director in the companies in which 50% share is held by the Bank to the Board of Directors for approval based on their qualifications, knowledge, experience and capabilities as well as the nature of the various businesses in the group. To ensure that those persons who receive Board approval have adequate time to devote to their responsibilities as a director or executive of one of the listed or privately-held companies in the group, no one may hold positions in more than five companies. Details about those individuals currently serving as directors or executives of the companies in the Bank's financial business group and of other affiliated firms appear in the Bank's annual report (56-2).

5.1.3 Selection of Bank Directors: The Bank has formal procedures for selecting its directors. The Nomination and Remuneration Committee is responsible for identifying qualified individuals, and their names are submitted to the Board of Directors for consideration and possible approval. This is done in one of two ways:

(1) Election of Bank Directors at general shareholder meetings: The election of persons to replace directors whose terms expire and/or the election of additional members of the Board is subject to shareholder approval. In this case, names of qualified persons who meet all legal and regulatory requirements pertaining to the commercial banking industry are placed into nomination by the Board of Directors. All such nominees have already been vetted and approved by the Nomination and Remuneration Committee. Shareholder approval conforms to the following procedures:

a. Each share entitles shareholders to one vote.

b. Nominees for the Board of Directors are elected on an individual basis, and shareholders must cast all their votes in (a) for a single candidate and may not divide their votes among more than one of the nominees.

c. The selection of candidates is decided by a simple majority of votes; in the event of a tie, the Chairman of the meeting shall cast the deciding vote.

(2) Election of Board members for reasons other than expiry of term: It is the responsibility of the Nomination and Remuneration Committee to identify qualified nominees whose names are proposed to the Board of Directors at their next meeting (except when the term to be filled is set to expire in less than two months, in which case nominees are proposed to the general shareholder meeting for election in compliance with the guidelines described in (1)). Board members carefully review the nominees to ensure that all are legally qualified and meet the requirements of all relevant regulatory bodies. The election of new members shall comply with Article 75 of the Listed Companies Act (B.E.2535) and Item 19 of the Bank's regulations. To be elected, a nominee must receive not less than three quarters of the votes of the remaining Board members and shall serve only the remaining term of the post he/she is elected to fill. This complies with Bank regulations and has been approved by shareholders at the general shareholder meeting.

5.2 Qualifications of Independent Board Members: In 2008, the Bank, with the approval of the Board of Directors, established a set of qualifications for independent Board members which not only conforms to but is even stricter than the principles of good corporate governance outlined by the Stock Exchange of Thailand, the regulations of the Bank of Thailand, and the general guidelines of the Securities and Exchange Commission. In this way, the Bank can bolster investor confidence and maintain a proper system of checks and balances. Requirements are:

(1) Independent Board members may not hold more than 0.5% of the total fully paid shares of the Bank, its affiliates, joint ventures or other related firms. This includes shares held by family members.

(2) They may not have at present or have had within the past two years any administrative connection or business dealings with the Bank, its subsidiaries, joint ventures or legal entity which may represent a conflict of interest of any of the following types:

(2.1) May not be a director with administrative duties, employee or advisor paid a regular salary;

(2.2) May not have any business relations, such as sale/purchase of assets and key services identified by the Securities and Exchange Commission;

(2.3) May not be an auditor or provide professional services such as paid legal or financial consultancy, as specified by Securities and Exchange Commission;

(3) Must not be related either by blood or marriage to any of the Bank's executives, major shareholders, supervisors or any individual nominated for an executive or supervisory position at the Bank or any of its subsidiaries;

(4) If the independent Board member serves a similar function at any of the Bank's associated firms, the individual must make a disclosure of such and any remuneration he/she receives.

5.3 Meetings of the Board of Directors: The Secretary to the Board of Directors schedules Board meetings for the whole year in advance and submits it to the Board of Directors for acknowledgement.

Board members meet together at least once a month (generally the fourth Wednesday of the month), which is appropriate frequency considering the workload of the Board. However, should an urgent matter arise which requires the immediate attention of the Board, additional meetings may be called. Attendance records for each of the Directors are published in the Annual Registration Statement (Form 56-1) and the Bank's Annual Report (Form 56-2). This information is also given to shareholders at the annual general shareholder meeting to assist them in deciding whether to reelect members to the Board.

Meetings of the Board of Directors are conducted as follows:

(1) Setting the Agenda: The Secretary to the Board of Directors proposes the meeting agenda and submits them to the Chairman of the Board through the President & CEO. These items are discussed to conclude which items will be proposed to the Board of Directors. In addition to the items for consideration or for acknowledgement, the directors are also informed of progress taken on past resolutions of the Board.

If any of the Directors wishes to propose an item to the agenda, he/she may do so by notifying either the Chairman of the Board, the President & CEO, or the Secretary to the Board of Directors.

(2) Posting Notice of the Meeting: Each director will receive a notice of the meeting and supporting documents not less than 7 days prior to the scheduled date of the meeting. To facilitate the Board of Directors, the Bank also prepares and concurrently sends to individual directors an electronic file, which contains the identical information and presentations. Questions and additional documents can be made and requested through the executive directors or from the Secretary to the Board of Directors .

(3) Attending the Meeting: The Board of Directors recognizes the value of attending regular and extraordinary meetings of the Board, and, therefore, attendance is nearly always complete. However, occasionally members may need to attend meetings with relevant government agencies or they may be traveling abroad on business and be unable to attend. In addition, non-management Board members also meet among themselves at regular intervals in order to freely discuss problems affecting the Bank and possible solutions.

(4) Inviting Management to Attend: At each of the meetings of the Board, the Bank's Executive Committee, who are responsible for screening items on the agenda prior to the meeting, are asked to be present in order to hear the views and observations of the Board. Also in attendance are personnel from units directly concerned with individual agenda item. Their role is to provide the Board with additional information which it be needed and to answer questions raised by the Directors.

(5) The Meeting: Each meeting of the Board lasts on average 4 hours, although length varies depending on the number and complexity of the items on the agenda. The Chairman of the Board allows each of the Directors as much time as needed to ask questions, make proposals, and express their views on each of the items up for consideration, with special attention given to the most pressing matters. This ensures careful consideration of important issues affecting the Bank.

(6) Preparing Minutes of the Meeting: Once the meeting is adjourned, it is the responsibility of the Secretary to the Board of Directors to prepare a report which specifies when the meeting was convened and adjourned, the names of the Directors and other parties in attendance, and a summary of proposals, observations, and questions from the Board members. It also includes a summary of points raised by Bank management and a detailed account of meeting resolutions. The minutes are signed by the minutes taking person and verified and signed by a responsible party. Furthermore, should any of the Directors have a possible conflict of interest which prevents him/her from taking part in discussion of and voting on any of the resolutions passed at the meeting, this is duly noted in the meeting minutes.

Once the Board has approved the minutes, copies are promptly sent to relevant bodies both within and outside the Bank. The Secretary to the Board of Directors is charged with archiving the minutes. A powerful search engine allows for speedy retrieval and subsequent reference and verification. Minutes may not be amended, however, without the approval of the Board of Directors.

5.4 Evaluating the Performance of the Board: The Bank requires an annual evaluation of the performance of the Board of Directors, which uses an evaluation form approved by the Nomination and Remuneration Committee. The objectives of the evaluation are:

(1) To reinforce the principles of good corporate governance;

(2) To improve the efficiency and effectiveness of the Board and the Bank's executive management;

(3) To provide Board members with an overview of progress and problems over the previous year;

The form used in the evaluation examines the performance of the Board as a whole and reflects the views of individual Directors regarding the overall performance of the Board; it is not an evaluation of individual Directors. The six majors areas evaluated are:

(1) Structure and qualifications of the Board;

(2) Roles and responsibilities of the Board of Directors;

(3) Board meetings;

(4) Directors' performance;

(5) Relations with Bank management;

(6) Professional development of Directors and Management

The evaluation result is submitted to the Nomination and Remuneration Committee before being forwarded to the Board of Directors for acknowledgement and discussion. The findings also include suggestions and areas for improvement. The Bank's management is also informed of these suggestions so that management practices can be upgraded and Bank operations made more efficient.

5.5 Remuneration Paid to Directors and Executives: The Bank has adopted clear and transparent policy on remuneration for directors. Remuneration is comparable to that paid by other businesses of a similar nature and size, is adequate to attract, motivate and retain qualified Board members, and reflects careful consideration of individual directors' experience, roles and responsibilities, and performance expectations. Directors appointed to act as Nomination and Remuneration Committee or Audit Committee members are paid additional remuneration in accordance with the additional responsibilities assumed. Remuneration policy and amounts are proposed each year at the annual general shareholder meeting, and the forms of remuneration paid to each Board member are fully disclosed, with remuneration for services as a Board member listed separately from other monies paid for other services.

Remuneration paid to top management complies with policies and principles set down by the Board of Directors and is tied to the Bank's overall performance and stated goals as well as the performance of individual members of the Bank's management team.

5.6 Corporate Secretary: To ensure that Bank operations comply with the regulations contained in Article 89/15 of the Listed Companies and Stock Exchange Act (Volume 4) of B.E. 2551 (2008), the Directors at their meeting (5/2551) of May 28, 2008 appointed Ms. Thidarat Sethavaravichit, a Bank employee and head of Corporate Secretariat Department, to the position of Corporate Secretary and also responsible for serving as secretary to the Board of Directors. Her core responsibilities are as follows:

(1) Fulfill the duties of Corporate Secretary as stipulated by law and as assigned by the Board of Directors;

(2) Oversee various activities of the Board to ensure compliance with the law and other relevant rules and regulations;

(3) Organize shareholder meetings and meetings of the Board of Directors and prepare minutes of meetings in compliance with the law and Bank regulations including follow up matters from the Board of Directors' resolutions;

(4) Advise the Board of Directors on relevant legal issues and Bank regulations to safeguard the best interests of the Bank;

(5) Coordinate with secretaries of other sub-level committees.

5.7 Governance Policy of the Bank: To build trust among shareholders and investors and communicate good corporate governance practice standard to related stakeholders, the Bank has written good corporate governance principle which is respected as Governance Policy of the Bank. The content of the principle covers:

- Good Corporate Governance practice
- Vision and Mission
- Structure of Compliance Review Committee
- Qualifications, elements and responsibilities of the Board of Directors and Sub-committees
- Internal control and internal audit system
- Right of shareholders and equal treatment to shareholders
- Relations with investors
- The Bank's business code of conduct
- Employee's code of conduct and ethics
- Employee's compliance with code of conduct and ethics

The principle has been approved by the Board of Directors and Human Resources Department followed with training, distributing the good corporate principle handbook to all employees assuring their acknowledgement and adherence, and publishing it on www.krungsri.com.

The Bank also has set up a Compliance Review Committee responsible for lettering and reviewing the principle of good corporate governance of the Bank as well as supervising the Bank's operations, management and employees' practices ensuring that they strictly comply to regulations, laws and policies of officials and supervisory agency of financial institutions.

In business operating, the Bank embraces on spirit of integrity in the context of righteousness of the laws and good corporate governance principle. To ensure employees' understanding and compliance with the Bank's policies and to assure stakeholders and related parties on the adherence of the policies, the Bank has additionally written 'The Spirit & The Letter', a comprehensive and precise guidance on business ethical conduct. The policy handbook has been distributed to all employees and posted at the Bank's intranet: www.krungsriportal.net.

The Spirit & The Letter is regarded as the Bank's code of conduct and Integrity policy. It indicates what employees must know, do, and be concerned about together with case samples and penalty for violation against The Spirit & The Letter. Its content in brief includes:

- Regulatory excellence
- Working with customers and suppliers
- Working with governments
- Complying with global competition laws
- In the BAY community including fair employment practice, environment health and safety, security & crisis management
- Protecting BAY assets including intellectual property, controllership, conflict of interest, insider trading and stock tipping

To ensure that the policy and the guide are embraced and complied, the Bank notifies all employees to sign off their acknowledgement in the 'My personal commitment to BAY The Spirit & The Letter' document every year. All employees must understand and embrace their commitment to the policy, while supervisors are tasked to share the policies and procedures described in the guide and ensure observation of these codes by staff. Supervisors are directly responsible for compliance of the policies and procedures.

The Bank has also expanded the channels through which employees can voice complaints or concerns, report possible policy violations and improper employee behavior, and ask questions about Bank policy on honesty and integrity. Two individuals recognized for their honesty, integrity, and impartiality by both management and staff have been appointed to serve as ombudspersons, and may be contacted through a number of channels, including the Bank's internal website or by telephone or post. All reports or complaints lodged with the ombudsperson are treated with the utmost confidentiality and are only made known when necessary to the individual authorized to handle the particular matter or complaint. The investigation conduct will be reported to the Compliance Review Committee every month.

In addition, the Bank's Board of Directors has expressed enthusiastic approval for efforts to instill a set of shared values, known as BAY Core Values, in our managers and entire staff. These values serve as guiding principles for everything the Bank and our personnel do. They ensure that all our employees pull together as members of a team, dedicated to the goal of making the Bank of Ayudhya the most admired universal bank in Thailand. These Core Values consist of the following:

- **Integrity** "Our integrity is evident in our dedication and commitment to fairness and transparency."
- **Accountability** "We are thorough in our analyses, resolute in our decision-making, and accountable for actions."
- **Team Spirit** "We respect differences of opinion; we are open to the contribution of others, and we offer assistance when we can."
- **Innovation** "We are always developing new products, services, and work practices that exceed customers' expectations."
- **Passion for Progress** "We are a results-based organization, and we measure our success by profit growth."

5.8 Internal Control and Audit: The Bank appreciates the importance of maintaining an effective internal auditing system and internal control mechanisms. Guidelines concerning compliance with these systems are as follows:

(1) Internal Control and Audit Mechanisms: Responsibilities and scope of authority for management and staff positions are clearly defined in writing, and there are oversight procedures to ensure that the Bank's assets are used wisely. By separating implementation, monitoring and evaluation responsibilities, the Bank has created an effective system of checks and balances and mutual accountability. There are also financial control mechanisms in place that call for regular reporting of financial data to responsible members of the management team.

(2) Audit Group: The Bank has established a separate structure responsible for inspecting, monitoring and assessing internal work systems at the Bank, which consists of the following:

(2.1) Audit Department: reviews various work units within the Bank in an impartial, independent and fair manner and in compliance with professional ethical and accounting standards. It also advises unit managers on ways to solve problems and improve operations, stressing compliance with internal control mechanisms and the Bank's risk management system. The unit reports directly to the Audit Committee.

(2.2) IT Audit Department: is responsible for auditing and assessing the Bank's information systems and examining irregular behaviors on the part of employees and customers. It also advises on possible improvements in IT security controls to bring them in line with Bank regulations, pertinent regulations of the Bank of Thailand, and the law, and to limit risk and avoid possible harm to the Bank.

(3) **Legal and Compliances Group:**

(3.1) Corporate Compliance Department and Regulatory Compliance Department: are responsible for monitoring compliance with the laws and regulations applicable to the businesses by the Bank and companies in its Financial business Group to ensure due management and operations by providing law-related information and documents and relevant government agencies' notifications on the businesses to the Bank and companies in its Financial Business Group.

(3.2) Fraud Management Department: is responsible for monitoring and control of contingent internal and external frauds against the Bank and companies in its Financial Business Group and for fraud detection and prevention which helps reduce damage and fraud possibility. This builds confidence to customers, shareholders and investors.

(3.3) Malfeasance Prevention Division: is responsible for identifying and preventing instances of malfeasance both within and outside the Bank so as to limit damage to the Bank and prevent further acts of malfeasance. The group has an important role to play in reassuring customers, shareholders and investors.

5.9 Risk Management: The Board of Directors has created a Risk Management Committee to develop an integrated risk management policy for the entire organization which is consistent with the principles of the Bank of Thailand's risk-based approach. Key components of the integrated risk management policy include strategic risk, credit risk, market risk, liquidity risk, operational risk, and legal risk. Adequacy of the Bank's risk management mechanisms is also regularly reviewed, and other threats to the Bank's reputation are carefully monitored and controlled. To maintain effective risk management procedures capable of assessing, monitoring and keeping risk within acceptable limits, the Bank has created the Risk Management Group to analyze, evaluate, follow up and control the risk management in grating credit facilities to be within the scope, regulations of the Bank and relevant government agencies.

5.10 Professional Development of Directors and Executive Committee: The Bank provides support for directors, executive officers, and other individuals with a direct role in managing the Bank's affairs such as the head of the Legal and Compliance Group and the Corporate Secretary to participate in seminars and training courses as part of its policy of professional development. These programs are conducted by the IOD of the Stock Exchange of Thailand and by leading institutions both at home and abroad. Officers who are new to the Bank attend a lecture that provides an overview on the business of the Bank and other relevant information. Those in attendance also have an opportunity to ask questions and are given the following handbooks and other documents:

• The Bank's Articles of Association and Regulations, the Bank's good corporate governance principles, Annual Registration Statement (form 56-1), and the Bank's Annual Report (form 56-2);

• Code of ethics for directors of commercial banks and a handbook for directors of financial institutions;

• Principles of good corporate governance for listed companies and a handbook for directors of listed companies.

Each quarter the Corporate Secretariat Department, which oversees overall activities of the Board and attendance of Board members and executive officers at seminars and training courses relevant to their roles and responsibilities at the Bank, compiles a list of courses to be conducted by the IOD in the following quarter which bear on the work of individual directors and executive officers. Information about relevant programs is sent in advance so that directors and senior executives can make plans to attend.

In 2008, all of the directors and many of the Bank's top executive officers attended training programs conducted by the IOD. Details follow:

Director	Training Program/Course/Seminar
1. Mr. Veraphan Teepsuwan	• Role of Chairman Program (RCP)
2. Mr. Tan Kong Khoon	• Director Certification Program (DCP)
3. Ms. Janice Rae Van Ekeren	• Director Certification Program (English)
	• Director Diploma Examination Program (Fellow Member)
4. Mr. Pongpinit Tejagupta	• Director Accreditation Program (DAP)
5. Mr. Chet Raktakanishta	• Director Certification Program (DCP)
	• Financial for Non-Finance Director (FN)
	• Audit Committee Program (ACP)
	• Director Financial
	• DCP Refresher Course (Class 3/2549)
6. Mr. Surachai Prukbamroong	• Chairman 2000
	• Director Accreditation Program (DAP)
	• Board Performance Evaluation (BPE)
	• Corporate Governance Report of Thai Listed Companies (CGR)
	• DCP Program Refresher Course
	• Director Forum
7. Mr. Karun Kittisataporn	• Director Certification Program (DCP)
	• Role of Compensation Committee (RCC)
8. Mr. Virat Phairatphiboon	• Director Certification Program (DCP)
	• Audit Committee Program (ACP)
	• Role of Compensation Committee (RCC)
9. Mr. Yongyuth Withyawongsaruchi	• Director Certification Program (DCP)
	• Audit Committee Program (ACP)
	• Board Performance Evaluation (BPE)
	• Director Forum
	• DCP Refresher Course
	• Corporate Governance Report of Thai Listed Companies (CGR)
	• Setting the CEO Performance Plan and Evaluation
10. Mr. Pornsanong Tuchinda	• Director Accreditation Program (DAP)
	• Director Certification Program (DCP)
	• Audit Committee Program (ACP)

Bank Executive/ Executive Committee Member	Training Program/Course/Seminar
1. Mr. Amornsuk Noparumpa (Senior Advisor)	• Director Certification Program (DCP)
2. Mr. Virojn Srethapramotaya	• Director Accreditation Program (DAP) • Director Certification Program (DCP) • Director Diploma Examination Program (Fellow Member) • Role of Chairman Program (RCP)
3. Ms. Phawana Niemloy	• Director Certification Program (DCP) • Financial for Non-Finance Director (FN)
4. Mr. Poomchai Wacharapong	• Director Certification Program (DCP) • Role of Chairman Program (RCP)
5. Mr. Sudargo Harsono	• Director Certification Program (DCP)
6. Ms. Wanna Thamsirisup	• Director Certification Program (DCP) • Director Accreditation Program (DAP)
7. Ms. Nopporn Tirawattanagool	• Director Accreditation Program (DAP)
8. Ms. Thidarat Sethavaravichit	• Company Secretary Program (CSP 1/2002)

5.11 Succession and Management Development Plans: The Nomination and Remuneration Committee is responsible for developing the Bank's succession plan in the event that the position of President & CEO becomes vacant and for approving all other succession plans to ensure investors and shareholders of the smooth, uninterrupted operation of the Bank.

At present the Bank has put in place a Succession Plan and a Specific Training & Development Plan for individual executive positions. The purpose of these plans is to evaluate and identify individuals with the potential to assume higher-level management positions at the Bank. Career Plans for these individuals are based on needs analyses and are designed to provide opportunities for skills/knowledge enhancement in line with Competency-Based Management guidelines. Development is monitored and evaluated, and recognition is shown through promotion to a higher position.

Inside Information Supervision

The Bank's Board of Directors, executives holding the ranks of "Group Head", managers or higher equivalent in the Accounting or Financial Group, and the Bank's auditors are obliged to file reports on their shareholding status and that of their spouse and under-aged children to the Securities Exchange Commission (SEC) upon their appointment to their posts. Accordingly, they will be notified by the Bank in writing that they have the obligation to file their first report on their stockholding (Form 59-1) within 30 days of the date of office appointment with subsequent reports on any change in the status of their stockholding as a result of trading transactions (Form 59-2) within three days of acquisition, sale, or transfer of shares. The reports of such movements must also be submitted to the attention of the Board of Directors.

In addition, the Board of Directors makes prudence its priority when it comes to transactions that may potentially be a conflict of interest. It has therefore established an inter-related transactions approval policy and processes whereby related transactions must be reported in writing. Where pricing and conditions are concerned, it complies with SET regulations using an arm's length basis. Details, the value of transactions, contractual parties, and reasons/necessity are disclosed in the Annual Report (Form 56-2) and the Form outlining details of their stock sale (Form 69-1).

Apart from legal compliance in filing reports on shareholding changes, the Board of Directors also takes steps to add other supervisory measures to prevent its executives and related parties from exploiting inside information for their personal benefit. For example, it maintains a policy banning securities trading using inside information and stock trading advisory based on the following guidelines:

(1) Staff members are prohibited from using inside information for the benefit of stock trading;

(2) Stock trading using inside information is a legal offence and against the Principle of Conflict of Interest as it is an unfair practice for other investors; the use of inside information for one's benefit would eventually affect securities investment and rock investors' confidence in general;

(3) Staff members are to strictly abide by related laws and regulations or those pertaining to the use of inside information including laws governing the business of financial institutions and laws relating to securities and the stock market;

(4) Staff members must form an understanding of and comply with the policy on the prevention of stock trading through the use of inside information and provision of stock trading advice.

The guidelines on trading the Bank's stock stipulate that in the event its employees wish to invest in its stock, no transaction is allowed during the "Black Out Period" imposed by the Bank and even in its absence prior to the announcement of its quarterly and annual operating result. Staff members who have access to such information either directly or indirectly must realize that they are in possession of such information and therefore are prohibited from trading the stocks until the Bank's operating result becomes public.

Staff members and individuals related to them wishing to transfer the Bank's shares obtained while in its service can only do so after having held the shares for no less than three months from the date of acquisition unless otherwise indicated by approval from the Audit Committee or authorized individuals. In 2008, no such incident involving the Bank's Directors or executives was reported.

Internal Control

The Bank pays great attention to its internal control system as this improves the efficiency of its operation and helps reduce risk that could inflict losses on its operations. Having recognized the importance of strict compliance with related laws, effective components and an atmosphere favoring effective internal control have been adopted through the Bank's organizational structure in line with the nature of its operations; clear operating authority has been delegated to its executives; risk management is closely monitored to ensure that the Bank's operating results meet the set objectives while checks-and-balances among the executives are adopted as a practical device. In the meantime, the Bank ensures that an effective internal audit system is at work, reports from independent auditors are secured, and timely corrective measures are taken by executives within the given time frame.

The Audit Committee plays a vital role in overseeing the efficiency of the Bank's internal audit system to make certain it meets international standards. The Audit Committee also ensures that the unit assigned to the task of Internal Audit reports directly to the Audit Committee so that the Bank's operations and those of its subsidiaries are subject to proper internal control and that it has thorough, accurate, and trustworthy financial and management reports as well as enough measures to counter any conflict of interest in accordance with relevant legal guidelines.

A copy of the Audit Committee Report comprising a list of annual information is attached as an appendix.

Related Party Transactions

The Bank disclosed information regarding related party transactions under section 4.23 of notes to the Consolidated and the Bank's financial statements for the year ended 31 December 2008.

The Bank has business transactions with subsidiary, associated, and related companies, which are companies that have shareholding in and/or major shareholders and/or joint directors in common with the Bank. Such related transactions are priced on an arm's length basis in the normal course of business for the Bank in common with the same conditions as other customers, including the allowance for doubtful accounts policy. The Bank has complied with the same BOT regulations as those granted to other debtors.

(1) Major related party transactions

As of 31 December 2008, the Bank loaned to subsidiaries and associated companies such as Ayudhya Capital Auto Lease Public Company Limited Baht 86,717 million, Ayudhya Asset Management Company Limited Baht 15,918 million and Krungsriayudhya Card Company Limited Baht 11,000 million.

On 24 September 2008, a meeting of Board of Directors of the Bank approved a resolution on the entire business transfer of two subsidiaries, carrying out similar business, to Ayudhya Capital Auto Lease Public Company Limited, the Bank's subsidiary. The transfered subsidiaries were Ayudhya Capital Lease Company Limited operating the new car, inventory financing and leasing business and Ayudhya Hire Purchase Company Limited operating the refinancing business. The transaction was completed on 4 December 2008 with the purchase and sale agreement of the business and total assets of Baht 31,843 million and Baht 9,205 million, respectively. The Bank of Thailand approved the entire business transfer on 5 November 2008 and this transaction was executed on 5 December 2008.

On 18 September 2007, a meeting of Board of directors of Ayudhya Derivatives Company Limited, Ayudhya Securities Public Company Limited's subsidiary, was approved to transfer the derivatives business to Ayudhya Securities Public Company Limited. The business transfer was also approved by the resolution of the Board of Directors' meeting of the Ayudhya Securities Public Company Limited on 20 September 2007. Such business transfer was subject to the membership transfer regulation to be established by Thailand Future Exchange Public Company Limited and Thailand Clearing House Company Limited and the approval of the Securities and Exchange Commission. Subsequently, the business transfer was approved by a resolution passed by the Board of Directors' meeting of the Bank on 28 May 2008. The subsidiary was approved by the Securities and Exchange Commission to terminate the derivatives business operation to be effective when the subsidiary completes the business transfer.

On 29 September 2008, the extraordinary meeting of the subsidiary's shareholders approved the business transfer by selling assets, liabilities and transferring commitment related to derivatives business to Ayudhya Securities Public Company Limited. The selling price of fixed assets, intangible assets and other assets is Baht 5.9 million. The subsidiary had transferred this business on 1 December 2008. After the business transfer, the subsidiary will decrease its share capital and deregister in order to liquidate in accordance with the legal process.

(2) Necessity and justification for the transactions

These related party transactions were necessary and justified in order to obtain maximum benefits for the Bank. Loans and commitments to certain officers from the level of departmental chief upward and related firms with shareholders or directors in common with the Bank are considered as part of the normal business of the Bank.

(3) Approval process for related party transactions

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

The Bank's other significant related party transactions are approved by Financial Management Committee, Audit Committee, Executive Committee and/or Board of Directors in accordance with the type of transaction and the amount to ensure that they are necessary and justified in order to obtain maximum benefits for the Bank.

(4) Policies for and likelihood of related party transactions

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

As a financial institution that has been serving Thai society for more than six decades, Bank of Ayudhya recognizes its role in participating in the country's sustainable development both economically and socially. It therefore incorporates social responsibility into its business operations. In addition to taking care of its many stakeholders and conducting its business operations in line with legal guidelines, ethics, and strict compliance principles, it also undertakes socially and environmentally responsible actions as an important function of being a good corporate citizen. Given this resolve, it carries out a range of activities including those prompted internally by its own initiatives and externally in collaboration with other organizations with the same intent as well as funding assistance to non-profit organizations. At the same time, it instills in its employees a sense of contribution for the common good of society and the underprivileged by encouraging participation in social contribution programs through its staff volunteer activities.

Followings were the social and environmental contributions carried out by the Bank in 2008.

Youth and Education Development

"Krungsri...Sarn Fun Yaowachon Khon Dee (Krungsri makes dream of good kids come true)" was a project initiated to provide competent Thai youth or the underprivileged with the opportunity to demonstrate their ability through the following activities.

- Education Grants were presented on the Youth Day to students with good educational records from Mahamek Home for Boys to support them in their elementary, secondary and undergraduate education. The grants given in 2008 marked the 24th year of this program.
- Painting Contest for Education Grants on the 2008 Children's Day was designed to give elementary and secondary students with art talent and skill a creative opportunity to use art in emotional and concentration development. Students in schools in Yannawa District, where BAY Head Office is located, joined the contest under the theme "Our Community".
- The Support Grant for the Automobile Club, King Mongkut Institute of Technology Ladkrabang, was given by the Bank to support youth with ability in automotive invention. The team won the TSAE Auto Challenge 2008: Student Formula Award organized by the Thailand Society of Automotive Engineers for its driving excellence and energy-saving capacity. They subsequently represented Thailand in the 2008 Student Formula SAE Competition of Japan in Japan and went on to win three awards including the Best Styling Award, the Sportsmanship Award, and the Rookie Award.
- Support was provided for Thammasat University and Assumption University in their Tertiary Educational Institutions' Simulated Business Competition. The project was aimed to encourage the students' cognitive development through the application of acquired knowledge to actual integrated business operations and to promote entrepreneurship that could lead to the creation of their own jobs.
- Support for the Young Reporter Project organized by the News Family Radio Station, Sor Tor Raw FM 100 MHz gave undergraduate students from different universities the opportunity to participate in the Program Hosting Contest on radio. It was under the theme "Protecting the Country's Marine Interests and Other Conservation Directions" which aimed to create awareness of the importance of natural resource conservation and lessening global warming.
- Seven education grants were given to students from the Faculty of Architecture and Town Planning, Thammasat University. The objective was

to create educational opportunities for students who showed good educational performance but required funding support.

- "Krungsri … Pa Nong Doo Nung (Krungsri brings kids to movie)" was an ongoing activity that was conducted jointly with Krungsri IMAX Cinema with a focus on expanding life experience to underprivileged kids. They are from various foster home such as Mahamek Home for Boys, Pakkred Home for Boys, Rajvithi Home for Girls, and Baan Maharaj Foundation.
- Donations of educational equipment to schools and other organizations were made by the Bank in 2008. A total of 180,000 sets of books, pencils, and rulers were given to over 160 schools and organizations in the private and public sectors throughout the country.
- Presentation of the Buddha Story published in honor of the 80th birthday anniversary of His Majesty the King: recipients included tertiary educational institutions. The Ministry of Education, the Religious Affairs Department, and the Ministry of Culture were to distribute the publication to 1,400 educational institutions and libraries throughout the country in an effort to promote Bhuddism.

Public and Social Contributions

- To support Thailand's long-term health care service, financial contribution was made to the construction of "Somdej Phra Dhepparatana Building", Faculty of Medicine, Ramathibodi Hospital. The building would be equipped to provide fully-integrated medical services and a Complex Illness Treatment Center.
- The financial contribution to the building construction and procurement of medical equipment for the Cancer Center Building, Bhumipol Adulyadej Hospital represented the Bank's contribution and assistance to society in terms of health care and further support of the country's medical advances.
- In response to Pra Monkut Klao Hospital's financial requirements in addition to the army budget which was used to address the multiple issues in Thailand's deep south, the Bank made a financial donation for the renovation of its ICU wards.
- The funding support extended to the construction of houses for the poor through Habitat for Humanity Thailand involved the Bank's employee volunteers who dedicated their time to help build houses for the poor in Tambon Hmak Khaeng, Udornthani Province.
- Blood donations were organized in aid of the National Blood Service Center, the Thai Red Cross. This long-established quarterly activity has been held for more than 20 years. It is meant to encourage BAY employees to make social contribution and to ease the plight and possibly save the lives of sufferers. In 2008, the four blood






Support for Youth and Education Development drives resulted in a total of 574,400 cubic liters of donated blood.

- Under the Krungsri Ayudhya Bank Fund, the Bank made financial donations to the Thai Red Cross to be used to help the poor.
- Cash, blankets, and warm clothing were among the donations made to help people in the cold northern and northeastern regions through the "Dharn Namjai of Krungsri Staff", an initiative involving the participation of the Bank's employees whose donations of cash and other basic necessities supplemented BAY's financial contribution to the relief campaign for people in the communities hit by the cold weather.
- Donations of cash along with other basic necessities were made in collaboration with a joint committee from three institutions including the Thai Bankers' Association, the Thai Chamber of Commerce, and the Federation of Thai Industries to relieve the plight of the citizens of Myanmar in the Nargis Cyclone crisis through the "Dharn Namjai of Krungsri Staff" Program.

Religion, Art and Culture

- The Bank supported "Jode Mai Haed Krungsri-Krungsri Chronicles", another long-established short documentary program aired on Television Channel 7 for the past 23 years. It is to promote the conservation and maintenance of Thai art and culture.
- Tawd Katin Samakkee was continuously held by the Bank as a religious activity. In 2008, it was held to raise funds for the construction a Buddhist chapel and restoration of Phra Thart Renu, a major Buddhist pagoda of Renu Nakhon. A replica of Phra Thart Panom, it houses the Buddhist scriptures and a gilded Buddha image.

Environment

- The Bank initiated the "Earth Care - Krungsri caring for the earth" Campaign as an awareness creation drive for the conservation of natural resources and the environment and an effort to help ease global warming. In this instance, public relations media were produced for the Bank's internal campaign both at its head office and its nationwide branches to raise the awareness of the importance of making the best use of energy and to conserve electricity, water, and paper.

The Bank also rolled out other activities to help conserve natural resources and the environment in a major public campaign. As a result, 1,000 trees were planted to boost the greenery of Cha-am National Park in Petchburi Province in an external campaign that was held in collaboration with government offices, local communities and customers in different localities. To rehabilitate the mangrove forests, 12,070 mangrove trees were planted over 6.8 acres of land in Tambon Ang-sila, Muang District of



Public and Social Contributions to Non-Profit Organizations

Staff Volunteer for Blood Donation

Staff Volunteer to Build Houses for the Poor

Blanket and Necessities Donation

Chonburi Province. Moreover, more than 200 young people from Mahamek Home for Boys, Pakked Home for Boys, and Rajvithi Home for Girls joined the mangrove reforestation campaign at the Army Nature Study Centre for the Commemoration of the Queen's 72nd Birthday Anniversary as part of the Bank's effort to involve youth in the care and conservation of nature.

In 2008, a total of more than 2,000 BAY volunteer executives and employees, community members, officers from government offices and the Bank's customers took part in the Earth Care Campaign.

- BAY collaborated with the Permanent Reforestation Project in honor of the 50th Anniversary Celebrations of His Majesty the King's Accession to the Throne. The project began in 1994 with reforestation focusing on the denuded areas in the forest conservation zone by reforesting land in the area of Khao Kor District of Petchabun Province and the area in the National Forest Reserves on the right of the forest along the River Nan, Baan Nam Tah and Baan Nam Lee in Tambon Nam Hmun, Tha Pla District of Utaradit Province. To date, the 11,694 rai (2,654.4-acre) reforested areas have been handed over to the Department of National Forestry, Flora, and Fauna, with the hand-over of 1,348.8 more acres of reforested land planned for 2009.
- In collaboration with the Mae Fah Luang Foundation, 108 check dams were built to commemorate the 108th anniversary of the late Princess Mother. A total of 108 watershed dikes were also built in the area within the Royal Doi Tung Development Project (the working zone) for water storage as the source of water consumption for both man and animals and other agricultural purposes on the periphery of the Project in Tambon Mae Fah Luang, Mae Fah Luang District, Chiangrai Province.



Religion, Art, and Culture Support

An own Initiative Environmental Project

The Bank-sponsored Reforestation of 11,694 rai in Petchaboon and Utradit Provinces

Staff Volunteer - Mangrove Plantation

Staff Volunteer - Check Dam Building

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 the 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 31 December 2008.

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

(Mr.Pongpinit Tejagupta)
Director

Report of the Audit Committee

To The shareholders,
Bank of Ayudhya Public Company Limited

The Audit Committee has performed its task as assigned by the Board of Directors by adhering to the principles of independence in accordance with the Securities and Exchange Commission's regulations and notices of the Stock Exchange of Thailand.

In 2008, the Audit committee called a total of seven meetings and reported the outcome to the Board every time. The action of the Audit Committee in these meetings can be summarized as follows:

1. Approved the annual plan and reorganization of the Audit Group according to nature of business to ensure appropriate governance and monitored audit works until it achieved the goals.
2. Reviewed the Bank's related party transactions or transactions with conflict of interest to ensure reasonable operation as other regular commercial transactions and transparent disclosure of information.
3. Reviewed the Bank's quarterly and annual financial statements to ensure the right disclosure of financial status in accordance with accounting standards and Financial Institutions Business Act.
4. Monitored the Bank's management in terms of its improvement, according to the recommendations of internal auditors, external auditors, the Bank of Thailand, and the Securities and Exchange Commission.
5. Considered and recommended Deloitte Touche Jaiyos Audit Co., Ltd. as the Bank's auditor for the year 2008 with an appropriate auditing fee. The shareholders' meeting has already approved the proposal.
6. Considered and approved the improvement of internal auditing group's charters according to the announcements of the Stock Exchange of Thailand and the Bank of Thailand's revised policies.
7. Inspected and monitored the Bank's internal auditing system to ensure that it is adequate, appropriate, and effective.
8. Ensured that the Bank complied with the good practices of listed companies according to the announcements of the Stock Exchange of Thailand and rules and regulations of the Bank of Thailand.

The Audit Committee views that the Bank has made an appropriate and adequate financial report and operated its business in accordance with rules on securities and stock exchange and regulations of the Stock Exchange of Thailand and the Bank of Thailand. The Bank is confident that, with its current internal auditing system, the financial information is complete, correct, and reliable, and the disclosure is adequate.

(Mr. Surachai Prukbamroong)
Chairman of the Audit Committee
20 February 2009

Report of the Nomination and Remuneration Committee

Following the Bank's Board of Directors' appointment of the Nomination and Remuneration Committee on 21 February 2007, three of the Board's members were appointed to the Committee to perform duties according to the charter for the Committee in areas relating to policy, criteria, and the selection of directors, members of the sub-committees and senior executives including directors of any companies in which the bank holds 50% or more of shares and the policy of the remuneration and other benefits as well as the amount of remuneration and other benefits for directors, members of the sub-committees, and senior executives, to be in line with and according to the commercial bank's good governance approach.

In 2008, Mr. Karun Kittisataporn, being appointed Independent Director of the Bank in replacement of Mr. Thipsamat Na Chiengmai, was Chairman of the Nomination and Remuneration Committee, together with Mr.Virat Phairatphiboon, Independent Director and Mr. Pornsanong Tuchinda, a non-executive director held sixteen meetings to consider related issues.

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

The determination of the remuneration for directors and senior executives of the Bank, being carried out with verifiable transparency, shall be based on their competency in fulfilling duties and responsibilities as assigned and performance, as well as operating result, the business environment, the overall economic condition, and factors that could affect the Bank's business, and remuneration considerations in line with the financial sector's market rate.

(Mr. Karun Kittisataporn)

Chairman of the Nomination and Remuneration Committee

Report of the Independent Certified Public Accountant

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

We have audited the accompanying consolidated balance sheet of Bank of Ayudhya Public Company Limited and subsidiaries and the balance sheet of Bank of Ayudhya Public Company Limited as at December 31, 2008 and the related consolidated and separate statements of income, changes in shareholders' equity and cash flows for the year then ended. These financial statements are the responsibility of the Bank's management as to their correctness and completeness of the presentation. Our responsibility is to express an opinion on these financial statements based on our audit. The consolidated and separate financial statements of the Bank for the year ended December 31, 2007, were audited by another auditor of the same firm whose report thereon dated February 14, 2008 expressed an unqualified opinion with an emphasis paragraph which can be summarized as the change in accounting policy for investments in subsidiaries and associated companies from the equity method to the cost method.

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

In our opinion, the aforementioned consolidated and separate financial statements present fairly, in all material respects, the financial position of Bank of Ayudhya Public Company Limited and subsidiaries and of Bank of Ayudhya Public Company Limited as at December 31, 2008 and the results of operations and cash flows for the year then ended in conformity with generally accepted accounting principles.

Dr. Suphamit Techamontrikul
Certified Public Accountant (Thailand)
Registration No. 3356
Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.

Bangkok
February 16, 2009

Balance Sheets

Bank of Ayudhya Public Company Limited
and subsidiaries
As at December 31, 2008 and 2007

	Consolidated Financial Statements		Separate Financial Statements	Baht
	2008	2007	2008	2007
ASSETS				
CASH	20,419,454,554	19,199,531,110	20,416,524,467	19,197,131,307
INTERBANK AND MONEY MARKET ITEMS (Note 4.2)				
Domestic items				
Interest bearing	69,551,642,417	4,481,576,769	69,236,246,429	4,334,557,726
Non-interest bearing	6,111,102,132	5,607,325,494	5,695,119,897	5,427,021,627
Foreign items				
Interest bearing	2,658,865,362	21,988,145,080	2,658,865,362	21,988,145,080
Non-interest bearing	6,532,735,301	1,482,461,288	6,532,735,301	1,482,461,288
Total interbank and money market items	84,854,345,212	33,559,508,631	84,122,966,989	33,232,185,721
SECURITIES PURCHASED UNDER RESALE AGREEMENTS	-	76,000,000,000	-	76,000,000,000
INVESTMENTS (Notes 3.2 and 4.3)				
Current investments, net	27,151,289,458	22,683,077,076	27,151,289,458	22,554,688,907
Long-term investments, net	29,300,472,227	31,482,353,907	29,041,058,236	31,329,335,661
Investments in subsidiaries and associated companies, net	777,292,695	785,053,120	28,139,558,435	11,226,303,994
Investments, net	57,229,054,380	54,950,484,103	84,331,906,129	65,110,328,562
LOANS AND ACCRUED INTEREST RECEIVABLE (Notes 3.3, 3.5 and 4.5)				
Loans	557,077,228,177	450,355,576,254	540,442,536,730	444,962,497,714
Accrued interest receivable	1,682,913,422	2,071,836,930	1,580,155,170	1,863,504,385
Total loans and accrued interest receivable	558,760,141,599	452,427,413,184	542,022,691,900	446,826,002,099
Less Allowance for doubtful accounts (Notes 3.4 and 4.6)	(31,410,157,897)	(33,980,181,364)	(22,828,653,598)	(28,271,415,580)
Less Revaluation allowance for debt restructuring (Notes 3.5 and 4.7)	(897,460,019)	(1,238,770,792)	(896,757,133)	(1,237,920,947)
Net loans and accrued interest receivable	526,452,523,683	417,208,461,028	518,297,281,169	417,316,665,572
PROPERTIES FORECLOSED, NET (Notes 3.6 and 4.8)	21,370,609,360	23,522,923,526	13,146,937,935	15,236,925,624
CUSTOMERS' LIABILITIES UNDER ACCEPTANCES	664,825,404	1,646,697,037	664,825,404	1,646,697,037
PROPERTY, PREMISES AND EQUIPMENT, NET (Notes 3.7 and 4.9)	16,085,231,590	15,892,874,065	15,535,298,869	15,053,814,764
INTANGIBLE ASSETS, NET (Notes 3.8 and 4.10)	11,339,640,986	2,630,113,431	1,459,698,308	1,201,001,205
OTHER ASSETS	7,060,984,094	7,765,349,468	4,600,594,439	6,628,658,126
TOTAL ASSETS	745,476,669,263	652,375,942,399	742,576,033,709	650,623,407,918

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

Bank of Ayudhya Public Company Limited
and subsidiaries
As at December 31, 2008 and 2007

Balance Sheets (Continued)

				Baht
	Consolidated Financial Statements		Separate Financial Statements	
	2008	2007	2008	2007
LIABILITIES AND SHAREHOLDERS' EQUITY				
DEPOSITS (Note 4.11)				
Deposits in Baht	533,830,840,963	497,290,497,921	537,224,145,602	498,069,354,463
Deposits in foreign currencies	3,522,668,935	2,336,679,755	3,522,668,935	2,336,679,755
Total deposits	537,353,509,898	499,627,177,676	540,746,814,537	500,406,034,218
INTERBANK AND MONEY MARKET ITEMS (Note 4.12)				
Domestic items				
Interest bearing	17,924,881,487	11,767,663,033	17,098,829,237	10,136,794,180
Non-interest bearing	1,601,863,219	2,298,271,056	1,619,775,851	2,308,470,592
Foreign items				
Interest bearing	437,316,563	2,168,968,329	437,316,563	2,168,968,329
Non-interest bearing	39,286,847	37,913,566	39,286,847	37,913,566
Total interbank and money market items	20,003,348,116	16,272,815,984	19,195,208,498	14,652,146,667
LIABILITIES PAYABLE ON DEMAND	1,672,752,398	2,140,946,739	1,672,663,211	2,140,946,739
BORROWINGS (Notes 4.13 and 4.14)				
Short-term borrowings	9,013,752,277	10,602,424,102	9,013,752,277	10,309,700,000
Long-term borrowings	72,843,151,108	28,816,349,564	72,843,151,108	28,816,349,564
Total borrowings	81,856,903,385	39,418,773,666	81,856,903,385	39,126,049,564
BANK'S LIABILITIES UNDER ACCEPTANCES	664,825,404	1,646,697,037	664,825,404	1,646,697,037
PROVISION (Note 4.15)	388,908,346	612,240,115	388,908,346	612,240,115
OTHER LIABILITIES	18,168,993,069	14,590,392,436	12,577,923,870	12,033,501,311
TOTAL LIABILITIES	660,109,240,616	574,309,043,653	657,103,247,251	570,617,615,651
SHAREHOLDERS' EQUITY				
SHARE CAPITAL (Note 4.16)				
Authorized share capital				
7,089,392,755 ordinary shares of Baht 10 each	70,893,927,550	70,893,927,550	70,893,927,550	70,893,927,550
Issued and paid-up share capital				
6,074,143,747 ordinary shares of Baht 10 each, fully paid	60,741,437,470		60,741,437,470	
5,747,746,840 ordinary shares of Baht 10 each, fully paid		57,477,468,400		57,477,468,400
SHARE SUBSCRIPTIONS RECEIVED IN ADVANCE (Note 4.16)	-	177,475,392	-	177,475,392
PREMIUM ON ORDINARY SHARE CAPITAL, NET	13,802,215,854	13,149,422,040	13,802,215,854	13,149,422,040
LAND REVALUATION SURPLUS	2,905,038,146	2,905,038,146	2,905,038,146	2,905,038,146
PREMISES REVALUATION SURPLUS	2,536,565,520	2,706,939,765	2,536,565,520	2,706,939,765
REVALUATION DEFICIT ON INVESTMENTS	(143,430,231)	(2,740,080)	(127,006,947)	(385,094)

Balance Sheets

Bank of Ayudhya Public Company Limited
and subsidiaries
As at December 31, 2008 and 2007

				Baht
	Consolidated Financial Statements		Separate Financial Statements	
	2008	2007	2008	2007
LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)				
RETAINED EARNINGS				
Appropriated				
Statutory reserve (Note 4.17)	582,500,000	435,500,000	582,500,000	435,500,000
Unappropriated	4,850,334,797	1,005,208,407	5,032,036,415	3,154,333,618
Total	85,274,661,556	77,854,312,070	85,472,786,458	80,005,792,267
MINORITY INTEREST	92,767,091	212,586,676	-	-
TOTAL SHAREHOLDERS' EQUITY	85,367,428,647	78,066,898,746	85,472,786,458	80,005,792,267
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	745,476,669,263	652,375,942,399	742,576,033,709	650,623,407,918
OFF-BALANCE SHEET ITEMS-CONTINGENCIES (Note 4.20)				
AVALS TO BILLS AND GUARANTEES OF LOANS	3,037,196,449	3,245,143,119	3,337,196,449	3,845,143,119
LIABILITY UNDER UNMATURED IMPORT BILLS	2,056,520,715	1,680,582,457	2,056,520,715	1,680,582,457
LETTERS OF CREDIT	3,690,630,685	7,639,371,601	3,833,652,655	7,591,871,428
OTHER CONTINGENCIES	243,919,764,114	242,612,569,515	243,932,357,959	243,325,163,360

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

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

(Mr. Pongpinit Tejagupta)
Director

Statements of Income

Bank of Ayudhya Public Company Limited
and subsidiaries
For the years ended December 31, 2008 and 2007

	Consolidated Financial Statements		Separate Financial Statements	Baht
	2008	2007	2008	2007
INTEREST AND DIVIDEND INCOME				
Interest on loans	25,900,432,889	26,329,317,940	28,585,457,455	27,176,123,058
Interest on interbank and money market items	2,381,856,105	3,726,070,378	2,377,826,038	3,721,524,085
Hire purchase and financial lease income	10,439,644,853	1,643,586,056	-	-
Investments	2,440,723,233	3,365,463,449	2,984,894,863	3,380,238,032
Total Interest and Dividend Income	41,162,657,080	35,064,437,823	33,948,178,356	34,277,885,175
INTEREST EXPENSES				
Interest on deposits	10,792,245,115	14,110,712,005	10,812,421,982	14,116,569,230
Interest on interbank and money market items	898,782,773	357,039,895	365,543,935	244,389,316
Interest on short-term borrowings	689,241,428	104,261,066	378,005,440	92,368,085
Interest on long-term borrowings	2,214,495,795	870,186,912	2,214,495,795	870,186,912
Total Interest Expenses	14,594,765,111	15,442,199,878	13,770,467,152	15,323,513,543
Interest and Dividend Income, net	26,567,891,969	19,622,237,945	20,177,711,204	18,954,371,632
BAD DEBT AND DOUBTFUL ACCOUNTS (Note 4.6)	5,422,176,236	8,588,584,021	4,062,237,645	7,723,136,986
LOSS ON DEBT RESTRUCTURING (Note 4.7)	637,615,396	3,776,331,823	637,762,355	3,776,863,014
Interest and Dividend Income after Bad Debt and Doubtful Accounts and Loss on Debt Restructuring, net	20,508,100,337	7,257,322,101	15,477,711,204	7,454,371,632
NON-INTEREST INCOME				
Loss on investments	(2,255,035,683)	(668,515,300)	(2,328,298,301)	(924,957,126)
Expense from equity interest in associated company	(7,760,424)	(197,308)	-	-
Fees and service income				
Acceptances, aval and guarantees	49,403,620	43,070,142	54,647,456	50,578,423
Others	7,438,034,895	5,399,140,555	5,127,956,319	4,655,948,891
Gain on exchange	860,218,219	1,003,838,381	860,142,683	1,003,795,465
Gain (loss) on sales of properties foreclosed	(742,038,405)	551,159,115	272,916,648	94,902,864
Income from investments in receivables	303,277,729	457,539,620	-	-
Other income	523,992,124	760,678,470	291,625,615	507,159,497
Total Non-Interest Income	6,170,092,075	7,546,713,675	4,278,990,420	5,387,428,014

Statements of Income (Continued)

Bank of Ayudhya Public Company Limited
and subsidiaries
For the years ended December 31, 2008 and 2007

Baht

	Consolidated Financial Statements		Separate Financial Statements	
	2008	2007	2008	2007
NON-INTEREST EXPENSES				
Personnel expenses	8,113,522,961	6,995,197,051	6,421,919,319	5,703,035,154
Premises and equipment expenses	4,173,923,862	3,557,843,280	3,415,777,890	3,161,919,089
Taxes and duties	1,308,872,241	1,508,343,855	1,241,031,004	1,392,487,342
Fees and service expenses	2,604,144,117	1,291,593,013	1,273,162,615	1,094,045,228
Directors' remuneration	34,591,428	33,294,467	25,954,800	20,267,000
Contributions to the Financial Institution Development Fund and Deposit Protection Agency	2,061,871,704	2,209,882,910	2,061,871,704	2,209,882,910
Other expenses	2,927,133,951	3,067,404,072	2,317,352,727	2,769,424,761
Total Non-Interest Expenses	21,224,060,264	18,663,558,648	16,757,070,059	16,351,061,484
INCOME (LOSS) BEFORE INCOME TAX	5,454,132,148	(3,859,522,872)	2,999,631,565	(3,509,261,838)
INCOME TAX EXPENSES (Notes 3.13 and 4.19)	559,587,095	123,914,164	71,021,655	8,908,533
NET INCOME (LOSS)	4,894,545,053	(3,983,437,036)	2,928,609,910	(3,518,170,371)
ATTRIBUTABLE TO				
EQUITY HOLDERS OF THE BANK	4,896,033,503	(3,991,978,910)	2,928,609,910	(3,518,170,371)
MINORITY INTEREST	(1,488,450)	8,541,874	-	-
NET INCOME (LOSS)	4,894,545,053	(3,983,437,036)	2,928,609,910	(3,518,170,371)
BASIC EARNINGS (LOSS) PER SHARE (Notes 3.14 and 4.21)	0.83	(0.76)	0.50	(0.67)
DILUTED EARNINGS (LOSS) PER SHARE (Notes 3.14 and 4.21)	0.83	(0.71)	0.50	(0.63)

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

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

(Mr. Pongpinit Tejagupta)
Director

Statements of Changes in Shareholders' Equity

Bank of Ayudhya Public Company Limited
and subsidiaries
For the years ended December 31, 2008 and 2007

Baht

Consolidated Financial Statements

	Ordinary Share Capital	Share subscriptions received in advance	Premium on Share Capital	Appraisal Surplus	Revaluation Surplus (Deficit) on Investments	Retained Earnings (Deficit) Appropriated Legal reserve	Retained Earnings (Deficit) Unappropriated	Minority Interests	Total
Balance as of December 31, 2006	29,408,124,750	5,557,404,012	180,974,950	5,783,166,003	(947,083,866)	435,500,000	5,956,173,212	771,761,845	47,146,020,906
Appraisal surplus	-	-	-	(171,188,092)	-	-	-	-	(171,188,092)
Revaluation surplus on investments	-	-	-	-	944,343,786	-	-	-	944,343,786
Income (expense) recognized in shareholders' equity	-	-	-	(171,188,092)	944,343,786	-	-	-	773,155,694
Net loss	-	-	-	-	-	-	(3,991,978,910)	-	(3,991,978,910)
Total income (expense) recognized in the year	-	-	-	(171,188,092)	944,343,786	-	(3,991,978,910)	-	(3,218,823,216)
Dividend payment (Note 4.18)	-	-	-	-	-	-	(958,985,895)	-	(958,985,895)
Share subscriptions received in advance	-	4,303,283,760	-	-	-	-	-	-	4,303,283,760
Increase in share capital	28,069,343,650	(8,069,343,650)	-	-	-	-	-	-	20,000,000,000
Premium on share capital	-	(1,613,868,730)	13,613,868,730	-	-	-	-	-	12,000,000,000
Expenses from capital raising process	-	-	(645,421,640)	-	-	-	-	-	(645,421,640)
Increase in shareholding in subsidiary company	-	-	-	-	-	-	-	(559,175,169)	(559,175,169)
Ending balance as of December 31, 2007	57,477,468,400	177,475,392	13,149,422,040	5,611,977,911	(2,740,080)	435,500,000	1,005,208,407	212,586,676	78,066,898,746
Balance as of December 31, 2007	57,477,468,400	177,475,392	13,149,422,040	5,611,977,911	(2,740,080)	435,500,000	1,005,208,407	212,586,676	78,066,898,746
Appraisal surplus	-	-	-	(170,374,245)	-	-	-	-	(170,374,245)
Revaluation surplus on investments	-	-	-	-	(140,690,151)	-	-	1,640	(140,688,511)
Income (expense) recognized in shareholders' equity	-	-	-	(170,374,245)	(140,690,151)	-	-	1,640	(311,062,756)
Net income	-	-	-	-	-	-	4,896,033,503	(1,488,450)	4,894,545,053
Total income (expense) recognized in the year	-	-	-	(170,374,245)	(140,690,151)	-	4,896,033,503	(1,486,810)	4,583,482,297
Dividend payment (Note 4.18)	-	-	-	-	-	-	(903,907,113)	(4,941,631)	(908,848,744)
Share subscriptions received in advance	-	3,739,287,492	-	-	-	-	-	-	3,739,287,492
Increase (decrease) in share capital	3,263,969,070	(3,263,969,070)	-	-	-	-	-	-	-
Premium on share capital	-	(652,793,814)	652,793,814	-	-	-	-	-	-
Statutory reserve	-	-	-	-	-	147,000,000	(147,000,000)	-	-
Increase in shareholding in subsidiary company	-	-	-	-	-	-	-	(113,391,144)	(113,391,144)
Ending balance as of December 31, 2008	60,741,437,470	-	13,802,215,854	5,441,603,666	(143,430,231)	582,500,000	4,850,334,797	92,767,091	85,367,428,647

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

Statements of Changes in Shareholders' Equity (Continued)

Bank of Ayudhya Public Company Limited
and subsidiaries
For the years ended December 31, 2008 and 2007

Baht

Separate Financial Statements

	Ordinary Share Capital	Share subscriptions received in advance	Premium on Share Capital	Appraisal Surplus	Revaluation Surplus (Deficit) on Investments	Retained Earnings (Deficit)		Total
						Appropriated Legal reserve	Unappropriated	
Balance as of December 31, 2006	29,408,124,750	5,557,404,012	180,974,950	5,783,166,003	(945,229,496)	435,500,000	7,631,489,884	48,051,430,103
Appraisal surplus	-	-	-	(171,188,092)	-	-	-	(171,188,092)
Revaluation surplus on investments	-	-	-	-	944,844,402	-	-	944,844,402
Income (expense) recognized in shareholders' equity	-	-	-	(171,188,092)	944,844,402	-	-	773,656,310
Net loss	-	-	-	-	-	-	(3,518,170,371)	(3,518,170,371)
Total income (expense) recognized in the year	-	-	-	(171,188,092)	944,844,402	-	(3,518,170,371)	(2,744,514,061)
Dividend payment (Note 4.18)	-	-	-	-	-	-	(958,985,895)	(958,985,895)
Share subscriptions received in advance	-	4,303,283,760	-	-	-	-	-	4,303,283,760
Increase (decrease) in share capital	28,069,343,650	(8,069,343,650)	-	-	-	-	-	20,000,000,000
Premium on share capital	-	(1,613,868,730)	13,613,868,730	-	-	-	-	12,000,000,000
Expenses from capital raising process	-	-	(645,421,640)	-	-	-	-	(645,421,640)
Ending balance as of December 31, 2007	57,477,468,400	177,475,392	13,149,422,040	5,611,977,911	(385,094)	435,500,000	3,154,333,618	80,005,792,267
Balance as of December 31, 2007	57,477,468,400	177,475,392	13,149,422,040	5,611,977,911	(385,094)	435,500,000	3,154,333,618	80,005,792,267
Appraisal surplus	-	-	-	(170,374,245)	-	-	-	(170,374,245)
Revaluation deficit on investments	-	-	-	-	(126,621,853)	-	-	(126,621,853)
Income (expense) recognized in shareholders' equity	-	-	-	(170,374,245)	(126,621,853)	-	-	(296,996,098)
Net income	-	-	-	-	-	-	2,928,609,910	2,928,609,910
Total income (expense) recognized in the year	-	-	-	(170,374,245)	(126,621,853)	-	2,928,609,910	2,631,613,812
Dividend payment (Note 4.18)	-	-	-	-	-	-	(903,907,113)	(903,907,113)
Share subscriptions received in advance	-	3,739,287,492	-	-	-	-	-	3,739,287,492
Increase (decrease) in share capital	3,263,969,070	(3,263,969,070)	-	-	-	-	-	-
Premium on share capital	-	(652,793,814)	652,793,814	-	-	-	-	-
Statutory reserve	-	-	-	-	-	147,000,000	(147,000,000)	-
Ending balance as of December 31, 2008	60,741,437,470	-	13,802,215,854	5,441,603,666	(127,006,947)	582,500,000	5,032,036,415	85,472,786,458

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

Statements of Cash Flows

Bank of Ayudhya Public Company Limited
and subsidiaries
For the years ended December 31, 2008 and 2007

	Consolidated Financial Statements		Separate Financial Statements	Baht
	2008	2007	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES				
Income (loss) before tax	5,454,132,148	(3,859,522,872)	2,999,631,565	(3,509,261,838)
Adjustments to reconcile income (loss) to net cash flows from operating activities:				
Depreciation and amortization	1,731,409,615	1,888,367,843	1,316,689,334	1,249,737,055
Bad debt and doubtful accounts	5,422,176,236	8,588,584,021	4,062,237,645	7,723,136,986
Loss on debt restructuring	637,615,396	3,776,331,823	637,762,355	3,776,863,014
(Gain) loss on translation of balances in foreign currencies	(1,170,602,552)	5,181,555,600	(1,170,602,552)	5,181,555,600
Loss on investments	2,255,035,683	668,515,300	2,328,298,301	924,957,126
Discretion of discount on investments	(375,793,758)	(1,156,553,135)	(377,594,414)	(1,152,890,555)
Gain on reclassification from investments in receivable to loans	(919,248)	(45,834,526)	-	-
(Gain) loss on sales of properties foreclosed	742,038,405	(551,159,115)	(272,916,648)	(94,902,864)
(Gain) loss on sales of property, premises and equipment	(62,127,643)	(47,693,077)	(12,801,838)	4,098,340
Loss on impairment of properties foreclosed	533,552,020	375,478,467	438,724,042	251,609,024
Expense from equity interest in associated company	7,760,424	197,308	-	-
Interest and dividend income	(41,162,657,080)	(35,064,437,823)	(33,948,178,356)	(34,277,885,175)
Income tax refunded	286,025,768	37,536,466	237,438,856	-
Interest received	40,931,065,006	35,114,633,178	33,379,396,194	34,294,227,547
Dividend received	414,137,824	517,322,120	649,725,648	535,880,818
Interest expenses	14,594,765,111	15,442,199,878	13,770,467,152	15,323,513,543
Increase in other accrued expenses	652,645,796	755,630,139	491,373,596	416,282,608
Increase (decrease) in other reserve	(47,303,371)	249,703,805	(47,403,371)	249,703,805
Interest paid	(14,792,209,280)	(15,856,950,375)	(14,193,145,587)	(15,742,660,758)
Income tax paid	(245,813,598)	(247,784,874)	(150,069,454)	(134,075,985)
Income from operations before changes in operating assets and liabilities	15,804,932,902	15,766,120,151	10,139,032,468	15,019,888,291
(Increase) decrease in operating assets				
Interbank and money market items	(50,862,913,294)	40,402,555,459	(50,461,234,029)	40,571,786,917
Securities purchased under resale agreements	76,000,000,000	(63,000,000,000)	76,000,000,000	(63,000,000,000)
Current investments - securities for trading	306,512,196	195,003,402	141,504,423	(100,785,855)
Loans	(41,585,908,296)	(1,624,492,887)	(105,814,342,882)	7,202,118,715
Properties foreclosed	1,846,549,545	4,044,226,656	2,721,648,563	2,278,361,219
Other assets	1,665,539,373	(2,785,599,439)	1,892,203,034	(818,767,471)
Increase (decrease) in operating liabilities				
Deposits	37,686,150,653	(62,259,244,095)	40,300,598,750	(63,070,907,769)
Interbank and money market items	(62,713,145,088)	(42,486,337)	4,491,831,221	(400,105,356)
Liabilities payable on demand	(468,194,341)	777,385,945	(468,283,528)	777,385,945
Other liabilities	301,526,698	2,856,971,584	(299,218,467)	1,946,682,666
Net cash used in operating activities	(22,018,949,652)	(65,669,559,561)	(21,356,260,447)	(59,594,342,698)

Statements of Cash Flows (Continued)

Bank of Ayudhya Public Company Limited
and subsidiaries
For the years ended December 31, 2008 and 2007

Baht

	Consolidated Financial Statements		Separate Financial Statements	
	2008	2007	2008	2007
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sales of investments-securities available-for-sale and other investments	86,779,790,731	78,429,641,107	86,684,369,676	74,162,499,145
Cash paid for purchases of investments - securities available-for-sale and other investments	(91,197,111,377)	(62,009,334,364)	(91,016,068,637)	(58,865,475,547)
Proceeds from sale of subsidiary	-	-	-	150,006,660
Cash paid for purchases of subsidiaries	(15,455,867,087)	-	(16,280,432,500)	-
Cash paid for additional investment in subsidiary	-	-	(499,999,940)	(5,627,444,986)
Cash paid to minority shareholder for purchase of additional shares of subsidiary	(132,822,000)	(525,445,059)	(132,822,000)	-
Proceeds from sales of property, premises and equipment	120,075,538	114,716,615	40,793,378	3,092,486
Cash paid for purchases of property, premises and equipment	(1,508,997,547)	(1,330,524,884)	(1,256,851,373)	(1,008,746,840)
Cash paid for purchases of other assets	(498,228,052)	(172,943,634)	(393,033,619)	(173,034,169)
Net cash provided by (used in) investing activities	(21,893,159,794)	14,506,109,781	(22,854,045,015)	8,640,896,749
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuance of senior securities notes	45,855,200,000	11,531,800,000	45,855,200,000	11,531,800,000
Proceeds from issuance of bills of exchange	16,814,600,000	5,277,700,000	16,814,600,000	9,109,700,000
Proceeds from issuance of short-term debentures	-	2,485,000,000	-	2,485,000,000
Cash paid for redemption of short-term debentures	(1,000,000,000)	(2,368,100,000)	(1,000,000,000)	(2,368,100,000)
Cash paid for redemption of financial instruments	-	(800,000,000)	-	(800,000,000)
Cash paid for repayment of bill of exchange	(18,957,800,000)	-	(18,957,800,000)	(4,037,578,737)
Decrease in short-term borrowings	(492,724,101)	-	(196,001,000)	-
(Decrease) increase in long-term borrowings	42,414,711	-	38,415,711	(1,641,803)
Share subscriptions received in advance	-	177,475,392	-	177,475,392
Warrants converted to ordinary shares	3,739,287,492	3,480,386,728	3,739,287,492	3,480,386,728
Capital increase by issuing common stock	-	32,000,000,000	-	32,000,000,000
Dividend payment	(908,848,744)	(960,950,092)	(903,907,113)	(956,273,842)
Net cash provided by financing activities	45,092,129,358	50,823,312,028	45,389,795,090	50,620,767,738
Total	1,180,019,912	(340,137,752)	1,179,489,628	(332,678,211)
Effect of exchange rate change on cash	39,903,532	(18,330,084)	39,903,532	(18,330,084)
Net increase (decrease) in cash and cash equivalents	1,219,923,444	(358,467,836)	1,219,393,160	(351,008,295)
Cash and cash equivalents as at January 1,	19,199,531,110	19,557,998,946	19,197,131,307	19,548,139,602
Cash and cash equivalents as at December 31,	20,419,454,554	19,199,531,110	20,416,524,467	19,197,131,307

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

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 some countries in the world. The Bank has 12 subsidiaries as follows:

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

1.2 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 includes leasing and hire purchase.

1.3 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.

The subsidiary ceased writing new auto hire purchase business and is servicing the portfolio run-off. Moreover, the subsidiary delisted its ordinary shares and warrants from The Stock Exchange of Thailand ("SET") when The Board of Governors of the SET approved the delisting of the Company's ordinary shares and warrants on June 12, 2007.

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

1.5 Ayudhya Fund Management Company Limited, incorporated in Thailand since December 19, 1996 and located at 898 Ploenchit Tower Building, Fl 12, Ploenchit Road, Lumpini Subdistrict, Patumwan District, Bangkok. The subsidiary's main business is mutual fund and individual private fund management.

1.6 Ayudhya Asset Management Company 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 is to develop, manage and sell assets transferred from the financial institutions.

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

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

On December 5, 2008, the subsidiary transferred its entire business to Ayudhya Capital Auto Lease Public Company Limited (formerly GE Capital Auto Lease Public Company Limited) and an extraordinary shareholders' meeting of the subsidiary approved a resolution to liquidate the subsidiary on December 17, 2008, with an effective date on December 26, 2008. Currently, the subsidiary is in the process of liquidation.

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

1.10 Ayudhya Hire Purchase Company Limited, incorporated in Thailand since January 24, 2008 and located at 550 Ploenchit Road, Lumpini Subdistrict, Patumwan District, Bangkok. The subsidiary's main business is hire purchase of used car for sale and lease back to individuals.

On December 5, 2008, the subsidiary transferred its entire business to Ayudhya Capital Auto Lease Public Company Limited (formerly GE Capital Auto Lease Public Company Limited) and an extraordinary shareholders' meeting of the subsidiary approved a resolution to liquidate the subsidiary on December 17, 2008, with an effective date on December 26, 2008. Currently, the subsidiary is in the process of liquidation.

1.11 Ayudhya Capital Auto Lease Public Company Limited (formerly GE 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 is auto hire purchase, leasing service and refinancing to individuals and corporates. The subsidiary became the Bank's subsidiary on February 14, 2008.

On September 24, 2008, a meeting of Board of Directors of the Bank approved a resolution on the entire business transfer of two subsidiaries, carrying out the similar business, to Ayudhya Capital Auto Lease Public Company Limited, the Bank's subsidiary. The transferor subsidiaries were Ayudhya Capital Lease Company Limited operating the new car, inventory financing and leasing business and Ayudhya Hire Purchase Company Limited operating the refinancing business. The Bank of Thailand approved the entire business transfer on November 5, 2008 and this transaction was executed on December 5, 2008.

1.12 Ayudhya Derivatives Company Limited, which is 99.99% held by Ayudhya Securities Public Company Limited incorporated in Thailand since June 15, 2005 and located at 999/9

The Offices at Central World Building, Fl 12, Rama I Road, Patumwan Subdistrict, Patumwan District, Bangkok. The subsidiary's main business is the financial derivatives business and derivatives trading broker.

By the resolution passed by the Board of Directors' meeting on September 18, 2007, the subsidiary was approved to transfer the derivatives business to Ayudhya Securities Public Company Limited. The business transfer was also approved by the resolution of the Board of Directors' meeting of the Ayudhya Securities Public Company Limited on September 20, 2007. Such business transfer was subject to the membership transfer regulation to be established by Thailand Future Exchange Public Company Limited and Thailand Clearing House Company Limited and the approval of the Securities and Exchange Commission. Subsequently, the business transfer was approved by a resolution passed by the Board of Directors' meeting of the Bank on May 28, 2008. The subsidiary was approved by the Securities and Exchange Commission to terminate the derivatives business operation to be effective when the subsidiary completes the business transfer.

On September 29, 2008, the extraordinary meeting of the subsidiary's shareholders approved the business transfer by selling assets, liabilities and transferring commitments related to the derivatives business to Ayudhya Securities Public Company Limited. The subsidiary transferred this business on December 1, 2008. After the business transfer, the subsidiary will decrease its share capital and deregister in order to liquidate in accordance with the legal process.

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

2.1 The consolidated and the separate financial statements are 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 including the Procedures, Policies and Presentation in accordance with the Bank of Thailand ("BOT")'s Notification regarding the Preparation and Announcement of Financial Statements of Commercial Banks and Holding Companies of Financial Industry dated August 3, 2008 and Thai Accounting Standard No.35 (revised 2007) "Presentation of Financial Statements".

During 2006, Thai Accounting Standard No.27 "Disclosures in the Financial Statements of Bank and Similar Financial Statements" was revised and announced by the Federation of Accounting Professions and effective for the financial statements of periods beginning on or after January 1, 2007 and in 2007, Thai Accounting Standard No.25 (revised 2007) "Cash Flows Statements" was revised and announced by the Federation of Accounting Professions and effective for the financial statements of periods beginning on or after January 1, 2008. The revised standards have affected the financial statements presentation, which is different from the presentation according to the above notification. However, the consolidated and the separate financial statements for the years ended December 31, 2008 and 2007, are presented in accordance with the BOT's Notification as mentioned above. The revisions have no material impact on the financial statements of the Bank.

The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies.

The Bank prepares its statutory financial statements in the Thai language in conformity with Thai accounting standards as noted above. The accompanying financial statements and disclosures are prepared in accordance with accounting principles and practices generally accepted in Thailand. However, for the convenience of readers, the Bank also prepares its financial statements in English, by translating from the Thai version.

Accounting standards to be applied for the financial statements of periods beginning on or after January 1, 2008, that are relevant to the Bank are as follows:

TAS 25 (Revised 2007)	Cash Flow Statements
TAS 29 (Revised 2007)	Leases
TAS 35 (Revised 2007)	Presentation of Financial Statements
TAS 39 (Revised 2007)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 41 (Revised 2007)	Interim Financial Reporting
TAS 43 (Revised 2007)	Business Combinations
TAS 51	Intangible Assets

The Bank has adopted the above accounting standards which have no material impact on the Bank's financial statements.

The Federation of Accounting Professions has issued Notifications of Federation of Accounting Professions No. 86/2551 dated November 12, 2008 regarding the accounting standards that have been announced in the Royal Gazette, but are not yet effective in 2008 as follows:

TAS 36 (Revised 2007)	Impairment of Assets
TAS 54 (Revised 2007)	Non-current Assets Held for Sale and Discontinued Operations

These accounting standards superseded previously issued accounting standards when they become effective for financial statements covering periods beginning on or after January 1, 2009. The Bank expects that the above revised accounting standard will have no material impact on the consolidated or separate financial statements of the Bank.

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

Subsidiaries	Business Type	Percentage of Holdings As at December 31,	
		2008	2007
Siam Realty and Services Company Limited	Car rent and personnel services	99.99	99.99
Ayudhya Development Leasing Company Limited	Leasing	99.99	90.00
Ayudhya Auto Lease Public Company Limited	Auto leasing	99.55	99.55
K.S. Law Office Company Limited[1]	Legal advisory services	99.99	99.99
Ayudhya Fund Management Company Limited	Fund management	99.99	99.99
Ayudhya Asset Management Company Limited	Assets management	99.99	99.99
Ayudhya Securities Public Company Limited	Securities	86.33	86.33
Ayudhya Capital Lease Company Limited[1]	Auto leasing	99.99	99.99
Ayudhya Factoring Company Limited	Factoring	99.99	99.99
Ayudhya Hire Purchase Company Limited[1]	Hire-purchase of used cars	99.99	-
Ayudhya Capital Auto Lease Public Company Limited (formerly GE Capital Auto Lease Public Company Limited)	Hire-purchase and auto leasing	99.99	-

[1] Subsidiary under the liquidation process

As at December 31, 2008 and 2007, Ayudhya Auto Lease Public Company Limited held 2,756,950 and 2,478,750 ordinary shares of the Bank respectively. The acquisition cost was Baht 98 million which was presented as long-term investments-net in the consolidated balance sheets. Such investment was not deducted from shareholders' equity as the amount was immaterial.

All material intercompany transactions and balances have been eliminated.

2.3 The consolidated financial statements for the year ended December 31, 2008 and 2007, including gain (loss) on equity of certain subsidiaries and associated companies, prepared by subsidiaries and associates' management which have not been audited by the Bank's auditors are as follows:

	Unit : Million Baht For the year ended December 31, 2008
Subsidiaries	
1. K.S. Law Office Company Limited	-
Associated company	
1. Krungsriayudhya Card Company Limited	(8)
	(8)

	Unit : Million Baht For the year ended December 31, 2007
Subsidiaries	
1. K.S. Law Office Company Limited	(15)
2. Ayudhya Fund Management Company Limited	34
Associated company	
1. Krungsriayudhya Card Company Limited	-
	19

2.4 Adoption of new and revised accounting standards

2.4.1 Intangible assets

A subsidiary operating a hire-purchase business changed its accounting policy for intangible assets with indefinite useful life according to Thai Accounting Standard No. 51 "Intangible Assets" which provides for no amortization and requires a test for impairment annually. The accounting policy is applied prospectively. The amortization of license fee of the hire-purchase business for new cars has been stopped effective on January 1, 2008. Had the change in accounting policy been retrospectively adjusted, the subsidiary's net income for the year ended December 31, 2007 shall increase by Baht 150 million.

In addition, a subsidiary operating a securities business ceased the amortization of TFEX membership fee and Settrade One Click fee from January 1, 2008. However, such change in accounting policy has no significant effect to the subsidiary. A subsidiary has tested the impairment of such assets which is recorded as loss on impairment in the statements of income.

2.4.2 Recognition of income

A subsidiary operating a hire-purchase business changed its accounting policy for income recognition from financial lease and hire-purchase agreements from the sum-of-the-digits method to effective interest method for new agreements effective on January 1, 2008 to comply with Thai Accounting Standard No. 29 (revised 2007) "Leases".

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Cash and cash equivalents

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

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

3.2 Investments in securities

The Bank 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 BOT's Notification dated August 3, 2008 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 current investments-net, long-term investments-net and investments in subsidiaries and associated companies-net.

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

Debt securities 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, and are presented as long-term investments except for those with maturities less than one year. Valuation allowances are established by recognizing an unrealized loss when the impairment is identified by management. In addition, the Bank classifies the rights of the Bank over the receivable and unreceived non-negotiable promissory notes, which are 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 long-term investment in the category of debt securities held-to-maturity.

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

Non-marketable equity securities and marketable equity securities acquired from troubled debt restructuring are classified as general investments and presented as long-term investment, carried at cost, net of valuation allowances for impairment, if applicable. Valuation allowances are established by recognizing an unrealized loss in the statements of income when the impairment of a security is determined by management.

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

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 separate financial statements, investments in subsidiaries and associated company 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 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 were estimated by using the BOT formula, based on The Thai Bond Market Association's Yield Curve on the last business day of the year.
2. For private sector debt and equity securities which are listed securities and securities in The Thai Bond Market Association, market values are estimated using the bidding prices at The Stock Exchange of Thailand and The Thai Bond Market Association on the last business day of the year.
3. For private sector debt securities which are non-listed securities, the last closing prices of The Thai Bond Market Association are used to estimate fair value. In the absence of such prices, fair value is estimated by applying the aforementioned risk adjusted yield curve, in accordance with the criteria established by the BOT.
4. Foreign sector debt securities, market values are estimated using the average prices calculated by arrangers and rating company's financial model.

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

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

3.3 Loans

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

Unearned discounts on notes receivable are presented as a reduction from loans.

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 determined 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 BOT 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 flows from proceeds of collateralized asset with the exception of collateral in the form of machinery which is excluded.

The subsidiaries that carry out the hire-purchase business for used cars and loans to dealer provided reserves by using no collateral in the reserve calculation except a subsidiary that carries out the hire-purchase business for new cars which provided reserves by using the collateral in the reserve calculation.

The subsidiary that carries out the hire-purchase business provided reserves by using collateral in the form of machinery in the reserve calculation.

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

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

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

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

3.5 Troubled debt restructuring

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

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

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

Restructured debt 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 on that date as gain or loss in the statements of income for the period and classified investments in receivables as loans in accordance with the BOT's criteria.

3.6 Properties foreclosed

Properties foreclosed consist of immovable and movable properties which are recorded at the lower of net investment in the loan plus accrued interest (including previously unrecognized contractual interest) or fair value of the property as of the date of foreclosure.

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

3.7 Property, premises and equipment

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

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

Depreciation

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

Premises	20 - 50 years
Equipment	5 years

3.8 Intangible assets

3.8.1 Goodwill

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. Other costs directly attributable to the business combination are recorded as acquisition costs.

In the consolidated financial statements, the Bank recognizes goodwill in a business combination as an asset recorded as of the acquisition date.

Goodwill is stated at cost less allowance for impairment (if any).

3.8.2 Other intangible assets

Other intangible assets with indefinite useful lives are stated at cost less allowance for impairment (if any). Other intangible assets with finite useful lives are stated at cost less accumulated amortization and allowance for impairment.

Amortization

Amortization is calculated by the straight-line method, based on the expected future economic benefit of each intangible asset as follows:

Software	5 - 10 years
Leasehold right	Over the lease periods

Amortization incurred is recognized as non-interest expense in the statements of income.

3.9 Recognition of income

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 cash basis.

The asset management subsidiary recognizes interest income from investment in receivable and loans by using the market interest rate plus a risk premium that represent the discounted rate in calculating present value of future cash flows expected to be collected from receivables. Except for certain receivables doubtful of collection, the 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, on the effective interest rate method. For contracts originated before January 1, 2008, income is recognized on the sum-of-the-digits method.

Operating leases are recognized on the straight-line method over the lease term.

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

Gain and loss on the sales of debt and equity securities are computed by the weighted average method and are included in non-interest income in the statements of income.

3.10 Recognition of expenses

Expense is recognized on an accrual basis.

3.11 Provident fund and pension fund

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

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

3.12 Contributions to the Financial Institutions Development Fund and Deposit Protection Agency

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

3.13 Income tax

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

A subsidiary's deferred tax is provided, using the liability method, on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profit will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.14 Earnings (loss) per share

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

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

3.15 Foreign currency transactions

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

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

3.16 Derivatives

The Bank has recognized derivatives transactions as follows:

1. Derivatives for trading are recorded at fair value and profit (loss) from the price appraisal is recognized as income or expense in statements of income.
2. Derivatives for hedging of transactions are recognized on the accrual basis and recorded as off-balance sheet item with the income and expense recognized based on the accrual basis in line with the underlying transaction.

Hybrid Instruments

Hybrid instruments are recorded following the Bank of Thailand's notifications No. Sor Nor Sor. 09/2551 and Sor Nor Sor. 13/2551 dated August 3, 2008 for Structured Products and Collateralized Debt Obligation Instruments which mandate that the Bank should early adopt IAS 39 to record an embedded derivative separately from the host contract and carry the embedded derivative at fair value, if and only if:

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

The hybrid instrument shall be recorded by including the embedded derivative in case that it is not in compliance with the aforementioned condition. However, in case the reliable fair value of embedded derivative is not determined, the hybrid instrument will be recorded as a financial instrument by using fair value through profit and loss.

3.17 Translation of the financial statements of the foreign branches

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

3.18 Critical accounting judgments and key sources of estimation uncertainty

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 revenue and expense 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:

3.18.1 Fair value

The management has reported the estimated fair value of the investment in Collateralized Debt Obligations and Structured Deposits. The estimation was determined by using the price calculated by the arranger and/or the rating companies' financial model.

For a business acquisition, the Bank's management estimated 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 will be finalized within 12 months after the acquisition date.

3.18.2 Allowance for doubtful accounts

The Bank estimated the minimum allowance for doubtful accounts in accordance with the BOT's guidelines (see Note 3.4). In addition, the Bank estimated an additional allowance which the management has considered from the uncollectible loss from previous experience, current economic conditions and ability of repayment of loans and accrued interest receivable. The Bank considered the value of collateral where the source of repayment came from the selling of the collateral.

3.18.3 Allowance for properties foreclosed

The Bank provided the allowance for impairment of properties foreclosed when there is a decline in net realizable value, based on the appraised value together with other factors which can affect the realizable value such as related selling expenses, holding costs and future discount expenses.

3.18.4 Intangible asset

Intangible asset which is goodwill with indefinite useful live is tested for impairment using a fair value method of discounted cash flows on a semi-annual basis.

3.18.5 Impairment

The carrying amounts of the Bank's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

3.18.6 Contingent liabilities

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

3.18.7 Loss from the impaired assets transferred to the Thai Asset Management Corporation

The probable loss arising from the impaired assets transferred to the Thai Asset Management Corporation is estimated from expected loss based on actual experience to date.

3.18.8 Provision for off-balance sheet obligations

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

4. ADDITIONAL INFORMATION

4.1 Supplementary disclosures of cash flow information

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

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2008	2007	2008	2007
Revaluation deficit on investments (increase) decrease presented as item in shareholder's equity	(140)	944	(127)	945
Accumulated depreciation of premises for appraisal which was set up and deducted from premises revaluation surplus	170	171	170	171
Properties foreclosed acquired from debt repayment	283	1,370	155	1,322
Property and premises transferred to be properties foreclosed	59	32	59	32

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

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2008	2007	2008	2007
Property, premises and equipment payable at the beginning of the year	15	16	11	-
Purchases of property, premises and equipment	1,927	1,330	1,863	1,020
Less Cash payment	(1,509)	(1,331)	(1,257)	(1,009)
Property, premises and equipment payable at the end of the year	433	15	617	11

4.1.3 Non-cash transactions of computer software for the years ended December 31, are as follows:

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2008	2007	2008	2007
Computer software payable at the beginning of the year	4	-	-	-
Purchases of computer software	488	28	396	-
Less Cash payment	(434)	(24)	(338)	-
Computer software payable at the end of the year	58	4	58	-

4.1.4 Acquisition of investment in subsidiary

On February 14, 2008, the Bank acquired Ayudhya Capital Auto Lease Public Company Limited (formerly GE Capital Auto Lease Public Company Limited) a total purchase price in the share sale agreement amounting to Baht 16,180 million. The Bank made a payment for this purchase of subsidiary as follows:

Consolidated financial statements

Unit : Million Baht

Cash payment to acquire additional shares	16,180
Add additional related cost	100
Less cash of subsidiary	(824)
Net cash payment	15,456

4.1.5 Realized and unrealized gain (loss) on foreign exchange

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

4.2 Interbank and money market items

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	2008			2007		
	At Call	Time	Total	At Call	Time	Total
Domestic items						
Bank of Thailand and Financial Institution Development Fund	5,638	64,387	70,025	5,073	–	5,073
Commercial banks	784	2,500	3,284	588	4,033	4,621
Other banks	2	–	2	2	–	2
Finance companies, securities companies and credit foncier companies	–	350	350	–	420	420
Other financial institutions	–	2,007	2,007	–	12	12
Total domestic items	6,424	69,244	75,668	5,663	4,465	10,128
Add Accrued interest receivables	2	44	46	–	–	–
Less Allowance for doubtful accounts	–	(52)	(52)	–	(39)	(39)
Total	6,426	69,236	75,662	5,663	4,426	10,089
Foreign items						
US Dollar	5,226	2,710	7,936	510	21,991	22,501
Yen	280	–	280	114	–	114
Euro	393	–	393	246	–	246
Other currencies	566	10	576	545	13	558
Total foreign items	6,465	2,720	9,185	1,415	22,004	23,419
Add Accrued interest receivables	2	5	7	–	52	52
Total	6,467	2,725	9,192	1,415	22,056	23,471
Total domestic and foreign items	12,893	71,961	84,854	7,078	26,482	33,560

Unit : Million Baht

	SEPARATE FINANCIAL STATEMENTS					
	2008			2007		
	At Call	Time	Total	At Call	Time	Total
Domestic items						
Bank of Thailand and Financial Institution Development Fund	5,638	64,387	70,025	5,073	-	5,073
Commercial banks	57	2,500	2,557	354	3,916	4,270
Finance companies, securities companies and credit foncier companies	-	350	350	-	445	445
Other financial institutions	-	2,007	2,007	-	12	12
Total domestic items	5,695	69,244	74,939	5,427	4,373	9,800
Add Accrued interest receivables	-	44	44	-	-	-
Less Allowance for doubtful accounts	-	(52)	(52)	-	(39)	(39)
Total	5,695	69,236	74,931	5,427	4,334	9,761
Foreign items						
US Dollar	5,226	2,710	7,936	510	21,991	22,501
Yen	280	-	280	114	-	114
Euro	393	-	393	246	-	246
Other currencies	566	10	576	545	13	558
Total foreign items	6,465	2,720	9,185	1,415	22,004	23,419
Add Accrued interest receivables	2	5	7	-	52	52
Total	6,467	2,725	9,192	1,415	22,056	23,471
Total domestic and foreign items	12,162	71,961	84,123	6,842	26,390	33,232

4.3 Investments

4.3.1 Current investments

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS							
	2008				2007			
	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	3,482	23	(23)	3,482	1,580	4	(7)	1,577
Private sector's debt securities	73	1	-	74	30	-	-	30
Foreign sector's debt securities	2,969	-	(2,762)	207	4,893	-	(638)	4,255
Domestic marketable equity securities	281	-	(191)	90	456	1	(108)	349
	6,805	24	(2,976)	3,853	6,959	5	(753)	6,211
Less Revaluation allowance	(2,952)			-	(748)			-
Less Allowance for impairment	(207)			(207)	-			-
Total	3,646			3,646	6,211			6,211
Securities Available-for-Sale								
Government and state enterprise securities	19,978	153	(2)	20,129	14,157	19	(7)	14,169
Private sector's debt securities	1,150	6	-	1,156	2,011	2	(2)	2,011
Foreign sector's debt securities	1,570	-	(18)	1,552	-	-	-	-
	22,698	159	(20)	22,837	16,168	21	(9)	16,180
Add Revaluation allowance	139			-	12			-
Less Allowance for impairment	(279)			(279)	(279)			(279)
Total	22,558			22,558	15,901			15,901
Securities Held-to-Maturity								
Government and state enterprise securities	-			-	392			392
Private sector's debt securities	50			50	229			229
Total	50			50	621			621
Less Allowance for impairment	(50)			(50)	(50)			(50)
Total	-			-	571			571
Securities for General Investments								
Investment in accounts receivable	947			947	-			-
Total	947			947	-			-
Total Current Investments, net	27,151			27,151	22,683			22,683

Unit : Million Baht

	SEPARATE FINANCIAL STATEMENTS							
	2008				2007			
	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	3,482	23	(23)	3,482	1,580	4	(7)	1,577
Private sector's debt securities	73	1	-	74	30	-	-	30
Foreign sector's debt securities	2,969	-	(2,762)	207	4,893	-	(638)	4,255
Domestic marketable equity securities	281	-	(191)	90	392	1	(108)	285
	6,805	24	(2,976)	3,853	6,895	5	(753)	6,147
Less Revaluation allowance	(2,952)			-	(748)			-
Less Allowance for impairment	(207)			(207)	-			-
Total	3,646			3,646	6,147			6,147
Securities Available-for-Sale								
Government and state enterprise securities	19,978	153	(2)	20,129	14,117	19	(7)	14,129
Private sector's debt securities	871	6	-	877	1,732	2	(2)	1,732
Foreign sector's debt securities	1,570	-	(18)	1,552	-	-	-	-
	22,419	159	(20)	22,558	15,849	21	(9)	15,861
Add Revaluation allowance	139			-	12			-
Total	22,558			22,558	15,861			15,861
Securities Held-to-Maturity								
Government and state enterprise securities	-			-	392			392
Private sector's debt securities	50			50	205			205
Total	50			50	597			597
Less Allowance for impairment	(50)			(50)	(50)			(50)
Total	-			-	547			547
Securities for General Investments								
Investment in accounts receivable	947			947	-			-
Total	947			947	-			-
Total Current Investments, net	27,151			27,151	22,555			22,555

4.3.2 Long-term investments

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS							
	2008				2007			
	Cost/Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value	Cost/Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities Available-for-Sale								
Government and state enterprise securities	8,987	242	(2)	9,227	12,116	65	(89)	12,092
Private sector's debt securities	3,591	25	(7)	3,609	2,739	21	(13)	2,747
Foreign sector's debt securities	1,348	71	-	1,419	2,857	22	(7)	2,872
Domestic marketable equity securities	3,364	1	(565)	2,800	3,246	227	(185)	3,288
Others	170	-	(10)	160	-	-	-	-
	17,460	339	(584)	17,215	20,958	335	(294)	20,999
Add (less) Revaluation allowance	(245)			-	41			-
Less Allowance for impairment	(455)			(455)	(463)			(463)
Total	16,760			16,760	20,536			20,536
Securities Held-to-Maturity								
Government and state enterprise securities	5,750	58	-	5,808	6,090	-	(20)	6,070
Private sector's debt securities	16	-	-	16	18	-	-	18
Total	5,766	58	-	5,824	6,108	-	(20)	6,088
Securities for General Investments								
Domestic non-marketable equity securities	4,579			4,114	5,096			5,451
Foreign non-marketable equity securities	28			19	27			20
Investment in accounts receivable	2,462			2,462	-			-
Total	7,069			6,595	5,123			5,471
Less Allowance for impairment	(295)			-	(285)			-
Total	6,774			6,595	4,838			5,471
Total Long-term Investments, net	29,300			29,179	31,482			32,095

Unit : Million Baht

	SEPARATE FINANCIAL STATEMENTS							
	2008				2007			
	Cost/Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value	Cost/Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities Available-for-Sale								
Government and state enterprise securities	8,987	242	(2)	9,227	12,116	65	(89)	12,092
Private sector's debt securities	3,523	25	(7)	3,541	2,671	21	(13)	2,679
Foreign sector's debt securities	1,348	71	-	1,419	2,857	22	(7)	2,872
Domestic marketable equity securities	3,258	1	(558)	2,701	3,143	193	(150)	3,186
	17,116	339	(567)	16,888	20,787	301	(259)	20,829
Add (less) Revaluation allowance	(228)			-	42			-
Less Allowance for impairment	(387)			(387)	(395)			(395)
Total	16,501			16,501	20,434			20,434
Securities Held-to-Maturity								
Government and state enterprise securities	5,750	58	-	5,808	6,090	-	(20)	6,070
Private sector's debt securities	16	-	-	16	18	-	-	18
Total	5,766	58	-	5,824	6,108	-	(20)	6,088
Securities for General Investments								
Domestic non-marketable equity securities	4,563			4,098	5,029			5,343
Foreign non-marketable equity securities	28			19	27			20
Investment in accounts receivable	2,462			2,462	-			-
Total	7,053			6,579	5,056			5,363
Less Allowance for impairment	(279)			-	(269)			-
Total	6,774			6,579	4,787			5,363
Total Long-term Investments, net	29,041			28,904	31,329			31,885

As at December 31, 2008 and 2007, long-term investments classified as debt securities held-to-maturity (as government and state enterprise securities) included promissory notes and the rights over the promissory notes of Baht 4,023 million and Baht 4,380 million, respectively, issued by the Thai Asset Management Corporation (TAMC) for assets transfer to TAMC. During the years 2008 and 2007, TAMC redeemed promissory notes of the Bank of Baht 357 million and Baht 387 million, respectively. The rest is being validated and confirmed by TAMC prior to issuing the 10 year term non-negotiable promissory notes avalled by Financial Institutions Development Fund to the Bank and its subsidiary.

For the year 2008, the Bank recorded unrealized losses on the mark-to-market and loss on impairment of investment in Collateralized Debt Obligations (CDO) of Baht 2,086 million and Baht 207 million, respectively, resulting in zero net book value of such investment in CDO. In addition, the Bank unwound its investment in Structured Deposits and realized loss on such investment of Baht 178 million in the statements of income during the year 2008.

As at December 31, 2007, the Bank had investments in foreign sector debt securities comprising investments in Collateralized Debt Obligations (CDO) and Structured Deposits which had a fair value of Baht 4,255 million. The Unrealized losses on the mark-to-market were recognized in the statements of income for Baht 638 million. Details are as follows:

Unit : Million Baht

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

The Bank's Collateralized Debt Obligations (CDO) are Managed Synthetic IG Corporate CDO, in which the underlying assets are the reference entities' debt. They are diversified across more than 20 industries in the U.S., Europe and Emerging Markets. The total amount of the CDO investment is USD 85 million. Maturity dates are between December 30, 2012 and September 20, 2013. CDO tranche ratings, which are rated by Standard & Poor's as of December 31, 2008 and 2007, are "BB+", "B-", and "CCC-", and "AAA" , "A" and "BBB+", respectively.

As at December 31, 2008, the Bank assessed the fair value of the CDO investments by using the average prices calculated by arrangers and a rating company's financial model.

For the years ended December 31, 2008 and 2007, gain (loss) on investments in the statements of income consist of the following:

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2008	2007	2008	2007
Gain (Loss) on sale of securities				
– Securities for trading	(333)	120	(372)	38
– Securities available-for-sale	19	209	20	204
– Securities for general investments	376	(137)	340	(137)
– Securities for subsidiaries and associated companies	–	78	–	78
	62	270	(12)	183
Loss on impairment of securities	210	350	210	473
Unrealized gain (loss) on securities for trading	(74)	3	(72)	3
Unrealized loss on hybrid instruments	2,034	638	2,034	638
Gain on reclassification from investments in receivables to loans	1	46	–	–

For the years ended December 31, 2008 and 2007, revaluation surplus (deficit) on investments presented in shareholders' equity consists of the following:

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2008	2007	2008	2007
Beginning balance	(3)	(947)	–	(945)
(Increase) decrease during the year	(140)	944	(127)	945
Ending balance	(143)	(3)	(127)	–

4.3.3 The remaining maturities of debt securities

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS							
	2008				2007			
	Due within				Due within			
	1 Year	Greater than 1 Year-5 Years	Greater than 5 Years	Total	1 Year	Greater than 1 Year-5 Years	Greater than 5 Years	Total
Securities Available-for-Sale								
Government and state enterprise securities	19,978	8,987	-	28,965	14,157	12,116	-	26,273
Private sector's debt securities	1,150	3,516	75	4,741	2,011	2,621	118	4,750
Foreign sector's debt securities	1,570	1,348	-	2,918	-	2,857	-	2,857
Others	-	170	-	170	-	-	-	-
Total	22,698	14,021	75	36,794	16,168	17,594	118	33,880
Add (less) Revaluation allowances	139	321	(2)	458	12	5	(6)	11
Less Allowances for impairment	(279)	(68)	-	(347)	(279)	(68)	-	(347)
Total	22,558	14,274	73	36,905	15,901	17,531	112	33,544
Securities Held-to-Maturity								
Government and state enterprise securities	-	1,727	4,023	5,750	392	5,701	389	6,482
Private sector's debt securities	50	16	-	66	229	18	-	247
Total	50	1,743	4,023	5,816	621	5,719	389	6,729
Less Allowances for impairment	(50)	-	-	(50)	(50)	-	-	(50)
Total	-	1,743	4,023	5,766	571	5,719	389	6,679
Total Debt Securities	22,558	16,017	4,096	42,671	16,472	23,250	501	40,223

Unit : Million Baht

	SEPARATE FINANCIAL STATEMENTS							
	2008				2007			
	Due within				Due within			
	1 Year	Greater than 1 Year-5 Years	Greater than 5 Years	Total	1 Year	Greater than 1 Year-5 Years	Greater than 5 Years	Total
Securities Available-for-Sale								
Government and state enterprise securities	19,978	8,987	-	28,965	14,117	12,116	-	26,233
Private sector's debt securities	871	3,448	75	4,394	1,732	2,553	118	4,403
Foreign sector's debt securities	1,570	1,348	-	2,918	-	2,857	-	2,857
Total	22,419	13,783	75	36,277	15,849	17,526	118	33,493
Add (less) Revaluation allowances	139	331	(2)	468	12	5	(6)	11
Total	22,558	14,114	73	36,745	15,861	17,531	112	33,504
Securities Held-to-Maturity								
Government and state enterprise securities	-	1,727	4,023	5,750	392	5,701	389	6,482
Private sector's debt securities	50	16	-	66	205	18	-	223
Total	50	1,743	4,023	5,816	597	5,719	389	6,705
Less Allowances for impairment	(50)	-	-	(50)	(50)	-	-	(50)
Total	-	1,743	4,023	5,766	547	5,719	389	6,655
Total Debt Securities	22,558	15,857	4,096	42,511	16,408	23,250	501	40,159

4.3.4 Investment in subsidiaries and associated companies

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, are as follows:

Unit : Million Baht

Company Name	CONSOLIDATED FINANCIAL STATEMENTS				
	2008				
	Business Type	Securities Investment Type	Ownership %	Investment Cost	Investment Book value
Associated company					
Krungsriayudhya Card Company Limited	Credit card	Common stock	49.99	550	777
Investments in associated company, net				550	777

Unit : Million Baht

Company Name	CONSOLIDATED FINANCIAL STATEMENTS				
	2007				
	Business Type	Securities Investment Type	Ownership %	Investment Cost	Investment Book value
Associated company					
Krungsriayudhya Card Company Limited	Credit card	Common stock	49.99	550	785
Investments in associated company, net				550	785

Unit : Million Baht

Company Name	SEPARATE FINANCIAL STATEMENTS			
	2008			
	Business Type	Securities Investment Type	Ownership %	Investment Cost
Subsidiaries				
Siam Realty and Services Company Limited	Car rent and personnel services	Common stock	99.99	100
Ayudhya Development Leasing Company Limited	Leasing	Common stock	99.99	929
Ayudhya Auto Lease Public Company Limited	Auto leasing	Common stock	99.55	2,230
		Preferred stock		500
		Warrant		12
K.S. Law Office Company Limited	Legal advisory services	Common stock	99.99	32
Ayudhya Fund Management Company Limited	Fund management	Common stock	99.99	267
Ayudhya Asset Management Company Limited	Assets management	Common stock	99.99	6,000
Ayudhya Securities Public Company Limited	Securities	Common stock	86.33	637
Ayudhya Capital Lease Company Limited	Auto leasing	Common stock	99.99	3,000
Ayudhya Factoring Company Limited	Factoring	Common stock	99.99	100

Unit : Million Baht

Company Name	Business Type	Securities Investment Type	Ownership %	Investment Cost
	SEPARATE FINANCIAL STATEMENTS 2008			
Ayudhya Hire Purchase Company Limited	Hire-purchase of used cars	Common stock	99.99	500
Ayudhya Capital Auto Lease Public Company Limited (Formerly GE Capital Auto Lease Public Company Limited)	Hire-Purchase and auto leasing	Common stock	99.99	16,281
Associated company				
Krungsriayudhya Card Company Limited	Credit card	Common stock	49.99	550
Investments in subsidiaries and associated company				31,138
Less Allowance for impairment				(2,998)
Investments in subsidiaries and associated company, net				28,140

Unit : Million Baht

Company Name	Business Type	Securities Investment Type	Ownership %	Investment Cost
	SEPARATE FINANCIAL STATEMENTS 2007			
Subsidiaries				
Siam Realty and Services Company Limited	Car rent and personnel services	Common stock	99.99	100
Ayudhya Development Leasing Company Limited	Leasing	Common stock	90.00	796
Ayudhya Auto Lease Public Company Limited	Auto leasing	Common stock	99.55	2,230
		Preferred stock		500
		Warrant		12
K.S. Law Office Company Limited	Legal advisory services	Common stock	99.99	32
Ayudhya Fund Management Company Limited	Fund management	Common stock	99.99	267
Ayudhya Asset Management Company Limited	Assets management	Common stock	99.99	6,000
Ayudhya Securities Public Company Limited	Securities	Common stock	86.33	637
Ayudhya Capital Lease Company Limited	Auto leasing	Common stock	99.99	3,000
Ayudhya Factoring Company Limited	Factoring	Common stock	99.99	100
Associated company				
Krungsriayudhya Card Company Limited	Credit card	Common stock	49.99	550
Investments in subsidiaries and associated company				14,224
Less Allowance for impairment				(2,998)
Investments in subsidiaries and associated company, net				11,226

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

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

Unit : Million Baht

	2008	2007
ASSETS	15,614	15,525
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities	14,055	13,955
Shareholders' equity	1,559	1,570
	15,614	15,525

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

Unit : Million Baht

		2008	2007
REVENUES		2,318	2,535
EXPENSES		2,329	2,674
NET LOSS		(11)	(139)
BASIC LOSS PER SHARE	BAHT	(0.10)	(1.26)

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

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

Unit : Million Baht

	2008	2007
ASSETS		
Cash and deposit at financial institution	338	170
Investments, net	-	1
Investments in receivables, net	8,002	10,119
Loans, and accrued interest receivable, net	1,358	1,815
Properties foreclosed, net	7,407	7,884
Equipment, net	3	5
Amounts due from parent company	576	523
Cash advance	220	144
Other assets	42	246
TOTAL ASSETS	17,946	20,907
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Borrowings	15,918	19,053
Other liabilities	200	175
Shareholders' equity	1,828	1,679
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	17,946	20,907

AYUDHYA ASSET MANAGEMENT COMPANY LIMITED

CONDENSED STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31,

Unit : Million Baht

		2008	2007
INTEREST AND DIVIDEND INCOME		428	509
INTEREST EXPENSES		381	588
NET INTEREST AND DIVIDEND INCOME		47	(79)
BAD DEBT AND DOUBTFUL ACCOUNTS		246	487
LOSS ON DEBT RESTRUCTURING (Reversal)		-	(1)
NET INTEREST AND DIVIDEND INCOME AFTER			
BAD DEBT AND DOUBTFUL ACCOUNTS			
AND LOSS ON DEBT RESTRUCTURING		(199)	(565)
NON-INTEREST INCOME		583	1,049
NON-INTEREST EXPENSES		231	461
NET INCOME		153	23
BASIC EARNINGS PER SHARE	BAHT	0.25	0.05

AYUDHYA ASSET MANAGEMENT COMPANY LIMITED

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31,

Unit : Million Baht

	2008	2007
Cash flows from operating activities		
Income before income tax	153	23
Adjustments to reconcile income to cash provided by (used in) operating activities		
Depreciation and amortization	2	3
Bad debt and doubtful accounts	246	487
Loss on debt restructuring (reversal)	-	(1)
Gain on reclassification from investment in receivable to loans	(1)	(46)
Gain on sales of properties foreclosed	(229)	(458)
Interest income from assets acquired from debt payment	(4)	-
Other income	(5)	-
Loss on impairment of properties foreclosed	-	80
Interest expenses	381	588
Decrease in accrued non-interest payable	(132)	(95)
Increase in pension fund	-	2
Cash paid for interest expense	(384)	(587)
Cash paid for income tax	(17)	(19)
Income (loss) from operations before change in operating assets and liabilities	10	(23)
(Increase) decrease in operating assets		
General investment	1	-
Investment in receivables	147	523
Loans and receivable	231	299
Properties foreclosed	2,502	1,959
Amounts due from parent company	269	557
Cash advance	(76)	25
Other assets	222	(175)
Increase (decrease) in operating liabilities		
Amounts due to parent company	(8)	(12)
Deposits for purchasing of properties foreclosed	4	(18)
Other liabilities	1	1
Net cash provided by operating activities	3,303	3,136
Cash flows from investing activities		
Cash paid for purchase of equipment	(1)	(1)
Net cash used in investing activities	(1)	(1)
Cash flows from financing activities		
Decrease in borrowings	(3,134)	(7,027)
Proceeds from increase in capital	-	4,000
Net cash used in financing activities	(3,134)	(3,027)
Net increase in cash and cash equivalents	168	108
Cash and cash equivalents as at January 1,	170	62
Cash and cash equivalents as at December 31,	338	170

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

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2008	2007	2008	2007
Manufacturing	29	30	29	30
Banking and finance	11	11	11	11
Total	40	41	40	41

In the consolidated financial statements as at December 31, 2008 and 2007, the Bank and its subsidiary had investments in available-for-sale securities and general investments of 2 companies and 4 companies, respectively subject to be delisted from SET, with costs of Baht 13 million and Baht 15 million and market price of Baht 0 and Baht 1 million, respectively. In the separate financial statements as at December 31, 2008 and 2007, the Bank had investments in available-for-sale securities and general investments of 2 companies and 3 companies, respectively subject to be delisted from SET, with cost of Baht 13 million and market price of Baht 0.

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

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS	
	2008	2007
Purchase of investment in securities	29,784	63,004
Sale of investment in securities	(29,898)	(63,042)
Net purchase (sale) of investment in securities	(114)	(38)

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

4.4 Securities used as collateral

Government and state enterprise securities with face values of Baht 176 million and Baht 567 million were used as collateral for other commitments with government departments and state enterprises as at December 31, 2008 and 2007, respectively.

4.5 Loans and accrued interest receivables

(1) Classified by products

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2008	2007	2008	2007
Overdrafts	46,767	50,674	43,400	46,719
Loan against contract	266,610	246,185	367,414	279,465
Trade bill	1,547	118,835	654	117,610
Hire purchase receivable	120,891	29,972	-	-
Lease contract receivable	10,579	6,513	-	-
Factoring receivable	998	238	-	-
Others	129,536	2,682	129,045	1,282
Total	576,928	455,099	540,513	445,076
Less Unearned income	(20,852)	(4,952)	(70)	(113)
Add Deferred brokerage fee, net	1,001	208	-	-
Total	557,077	450,355	540,443	44,963
Add Accrued interest receivables	1,683	2,072	1,580	1,863
Less Allowance for doubtful accounts	(31,410)	(33,980)	(22,829)	(28,271)
Revaluation allowance for debt restructuring	(897)	(1,239)	(897)	(1,238)
Total	526,453	417,208	518,297	417,317

(2) Classified by remaining maturity

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2008	2007	2008	2007
Not over 1 year*	228,366	172,327	203,164	144,212
Over 1 year	348,562	282,772	337,349	300,864
Total	576,928	455,099	540,513	445,076
Less Unearned income	(20,852)	(4,952)	(70)	(113)
Add Deferred brokerage fee, net	1,001	208	-	-
Total	557,077	450,355	540,443	444,963
Add Accrued interest receivables	1,683	2,072	1,580	1,863
Total	558,760	452,427	542,023	446,826

* Included those without agreements and past due agreements

(3) Classified by currency and residence of debtors

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	2008			2007		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	568,073	536	568,609	447,010	80	447,090
US Dollar	7,197	300	7,497	7,221	179	7,400
Other currencies	441	381	822	316	293	609
Total	575,711	1,217	576,928	454,547	552	455,099
Less Unearned income			(20,852)			(4,952)
Add Deferred brokerage fee, net			1,001			208
Total			557,077			450,355
Add Accrued interest receivables			1,683			2,072
Total			558,760			452,427

Unit : Million Baht

	SEPARATE FINANCIAL STATEMENTS					
	2008			2007		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	531,658	536	532,194	436,987	80	437,067
US Dollar	7,197	300	7,497	7,221	179	7,400
Other currencies	441	381	822	316	293	609
Total	539,296	1,217	540,513	444,524	552	445,076
Less Unearned income			(70)			(113)
Total			540,443			444,963
Add Accrued interest receivables			1,580			1,863
Total			542,023			446,826

(4) Classified by business type and classification

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	2008					
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	6,193	343	310	213	1,618	8,677
Manufacturing and trading	162,499	5,334	4,309	4,515	19,143	195,800
Real estate and construction	38,561	2,131	1,068	2,223	6,359	50,342
Public utilities and services	81,313	5,442	1,085	1,154	4,201	93,195
Housing loans	58,241	1,494	896	907	3,179	64,717
Others	148,997	10,720	1,869	1,270	1,341	164,197
Total	495,804	25,464	9,537	10,282	35,841	576,928
Less Unearned income						(20,852)
Add Deferred brokerage fee, net						1,001
Total						557,077
Add Accrued interest receivables						1,683
Total						558,760

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	2007					
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	8,138	723	385	310	1,944	11,500
Manufacturing and trading	167,155	4,603	7,805	5,139	23,286	207,988
Real estate and construction	30,809	1,620	1,954	2,244	8,025	44,652
Public utilities and services	68,118	2,172	1,942	1,756	4,463	78,451
Housing loans	54,526	1,327	1,217	1,069	3,536	61,675
Others	43,218	1,950	4,064	394	1,207	50,833
Total	371,964	12,395	17,367	10,912	42,461	455,099
Less Unearned income						(4,952)
Add Deferred brokerage fee, net						208
Total						450,355
Add Accrued interest receivables						2,072
Total						452,427

Unit : Million Baht

	SEPARATE FINANCIAL STATEMENTS					
	2008					
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	6,189	253	296	213	853	7,804
Manufacturing and trading	159,909	5,222	3,992	4,420	12,563	186,106
Real estate and construction	37,604	1,901	964	2,205	3,686	46,360
Public utilities and services	80,894	5,430	1,082	1,134	2,739	91,279
Housing loans	58,180	1,437	859	886	1,093	62,455
Others	144,096	1,172	275	222	744	146,509
Total	486,872	15,415	7,468	9,080	21,678	540,513
Less Unearned income						(70)
Total						540,443
Add Accrued interest receivables						1,580
Total						542,023

Unit : Million Baht

	SEPARATE FINANCIAL STATEMENTS					
	2007					
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	8,009	721	384	287	1,068	10,469
Manufacturing and trading	163,117	4,333	7,716	4,968	15,561	195,695
Real estate and construction	29,624	1,573	1,926	2,209	5,102	40,434
Public utilities and services	66,224	2,136	1,938	1,746	2,852	74,896
Housing loans	54,381	1,298	1,192	1,010	1,151	59,032
Others	59,771	211	3,813	165	590	64,550
Total	381,126	10,272	16,969	10,385	26,324	445,076
Less Unearned income						(113)
Total						444,963
Add Accrued interest receivables						1,863
Total						446,826

(5) Classified by type of classification

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS			
	2008			
	Loans and Accrued Interest Receivable	Outstanding Balance after Deduction of Collateral	% Minimum set up	Minimum allowance per BOT guideline
Normal - Securities Business receivable	131	131	-	-
Normal	478,459	213,455	1	2,732
Special mention	23,479	13,414	2	517
Substandard	9,256	3,671	100	3,594
Doubtful	10,207	5,219	100	5,238
Doubtful of loss	36,227	13,038	100	13,352
Total	557,759	248,928		25,433**
Add Deferred brokerage fee, net	1,001			
Total	558,760			
Surplus Reserve				5,977*
				31,410

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS			
	2007			
	Loans and Accrued Interest Receivable	Outstanding Balance after Deduction of Collateral	% Minimum set up	Minimum allowance per BOT guideline
Normal - Securities Business receivable	367	367	-	-
Normal	367,843	117,613	1	1,301
Special mention	12,206	1,974	2	292
Substandard	17,808	4,578	100	4,578
Doubtful	11,021	4,940	100	4,940
Doubtful of loss	42,974	17,133	100	17,488
Total	452,219	146,605		28,599**
Add Deferred brokerage fee, net	208			
Total	452,427			
Surplus Reserve				5,381*
				33,980

(* Including allowance for doubtful accounts of loans granted to subsidiaries as at December 31, 2008 and 2007, at the rate of 1% of Baht 109,924 million and Baht 45,128 million equal to Baht 1,099 million and Baht 451 million, respectively which are eliminated from loans classified as normal in consolidated financial statements.)

(** Excluding revaluation allowance for debt restructuring as at December 31, 2008 and 2007, of Baht 897 million and Baht 1,217 million, respectively and excluding allowance for doubtful accounts for interbank and money market items as at December 31, 2008 and 2007, of Baht 52 million and Baht 40 million, respectively.)

Unit : Million Baht

	SEPARATE FINANCIAL STATEMENTS AND AYUDHYA ASSET MANAGEMENT COMPANY LIMITED			
	2008			
	Loans and Accrued Interest Receivable	Outstanding Balance after Deduction of Collateral	% Minimum set up	Minimum allowance per BOT guideline
Normal	471,736	227,118	1	2,868
Special mention	15,999	5,817	2	365
Substandard	7,722	2,500	100	2,423
Doubtful	9,224	4,323	100	4,383
Doubtful of loss	35,860	12,812	100	13,084
Total	540,541	252,570		23,123
Surplus Reserve				4,783*
				27,906

Unit : Million Baht

	SEPARATE FINANCIAL STATEMENTS AND AYUDHYA ASSET MANAGEMENT COMPANY LIMITED			
	2007			
	Loans and Accrued Interest Receivable	Outstanding Balance after Deduction of Collateral	% Minimum set up	Minimum allowance per BOT guideline
Normal	363,330	130,598	1	1,428
Special mention	10,426	947	2	272
Substandard	17,566	4,441	100	4,441
Doubtful	10,744	4,830	100	4,830
Doubtful of loss	42,667	16,915	100	17,271
Total	444,733	157,731		28,242
Surplus Reserve				5,059*
				33,301

(* Including allowance for doubtful accounts of loans granted to Ayudhya Asset Management Company Limited as at December 31, 2008 and 2007, at the rate of 1% of Baht 15,918 million and Baht 19,053 million equal to Baht 159 million and Baht 191 million, respectively which are eliminated from loans classified as normal in consolidated financial statements.)

Unit : Million Baht

	SEPARATE FINANCIAL STATEMENTS			
	2008			
	Loans and Accrued Interest Receivable	Outstanding Balance after Deduction of Collateral	% Minimum set up	Minimum allowance per BOT guideline
Normal	487,551	243,021	1	3,027
Special mention	15,884	5,811	2	365
Substandard	7,497	2,446	100	2,370
Doubtful	9,140	4,301	100	4,361
Doubtful of loss	21,951	9,385	100	9,657
Total	542,023	264,964		19,780**
Surplus Reserve				3,049*
				22,829

Unit : Million Baht

	SEPARATE FINANCIAL STATEMENTS			
	2007			
	Loans and Accrued Interest Receivable	Outstanding Balance after Deduction of Collateral	% Minimum set up	Minimum allowance per BOT guideline
Normal	381,834	149,559	1	1,618**
Special mention	10,344	925	2	271
Substandard	17,447	4,401	100	4,401
Doubtful	10,541	4,773	100	4,773
Doubtful of loss	26,660	13,168	100	13,337
Total	446,826	172,826		24,400**
Surplus Reserve				3,871*
				28,271

(* Including allowance for doubtful accounts of loans granted to subsidiaries as at December 31, 2008 and 2007, at the rate of 1% of Baht 109,924 million and Baht 45,128 million equal to Baht 1,099 million and Baht 451 million, respectively.)

(** Excluding revaluation allowance for debt restructuring as at December 31, 2008 and 2007, of Baht 896 million and Baht 1,217 million, respectively and excluding allowance for doubtful accounts for interbank and money market items as at December 31, 2008 and 2007, of Baht 52 million and Baht 40 million, respectively.)

As at December 31, 2008 and 2007, amount of unearned income is as follows:

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2008	2007	2008	2007
Unearned income	20,852	4,952	70	113
Deferred brokerage fee, net	1,001	208	-	-

For the year ended December 31, 2008, the Bank entered into an agreement to sell non-performing loan (NPLs) with book value of Baht 8,977 million and net book value of Baht 3,488 million to a third party for Baht 3,488 million. The amount has been received. Moreover, the Bank entered into an agreement to sell non-performing loans (NPLs) with book value of Baht 6,035 million and net book value of Baht 2,122 million to a related company for Baht 2,122 million. The amount has been received.

In addition, the Bank entered into an agreement to sell non-performing loans (NPLs) with book value of Baht 189 million and net book value of Baht 41 million to a subsidiary for Baht 41 million. The amount has been received.

For the year ended December 31, 2007, the Bank entered into an agreement to sell non-performing loans (NPLs) with book value of Baht 3,745 million and net book value of Baht 2,001 million to a third party for Baht 2,001 million. The amount was received.

Non-performing loans (NPLs) represent loans classified as substandard, doubtful, doubtful of loss and loss in accordance with the guidelines given by BOT's Notification regarding the worthless or irrecoverable assets or assets which are doubtful of being recovered.

As at December 31, 2008 and 2007, the Bank and AAMC had non-performing loans including interbank and money market items as follows:

Unit : Million Baht

	2008		
	Bank only	AAMC	The Bank and AAMC
Non-performing loans	38,226	14,040	52,266
Percentage of total loans	6.26	98.46	8.37
Non-performing loans, net	21,838	10,537	32,375
Percentage of total loans, net	3.68	97.96	5.36

Unit : Million Baht

	2007		
	Bank only	AAMC	The Bank and AAMC
Non-performing loans	53,678	16,130	69,808
Percentage of total loans	11.95	96.21	14.98
Non-performing loans, net	30,095	12,099	42,194
Percentage of total loans, net	7.07	95.02	9.58

As at December 31, 2008 and 2007, the Bank and its subsidiaries' non-performing loans are Baht 55,137 million and Baht 70,633 million, respectively.

In determining an allowance for doubtful accounts, a major factor taken into consideration is the value of collateral. Collateral supporting either certain significant loans or a portion of classified loans were reappraised by either internal appraisers of the Bank and/or independent appraisers approved by the BOT. According to the BOT's guideline dated August 3, 2008, banks are required to calculate present value of cash flows expected from the sale of collateral to be deducted from the debtor's balance before determining the allowance. This is applied to collateral of the following categories: immovable assets, leasehold, machines, and vehicles. For collateral against substandard assets, doubtful assets, and doubtful of loss assets, its value has to be reappraised every 3 years in order to be deducted from the debtor's balance before determining the allowance.

(6) Troubled debt restructuring

Consolidated financial statements

For the year ended December 31, 2008, the Bank and its subsidiaries had restructured the following debts :

	CONSOLIDATED FINANCIAL STATEMENTS	
	Number	Amount of Debt before Restructuring (Million Baht)
Total debt restructured during the year ended December 31, 2008	1,940	20,413
Total debtors as at December 31, 2008	846,852	558,760

Details of restructured debts of the Bank and its subsidiaries for the year ended December 31, 2008 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS			
Form of Restructuring	Number	Amount of Debt before Restructuring (Million Baht)	Type of Assets Acquired	Fair Value (Million Baht)
Transfer of assets	5	177	Land, building and condominium	204
Conversion to equity	1	5		
Modification of terms	841	2,238		
Reduction of principal and interest	856	9,758		
Various forms of restructuring (including modification of terms)	237	8,235	Land and building	136
Total	1,940	20,413		340

For the year ended December 31, 2008, 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:

	CONSOLIDATED FINANCIAL STATEMENTS			
Method	Average Aging (Year)	Number	Amount of Debt before Restructuring (Million Baht)	Amount of Debt after Restructuring (Million Baht)
Present value of future cash flows	0.57	398	746	98
Fair value of collateral	6.42	443	1,492	1,280

As at December 31, 2008, the Bank and its subsidiaries had debts outstanding of Baht 6,251 million which had been restructured by modification of repayment terms.

As at December 31, 2008, the Bank and its subsidiaries had restructured debt of Baht 54,514 million, including debts restructured for the year of Baht 10,366 million. For the year ended December 31, 2008, the Bank and its subsidiaries recognized interest received from debt restructured of Baht 2,018 million. The loss on debt restructured of Baht 638 million, has been recognized in the statements of income.

As at December 31, 2008, the balance of such debt restructured included NPLs of Baht 21,112 million.

For the year ended December 31, 2007, the Bank and its subsidiaries had restructured the following debts:

	CONSOLIDATED FINANCIAL STATEMENTS	
	Number	Amount of Debt before Restructuring (Million Baht)
Total debt restructured during the year ended December 31, 2007	3,770	22,014
Total debtors as at December 31, 2007	255,908	452,427

Details of restructured debts of the Bank and its subsidiaries for the year ended December 31, 2007, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS			
Form of Restructuring	Number	Amount of Debt before Restructuring (Million Baht)	Type of Assets Acquired	Fair Value (Million Baht)
Transfer of assets	7	91	Land, building and condominium	118
Modification of terms	2,629	6,334		
Reduction of principal and interest	623	4,903		
Various forms of restructuring (including modification of terms)	511	10,686	Land and building	1,703
Total	3,770	22,014		1,821

For the year ended December 31, 2007, the Bank and its subsidiaries calculated the net realizable value for the troubled 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:

	CONSOLIDATED FINANCIAL STATEMENTS			
Method	Average Aging (Year)	Number	Amount of Debt before Restructuring (Million Baht)	Amount of Debt after Restructuring (Million Baht)
Present value of future cash flows	2.42	874	2,062	1,631
Fair value of collateral	7.61	1,755	4,272	4,028

As at December 31, 2007, the Bank and its subsidiaries had debts outstanding of Baht 10,528 million which had been restructured by modification of repayment terms.

As at December 31, 2007, the Bank and its subsidiaries had restructured debt of Baht 60,953 million, including debts restructured during the year of Baht 13,580 million. For the year ended December 31, 2007, the Bank and its subsidiaries recognized interest received from debt restructured of Baht 2,062 million and loss on debt restructuring of Baht 3,776 million in the statements of income.

As at December 31, 2007, the balance of such debt restructured included NPLs of Baht 33,667 million.

Separate financial statements

For the year ended December 31, 2008, the Bank has restructured the following debts:

	SEPARATE FINANCIAL STATEMENTS	
	Number	Amount of Debt before Restructuring (Million Baht)
Total debt restructured during the year ended December 31, 2008	1,567	19,665
Total debtors as at December 31, 2008	191,966	542,023

Details of restructured debts of the Bank for the year ended December 31, 2008, are as follows:

	SEPARATE FINANCIAL STATEMENTS			
Form of Restructuring	Number	Amount of Debt before Restructuring (Million Baht)	Type of Assets Acquired	Fair Value (Million Baht)
Transfer of assets	2	44	Land, building and condominium	38
Conversion to equity	1	5		
Modification of terms	471	1,623		
Reduction of principal and interest	856	9,758		
Various forms of restructuring (including modification of terms)	237	8,235	Land and building	136
Total	1,567	19,665		174

For the year ended December 31, 2008, the Bank calculated the net realizable value for the troubled 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:

Method	SEPARATE FINANCIAL STATEMENTS			
	Average Aging (Year)	Number	Amount of Debt before Restructuring (Million Baht)	Amount of Debt after Restructuring (Million Baht)
Present value of future cash flows	5.80	28	131	97
Fair value of collateral	6.42	443	1,492	1,280

As at December 31, 2008, the Bank had debts outstanding of Baht 6,250 million which had been restructured by modification of repayment terms.

As at December 31, 2008, the Bank had restructured debt of Baht 52,667 million, including debts restructured during the year of Baht 10,365 million. For the year ended December 31, 2008, the Bank recognized interest received from debt restructured of Baht 1,957 million, and loss on debt restructured of Baht 638 million has been recognized in the statements of income.

As at December 31, 2008, the balance of such debt restructured included NPLs of Baht 19,457 million.

For the year ended December 31, 2007, the Bank had restructured the following debts:

	SEPARATE FINANCIAL STATEMENTS	
	Number	Amount of Debt before Restructuring (Million Baht)
Total debt restructured during the year ended December 31, 2007	3,030	21,292
Total debtors as at December 31, 2007	161,723	446,826

Details of restructured debts of the Bank were as follows:

Form of Restructuring	SEPARATE FINANCIAL STATEMENTS			
	Number	Amount of Debt before Restructuring (Million Baht)	Type of Assets Acquired	Fair Value (Million Baht)
Transfer of assets	6	46	Land and building	39
Modification of terms	1,890	5,657		
Reduction of principal and interest	623	4,903		
Various forms of restructuring (including modification of terms)	511	10,686	Land and building	1,703
Total	3,030	21,292		1,742

For the year ended December 31, 2007, the Bank calculated the net realizable value for the troubled 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:

	SEPARATE FINANCIAL STATEMENTS			
Method	Average Aging (Year)	Number	Amount of Debt before Restructuring (Million Baht)	Amount of Debt after Restructuring (Million Baht)
Present value of future cash flows	12.76	135	1,385	1,377
Fair value of collateral	7.61	1,755	4,272	4,028

As at December 31, 2007, the Bank had debts outstanding of Baht 10,292 million which had been restructured by modification of repayment terms.

As at December 31, 2007, the Bank had the balance of the restructured debts of Baht 58,648 million, including restructured debts during the year of Baht 13,344 million. For the year ended December 31, 2007, the Bank recognized interest received from restructured debt of Baht 1,988 million and loss on debt restructured of Baht 3,777 million in the statements of income.

As at December 31, 2007, the balance of such debt restructured included NPLs of Baht 31,997 million.

4.6 Allowance for doubtful accounts

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS						
	2008						
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	General Reserve	Total
Beginning balance	1,301	292	4,578	4,940	17,488	5,381	33,980
Beginning balance of subsidiaries as of investment date	603	268	1,198	774	36	79	2,958
Doubtful accounts	863	(29)	(2,119)	(160)	6,027	516	5,098*
Bad debts written off	-	-	-	-	(1,229)	-	(1,229)
Bad debts reversal	-	-	-	-	153	-	153
Bad debts written off from sales of NPLs	(35)	(14)	(63)	(316)	(9,123)	-	(9,551)
Other	-	-	-	-	-	1	1
Ending balance	2,732	517	3,594	5,238	13,352	5,977	31,410

(* Including adjustment of the fair value of loans and receivable of Ayudhya Capital Auto Lease Public Company Limited (formerly GE Capital Auto Lease Public Company Limited) at acquisition date.)

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS						
	2007						
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	General Reserve	Total
Beginning balance	1,940	27	1,994	3,217	18,229	2,915	28,322
Doubtful accounts	(629)	265	4,194	1,862	548	2,317	8,557
Bad debts written off	-	-	-	-	(1,274)	-	(1,274)
Bad debts written off from sales of NPLs	-	-	(1,608)	(120)	(16)	-	(1,744)
Allowance for doubful accounts transferred from GE Money Retail Bank Public Company Limited	-	-	2	-	-	144	146
Allowance for doubtful accounts of subsidiaries as of investment disposal date	(10)	-	(4)	(19)	(17)	-	(50)
Other	-	-	-	-	18	5	23
Ending balance	1,301	292	4,578	4,940	17,488	5,381	33,980

Unit : Million Baht

	SEPARATE FINANCIAL STATEMENTS						
	2008						
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	General Reserve	Total
Beginning balance	1,618	271	4,401	4,773	13,337	3,871	28,271
Doubtful accounts	1,443	108	(1,968)	(96)	5,386	(823)	4,050
Bad debts written off	-	-	-	-	(96)	-	(96)
Bad debts reversal	-	-	-	-	153	-	153
Bad debts written off from sales of NPLs	(34)	(14)	(63)	(316)	(9,123)	-	(9,550)
Other	-	-	-	-	-	1	1
Ending balance	3,027	365	2,370	4,361	9,657	3,049	22,829

Unit : Million Baht

	SEPARATE FINANCIAL STATEMENTS						
	2007						
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	General Reserve	Total
Beginning balance	1,802	16	1,907	3,043	13,018	2,546	22,332
Doubtful accounts	(184)	255	4,102	1,848	513	1,181	7,715
Bad debts written off	-	-	-	-	(178)	-	(178)
Bad debts written off from sales of NPLs	-	-	(1,608)	(120)	(16)	-	(1,744)
Allowance for doubtful accounts transferred from GE Money Retail Bank Public Company Limited	-	-	-	2	-	144	146
Ending balance	1,618	271	4,401	4,773	13,337	3,871	28,271

As at December 31, 2008 and 2007, the Bank estimated the minimum total allowance* under BOT Guidelines of Baht 26,380 million and Baht 29,856 million, respectively for the consolidated financial statements and Baht 20,726 million and Baht 25,657 million, respectively for the separate financial statements.

The Bank and its subsidiaries recorded allowance for doubtful accounts in financial statements as follows:

Unit : Million Baht

	2008	2007
Consolidated financial statements	32,359	35,258
The Bank and Ayudhya Asset Management Company Limited	28,855	34,579
The Separate financial statements	23,777	29,549

(* Such allowance for doubtful accounts consists of allowance for doubtful accounts for loans and accrued interest receivable, allowance for doubtful accounts for interbank and money market items and revaluation allowance for debt restructuring.)

As at December 31, 2008 and 2007, the Bank and its subsidiaries had loans and accrued interest receivables to companies which have certain problems in financial position and result of operations as defined in the Guideline of SET dated July 8, 1998 regarding the Quality of Assets and Transactions with Related Parties and an allowance for doubtful accounts for such loans is as follows:

Unit : Million Baht

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	2008			
	Number	Outstanding balance	Appraisal Value of Collateral	Allowance for Doubtful Accounts
Companies subject to be delisted by SET	4	307	1,510	1
Total	4	307	1,510	1

Unit : Million Baht

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	2007			
	Number	Outstanding balance	Appraisal Value of Collateral	Allowance for Doubtful Accounts
Companies subject to be delisted by SET	5	343	1,507	17
Total	5	343	1,507	17

4.7 Revaluation allowance for debt restructuring

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS	
	2008	2007
Beginning Balance	1,239	490
Increase during the year	638	3,776
Amount written off	(980)	(3,027)
Ending Balance	897	1,239

Unit : Million Baht

	SEPARATE FINANCIAL STATEMENTS	
	2008	2007
Beginning Balance	1,238	488
Increase during the year	638	3,777
Amount written off	(979)	(3,027)
Ending Balance	897	1,238

4.8 Properties foreclosed, net

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS				
Type of Properties Foreclosed	Balance as at January 1, 2008	Balance of Subsidiary as at Purchase Date	Acquisition	Disposition	Balance as at December 31, 2008
1. Assets acquired from debt repayment					
1.1 Immovable	24,929	-	2,672	(4,814)	22,787
1.2 Movable	51	331	4,771	(4,582)	571
Total	24,980	331	7,443	(9,396)	23,358
2. Others	83	-	81	(2)	162
Total properties foreclosed	25,063	331	7,524	(9,398)	23,520
Less Provision for impairment	(1,540)	(127)	(3,494)	3,012	(2,149)
Total properties foreclosed	23,523	204	4,030	(6,386)	21,371

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS			
Type of Properties Foreclosed	Balance as at January 1, 2007	Acquisition	Disposition	Balance as at December 31, 2007
1. Assets acquired from debt repayment				
1.1 Immovable	24,797	3,544	(3,412)	24,929
1.2 Movable	200	209	(358)	51
Total	24,997	3,753	(3,770)	24,980
2. Others	54	32	(3)	83
Total properties foreclosed	25,051	3,785	(3,773)	25,063
Less Provision for impairment	(1,221)	(382)	63	(1,540)
Total properties foreclosed	23,830	3,403	(3,710)	23,523

Unit : Million Baht

Type of Properties Foreclosed	SEPARATE FINANCIAL STATEMENTS			
	Balance as at January 1, 2008	Acquisition	Disposition	Balance as at December 31,2008
1. Assets acquired from debt repayment				
1.1 Immovable	16,315	1,212	(3,029)	14,498
1.2 Movable	13	-	-	13
Total	16,328	1,212	(3,029)	14,511
2. Others	84	72	(2)	154
Total properties foreclosed	16,412	1,284	(3,031)	14,665
Less Provision for impairment	(1,175)	(451)	108	(1,518)
Total properties foreclosed	15,237	833	(2,923)	13,147

Unit : Million Baht

Type of Properties Foreclosed	SEPARATE FINANCIAL STATEMENTS			
	Balance as at January 1, 2007	Acquisition	Disposition	Balance as at December 31, 2007
1. Assets acquired from debt repayment				
1.1 Immovable	16,331	2,037	(2,053)	16,315
1.2 Movable	175	-	(162)	13
Total	16,506	2,037	(2,215)	16,328
2. Others	55	32	(3)	84
Total properties foreclosed	16,561	2,069	(2,218)	16,412
Less Provision for impairment	(940)	(258)	23	(1,175)
Total properties foreclosed	15,621	1,811	(2,195)	15,237

For the years ended December 31, 2008 and 2007, the Bank entered into an agreement to sell the sub-quality assets and the right obligations to Ayudhya Asset Management Company Limited, a subsidiary, by selling immovable properties foreclosed having the book value of Baht 33 million and Baht 21 million, respectively. The Bank has already collected such amount in full.

4.9 Property, premises and equipment, net

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	Balance as at January 1, 2008	Balance of Subsidiary as at Purchase Date	Increase	Decrease	Others	Balance as at December 31, 2008
Land						
Cost	3,665	-	-	(40)	(5)	3,620
Appraisal increase	2,905	-	-	-	-	2,905
Appraisal decrease	(225)	-	-	-	13	(212)
Premises						
Cost	5,488	-	48	(36)	103	5,603
Appraisal increase	4,714	-	-	(2)	-	4,712
Appraisal decrease	(86)	-	-	-	-	(86)
Equipment	9,304	142	816	(395)	52	9,919
Leasehold improvement	522	194	88	(2)	69	871
Total	26,287	336	952	(475)	232	27,332
Less Accumulated depreciation						
Premises						
- Cost	(2,123)	-	(184)	9	6	(2,292)
- Appraisal increase	(1,982)	-	-	-	(167)	(2,149)
Equipment	(6,251)	(117)	(1,151)	370	27	(7,122)
Leasehold improvement	(224)	(166)	(164)	-	3	(551)
Total	(10,580)	(283)	(1,499)	379	(131)	(12,114)
Construction in progress	186	-	975	-	(294)	867
Property, premises and equipment, net	15,893					16,085

Unit : Million Baht

	2008	2007
Depreciation for the years	1,499	1,426

As at December 31, 2008 and 2007, the Bank and its subsidiaries had premises and equipment, fully depreciated but still in use, at the original cost amounting to Baht 4,424 million and Baht 3,721 million, respectively.

For the year ended December 31, 2008, the Bank purchased the properties which used to be the Bank's branches from Ayudhya Asset Management Company Limited, a subsidiary, in the amount of Baht 226 million for use as branch office and asset center.

Unit : Million Baht

	SEPARATE FINANCIAL STATEMENTS				
	Balance as at January 1, 2008	Increase	Decrease	Others	Balance as at December 31, 2008
Land					
Cost	3,654	123	-	(45)	3,732
Appraisal increase	2,905	-	-	-	2,905
Appraisal decrease	(225)	-	-	13	(212)
Premises					
Cost	5,463	134	(36)	103	5,664
Appraisal increase	4,714	-	(2)	-	4,712
Appraisal decrease	(86)	-	-	-	(86)
Equipment	7,530	592	(214)	101	8,009
Leasehold improvement	489	26	(2)	56	569
Total	24,444	875	(254)	228	25,293
Less Accumulated depreciation					
Premises					
- Cost	(2,107)	(182)	9	6	(2,274)
- Appraisal increase	(1,982)	-	-	(167)	(2,149)
Equipment	(5,276)	(805)	212	-	(5,869)
Leasehold improvement	(212)	(137)	2	-	(347)
Total	(9,577)	(1,124)	223	(161)	(10,639)
Construction in progress	187	988	-	(294)	881
Property, premises and equipment, net	15,054				15,535

Unit : Million Baht

	2008	2007
Depreciation for the years	1,124	1,098

As at December 31, 2008 and 2007, the Bank had premises and equipment, fully depreciated but still in use, at the original cost amounting to Baht 3,969 million and Baht 3,526 million, respectively.

4.10 Intangible assets, net

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	Balance as at January 1, 2008	Balance of Subsidiary as at Purchase Date	Increase	Decrease	Others	Balance as at December 31, 2008
Cost						
Goodwill	-	-	8,397	-	-	8,397
Software	2,012	43	488	(68)	3	2,478
Leasehold	439	-	63	(11)	-	491
Other intangible assets	1,363	-	5	(5)	-	1,363
Total	3,814	43	8,953	(84)	3	12,729
Accumulated amortization						
Software	(1,050)	(36)	(178)	62	-	(1,202)
Leasehold	(128)	-	(54)	-	-	(182)
Other intangible assets	(6)	-	-	1	-	(5)
Total	(1,184)	(36)	(232)	63	-	(1,389)
Intangible assets, net	2,630					11,340

Unit : Million Baht

	2008	2007
Amortization for the years	232	173

As at December 31, 2008 and 2007, Bank and its subsidiaries had intangible assets, fully amortized but still in use, at the original cost amounting to Baht 402 million and Baht 401 million, respectively.

Unit : Million Baht

	SEPARATE FINANCIAL STATEMENTS				
	Balance as at January 1, 2008	Increase	Decrease	Others	Balance as at December 31, 2008
Cost					
Software	1,871	396	(58)	3	2,212
Leasehold	439	63	(11)	-	491
Other intangible assets	7	-	-	-	7
Total	2,317	459	(69)	3	2,710
Accumulated amortization					
Software	(983)	(139)	58	-	(1,064)
Leasehold	(128)	(53)	-	-	(181)
Other intangible assets	(5)	-	-	-	(5)
Total	(1,116)	(192)	58	-	(1,250)
Intangible assets, net	1,201				1,460

Unit : Million Baht

	2008	2007
Amortization for the years	192	152

As at December 31, 2008 and 2007, the Bank had intangible assets, fully amortized but still in use, at the original cost amounting to Baht 363 million and Baht 401 million, respectively.

4.11 Deposits

(1) Classified by product

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2008	2007	2008	2007
Current deposit	17,772	14,313	18,173	14,548
Savings deposit	161,401	162,980	164,393	163,524
Time deposit				
- Less than 6 months	101,748	135,508	101,748	135,508
- 6 months and less than 1 year	163,080	65,074	163,080	65,074
- Over 1 year	93,353	121,752	93,353	121,752
Total	537,354	499,627	540,747	500,406

(2) Classified by remaining maturity

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2008	2007	2008	2007
Not over 1 year*	508,687	474,110	512,080	474,889
Over 1 year	28,667	25,517	28,667	25,517
Total	537,354	499,627	540,747	500,406

* Including matured time deposits

(3) Classified by currency and residence of depositors

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	2008			2007		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	533,666	165	533,831	497,068	222	497,290
US Dollar	1,825	1,121	2,946	685	1,308	1,993
Other currencies	202	375	577	80	264	344
Total	535,693	1,661	537,354	497,833	1,794	499,627

Unit : Million Baht

	SEPARATE FINANCIAL STATEMENTS					
	2008			2007		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	537,059	165	537,224	497,847	222	498,069
US Dollar	1,825	1,121	2,946	685	1,308	1,993
Other currencies	202	375	577	80	264	344
Total	539,086	1,661	540,747	498,612	1,794	500,406

4.12 Interbank and money market items

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	2008			2007		
	At Call	Time	Total	At Call	Time	Total
Domestic items						
Bank of Thailand and Financial Institution Development Fund	130	1,014	1,144	–	4,155	4,155
Commercial banks	716	1,079	1,795	1,127	1,111	2,238
Other banks	29	10,913	10,942	50	3,130	3,180
Finance companies, securities companies and credit foncier companies	2,062	2,960	5,022	1,039	34	1,073
Other financial institutions	622	–	622	1,746	1,674	3,420
Total domestic items	3,559	15,966	19,525	3,962	10,104	14,066
Add Accrued interest receivables	–	1	1	–	–	–
Total	3,559	15,967	19,526	3,962	10,104	14,066
Foreign items						
US Dollar	438	–	438	1,100	1,069	2,169
Other currencies	39	–	39	38	–	38
Total foreign items	477	–	477	1,138	1,069	2,207
Total domestic and foreign items	4,036	15,967	20,003	5,100	11,173	16,273

Unit : Million Baht

	SEPARATE FINANCIAL STATEMENTS					
	2008			2007		
	At Call	Time	Total	At Call	Time	Total
Domestic items						
Bank of Thailand and Financial Institution Development Fund	130	1,014	1,144	–	4,155	4,155
Commercial banks	928	60	988	1,154	60	1,214
Other banks	29	10,913	10,942	50	3,130	3,180
Finance companies, securities companies and credit foncier companies	2,062	2,960	5,022	1,061	34	1,095
Other financial institutions	622	–	622	1,746	1,055	2,801
Total domestic items	3,771	14,947	18,718	4,011	8,434	12,445
Foreign items						
US Dollar	438	–	438	1,100	1,069	2,169
Other currencies	39	–	39	38	–	38
Total foreign items	477	–	477	1,138	1,069	2,207
Total domestic and foreign items	4,248	14,947	19,195	5,149	9,503	14,652

On August 11, 2006 and September 5, 2006, the Bank acquired Baht 600 million of borrowings under promissory notes with embedded derivatives (Structured Borrowings). The maturities are on August 11, 2011 and September 5, 2011 and the interest is payable semi-annually.

As of December 31, 2008 and 2007, the borrowings are carried at fair value derived from a counterparty or a calculation agent. The Bank has tested the fair value calculation by using a well-known technique of valuation appraisal with no significant difference from the price taken from the aforesaid counterparty. The change in fair value of borrowings is recognized as a mark-to-market loss in the statements of income for Baht 60.50 million and Baht 48.93 million, respectively which equals the mark-to-market gain on the hedging instruments.

4.13 Short-term Borrowings

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS			CONSOLIDATED FINANCIAL STATEMENTS		
	2008			2007		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Debentures	-	-	-	1,000	-	1,000
Senior securities floating rate notes (US$ 150.0 million)	-	5,243	5,243	-	-	-
Bills of exchange	3,767	-	3,767	9,402	-	9,402
Structured borrowings	-	-	-	200	-	200
Other borrowings	4	-	4	-	-	-
Total short-term borrowings	3,771	5,243	9,014	10,602	-	10,602

Unit : Million Baht

	SEPARATE FINANCIAL STATEMENTS			SEPARATE FINANCIAL STATEMENTS		
	2008			2007		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Debentures	-	-	-	1,000	-	1,000
Senior securities floating rate notes (US$ 150.0 million)	-	5,243	5,243	-	-	-
Bills of exchange	3,767	-	3,767	9,110	-	9,110
Structured borrowings	-	-	-	200	-	200
Other borrowings	4	-	4	-	-	-
Total short-term borrowings	3,771	5,243	9,014	10,310	-	10,310

Short-term borrowings consist of the following:

4.13.1 On August 23, 2006, the Bank acquired Baht 200 million of Structured Borrowing under promissory notes with embedded derivatives. The maturity was on August 25, 2008 and the interest was payable semi-annually at LIBOR-6 month in February and August. The Bank has already made the repayment.

As of December 31, 2007, the borrowing was carried at a fair value derived from a counterparty or a calculation agent. The Bank recalculated the fair value by using a well-known technique of valuation appraisal with no significant difference from the price taken from the aforesaid counterparty. The change in fair value of borrowing is recognized as mark-to-market gain and loss in the statements of income of Baht 1.81 million, which equal the mark-to-market gain and loss on the hedging instruments.

4.13.2 On October 18, 2006, the Bank acquired Baht 4 million of borrowings with maturities on December 31, 2009, at the fixed interest rate of 0.50% per annum.

4.13.3 On November 14, 2006, the Bank issued senior securities floating rate notes in the amount of USD 150 million with a maturity in 2009 and carrying an interest rate of LIBOR-6 month plus 0.24% per annum, payable semi-annually in May and November of each year.

4.13.4 On October 3, 2007, the Bank issued debenture in the amount of Baht 1,000 million with maturity on January 3, 2008, at the fixed interest rate of 3.25% per annum, the Bank had already made repayment.

4.13.5 During November 2, 2007 to December 28, 2007, the Bank issued Baht 9,110 million of bills of exchange. The interest rates were 2.60%-3.50% per annum with maturities on January 2, 2008 to September 29, 2008. The Bank has already made the repayment.

4.13.6 During April 25, 2008 to December 9, 2008, the Bank has issued Baht 3,767 million of bills of exchange with maturities on January 5, 2009 to September 14, 2009, at the fixed interest rates of 3.00%-4.10% per annum.

4.13.7 On August 5, 2005 and August 26, 2005, the Bank's subsidiary issued Baht 210 million and Baht 90 million of bills of exchange respectively to Ayudhya Insurance Public Company Limited, the Bank's related party, with maturities on August 2, 2008 and August 26, 2008 at the fixed interest rate of 4.50% per annum. The subsidiary has already made the repayment.

4.13.8 On February 14, 2008, the Bank's subsidiary acquired Baht 14,000 million of borrowings from GE Capital International Holdings Corporation ("GECIH") with maturity on August 14, 2008 at the fixed interest rate of 4.10% per annum. The subsidiary has already made the repayment.

4.14 Long-term borrowings

Unit : Million Baht

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS					
	2008			2007		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Subordinated Debentures #5	12,000	-	12,000	12,000	-	12,000
Senior securities floating rate notes (US$ 150.0 million)	-	-	-	-	5,067	5,067
Senior securities	57,387	-	57,387	11,532	-	11,532
Bill of exchange	3,200	-	3,200	-	-	-
Other borrowings	256	-	256	217	-	217
Total long-term borrowings	72,843	-	72,843	23,749	5,067	28,816

Long-term borrowings consist of the following :

4.14.1 On November 5, 2003, the Bank issued subordinated debenture #5 in the amount of Baht 12,000 million with a maturity in 2013 at the fixed rate of 4% per annum for the years 1-5 and 4.75% per annum for the years 6-10, payable quarterly on the fifth of February, May, August and November of each year. The Bank has the right to redeem debenture #5 before the maturity date subject to the approval of the BOT.

4.14.2 On October 26, 2007, the Bank issued uncollateralized senior securities in 2 tranches with interest payable quarterly in January, April, July and October of each year, as follows:

Tranche	Maturity date	Interest rate	Amount (Million Baht)
1	Oct. 26, 2010	4.25%	6,899
2	Oct. 26, 2011	4.50%	4,633

4.14.3 On March 18, 2008, the Bank issued uncollateralized senior securities in 3 tranches with interest payable quarterly in March, June, September and December of each year, as follows:

Tranche	Maturity date	Interest rate	Amount (Million Baht)
1	Mar. 18, 2010	3.85%	9,924
2	Mar. 18, 2011	4.00%	5,157
3	Mar. 18, 2012	4.25%	3,665

4.14.4 On June 5, 2008, the Bank issued uncollateralized senior securities in 2 tranches with interest payable quarterly in March, June, September and December of each year, as follows:

Tranche	Maturity date	Interest rate	Amount (Million Baht)
1	Jun. 5, 2010	4.25%	16,265
2	Jun. 5, 2011	4.50%	3,933

4.14.5 On December 2, 2008, the Bank issued uncollateralized senior securities in 1 tranche with interest payable quarterly in March, June, September and December of each year, as follows:

Tranche	Maturity date	Interest rate	Amount (Million Baht)
1	Dec. 2, 2011	5.10%	6,912

4.14.6 During May 12, 2008 and August 5, 2008, the Bank has Baht 3,200 million of bills of exchange with maturities on May 13, 2010 to May 23, 2011, at the fixed interest rates of 3.40% - 4.67% per anmum.

4.14.7 During April 29, 2003 to September 30, 2008, the Bank acquired Baht 256 million of borrowings with maturities on June 27, 2010 to March 31, 2015, at the fixed interest rates of 0.00% - 0.50% per annum.

4.15 Provisions for off-balance sheet obligations

The Bank provided reserves for off-balance sheet obligations with high credit risk to comply with the Bank of Thailand's notifications No.Sor Nor Sor. 31/2551 Re: Guidelines on Provisioning for Off-Balance Sheet Items dated August 3, 2008 and Thai Accounting Standard No. 53 "Provisions, Contingent Liabilities and Contingent Assets" which were presented as part of other liabilities in the balance sheets as follows:

Unit : Million Baht

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	2008	2007
Brought forward balance as at January 1.	612	315
Increase (decrease) during the year	(223)	297
Ending balance as at December 31,	389	612

4.16 Share capital

Unit : Million Baht

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	2008	2007
Registered capital	70,894	70,894
Issued and paid-up share capital	60,741	57,477

4.16.1 Capital risk 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, to maintain an optimal capital structure for reducing capital's source of funds and to comply with regulator's rules.

For maintenance and restructuring of capital, the Bank may adjust the dividend policy for shareholders by refunding its capital to shareholders, issue new shares or sell property in order to reduce debt obligation.

4.16.2 Capital funds

The Bank is subject to various capital and regulatory requirements administered by the BOT. Under these capital adequacy guidelines and the regulatory framework for prompt corrective action, the Bank must satisfy specific capital guidelines that involve quantitative measures of its assets, liabilities and certain off-balance sheet items as calculated in accordance with regulatory accounting practices. In addition, the Bank's capital amounts and classification are also subject to qualitative judgment by the BOT in regard to components, risk weightings, and other factors. As at December 31, 2008 and 2007, the Bank's management met all capital adequacy requirements. However, these capital and regulatory requirements are subject to change, as considered necessary by the BOT.

The Bank maintains its capital funds in accordance with the criteria, methodologies, and conditions prescribed by the Bank of Thailand. As at December 31, 2008 and 2007, the Bank's total capital funds can be categorized as follows:

Unit : Million Baht

	2008		2007
	Basel II	Basel I	Basel I
Tier 1 capital			
Issued and paid-up share capital	60,741	60,741	57,477
Premium on share capital	13,802	13,802	13,149
Statutory reserve	436	436	436
Net profit (loss) after appropriations	4,018	4,018	(927)
Total Tier 1 capital	78,997	78,997	70,135
Tier 2 capital			
Assets revaluation surplus	3,302	3,302	3,387
Subordinated unsecured floating rate notes	9,600	9,600	12,000
Investment revaluation surplus (net) in securities available-for-sale	-	-	19
Reserve for normal assets	4,219	6,902	5,599
Total Tier 2 capital	17,121	19,804	21,005
Total capital before deductions	96,118	98,801	91,140
Less Investment revaluation deficit (net) in securities available-for-sale	557	557	-
Total capital fund	95,561	98,244	91,140

	Percentage		
	2008		2007
	Basel II	Basel I	Basel I
Total capital /Total risk assets (minimum 8.50%)	14.94	17.79	20.35
Total tier 1 capital /Total risk assets (minimum 4.25%)	12.35	14.31	15.66

The Bank changed the method of capital calculation from Basel I to Basel II starting from December 31, 2008 as required by the Bank of Thailand.

4.16.3 Share Capital Increase

During the year 2007, the Bank offered to sell new ordinary shares to GE Capital International Holdings Corporation ("GECIH") totaling 2,000 million shares, at the par value of Baht 10 each, amounting to Baht 20,000 million at the selling price of Baht 16 per share, representing total proceeds of Baht 32,000 million. The details of the increase of paid-up capital are summarized as follows:

Register date	Number of ordinary share	Par value per share	Selling price per share	Paid-up share capital	Premium on ordinary share capital from capital increased	Total	The proportion shares of GECIH after registered as increased issued and paid-up shares of the Bank	after the exercise of warrant for ordinary shares of the Bank
	Million shares	Baht	Baht	Million Baht	Million Baht	Million Baht	%	%
Jan 3,07	1,391	10	16	13,910	8,346	22,256	29.01	25.45
Jul 2, 07	445	10	16	4,447	2,668	7,115	33.00	31.06
Sep 18, 07	164	10	16	1,643	986	2,629	34.92	32.93
	2,000			20,000	12,000	32,000		

4.16.4 Warrants

In August 2003, the Bank offered to sell new ordinary shares to institutional investors or specific investors according to the Notification of the Securities and Exchange Commission together with the right to be allocated warrants to exercise for ordinary shares of the Bank at the offered price of Baht 0 per unit at the ratio of two new capital increase ordinary shares to one unit of warrant which amounted to 500 million units of warrants. In addition, the Bank offered to sell the warrants to exercise for ordinary shares of the Bank in the amount of 739.07 million units to the existing shareholders at the ratio of five existing shares to two units of warrants at the offered price of Baht 0 per unit. Total offered warrants were 1,239.07 million units.

The significant details of warrants are summarized as follows:

Exercise ratio	:	One unit of warrant will be entitled to the purchase of one ordinary share
Number of ordinary shares issued to accommodate the warrants	:	1,239.07 million shares
Exercise price	:	Baht 12 per share
Term of warrant	:	5 years
Exercise period	:	4 times per year, on the last business day of March, June, September and December of each year throughout the warrant's term. The first exercise date was on March 31, 2004

During the year 2007, there were 358,606,980 units of warrants exercised for ordinary shares amounting to Baht 4,303 million in proceeds. As at December 31, 2007, the proceeds from exercised warrants of 14,789,616 units amounting to Baht 177 million, were fully paid and reported as share subscriptions received in advance under the shareholder's equity and had been registered as increased issued and paid-up share capital with the Ministry of Commerce on January 8, 2008.

For the nine-month period ended September 30, 2008, the final exercise period, there were 311,607,291 units of warrants exercised for ordinary shares amounting to Baht 3,739 million in proceeds. The proceeds from exercised warrants of Baht 258,210,874 units amounting to Baht 3,099 million were registered as an increase in issued and paid-up share capital with the Ministry of Commerce on September 9, 2008.

4.17 Statutory reserve

Pursuant to the Public Limited Companies the Bank must allocate to a reserve fund from the annual net profit, not less than five percent of the annual net profit deducted by the total accumulated loss brought forward (if any) until the reserve fund reaches an amount not less than ten percent of the registered capital.

4.18 Dividend payment

The Board of Directors' Meeting No. 8/2008 dated August 27, 2008, had approved a resolution authorizing a dividend payment for the first half year ended June 30, 2008 to the shareholders of 6,026,047,417 ordinary shares at Baht 0.15 per share which totaled Baht 903.91 million, with payment made on September 26, 2008.

At the General Shareholders' meeting held on April 11, 2007, the shareholders approved a resolution authorizing a dividend payment for the second half year ended December 2006 to the shareholders of 4,794,929,476 ordinary shares at Baht 0.20 per share which totaled Baht 958.99 million.

4.19 Income tax

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

According to the Royal Decree No. 475 B.E. 2551 issued under the Revenue Code regarding the corporate income tax rate deduction effective on August 7, 2008, the corporate income tax for listed companies in The Stock Exchange of Thailand has been reduced from 30% to 25% for net profit portion not exceeding Baht 300 million. This will remain in effect for three consecutive accounting periods beginning on or after January 1, 2008. Therefore, the Bank and its subsidiaries have used a tax rate of 25% for the corporate income tax and deferred income tax calculations for the year ended December 31, 2008 to conform to such tax rate change.

4.20 Contingencies

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	2008			2007		
	Baht	Foreign Currencies	Total	Baht	Foreign Currencies	Total
Avals to bills	2,557	-	2,557	2,667	-	2,667
Guarantees of loans	2	478	480	21	557	578
Other guarantees	33,208	851	34,059	32,113	1,212	33,325
Letters of credit	365	3,326	3,691	248	7,391	7,639
Exchange rate contracts						
Bought	-	56,895	56,895	-	52,368	52,368
Sold	-	62,316	62,316	-	77,689	77,689
Currency swap contracts						
Bought	10,686	2,077	12,763	7,850	1,849	9,699
Sold	682	11,688	12,370	846	7,895	8,741
Interest rate swap						
Bought	12,600	4,141	16,741	4,300	4,131	8,431
Sold	600	3,093	3,693	1,500	3,119	4,619
Unused overdraft limit	44,996	-	44,996	43,988	-	43,988
Others	39	2,104	2,143	-	5,434	5,434
Total	105,735	146,969	252,704	93,533	161,645	255,178

Unit : Million Baht

	SEPARATE FINANCIAL STATEMENTS					
	2008			2007		
	Baht	Foreign Currencies	Total	Baht	Foreign Currencies	Total
Avals to bills	2,857	-	2,857	3,267	-	3,267
Guarantees of loans	2	478	480	21	557	578
Other guarantees	33,220	851	34,071	32,125	1,212	33,337
Letters of credit	365	3,469	3,834	248	7,344	7,592
Exchange rate contracts						
Bought	-	56,895	56,895	-	52,368	52,368
Sold	-	62,316	62,316	-	77,689	77,689
Currency swap contracts						
Bought	10,686	2,077	12,763	7,850	1,849	9,699
Sold	682	11,688	12,370	846	7,895	8,741
Interest rate swap						
Bought	12,600	4,141	16,741	5,000	4,131	9,131
Sold	600	3,093	3,693	1,500	3,119	4,619
Unused overdraft limit	44,996	-	44,996	43,988	-	43,988
Others	39	2,104	2,143	-	5,434	5,434
Total	106,047	147,112	253,159	94,845	161,598	256,443

As at December 31, 2008 and 2007, the Bank has commitments for information technology in the amount of Baht 306 million and Baht 477 million, respectively.

4.21 Earnings (loss) per share

Earnings (loss) per share for the years ended December 31, 2008 and 2007, are calculated as follows:

	CONSOLIDATED FINANCIAL STATEMENTS					
	Net Income (loss)		Weighted Average Number of Common Shares		Earnings (loss) Per Share	
	Million Baht		Million Shares		Baht	
	2008	2007	2008	2007	2008	2007
Basic earnings (loss) per share net income (loss)	4,896	(3,992)	5,872	5,259	0.83	(0.76)
Effect of diluted equivalent ordinary shares warrant	-	-	-	327		
Diluted earnings (loss) per share	4,896	(3,992)	5,872	5,586	0.83	(0.71)

	SEPARATE FINANCIAL STATEMENTS					
	Net Income (loss)		Weighted Average Number of Common Shares		Earnings (loss) Per Share	
	Million Baht		Million Shares		Baht	
	2008	2007	2008	2007	2008	2007
Basic earnings (loss) per share net income (loss)	2,929	(3,518)	5,872	5,259	0.50	(0.67)
Effect of diluted equivalent ordinary shares warrant	-	-	-	327		
Diluted earnings (loss) per share	2,929	(3,518)	5,872	5,586	0.50	(0.63)

4.22 Long-term Leases

As at December 31, 2008

Unit : Million Baht

TYPE OF LEASE	PERIOD	TOTAL RENTAL EXPENSES	
		CONSOLIDATED FINANCIAL STATEMENTS	SEPARATE FINANCIAL STATEMENTS
Land and/or premises	Jan. 1, 2009 - Dec. 31, 2009	221	164
	Jan. 1, 2010 - Dec. 31, 2010	150	116
	Jan. 1, 2011 - Dec. 31, 2011	68	65
	Jan. 1, 2012 - Dec. 31, 2012	20	19
	Jan. 1, 2013 - Dec. 31, 2013	17	17
	Jan. 1, 2014 - Dec. 31, 2014	13	13
	Jan. 1, 2015 - Aug. 31, 2035	180	180
		669	574

As at December 31, 2007

Unit : Million Baht

TYPE OF LEASE	PERIOD	TOTAL RENTAL EXPENSES	
		CONSOLIDATED FINANCIAL STATEMENTS	SEPARATE FINANCIAL STATEMENTS
Land and/or premises	Jan. 1, 2008 - Dec. 31, 2008	183	152
	Jan. 1, 2009 - Dec. 31, 2009	108	83
	Jan. 1, 2010 - Dec. 31, 2010	39	30
	Jan. 1, 2011 - Dec. 31, 2011	18	16
	Jan. 1, 2012 - Dec. 31, 2012	16	16
	Jan. 1, 2013 - Dec. 31, 2013	16	16
	Jan. 1, 2014 - Aug. 31, 2035	174	174
		554	487

4.23 Related Party Transactions

The Bank has business transactions with subsidiaries, associated and related companies. These transactions are with companies that have shareholding and/or major shareholders and/or joint directors with the Bank. Such related transactions are priced on an arms-length basis in the normal course of business for the Bank in common with the same conditions as other customers, including the allowance for doubtful accounts policy. The Bank has complied with the same BOT regulations as those granted to other debtors.

4.23.1 Loans, commitments and deposits with certain officers from the levels of departmental chief upward and the companies in which they and/or the Bank directors and/or their related parties and/or the Bank owned 10% or more of each company's paid-up capital are as follows:

Unit : Million Baht

	SEPARATE FINANCIAL STATEMENTS	
As at December 31,	2008	2007
Loans	121,021	48,738
Allowance for doubtful accounts	1,210	796
Commitments	456	1,314
Deposits	3,062	1,505

Certain information related to the aforementioned loans and commitments as at December 31, 2008 and 2007, are as follows:

December 31, 2008

	Total Amount (Million Baht)	Maturity Date	Outstanding Balance Secured (Million Baht)	Outstanding Balance Unsecured (Million Baht)
Loans	121,021	Jan. 5, 2009 to Jun. 30, 2034	47	121,430
Commitments	456	Oct. 31, 2008 to Apr. 4, 2010		

As at December 31, 2008, the Bank charges interest rates at 1.63% - 8.50% on loans to these related parties.

December 31, 2007

	Total Amount (Million Baht)	Maturity Date	Outstanding Balance Secured (Million Baht)	Outstanding Balance Unsecured (Million Baht)
Loans	48,738	Jul. 6, 2007 to Sep. 30, 2034	443	49,609
Commitments	1,314	Dec. 14, 2007 to Apr. 4, 2010		

As at December 31, 2007, the Bank charged interest rates at 2.00% - 15.00% on loans to these related parties.

4.23.2 In addition to Note 4.23.1 the Bank has loans, commitments and deposits to the companies which are related to the directors and/or major shareholders of the Bank as identified by having the same executive officers as the Bank and/or the companies in which the directors and/or shareholders of the Bank having significant voting right both direct and indirect.

Unit : Million Baht

	SEPARATE FINANCIAL STATEMENTS	
As at December 31,	2008	2007
Loans	8,202	1,460
Allowance for doubtful accounts	80	13
Commitments	342	468
Deposits	7,489	5,474

Certain information related to the aforementioned loans and commitments are as follows:

December 31, 2008

	Total Amount (Million Baht)	Maturity Date	Outstanding Balance Secured (Million Baht)	Outstanding Balance Unsecured (Million Baht)
Loans	8,202	Jan. 16, 2009 to Jun. 18, 2013	216	8,328
Commitments	342	Jun. 30, 2008 to May. 22, 2017		

December 31, 2007

	Total Amount (Million Baht)	Maturity Date	Outstanding Balance Secured (Million Baht)	Outstanding Balance Unsecured (Million Baht)
Loans	1,460	Jan. 4, 2008 to Oct. 31, 2012	234	1,694
Commitments	468	Nov. 23, 2007 to May. 22, 2017		

Interest rates on loans as at December 31, 2008 and 2007, are equal to 4.46% - 6.00% and 4.00% - 7.13%, respectively.

4.23.3 The Bank has investments in and loans to subsidiaries, associated and related companies as follows :

1. Investment in subsidiaries, associated and related companies

Consolidated financial statements

December 31, 2008

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	Business Type	Registered Share Capital	Ownership (%)	Investment Cost	Investment Book value	Dividend Amount
Associated company						
Krungsriayudhya Card Company Limited	Credit card	1,100	49.99	550	777	-
Investment in associated company, net				550	777	-
Related companies (10%-20% holding)						
Ayudhya Insurance Public Company Limited	Insurance	250	10.92	419	-	38
Asian Trade and Leasing Company Limited	Service	150	10.00	-0-	-	-
Primavest Asset Management Company Limited	Fund management	250	10.00	11	-	-
P.P. Parawood Company Limited	Manufacturing	95	10.00	8	-	-
Investments in related companies, net				438	-	38

December 31, 2007

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	Business Type	Registered Share Capital	Ownership (%)	Investment Cost	Investment Book value	Dividend Amount
Associated company						
Krungsriayudhya Card Company Limited	Credit card	1,100	49.99	550	785	-
Investment in associated company, net				550	785	-
Related companies (10%-20% holding)						
Ayudhya Insurance Public Company Limited	Insurance	250	10.92	419	-	38
Asian Trade and Leasing Company Limited	Service	150	10.00	-0-	-	-
Primavest Asset Management Company Limited	Fund management	250	10.00	11	-	-
P.P. Parawood Company Limited	Manufacturing	95	10.00	9	-	-
Investments in related companies, net				439	-	38

Separate financial statements

December 31, 2008

Unit : Million Baht

	SEPARATE FINANCIAL STATEMENTS				
	Business Type	Registered Share Capital	Ownership (%)	Investment Cost	Dividend Amount
Subsidiaries					
Siam Realty and Services Company Limited	Car rent and personnel services	100	99.99	100	-
Ayudhya Development Leasing Company Limited	Leasing	705	99.99	929	35
Ayudhya Auto Lease Public Company Limited	Auto leasing	2,850	99.55	2,742	-
K.S.Law Office Company Limited	Legal advisory services	32	99.99	32	-
Ayudhya Fund Management Company Limited	Fund management	350	99.99	267	-
Ayudhya Asset Management Company Limited	Assets management	6,000	99.99	6,000	-
Ayudhya Securities Public Company Limited	Securities	600	86.33	637	-
Ayudhya Capital Lease Company Limited	Auto leasing	3,000	99.99	3,000	-
Ayudhya Factoring Company Limited	Factoring	100	99.99	100	-
Ayudhya Hire Purchase Company Limited	Hire-purchase of used cars	500	99.99	500	203
Ayudhya Capital Auto Lease Public Company Limited (Formerly GE Capital Auto Lease Public Company Limited)	Hire-purchase and auto leasing	1,045	99.99	16,281	314
Associated company					
Krungsriayudhya Card Company Limited	Credit card	1,100	49.99	550	-
Less Allowance for impairment				(2,998)	-
Investments in subsidiaries and associated company, net				28,140	552
Related companies (10%-20% holding)					
Ayudhya Insurance Public Company Limited	Insurance	250	10.92	419	38
Asian Trade and Leasing Company Limited	Service	150	10.00	-0-	-
Primavest Asset Management Company Limited	Fund management	250	10.00	11	-
P.P. Parawood Company Limited	Manufacturing	95	10.00	8	-
Investments in related companies, net				438	38

December 31, 2007

Unit : Million Baht

	SEPARATE FINANCIAL STATEMENTS				
	Business Type	Registered Share Capital	Ownership (%)	Investment Cost	Dividend Amount
Subsidiaries					
Siam Realty and Services Company Limited	Car rent and personnel services	100	99.99	100	-
Ayudhya Development Leasing Company Limited	Leasing	705	90.00	796	31
Ayudhya Auto Lease Public Company Limited	Auto leasing	2,850	99.55	2,742	-
K.S.Law Office Company Limited	Legal advisory services	32	99.99	32	-
Ayudhya Fund Management Company Limited	Fund management	350	99.99	267	-
Ayudhya Asset Management Company Limited	Assets management	6,000	99.99	6,000	-
Ayudhya Securities Public Company Limited	Securities	600	86.33	637	-
Ayudhya Capital Lease Company Limited	Auto leasing	3,000	99.99	3,000	-
Ayudhya Factoring Company Limited	Factoring	100	99.99	100	-
Associated company					
Krungsriayudhya Card Company Limited	Credit card	1,100	49.99	550	-
Less Allowance for impairment				(2,998)	-
Investments in subsidiaries and associated company, net				11,226	31
Related companies (10%-20% holding)					
Ayudhya Insurance Public Company Limited	Insurance	250	10.92	419	38
Asian Trade and Leasing Company Limited	Service	150	10.00	-0-	-
Primavest Asset Management Company Limited	Fund management	250	10.00	11	-
P.P. Parawood Company Limited	Manufacturing	95	10.00	9	-
Investments in related companies, net				439	38

2. Loans to the subsidiaries, associated and related companies and allowance for doubtful accounts.

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2008	2007	2008	2007
Subsidiaries				
Siam Realty and Services Company Limited	-	-	175	200
Ayudhya Development Leasing Company Limited	-	-	3,071	1,211
Ayudhya Auto Lease Public Company Limited	-	-	3,144	7,170
Ayudhya Fund Management Company Limited	-	-	50	25
Ayudhya Asset Management Company Limited	-	-	15,918	19,053
Ayudhya Capital Lease Company Limited	-	-	-	17,300
Ayudhya Factoring Company Limited	-	-	899	195
Ayudhya Hire Purchase Company Limited	-	-	-	-
Ayudhya Capital Auto Lease Public Company Limited (formerly GE Capital Auto Lease Public Company Limited)	-	-	86,717	-
Total	-	-	109,974	45,154
Less Allowance for doubtful accounts	-	-	(1,100)	(452)
Total	-	-	108,874	44,702
Associated company				
Krungsriayudhya Card Company Limited	11,000	3,000	11,000	3,000
Less Allowance for doubtful accounts	(110)	(30)	(110)	(30)
Total	10,890	2,970	10,890	2,970
Related company (10% - 20% holding)				
P.P. Parawood Company Limited	-	547	-	547
Less Allowance for doubtful accounts	-	(315)	-	(315)
Total	-	232	-	232
Related companies having joint major shareholders or directors				
Conwood Company Limited	212	271	212	271
Siam City Concrete Company Limited	-	1	-	-
Siam City Cement Public Company Limited	2,400	1,000	2,400	1,000
Tesco Card Services Company Limited	1,000	-	1,000	-
General Card Services Company Limited	773	-	773	-
GE Capital (Thailand) Company Limited	3,283	-	3,283	-
Super Asset Company Limited	-	159	-	159
CKS Holding Company Limited	10	30	10	30
BAC International Bank Inc.	524	-	524	-
Total	8,202	1,461	8,202	1,460
Less Allowance for doubtful accounts	(80)	(13)	(80)	(13)
Total	8,122	1,448	8,122	1,447

The aforementioned loans carry interest at substantially the same rates and are subject to substantially the same conditions as those granted to the other customers.

As at December 31, 2008, the Bank loaned to Ayudhya Asset Management Company Limited for 10-year term loan and 5-year term loan of Baht 15,082 million and Baht 806 million, respectively. The interest rates are minimum of fixed deposit interest rate (3-month) but not over 4% per annum and savings deposit interest rate for juristic person plus 1% per annum, respectively.

As at December 31, 2007, the Bank loaned to Ayudhya Asset Management Company Limited for 10-year term loan and 5-year term loan of Baht 16,953 million and Baht 2,075 million, respectively. The interest rates were minimum of fixed deposit interest rate (3-month) but not over 4% per annum and savings deposit interest rate for juristic person plus 1% per annum, respectively.

In addition, for the years ended December 31, 2008 and 2007, the Bank extended loans to Ayudhya Asset Management Company Limited of Baht 30 million and Baht 25 million, respectively. The interest rate is minimum of fixed deposit interest rate (3-month) but not over 4% per annum and savings deposit interest rate for juristic person plus 1% per annum, respectively.

4.23.4 Account balances and transactions between the Bank and its subsidiaries, associates and related companies as at December 31, 2008 and 2007, in the balance sheets and for the years ended December 31, 2008 and 2007, in the statements of income are as follows:

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2008	2007	2008	2007
Balance Sheets				
Subsidiaries				
Cash advance	-	-	17	90
Other assets	-	-	137	84
Deposit	-	-	3,393	779
Interbank and money market items (liabilities)	-	-	222	79
Other liabilities	-	-	586	548
Contingencies	-	-	456	1,314
Associated companies				
Other assets	79	54	79	54
Deposit	273	468	273	468
Related companies				
Other liabilities	23	300	-	-

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2008	2007	2008	2007
Statements of Income				
Subsidiaries				
Interest and dividend income	-	-	3,524	1,428
Interest expenses	-	-	25	7
Non-interest income	-	-	84	78
Non-interest expenses	-	-	575	665
Associated company				
Interest and dividend income	282	209	282	209
Interest expenses	2	2	2	2
Non-interest income	73	52	73	52

Significant transactions between the Bank, subsidiaries, associated and related companies are determined using the borrowing cost as in the normal business practice and same conditions as other customers.

4.23.5 For the year ended December 31, 2008, the Bank entered into an Asset Transfer Agreement with Ayudhya Asset Management Company Limited, a subsidiary, in order to transfer sub-quality assets including collateral rights of which its net book value at the date of transfer was Baht 41 million. The Bank has already collected such amount in full.

For the years ended December 31, 2008 and 2007, the Bank entered into an agreement to sell the sub-quality assets and the right obligations to Ayudhya Asset Management Company Limited, a subsidiary, by selling immovable properties foreclosed having the book value of Baht 33 million and Baht 21 million, respectively. The Bank has already collected such amount in full.

The Bank sold these sub-quality assets to its subsidiary without any obligation to refund or buy back or transfer back.

4.23.6 For the year ended December 31, 2008, the Bank purchased properties previously used as bank branches from Ayudhya Asset Management Company Limited, a subsidiary, in the amount of Baht 226 million to be used as branch offices and asset centers.

4.23.7 On December 26, 2007, approval to purchase Ayudhya Capital Auto Lease Public Company Limited (formerly GE Capital Auto Lease Public Company Limited) from General Electric Capital Asia Investments, Inc. ("GECAI") was granted by the BOT and the Bank executed the Share Sale Agreement with GECAI in the amount of Baht 16,180 million on January 31, 2008, with the transaction completed on February 14, 2008. As at the transaction completion date, Ayudhya Capital Auto Lease Public Company Limited transferred the rights of sales and leaseback receivables in the amount of Baht 7,869 million to Ayudhya Hire Purchase Company Limited.

4.23.8 On September 24, 2008, a meeting of Board of Directors of the Bank approved a resolution on the entire business transfer of two subsidiaries, carrying out the similar business, to Ayudhya Capital Auto Lease Public Company Limited, the Bank's subsidiary. The transferor subsidiaries were Ayudhya Capital Lease Company Limited operating the new car, inventory financing and leasing business and Ayudhya Hire Purchase Company Limited operating the refinancing business. The transaction was completed on December 4, 2008 with the purchase and sale agreement of the business and total assets of Baht 31,843 million and Baht 9,205 million, respectively. The Bank of Thailand approved the entire business transfer on November 5, 2008 and this transaction was executed on December 5, 2008.

4.23.9 On September 18, 2007, a meeting of Board of directors of Ayudhya Derivatives Company Limited, Ayudhya Securities Public Company Limited's subsidiary, was approved to transfer the derivatives business to Ayudhya Securities Public Company Limited. The business transfer was also approved by the resolution of the Board of Directors' meeting of the Ayudhya Securities Public Company Limited on September 20, 2007. Such business transfer was subject to the membership transfer regulation to be established by Thailand Future Exchange Public Company Limited and Thailand Clearing House Company Limited and the approval of the Securities and Exchange Commission. Subsequently, the business transfer was approved by a resolution passed by the Board of Directors' meeting of the Bank on May 28, 2008. The subsidiary was approved by the Securities and Exchange Commission to terminate the derivatives business operation to be effective when the subsidiary completes the business transfer.

On September 29, 2008, the extraordinary meeting of the subsidiary's shareholders approved the business transfer by selling assets, liabilities and transferring commitment related to derivatives business to Ayudhya Securities Public Company Limited. The selling price of fixed assets, intangible assets and others assets is Baht 5.9 million. The subsidiary had transferred this business on December 1, 2008. After the business transfer, the subsidiary will decrease its share capital and deregister in order to liquidate in accordance with the legal process.

4.23.10 For the years ended December 31, 2008 and 2007, the Bank made payments to the General Electric Company Group ("GE") as follows:

Unit : Million Baht

	2008	2007
Development fee for management and operations	414	316
Technology and software	8	-
Total	422	316

The price and conditions are in line with the agreements. The expenses have been recognized in the statements of income.

4.23.11 For the year ended December 31, 2008, subsidiaries have related party transactions from the licences relevant to technology and software for Baht 104 million and Baht 70 million, respectively.

4.24 Benefits given to the Directors and Executive Officers

The Bank has no special benefits given to the directors and executive officers beyond the general benefits made as usual, i.e. remuneration, transportation, salary and bonus (if any).

The Bank did not sell, give or lease any properties to the directors, executive officers, or the related parties. The Bank has no purchase or hiring from those persons including hiring contract compensation and other benefit.

4.25 Position and results of operations classified by domestic and foreign business.

(1) Position classified by type of business segment

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS			
	2008			
	Domestic	Foreign	Elimination	Total
Total assets	744,307	5,843	4,696	745,454
Interbank and money market items	83,642	1,212	–	84,854
Investments, net	57,229	–	–	57,229
Loans	555,860	1,217	–	557,077
Deposits	537,118	236	–	537,354
Interbank and money market items	20,003	–	–	20,003
Borrowings	76,614	5,243	–	81,857
Total commitments	252,444	260	–	252,704

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS			
	2007			
	Domestic	Foreign	Elimination	Total
Total assets	646,819	11,810	6,253	652,376
Interbank and money market items	33,352	208	–	33,560
Investments, net	50,695	4,255	–	54,950
Loans	449,803	552	–	450,355
Deposits	499,357	270	–	499,627
Interbank and money market items	14,768	1,505	–	16,273
Borrowings	34,352	5,067	–	39,419
Total commitments	254,950	228	–	255,178

Unit : Million Baht

	SEPARATE FINANCIAL STATEMENTS			
	2008			
	Domestic	Foreign	Elimination	Total
Total assets	741,429	5,843	4,696	742,576
Interbank and money market items	82,911	1,212	–	84,123
Investments, net	84,332	–	–	84,332
Loans	539,226	1,217	–	540,443
Deposits	540,511	236	–	540,747
Interbank and money market items	19,195	–	–	19,195
Borrowings	76,614	5,243	–	81,857
Total commitments	252,899	260	–	253,159

Unit : Million Baht

	SEPARATE FINANCIAL STATEMENTS			
	2007			
	Domestic	Foreign	Elimination	Total
Total assets	645,066	11,810	6,253	650,623
Interbank and money market items	33,024	208	-	33,232
Investments, net	60,855	4,255	-	65,110
Loans	444,411	552	-	444,963
Deposits	500,136	270	-	500,406
Interbank and money market items	13,147	1,505	-	14,652
Borrowings	34,059	5,067	-	39,126
Total commitments	256,215	228	-	256,443

(2) Results of operations classified by business segment

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS			
	2008			
	Domestic	Foreign	Elimination	Total
Interest and dividend income	40,907	256	-	41,163
Interest expenses	14,389	206	-	14,595
Net interest income	26,518	50	-	26,568
Non-interest income	10,739	(2,370)	2,199	6,170
Non-interest expenses	29,205	278	2,199	27,284
Income (loss) before tax	8,052	(2,598)	-	5,454

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS			
	2007			
	Domestic	Foreign	Elimination	Total
Interest and dividend income	34,707	357	-	35,064
Interest expenses	15,148	294	-	15,442
Net interest income	19,559	63	-	19,622
Non-interest income	21,326	367	14,146	7,547
Non-interest expenses	44,142	1,033	14,146	31,029
Loss before tax	(3,257)	(603)	-	(3,860)

Unit : Million Baht

	SEPARATE FINANCIAL STATEMENTS			
	2008			
	Domestic	Foreign	Elimination	Total
Interest and dividend income	33,692	256	-	33,948
Interest expenses	13,564	206	-	13,770
Net interest income	20,128	50	-	20,178
Non-interest income	8,848	(2,370)	2,199	4,279
Non-interest expenses	23,378	278	2,199	21,457
Income (loss) before tax	5,598	(2,598)	-	3,000

Unit : Million Baht

	SEPARATE FINANCIAL STATEMENTS			
	2007			
	Domestic	Foreign	Elimination	Total
Interest and dividend income	33,921	357	-	34,278
Interest expenses	15,029	294	-	15,323
Net interest income	18,892	63	-	18,955
Non-interest income	19,166	367	14,146	5,387
Non-interest expenses	40,964	1,033	14,146	27,851
Loss before tax	(2,906)	(603)	-	(3,509)

Income and expenses between the head office and branches or inter-branches are determined by the head office at the rate which approximates actual cost.

4.26 Provident and Pension Funds

The Bank has both a staff leaving gratuities plan where employees receive a pension and a provident fund for its employees who are required to make contributions. The pension shall be paid to employees leaving after having completed at least 10 years of continuous service determined on the basis of length of service and the amount of the last pay received. The staff leaving gratuities plan shall be effective for employees who have been in service before January 1, 1998 only. As of December 31, 2005, the Bank had the reserve for pension under staff leaving gratuities plan transferred in amount of Baht 1,850 million to the provident fund which has already been registered.

On January 1, 1998, the Bank established the provident fund for its employees to replace the staff leaving gratuities plan. Every employee is required to make contributions at the rate of not less than 3% of salary but not more than the Bank's contribution. The Bank will contribute 3% for employees whose service periods are less than 10 years, 7% and 10% for those employees whose service periods reach 10 years and 20 years, respectively. The Bank's contributions are recorded as an expense in the statements of income. The fund is managed by an authorized fund manager.

After the establishment of the provident fund, the amount to be paid to a departing employee shall first be disbursed from the provident fund. If the estimated contributions made by the Bank and interest thereon are less than the pension receivable under the staff leaving gratuities plan, the Bank shall make payment for the difference through disbursement from the pension fund.

4.27 Disclosure of Financial Instruments Information

The Bank is a party to financial instruments both on-balance sheet and off-balance sheet 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 interest rates and foreign exchange rates. For off-balance sheet 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 and foreign exchange risk in excess of the amount recognized in the financial statements. The contract or notional amounts of those instruments reflect the extent of the Bank's involvement in particular classes of financial instruments.

Off-balance sheet financial derivative transactions are performed in accordance with the policies and guidelines from the Board of Directors and approved by the related committees such as the assets and liabilities management committee or the investment committee. The reporting and operating processes are also provided for risk control.

Accounting policies

Details of significant accounting policies and methods adopted, including criteria of recognition, the basis of measurement and the basis on which revenues and expenses are recognized, in respect of each class of financial assets and financial liabilities are disclosed in Note 3.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Bank. The Bank has adopted the policy of dealing with counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial losses from defaults.

In the case of recognized financial assets, the carrying amount of the assets recorded in the balance sheet, net of a portion of allowance for doubtful accounts (see Note 4.6), represents the Bank's maximum exposure to credit risk.

The Bank considers that there is no significant concentration of credit risk due to a large number of customers and counterparties in different industries.

Credit risk also arises from the possibility that the counterparty to off-balance-sheet financial instrument will not adhere to the terms of the contract with the Bank when settlement becomes due.

The Bank's exposure to credit loss in the event of non-performance by the other party to the off-balance-sheet 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-balance sheet instruments. For interest rate swap and forward foreign exchange contracts, the contract or notional amounts do not represent exposure to credit loss. The Bank controls the credit risk of its financial instruments through prudent credit approvals, limits, and strict monitoring procedures.

As at December 31, 2008 and 2007, the Bank has credit equivalent of off-balance sheet financial instruments which remained open as follows :

Unit : Million Baht

	2008	2007
Spot and forward foreign bought exchange contracts	1,192	126
Spot and forward foreign sold exchange contracts	298	351

Interest rate risk

Interest rate risk in the balance sheet arises from the potential for a change in interest rates to have an adverse effect on the net interest earnings of the Bank in the current reporting period and in future years. Interest rate risk arises from the structure and characteristics of the Bank's assets, liabilities and equity, and in the mismatch in repricing rates of its assets and liabilities.

Foreign exchange rate risk

The Bank serves primarily as intermediary agent in foreign exchange transactions to its customers. For asset and liability management purposes, the Bank manages foreign exchange risk and interest rate risk by entering into forward foreign exchange contracts and currency and interest rate swap contracts.

The Bank enters into forward foreign exchange contracts as part of its risk management strategy primarily to manage the market risk arising from the Bank underlying assets and liabilities and to offset risk created by its customers. The utilization of forward foreign exchange contracts for these purposes is governed by policies and guidelines approved by the Board of Directors and controlling procedures set by the relevant Departments and Committees.

The Bank and its subsidiaries have summarized financial assets and liabilities classified on maturity of interest repricing periods as at December 31, 2008 and 2007, as follows :

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS						
	2008						
	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 and securities purchased under resale agreement	70,777	1,433	-	-	-	12,644	84,854
Investments, net	11,797	18,363	18,526	790	-	7,753	57,229
Loans	352,817	33,390	103,639	11,093	55,137	1,001	557,077
Financial liabilities							
Deposits	387,718	103,197	28,665	2	-	17,772	537,354
Interbank and money market items and securities sold under repurchase agreement	4,102	1,049	13,144	67	-	1,641	20,003
Borrowings	2,030	9,680	70,085	-	-	62	81,857

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS						
	2007						
	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 and securities purchased under resale agreement	102,470	-	-	-	-	7,090	109,560
Investments, net	9,870	12,384	23,325	506	-	8,865	54,950
Loans	293,197	15,495	24,380	46,441	70,633	209	450,355
Financial liabilities							
Deposits	358,140	101,487	25,515	2	-	14,483	499,627
Interbank and money market items and securities sold under repurchase agreement	9,243	276	4,351	67	-	2,336	16,273
Borrowings	9,059	18,610	11,688	38	-	24	39,419

Unit : Million Baht

	SEPARATE FINANCIAL STATEMENTS						
	2008						
	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 and securities purchased under resale agreement	70,462	1,433	-	-	-	12,228	84,123
Investments, net	11,797	18,362	18,526	790	-	34,857	84,332
Loans	372,528	28,422	66,078	35,189	38,226	-	540,443
Financial liabilities							
Deposits	390,709	103,197	28,665	2	-	18,174	540,747
Interbank and money market items and securities sold under repurchase agreement	3,957	576	12,936	67	-	1,659	19,195
Borrowings	2,030	9,680	70,085	-	-	62	81,857

Unit : Million Baht

	SEPARATE FINANCIAL STATEMENTS						
	2007						
	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 and securities purchased under resale agreement	102,323	-	-	-	-	6,909	109,232
Investments, net	9,845	12,344	23,325	506	-	19,090	65,110
Loans	316,749	16,030	13,131	45,375	53,678	-	444,963
Financial liabilities							
Deposits	358,854	101,487	25,515	2	-	14,548	500,406
Interbank and money market items and securities sold under repurchase agreement	8,623	276	3,340	67	-	2,346	14,652
Borrowings	9,060	18,317	11,687	38	-	24	39,126

Interest bearing financial instruments

The following table presents the Bank's average balance and interest amount for the years ended December 31, 2008 and 2007, as follows:

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	2008			2007		
	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	60,736	2,102	3.5	57,292	2,992	5.2
Securities purchased under resale agreement	9,408	296	3.1	34,168	1,250	3.7
Investments	57,946	2,016	3.5	66,370	2,885	4.3
Loans	503,966	34,478	6.8	434,747	27,141	6.2
Total	632,056	38,892		592,577	34,268	
Interest bearing financial liabilities						
Deposits	498,244	10,792	2.2	519,836	14,111	2.7
Interbank and money market items	53,221	899	1.7	10,997	357	3.2
Borrowings	61,901	2,904	4.7	22,169	974	4.4
Total	613,366	14,595		553,002	15,442	

Unit : Million Baht

	SEPARATE FINANCIAL STATEMENTS					
	2008			2007		
	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	60,210	2,082	3.5	56,639	2,987	5.3
Securities purchased under resale agreement	9,408	296	3.1	34,168	1,250	3.7
Investments	57,904	2,014	3.5	66,063	2,874	4.4
Loans	503,220	28,227	5.6	452,701	26,984	6.0
Total	630,742	32,619		609,571	34,095	
Interest bearing financial liabilities						
Deposits	501,639	10,812	2.2	520,614	14,117	2.7
Interbank and money market items	15,814	366	2.3	13,899	244	1.7
Borrowings	61,890	2,592	4.2	22,169	962	4.3
Total	579,343	13,770		556,682	15,323	

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, 2008 and 2007, as follows :

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS							
	2008							
	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 and securities purchased under resale agreement	12,893	70,452	535	905	-	-	69	84,854
Investments, net	-	7,774	18,363	22,458	881	-	7,753	57,229
Loans	1,649	106,455	60,833	161,005	171,998	55,137	-	557,077
Financial liabilities								
Deposits	179,191	226,299	103,197	28,665	2	-	-	537,354
Interbank and money market items and securities sold under repurchase agreement	4,036	1,762	1,111	13,027	67	-	-	20,003
Borrowings	-	2,030	6,984	72,841	2	-	-	81,857

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS							
	2007							
	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 and securities purchased under resale agreement	7,195	102,284	12	-	-	-	69	109,560
Investments, net	-	7,823	10,176	25,301	2,785	-	8,865	54,950
Loans	5,793	88,981	58,688	93,276	132,984	70,633	-	450,355
Financial liabilities								
Deposits	177,293	195,330	101,487	25,515	2	-	-	499,627
Interbank and money market items and securities sold under repurchase agreement	5,100	6,465	637	4,004	67	-	-	16,273
Borrowings	-	9,059	1,543	16,774	12,043	-	-	39,419

Unit : Million Baht

	SEPARATE FINANCIAL STATEMENTS							
	2008							
	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 and securities purchased under resale agreement	12,162	70,452	535	905	-	-	69	84,123
Investments, net	-	7,774	18,363	22,458	881	-	34,856	84,332
Loans	7,855	105,416	56,014	120,920	212,012	38,226	-	540,443
Financial liabilities								
Deposits	182,566	226,317	103,197	28,665	2	-	-	540,747
Interbank and money market items and securities sold under repurchase agreement	4,248	1,368	576	12,936	67	-	-	19,195
Borrowings	-	2,030	6,984	72,841	2	-	-	81,857

Unit : Million Baht

	SEPARATE FINANCIAL STATEMENTS							
	2007							
	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 and securities purchased under resale agreement	6,842	102,309	12	-	-	-	69	109,232
Investments, net	-	7,823	10,112	25,301	2,784	-	19,090	65,110
Loans	7,290	92,705	52,887	73,743	164,660	53,678	-	444,963
Financial liabilities								
Deposits	178,072	195,330	101,487	25,515	2	-	-	500,406
Interbank and money market items and securities sold under repurchase agreement	5,149	5,820	276	3,340	67	-	-	14,652
Borrowings	-	9,060	1,250	16,773	12,043	-	-	39,126

Estimated fair value of financial instruments

The fair value of financial instruments has been estimated by the Bank using available market information and appropriate valuation methodologies for each type of financial instrument. A summary of carrying amounts and fair values of financial instruments as at December 31, 2008 and 2007, is as follows:

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS			
	2008		2007	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets:				
Cash, interbank and money market items	105,274	105,274	52,759	52,759
Securities purchased under resale agreements	-	-	76,000	76,000
Current investments, net	27,151	27,151	22,683	22,683
Long-term investment, net	29,300	29,179	31,482	32,095
Loans and accrued interest receivable, net	526,453	526,416	417,208	417,217
Customers' liabilities under acceptances	665	665	1,647	1,647
Financial liabilities:				
Deposits	537,354	535,566	499,627	497,299
Interbank and money market items	20,003	20,168	16,273	16,016
Liabilities payable on demand	1,673	1,673	2,141	2,141
Borrowings	81,857	82,385	39,419	38,004
Bank's liabilities under acceptances	665	665	1,647	1,647
Accrued interest payable	2,229	2,229	2,655	2,655

Unit : Million Baht

	SEPARATE FINANCIAL STATEMENTS			
	2008		2007	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets:				
Cash, interbank and money market items	104,539	104,539	52,429	52,429
Securities purchased under resale agreements	-	-	76,000	76,000
Current investments, net	27,151	27,151	22,555	22,555
Long-term investment, net	29,041	28,904	31,329	31,885
Loans and accrued interest receivable, net	518,297	518,297	417,317	417,317
Customers' liabilities under acceptances	665	665	1,647	1,647
Financial liabilities:				
Deposits	540,747	538,959	500,406	498,078
Interbank and money market items	19,195	19,390	14,652	14,637
Liabilities payable on demand	1,673	1,673	2,141	2,141
Borrowings	81,857	82,385	39,126	37,722
Bank's liabilities under acceptances	665	665	1,647	1,647
Accrued interest payable	2,226	2,226	2,649	2,649

Off-balance sheet financial instruments

Unit : Million Baht

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS					
	2008					
	Notional < 1 Year	Market Value	Fair Value	Notional > 1 Year	Market Value	Fair Value
Spot and Forward Bought Foreign Exchange Contracts	53,907	54,745	838	-	-	-
Spot and Forward Sold Foreign Exchange Contracts	58,719	59,641	922	3	3	-

Unit : Million Baht

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS					
	2007					
	Notional < 1 Year	Market Value	Fair Value	Notional > 1 Year	Market Value	Fair Value
Spot and Forward Bought Foreign Exchange Contracts	46,896	46,656	(240)	10	10	-
Spot and Forward Sold Foreign Exchange Contracts	71,791	72,020	229	-	-	-

The Bank has estimated the fair value of the above instruments by estimating from notional amount less market value at the end of year.

Methods and assumptions in estimating fair value of financial instruments

The following methods and assumptions were used by the Bank in estimating fair value of financial instruments as disclosed herein:

Cash, interbank and money market items

The carrying amounts of cash and interbank and money market items presented in the balance sheet approximates fair value.

Securities purchased under resale agreements

The carrying value of securities purchased under resale agreements presented in the balance sheet approximates fair value.

Current investments, net

Fair value for current investments, net, is as disclosed in note 3.2 to the financial statements.

Long-term investments, net

The determination of fair value for long-term investments, net, is as disclosed in note 3.2 to the financial statements except for non-listed equity securities which are presented at net book value and listed equity securities acquired from troubled debt restructurings and having an obligation to hold such securities according to debt restructuring agreements which are presented at cost.

Loans and accrued interest receivables

The Bank's loans and accrued interest receivables include variable interest rate loans, fixed rate loans with relatively short maturities and non-performing loans. Most loans carry a floating interest rate. As at December 31, 2008 and 2007, the fair value is the outstanding balance of loans and accrued interest receivables less allowance for doubtful accounts per book.

Customers' liabilities under acceptances

The carrying amount of customers' liabilities under acceptances presented in the balance sheet approximates fair value.

Deposits

The carrying amount of deposits presented in the balance sheet at fair value, except for deposits with a term of more than 90 days where the fair value is calculated based on discounted cash flows.

Interbank and money market items (Liabilities)

The carrying amount of interbank and money market items (liabilities) presented in the balance sheet at fair value, except for floating rate certificates of deposit (FRCD) which are based on quoted market prices.

Liabilities payable on demand

The carrying amount of liabilities payable on demand presented in the balance sheet at fair value.

Borrowings

The carrying amount of borrowings presented in the balance sheet at fair value, except for subordinated and senior securities floating rate notes which are based on the actual market price.

Accrued interest payable

The carrying amount of accrued interest payable presented in the balance sheet at fair value due to its short term of maturity.

Derivative financial instruments

Derivative financial instruments mainly comprise forward foreign exchange contracts which derive their value from underlying interest rates and foreign exchange rates. The fair value of derivatives are determined using quoted market prices and exchange rate for instruments with similar characteristics and maturities.

4.28 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, the Bank subsidiary. The second portion of the profits will be allocated in full to the Bank and 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 portions will be given to TAMC. In case when losses are realized, this will be shared between TAMC, the Bank and the 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 portions will be absorbed by TAMC. The calculation of such profits and losses by TAMC is based on the fully repaid sub-quality assets or the process of assets transfer has been completed in case of transfer of assets for repayment purposes. As at December 31, 2008 and 2007, the provisions for possible losses were set up amounting to Baht 1,200 million, which were presented under other liabilities in the balance sheets.

4.29 Reclassifications

The reclassifications in the financial statements for the year ended December 31, 2007, have been made to comply with the classifications used in the financial statements for the year ended December 31, 2008 as follows:

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	Previous classifications	Current classifications	Previous classifications	Current classifications
BALANCE SHEETS				
AS AT DECEMBER 31, 2007				
ASSETS				
Interbank and money market items				
Domestic items				
Interest bearing	4,365	4,482	-	-
Current investments, net	22,800	22,658	-	-
Long-term investment, net	31,482	31,507	-	-
Loans	450,147	450,356	-	-
Intangible assets, net	-	2,630	-	1,201
Other assets	10,615	7,765	7,830	6,629
LIABILITIES				
Interbank and money market items				
Domestic items				
Interest bearing	15,358	11,768	13,727	10,137
Non-interest bearing	2,322	2,298	2,332	2,308
Foreign items				
Interest bearing	2,605	2,169	2,605	2,169
Borrowings				
Short-term borrowings	6,770	10,602	6,478	10,310
Long-term borrowings	28,599	28,816	28,599	28,816
Provision	-	612	-	612
Other liabilities	12,559	14,590	9,997	12,034
STATEMENT OF INCOME				
FOR THE YEAR ENDED DECEMBER 31, 2007				
Interest expenses				
Interbank and money market items	388	357	275	244
Short-term borrowings	74	104	62	92
Long-term borrowings	869	870	869	870

4.30 Event after the Balance Sheet Date

An Extraordinary Board of Directors' Meeting of the Bank dated February 5, 2009 approved the bank to purchase shares of AIG Retail Bank Public Company Limited (AIGRB), operating a retail banking business, and AIG Credit Card (Thailand) Company Limited (AIGCC), operating a credit card and personal loan business under the Bank of Thailand's supervision from AIG Consumer Finance ("AIG CFG") and subsidiaries, for the total value of consideration of Baht 2,055 million (valued as of September 30, 2008), subject to a Net Worth Adjustment, and authorized the Bank's management to purchase AIGRB's shares from other minority shareholders and to perform all necessary matters for the Bank to acquire 100% of total paid up shares of the two companies, of which 99.55% of AIGRB and 100% of AIGCC are owned by AIGCFG and affiliates, to be in compliance with relevant laws.

Expected completion of this transaction is within April 2009 subject to the approval from the Bank of Thailand and the Bank's shareholders.

4.31 Approval of Financial Statements

These financial statements were approved for issuance by the Bank's authorized directors and the Bank's Audit Committee on February 16, 2009.

Auditor’s Fee

1. Audit fees*

The Bank and its subsidiaries paid audit fees as the following:

- To the Bank and its subsidiaries’ auditors, 18,373,400 Baht,
- To auditing firms, individuals or businesses whom the Bank’s auditors employed, 2,025,315.26 Baht.

2. Non-audit fees

The Bank and its subsidiaries paid non-audit fees for agreed upon procedures, special audit, service in regards to the potential restructuring option of amalgamation, due diligence etc., to:

The Bank and its subsidiaries’ auditors

- In the past year, sum of 2,172,000 Baht, and in the future, no money will be paid for services previously agreed upon but not yet fully provided.

Auditing firms, individuals, or businesses whom the Bank’s auditors employed

- In the past year, sum of 2,989,873.31 Baht, and in the future, no money 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 perdiem 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 businesses as given by Commercial Banking Act, Securities Act, Securities and Exchange Commission's regulations, the Stock Exchange of Thailand, and related notices. The Bank's services are classified into 3 core categories:

1. Deposit service - The Bank accepts deposits from ordinary persons and business organizations which are divided into 4 types:
   - Current account
   - Savings account
   - Time deposit
   - Foreign currency deposit
2. Loan service - The Bank provides different loan services as follows.
   - Overdraft (O/D)
   - Loan including promissory notes and term loans to business customers
   - Housing loan and personal loan to retail customer
   - Loans in a foreign currency
   - Trade finance credit
   - Other loan services such as aval / acceptance, letter of guarantee/Bank guarantee, letter of credit and financial status certification issue, etc.
3. Other services
   - Banking service through e-channel
   - Domestic money transfer services
   - International money transfer services
   - International trade electronic banking service "Krungsri Trade Link"
   - Automatic account debit and credit (Auto payment), life insurance and non-life insurance
   - Investment banking service
   - Securities business service
   - Cash management service
   - Foreign currency purchase/sale in advance and financial tools for risk management, exchange rate and interest rate
   - Government bonds, treasury bills, and state enterprise bonds

Bank's securities

- ### Ordinary share

Registered capital	(as of 31 December 2008)	Amount:	70,893,927,550	Baht
	Number of shares: 7,089,392,755 shares	Par value:	10	Baht
Issued and paid-up capital	(as of 31 December 2008)	Amount:	60,741,437,470	Baht
	Number of shares: 6,074,143,747 shares	Par value:	10	Baht

- ### Warrant

Features of the warrant can be summarized as follows:

Type of securities	: Warrants in named certificate to purchase new ordinary shares of Bank of Ayudhya Public Company Limited
Allocation of warrant	: Offer to general investors who subscribe for the Bank's newly issued ordinary shares and existing shareholders for 0 Baht per unit
First issue (3 September 2003)	: 1,239,067,755 units
Term of warrant	: 5 years starting from the warrant issued date (3 September 2003 – 3 September 2008)
Exercise ratio	: One unit of warrant is entitled to buy one ordinary share at the price of 12 Baht per share
Exercise place	: Bank of Ayudhya Public Company Limited Head Office and all branches
Exercise period	: Last working day of March, June, September, and December of every year
First exercise date	: 31 March 2004
Expiration date	: 3 September 2008
Exercised warrants	: 1,223,818,747 units (as of 3 September 2008)
Expired warrants	: 15,249,008 units (delisted from the Stock Exchange since 4 September 2008)

- ### Issuance and offering of shares or other convertible securities

1) Issuance and offering shares and convertible securities to Thai Trust Fund

   -None-

2) Issuance of NVDR

As of 30 December 2008, Thai NVDR Company Limited has issued a total of 826.23 million shares or 13.60% of the Bank's total ordinary shares as NVDRs (Non-Voting Depository Receipts). Despite the fact that NVDR holders will entirely benefit from the Bank's shares, they have no right to vote in shareholders' meetings. The right belongs to Thai NVDR Company Limited with no effect to the shareholding proportion and Thai NVDR Company Limited will not exercise its right to vote in shareholders' meetings unless the vote is on delisting from the Stock Exchange. Therefore, if the Bank's shares are used to issue NVDRs in a great number, it will affect the number of voting shares in the shareholders' meeting due to the number of voting shares decreasing. Consequently, it will cause the proportion of voting rights of other shareholders to increase.

- Binding obligations for future share issuance

The Bank is obliged to issue 3,000 million new ordinary shares with 10 Baht par value following the resolution of the 92nd Annual General Meeting dated 27 April 2004 as follows:

1) Allocation of 2,000 million new ordinary shares to offer to specific investors or institutional investors or in private placement in accordance with related announcements of Securities and Exchange Commission.

In addition, the Extraordinary General Meeting No. 1/2549 dated on 20 September 2006 permitted the Bank to offer 2,000 million newly issued ordinary shares to GE Capital International Holdings Corporation (GECIH).The Bank hereby reports that as of 18 September 2007 GECIH holds 2,000 million shares of the Bank, representing 34.92% of total issued shares of the Bank.

2) Allocation of 1,000 million newly issued ordinary shares for a right offering. Existing shareholders may reserve the right to buy shares in excess of their existing rights. As of the end of 2008, the Bank had not made any allocation in this regard.

- Debentures

Date of issuance	Type	Amount (million Baht)	Maturity	Interest rate	Maturity date
Nov 2003	Subordinated debenture	12,000.00	10 years	Year 1-5 = 4.00% per annum Year 6-10 = 4.75% per annum	5 Nov 2013
Oct 2007	Debenture No. 1/ 2007				
	• Tranche 1 (BAY10OA)	8,206.30	3 years	4.25% per annum	26 Oct 2010
	• Tranche 2 (BAY11OA)	5,788.20	4 years	4.50% per annum	26 Oct 2011
Mar 2008	Debenture No. 1/ 2008				
	• Tranche 1 (BAY103A)	10,500.00	2 years	3.85% per annum	18 Mar 2010
	• Tranche 2 (BAY113A)	5,500.00	3 years	4.00% per annum	18 Mar 2011
	• Tranche 3 (BAY123A)	4,000.00	4 years	4.25% per annum	18 Mar 2012
Jun 2008	Debenture No. 2/ 2008				
	• Tranche 1 (BAY106A)	16,844.60	2 years	4.25% per annum	5 Jun 2010
	• Tranche 2 (BAY116A)	5,049.00	3 years	4.50% per annum	5 Jun 2011
Dec 2008	Debenture No. 3/2008 (BAY11DA)	11,745.00	3 years	5.10% per annum	2 Dec 2011
Nov 2006	Floating Rate Notes	USD 150 million	3 years	LIBOR (6 month) +0.24% per annum	14 Nov 2009

Dividend Payout Policy

The Bank's Dividend Payout Policy

The policy of the Bank is to pay dividends to its shareholders in the range of 30-60% of the Bank's net profit as determined by the Bank's Board of Directors.This policy is in compliance with Article 41 of the Bank's Articles of Association that states: "Dividends shall not be paid from sources other than profit. The company shall allocate as reserves a portion of net annual profit not less than the proportion specified by the Laws. The profits remaining thereafter may be allocated as reserves of various kinds, as the Board of Directors may deem proper, after approval from the shareholders' meeting.

The Board of Directors may from time to time pay to the shareholders such interim dividends, if the directors believe that the profits of the Company justify such payment. The payment of interim dividends shall be reported to the shareholders at the next general meeting of shareholders.

The payment of dividends shall be made within the period prescribed by the Laws, starting from the date that a resolution is passed by the general meeting of shareholders or the Board of Directors, as the case may be. A written notice shall also be sent to shareholders and a publication of the notice of such payment of dividends shall be made in a newspaper."

The Bank's Subsidiaries' Dividend Payout Policy

All dividend payments by the Bank's subsidiaries must be approved by a resolution of a shareholders meeting. In each case, the company must allocate not less than one-twentieth of net 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, facsimile of referral parties

Registrar • Ordinary shares • Warrants	:	Thailand Securities Depository Company Limited The Stock Exchange of Thailand Building 62 Rachadapisek Road, Klongtoey, Bangkok 10110 Telephone 0-2229-2800 Facsimile 0-2359-1259
• Subordinated debenture No. 5 • Long-term debenture No. 1/2007 (2 tranches) • Long-term debenture No. 1/2008 (3 tranches) • Long-term debenture No. 2/2008 (2 tranches) • Long-term debenture No. 3/2008 • Floating Rate Notes (FRN)	:	Bank of Ayudhya Public Company Limited 1222 Rama III Road, Bang Phongphang Yan Nawa, Bangkok 10120 Telephone 0-2296-4442 Facsimile 0-2683-1460
Auditors	:	Dr. Suphamit Tachamontrikul Certified Public Accountant Registered No. 3356 Mr. Niti Cheungnitnirun Certified Public Accountant Registered No. 3809 Mrs. Natchalee Boonyakarnkul Certified Public Accountant Registered No. 3126 Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. Rajanakarn Building, Floor 25 183 South Sathorn Road, Yan Nawa, Sathorn, Bangkok 10120 Telephone 0-2676-5700 Facsimile 0-2676-5757
Legal Advisors	:	Mr. Sa-win Akkharayut Mr. Kanok Indrambarya Bank of Ayudhya Public Company Limited 1222 Rama III Road, Bang Phongphang Yan Nawa, Bangkok 10120 Telephone 0-2296-3871-2 Facsimile 0-2683-1466

Group of Companies

• Subsidiaries and Associated Companies

1. Ayudhya Asset Management Company Limited (AAMC)
Bank of Ayudhya Public Company Limited, Floor 11,
1222 Rama III Road, Bang Phongphang, Yan Nawa, Bangkok 10120
Telephone 0-2296-4129 Facsimile 0-2683-1400

2. Siam Realty and Services Company Limited (SRS)
Bank of Ayudhya Public Company Limited Ploenchit Office, Floor 5,
550 Ploenchit Road, Lumpini, Patumwan, Bangkok 10330
Telephone 0-2208-2465-9 Facsimile 0-2253-8609

3. K.S. Law Office Company Limited
Bank of Ayudhya Public Company Limited Ploenchit Office, Floor 3-6,
550 Ploenchit Road, Lumpini, Patumwan, Bangkok 10330
Telephone 0-2208-2608 Facsimile 0-2251-6581

4. Ayudhya Capital Lease Company Limited (AYCL)
Ploenchit Tower Building, Floor 16, 898 Ploenchit Road, Lumpini, Patumwan, Bangkok 10330
Telephone 0-2673-3777 Facsimile 0-2673-3773

5. Ayudhya Hire Purchase Company Limited
Bank of Ayudhya Public Company Limited Ploenchit Office, Floor 4,
550 Ploenchit Road, Lumpini, Patumwan, Bangkok 10330
Telephone 0-2627-6010

6. Ayudhya Capital Auto Lease Public Company Limited
87/1 Capital Tower, Floor 3 and 87/2 C R C Tower, Floor 30 All Seasons Place,
Wireless Road, Lumpini, Patumwan, Bangkok 10330
Telephone 0-2627-6010, 0-2627-6060

7. Ayudhya Fund Management Company Limited (AYF)
Ploenchit Tower Building, Floor 12, 898 Ploenchit Road, Lumpini, Patumwan, Bangkok 10330
Telephone 0-2657-5757 Facsimile 0-2657-5777

8. Ayudhya Factoring Company Limited (AYFT)
Bank of Ayudhya Public Company Limited Ploenchit Office, Floor 3,
550 Ploenchit Road, Lumpini, Patumwan, Bangkok 10330
Telephone 0-2208-2888 Facsimile 0-2208-2858

9. Ayudhya Development Leasing Company Limited (ADLC)
Chamnan-Phenjati Business Center, Floor 22, 65/182-185 Rama IX Road, Huay Kwang, Bangkok 10320
Telephone 0-2643-1980 Facsimile 0-2643-1059-60

10. Ayudhya Auto Lease Public Company Limted (AYAL)
Ploenchit Tower Building, Floor 3, 898 Ploenchit Road, Lumpini, Patumwan, Bangkok 10330
Telephone 0-2209-8333 Facsimile 0-2209-8388

11. Ayudhya Securities Public Company Limited (AYS)
The Offices at Central World, Floor 12, 999/9 Rama I Road, Patumwan, Bangkok 10330
Telephone 0-2659-7000 Facsimile 0-2646-1100

12. Krungsriayudhya Card Company Limited (KCC)
Capital Tower, All Seasons Place, Floor 1-6, 8-11,
87/1 Wireless Road, Lumpini, Patumwan, Bangkok 10330
Telephone 0-2646-3000 Facsimile 0-2646-3001

• Related Companies

1. The Ayudhya Insurance Public Company Limited
Ploenchit Tower, Floor 7, 898 Ploenchit Road, Lumpini, Patumwan, Bangkok 10330
Telephone 0-2263-0335 Facsimile 0-2263-0589

2. P.P. Parawood Company Limited
111/1 Moo 1 Tambonbanchang, Phanatnikom, Chonburi 20140
Telephone (038) 464-268-80 Facsimile (038) 464-261-2

3. PrimaVest Asset Management Company Limited
Tonson Tower, Floor 5, 900 Ploenchit Road, Lumpini, Patumwan, Bangkok 10330
Telephone 0-2257-0555 Facsimile 0-2257-0360

4. Asian Trade and Leasing Company Limited
Golden Land Building, Floor 5,
153/3 Soi Mahadlekluang 1, Rachadumri, Lumpini, Patumwan, Bangkok 10330
Telephone 0-2652-1199 Facsimile 0-2652-1577-8

• Companies whose shares acquired from debt restructuring

1. Siam Bangkok Port Limited
51/1 Moo 3 Poochao Samingphrai Road, Bang Ya Phraek, Phra Pradaeng, Samutprakan 10130
Telephone 0-2384-2876

2. Lenso Phonecard Company Limited
292 Srinakarin Road, Huamark, Bangkapi, Bangkok 10240
Telephone 0-2351-8116 Facsimile 0-2351-8009

3. Wongpaitoon Group Public Company Limited
70/19 Moo 6 Ekkachai Road, Bang Bon, Bangkok 10150
Telephone 0-2416-4647-9, 0-2415-8680 Facsimile 0-2416-1850

4. Wongpaitoon Planner Company Limited *
70/19 Moo 6 Ekkachai Road, Bang Bon, Bangkok 10150
Telephone 0-2416-4642 Facsimile 0-2416-1850

5. UMC Metals Limited
Sino-Thai Tower, Floor 15, 32/37 Sukhumvit 21 Road, North Klongteoy, Wattana, Bangkok 10110
Telephone 0-2259-2942-5 Facsimile 0-2259-2946

Remark : * Shares acquired from conditions of purchase of claims

Senior Executive Officers

As at 1 March 2009

Name			Position	Function
1.	Mr.	Tan Kong Khoon	President and Chief Executive Officer	
2.	Mr.	Pongpinit Tejagupta	Head of Distribution	Distribution Group
3.	Mr.	Virojn Srethapramotaya	Head of Corporate Banking	Corporate Banking Group
4.	Mr.	Chalermpol Vuttisombut	Head of Audit	Audit Group
5.	Mr.	Tinnawat Mahatharadol	Head of Treasury	Treasury Group
6.	Mr.	Poomchai Wacharapong	Head of SME Banking	SME Banking Group
7.	Mrs.	Janice Rae Van Ekeren	Chief Financial Officer	Finance Group
8.	Miss	Phawana Niemloy	General Counsel	Legal and Compliance Group
9.	Mr.	Roy Agustinus Gunara	Head of Consumer Banking	Consumer Banking Group
10.	Mr.	Chandrashekar Subramanian Krishoolndmangalam	Chief Risk Officer	Risk Management Group
11.	Mr.	Sudargo Harsono	Chief Marketing Officer	Corporate Marketing Group
12.	Mrs.	Wanna Thamsirisup	Head of Operations	Operations Group
13.	Miss	Nopporn Tirawattanagool	Head of Human Resources	Human Resources Group
14.	Dr.	Yaowalak Poolthong	Head of Corporate Communications & Investor Relations	Corporate Communications & Investor Relations Group
15.	Mr.	Somrit Srithongdee	Head of Special Project Human Resources	Office of the Chief Executive Officer
16.	Mr.	Apirom Noi-Am	Head of Information Technology	Information Technology Group
17.	Mrs.	Arpavadee Meekun-Iam	First Executive Vice President	Treasury Group
18.	Mr.	Nuttawit Boonyawat	First Executive Vice President	Risk Management Group
19.	Mr.	Sansrit Yenbamrung	First Executive Vice President	Risk Management Group
20.	Mrs.	Preeprame Seriwongse	First Executive Vice President	Operations Group
21.	Mr.	Sirichai Leelakitkul	Executive Vice President	Corporate Banking Group
22.	Mr.	Kheeseng Anansiriprapha	Executive Vice President	Corporate Banking Group
23.	Mr.	Kriengkrai Viriyaatthakit	Executive Vice President	SME Banking Group
24.	Mr.	Pisuthi Amyongka	Executive Vice President	SME Banking Group
25.	Mr.	Nanthasit Leksrisakul	Executive Vice President	Consumer Banking Group
26.	Mr.	Tak Bunnag	Executive Vice President	Treasury Group
27.	Dr.	Kamol Boondiskulchok*	Executive Vice President	Risk Management Group
28.	Miss	Maleewan Phongsathorn	Executive Vice President	Risk Management Group
29.	Miss	Montira Arayangkoon	Executive Vice President	Risk Management Group
30.	Mr.	Kaitisak Lohitanon	Executive Vice President	Distribution Group
31.	Miss	Duangdao Wongpanitkrit	Executive Vice President	Finance Group
32.	Mr.	Sindre Ulvund	Executive Vice President	Finance Group
33.	Mr.	John Howard Harker	Executive Vice President	Finance Group
34.	Mr.	Tanyapong Thamavaranukupt	Executive Vice President	Corporate Marketing Group
35.	Miss	Salisa Hanpanich	Executive Vice President	Corporate Marketing Group
36.	Mrs.	Krongthip Suthasoonthorn	Executive Vice President	Operations Group
37.	Mrs.	Siriporn Ambhanwong	Executive Vice President	Operations Group
38.	Mr.	Saengchart Wanichwatphibun	Executive Vice President	Legal and Compliance Group
39.	Mr.	Thodsaporn Rattanamastip	Executive Vice President	Legal and Compliance Group

* Retired on 31 December 2008

Bank of Ayudhya Public Company Limited

Head Office

1222 Rama III Road, Bang Phongphang,
Yan Nawa, Bangkok 10120
Telephone: 0-2296-2000
Fascimile: 0-2683-1304
KRUNGSRI Call Center: 1572
Website: www.krungsri.com

Branch and Financial Services Center

Number of branches in Thailand	579	branches
Greater Bangkok and vicinity	277	branches
Upcountry	302	branches
Number of branches outside Thailand	3	branches
Foreign Currency Exchange Booth	72	booths
Greater Bangkok and vicinity	13	booths
Upcountry	59	booths
International Business Center	21	centers
Greater Bangkok and vicinity	12	booths
Upcountry	9	booths
Exclusive Banking Center	2	centers
Greater Bangkok and vicinity	1	booth
Upcountry	1	booth
Exclusive Banking Zone	12	centers
Greater Bangkok and vicinity	11	booths
Upcountry	1	booth

Domestic Branches

BANGKOK

No.	Branch	Telephone	
1	ALL SEASONS PLACE	0-2250-1240-1	0-2250-1244
2	ARUN-AMARIN	0-2412-6186-8	
3	ASSUMPTION UNIVERSITY (HUA MARK)	0-2300-4452-4	
4	BANGBON	0-2416-8010-1	
5	BANG MOT	0-2428-4389-90	
6	BANG SU	0-2587-0635-6	
7	BANGKAPI	0-2377-1724	0-2377-5352
8	BANGKHAE	0-2454-2947-50	
9	BANG-KHEN	0-2561-3017-8	
10	BANGKOK NOI	0-2424-0599	0-2424-0600
11	BANGKRABUE	0-2243-3256	0-2243-3262
12	BANGLAMPOO	0-2282-8253-4	
13	BANG-O	0-2424-0948	0-2435-2257
14	BANGRAK	0-2237-7177	0-2237-7148
15	BITEC BANGNA	0-2389-9834-5	0-2398-9837
16	CENTRAL LAT PHRAO*	0-2541-1176-7	
17	CENTRAL PINKLAO*	0-2433-4830-1	0-2433-4836
18	CENTRAL RAMA II	0-2872-1478-80	
19	CENTRAL WONGSAWANG	0-2913-9708-11	
20	CENTRAL WORLD	0-2264-5078-82	
21	CENTURY PLAZA*	0-2245-9517-9	
22	CHAENG WATTHANA 14	0-2574-6174-6	
23	CHAKKRAWAT	0-2222-1677	0-2222-1848
24	CHAKRAPHAT PHONG	0-2280-1757-8	
25	CHARU MUANG	0-2214-2352-3	
26	CHOKCHAI 4	0-2530-1696	0-2530-3790
27	CHULALONG KORN 42*	0-2219-1624-6	
28	DAO-KHANONG	0-2476-0036	0-2476-5369
29	DIN-DAENG	0-2245-4241-2	0-2642-8838-40
30	DONMUANG (NEW BRIDGE)	0-2972-5644-7	
31	EKAMAI	0-2714-0082-5	
32	EMPIRE TOWER*	0-2670-1648-50	
33	ESPLANADE RATCHADA	0-2660-9120-2	
34	ESPLANADE RATCHADA 2		
35	FASHION ISLAND*	0-2947-5140-2	
36	FORTUNE TOWN	0-2248-3380-3	
37	FUTURE MART RAMA III	0-2292-0673-4	0-2289-1141
38	GEMOPOLIS INDUSTRIAL ESTATE*	0-2727-0420-1	
39	HOME PRO PETCHKASEM*	0-2421-1628	0-2421-1638
40	HOME PRO RAMA II*	0-2895-4204-6	
41	HOME PRO RAMKHAMHAENG	0-2370-1160-2	
42	HUAMARK	0-2314-6746-7	
43	J.J. MALL*	0-2265-9544-6	
44	J- AVENUE THONG LO*	0-2185-3113-4	
45	KASEMRAD PRACHACHUEN HOSPITAL*	0-2587-4240-1	
46	KASETSART UNIVERSITY	0-2561-3490-1	
47	KING MONGKUT'S INSTITUTE OF TECHNOLOGY LADKRABANG*	0-23264715-7	

No.	Branch	Telephone	
48	KLONG PRAPA	0-2270-0829	0-2271-3171
49	KLONGSARN	0-2437-1377	0-2437-2646
50	KLONGTEOI	0-2249-8012-4	
51	LAT KRABANG	0-2326-8815-8	
52	LAT PHRAO 102	0-2539-4508-11	
53	LUMPINI	0-2285-6696-9	
54	MIN BURI	0-2517-9897-9	
55	MU BAN NAKKILA LAEMTHONG*	0-2368-2437	0-2368-2471
56	NEIGHBOUR CENTRE VACHARAPHOL*	0-2791-9782-4	
57	NONGKHAEM	0-2444-2958-9	
58	ON NUJ 23	0-2332-2737	0-2332-2837
59	ON NUJ 69	0-2726-0475-8	
60	PAKKLONG-TALAD	0-2223-0530	0-2222-6937
61	PETCHBURI NEW EXT.ROAD	0-2308-0041-5	
62	PETCHKASEM AVENUE*	0-2809-2961-2	0-2809-2403
63	PHAHURAD	0-2221-1604	0-2221-7740
64	PHRAN NOK	0-2411-4543	0-2418-2515
65	PLOENCHIT OFFICE	0-2208-2080	0-2253-8601
66	PLOENCHIT TOWER	0-2263-0667-9	
67	PRACHA NIWET 1	0-2954-3880-2	
68	PRAISANEEKLANG	0-2233-4372-3	
69	PRATUNAM	0-2251-3277	0-2253-8963
70	PTT BANG NA EXPRESS WAY (OUT BOUND)*	0-2311-5460	0-2311-5470
71	PTT BANG NA EXPRESS WAY (IN BOUND)*	0-2311-5012	0-2311-5014
72	PTT KLUAI NAM THAI*	0-2381-4772-4	
73	PTT NONGKHAEM*	0-2421-0236	0-2421-0270
74	PTT PRAKHANONG OIL TERMINAL*	0-2249-2853	0-2249-2859
75	PTT SUKHUMWIT 62*	0-2311-5890-2	
76	PTT THANON CHALONG KRUNG*	0-2360-5213-5	
77	PTT THANON KANCHANA PHISEK*	0-2455-9316-7	
78	PTT THANON KASET-NAWAMIN*	0-2553-2031-3	
79	PTT THANON LAT PLAKHAO*	0-2570-2169	0-2570-2172
80	PTT THANON PRADIT MANUTHAM*	0-2538-3772	0-2538-3511
81	PTT THANON PHATTHA NAKAN*	0-2322-1278-80	
82	PTT THANON RAM INTHRA KM.11*	0-2540-5044-5	0-2540-5066
83	PTT THANON RATCHAPHRUEK*	0-2432-2223-5	
84	PTT THANON SRINA KARIND*	0-2330-9335-7	
85	PTT THANON SERI THAI*	0-2379-8910	0-2379-8914
86	PTT THANON VIBHAVADI RANGSIT*	0-2279-9322-4	
87	PTT THANON VIBHAVADI RANGSIT 32*	0-2513-1290	0-2513-1298
88	Q.HOUSE CONVENT*	0-2234-5475-7	
89	Q.HOUSE LUMPINI*	0-2343-8791-3	
90	QUEEN SIRIKIT NATIONAL CONVENTION CENTER	0-2229-5592-4	
91	RAJAMANGALA UNIVERSITY OF TECHNOLOGY KRUNGTHEP*	0-2286-0324	0-2286-0341
92	RAJAVAT	0-2241-3978	0-2241-4143
93	RAJWONGSE	0-2224-5510	0-2224-5626
94	RAMA II (KHEHA THON BURI 3)	0-2451-4094-8	
95	RAMA III OFFICE	0-2296-2000	
96	RAMA IX-SRINAKARIND	0-2300-1642	0-2300-1645

No.	Branch	Telephone	
97	RAT BURANA	0-2464-1445-6	
98	RATCHADAPHISEK (HUAI KHWANG)	0-2275-4906-10	
99	RATCHADAPHISEK (THAPHRA-TAKSIN)	0-2477-9692-4	
100	RATCHATHEVI	0-2653-6720-2	
101	SALA DAENG	0-2237-7143-4	
102	SAM LIAM DIN DAENG	0-2642-4020-1	
103	SAM YOD	0-2223-7855-7	
104	SAMRAY	0-2438-6811-2	
105	SAMYAEK	0-2221-1520-9	
106	SANAM POA	0-2615-0198-9	
107	SAO-CHINGCHA	0-2222-5206	0-2224-8805
108	SAPHAN-KWAI	0-2272-2993-4	
109	SAPHANLUANG	0-2215-4593-4	
110	SAPHAN PHA PINKLAO	0-2443-0085-8	
111	SAPHAN PHRACHAO TAKSIN	0-2437-0230	0-2438-7726
112	SIAM PARAGON	0-2129-4560-5	
113	SIAM SQUARE	0-2255-1116-7	
114	SIYAEK ASOK	0-2261-8119-21	
115	SIYAEK SAPHAN KRUNGDHON	0-2424-0125	0-2424-5023
116	SIYAEK SUAPA	0-2223-5334-5	
117	SIYAEK WANG HIN	0-2570-5584-5	
118	SIYAEK WISUTKASAT	0-2282-4688-9	
119	SOI CHARAN SANITWONG 13	0-2864-0977-8	
120	SOI THONG LO	0-2392-2838-9	
121	SRINAKARIND-ON NUJ	0-2321-1584	0-2321-8838
122	SUAN DUSIT RAJABHAT UNIVERSITY*	0-2241-8325-7	
123	SUAN MALI	0-2223-5413	0-2223-7305
124	SUAN PHLU	0-2287-3011-3	
125	SUKHUMWIT 101/1 (PIYAROM PLACE)	0-2730-5549-51	
126	SUKHUMWIT 103 (UDOM SUK)	0-2383-8793-7	
127	SUKHUMWIT 23	0-2261-1914-7	
128	SUKHUMWIT 31	0-2662-0211	
129	SUKHUMWIT 35	0-2259-0020-3	
130	SURAWONG	0-2631-4050-9	
131	SUTTHISAN	0-2270-0164-5	
132	TALAT MIN BURI	0-2517-1022-3	0-2517-1025
133	TALAT PHLU	0-2466-9766	0-2466-9672
134	TALAT WONGSAKORN*	0-2563-5341-2	0-2563-5350
135	TAO PUN	0-2587-1318	0-2911-2132
136	TESCO LOTUS WATCHARAPHON*	0-2509-0043	0-2509-3206
137	THA DIN DAENG	0-2437-2509	0-2437-3359
138	THA PHRA	0-2457-0067	0-2457-0534
139	THAI SUMMIT TOWER*	0-2251-3114-6	
140	THANON BANG KHUN THIAN	0-2416-3481-2	
141	THANON BANG KHUN THIAN-CHAI THALE*	0-2894-6537-9	
142	THANON BANG NA-TRAT (CENTRAL CITY)	0-2361-0625-6	
143	THANON BANG NA-TRAT (NATION TOWER)	0-2751-4036-9	
144	THANON BOROMARAJAJONANI (PINKLAO)	0-2433-1468	0-2433-4985

No.	Branch	Telephone	
145	THANON BOROMARAJAJONANI (TALING CHAN)	0-2433-3417	0-2433-6910
146	THANON CHAN	0-2287-4384-8	
147	THANON CHAROEN NAKHON SOI 35	0-2439-1104	0-2439-6448
148	THANON CHAROEN NAKHON SOI 4	0-2437-9978-9	
149	THANON CHOM THONG	0-2468-5740	0-2468-8096
150	THANON KHEHA ROMKLAO*	0-2557-1033-5	
151	THANON NANG LINCHI	0-2678-3016-8	
152	THANON PHAHON YOTHIN 26 (ELEPHANT TOWER)	0-2937-4983-92	
153	THANON PHATTHANAKAN	0-2319-9282	0-2314-7700
154	THANON PHET KASEM 55	0-2454-6969	0-2454-9966
155	THANON PHET KASEM (FUTURE PARK PLAZA)	0-2454-8700-7	
156	THANON PHRARAM THI 4 (KLONG TEOI)	0-2260-9506-10	
157	THANON PRACHA UTHID	0-2427-1041	0-2427-1415
158	THANON PRACHARAT SAI 1	0-2585-2610	0-2586-8897
159	THANON RAM INDRA KM.2	0-2971-6678-82	
160	THANON RAM INDRA KM.8	0-2509-5880-3	
161	THANON RAM INDRA-VACHARAPHOL	0-2509-5071	0-2509-5095
162	THANON RAMKHAMHAENG 19	0-2718-9302-3	0-2718-9139
163	THANON RAMKHAMHAENG 2*	0-2317-1185-6	0-2739-9388
164	THANON RAT BURANA (BANG PAKOK)	0-2428-4534-7	
165	THANON RATCHADAPHISEK (CENTRAL RAMA III)	0-2673-6309-14	
166	THANON RATCHADAPHISEK (OLYMPIA THAI TOWER)	0-2513-8731-4	
167	THANON SATHON NUA (A.I.-CENTER)	0-2637-7276-8	
168	THANON SATHUPRADIT	0-2295-1104-5	
169	THANON SONG PRAPHA (DON MUANG)	0-2566-4291-3	
170	THANON SRINAKARIND (SERI CENTER)	0-2746-0194-9	
171	THANON KRUNG THEPKRITHA	0-2375-1249	0-2375-5503
172	THANON SUKHAPHIBAN 1	0-2375-5801-2	
173	THANON SUKHAPHIBAN 2	0-2374-1935-8	
174	THANON SUKHAPHIBAN 3	0-2373-4740-2	
175	THANON SUKHUMWIT 63	0-2711-4600-5	
176	THANON SUKHUMWIT 71	0-2390-1936	0-2381-2171
177	THANON THIAM RUAM MIT	0-2274-4008-10	
178	THANON VIBHAVADI RANGSIT (SUNTOWERS)	0-2617-6486-90	
179	THE AVENUE CHAENG WATTHANA*	0-2573-8106-8	
180	THE GOVERNMENT COMPLEX COMMEMORATING (BUILDING B)	0-2143-9636-8	
181	THE MALL BANG KAPI*	0-2374-6177-8	0-2374-6294
182	THE MALL BANG KHAE*	0-2455-3930-1	0-2455-3921
183	THE THAI BAR ASSOCIATION*	0-2448-3413	0-2448-3526
184	TOPS RAMA III*	0-2213-0796-7	
185	TOPS CHAROEN KRUNG*	0-2291-1602	0-2291-1782
186	UNION MALL LAT PHRAO	0-2511-3149	0-2511-1698

No.	Branch	Telephone	
187	URUPHONG	0-2215-7000-1	
188	VORACHAK	0-2221-7678	0-2223-7118
189	WONGWIEN 22 KARAKADA	0-2222-7585	0-2223-0760
190	WONGWIEN-YAI	0-2439-6186-7	0-2437-0173-4
191	YAOWARAT	0-2223-5336-7	
192	ZUELLIG HOUSE	0-2233-5134-6	
ANG THONG			
193	ANG THONG	0-3562-5150-1	
AMNAT CHAROEN			
194	AMNAT CHAROEN	0-4551-1731-4	
BURI RAM			
195	BURI RAM	0-4461-4128-30	
196	BURI RAM RAJABHAT UNIVERSITY*	0-4460-1519	0-4461-4159
197	NANG RONG	0-4462-4318-22	
198	PHUTTHAISONG	0-4468-9114-5	
CHACHOENGSAO			
199	BANG PAKONG	0-3853-1250-1	
200	BAN PHO CHACHOENGSAO*	0-3813-0134-6	
201	BANG KHLA	0-3854-2014-6	
202	CHACHOENGSAO	0-3851-4272-3	
203	PHANOM SARAKHAM	0-3855-1840-3	0-3855-1843
204	WELLGROW INDUSTRIAL ESTATE*	0-3857-1820-1	
CHAINAT			
205	CHAINAT	0-5641-2696-9	0-5641-1064-5
CHAIYAPHOOM			
206	CHAIYAPHOOM	0-4482-1339-41	
CHANTABURI			
207	CHANTABURI	0-3934-6385-8	
208	SIYAEK KHAO RAI YA	0-3933-5398-9	
CHIANG MAI			
209	CENTRAL AIRPORT CHIANG MAI*	0-5328-1660-2	
210	CHIANGMAI	0-5325-1811-2	
211	FANG	0-5338-2813-4	
212	HANG DONG*	0-5344-1986-7	
213	MAE RIM	0-5329-9916-9	
214	NONG PRATHIP CHIANG MAI	0-5324-0241-3	
215	PRATU CHANG PHUAK	0-5321-1700-1	
216	SAN KAMPHAENS	0-5339-2592-6	
217	SIYAEK SANAMBIN CHIANG MAI	0-5328-0525-7	
218	THANON CHANG KHLAN CHIANG MAI	0-5327-0431-4	
219	THANON CHOTANA CHIANG MAI	0-5340-9420-4	
220	THANON HUAI KAEO CHIANG MAI*	0-5321-9805-6	
221	THANON MAHIDOL (SIYAEK NONG HOI)	0-5380-1700-3	
CHIANG RAI			
222	CHIANG RAI	0-5374-4641-3	
223	CHIANGRAI RAJABHAT UNIVERSITY*	0-5377-6038	0-5377-6066
224	HA YAEK PHOKHUN MENGRAI*	0-5371-1292	0-5371-1793
225	MAE FAH LUANG UNIVERSITY*	0-5378-7121	
226	MAE SAI	0-5364-0769-71	
227	PHAN	0-5372-1251-2	
228	PTT RIMKOK CHIANG RAI*	0-5371-8383	0-5371-8830

No.	Branch	Telephone	
CHOLBURI			
229	AMATA NAKORN INDUSTRIAL ESTATE CHOLBURI*	0-3845-8950-2	
230	AO UDOM	0-3835-2466-9	
231	BAN BUNG	0-3844-4019-20	
232	BAN RONG PO	0-3824-1031-4	
233	BANGKOK PATTAYA HOSPITAL*	0-3842-2514	0-3842-2526
234	BANGSAEN*	0-3838-5353-5	
235	CHOLBURI	0-3827-7740-2	
236	DON HUALO (AMATA NAKHON CHOLBURI)*	0-3845-3049-51	
237	HOME PRO CHON BURI*	0-3838-7901-3	
238	KO PHO CHOLBURI*	0-3820-9787-9	
239	LAEM CHABANG*	0-3849-3542-3	0-3849-3556
240	LAEM CHABANG INDUSTRIAL ESTATE (FREE ZONE 2)	0-3849-1270-2	
241	NOENTENG CHOLBURI	0-3826-1101-3	
242	PATTAYA	0-3842-6907-8	
243	PHANAT NIKHOM	0-3846-1378-9	
244	PINTHONG INDUSTRIAL ESTATE*	0-3834-8184-6	
245	PTT THANON THEPPRASIT PATTAYA*	0-3890-6623-5	
246	ROBINSON SRIRACHA*	0-3832-2067	0-3832-2107
247	SAHA GROUP INDUSTRIAL PARK SIRACHA*	0-3848-2325	0-3848-2334
248	SATTAHIP	0-3843-7781-3	
249	SIRACHA	0-3832-5605-6	0-3831-1852
250	SI YAEK PAK RUAM*	0-3833-7245-6	
251	SOI BOONSAMPAN PATTAYA*	0-3840-6683-7	
252	SOI BUAKHAO PATTAYA*	0-3841-5873-5	
253	SOI KHAO TA LO PATTAYA*	0-3833-3255-7	
254	SOI NAKLUEA 16 PATTAYA*	0-3841-6617-9	
255	SOI NOEN PLUB WAN PATTAYA*	0-3840-2272-3	
256	TESCO LOTUS PATTAYA (NORTH)*	0-3842-3399	0-3842-3044
257	THANON CHALOEM PHRA KIAT (PATTAYA SAI 3)*	0-3841-3485-7	
258	THANON PATTAYA TAI	0-3842-5524-5	
259	THANON PHRAYASATCHA CHOLBURI*	0-3827-2319-20	
260	THANON SUKHUMWIT CHOLBURI	0-3827-4520-1	
261	THANON SUKHUMWIT PATTAYA*	0-3842-4376	0-3842-4722-3
262	THANON SURASAK 1 SIRACHA*	0-3832-4272-6	
263	THE AVENUE PATTAYA*	0-3805-2003-5	
CHUMPHON			
264	OCEAN CHUMPHON	0-7751-1491	0-7751-1493
265	LANG SUAN	0-7758-2513-5	
266	THANON SALADAENG CHUMPHON*	0-7750-5032	0-7750-5069
KALASIN			
267	KALASIN	0-4381-1556-7	
KAMPHAENG PHET			
268	KAMPHAENG PHET	0-5571-3013-4	
269	PTT KHONGWILAI KHLONG KHLUNG*	0-5578-1471-2	0-5578-1666
KANCHANABURI			
270	BO PHLOI	0-3458-1055-6	

No.	Branch	Telephone	
271	KANCHANABURI	0-3451-5058-9	
272	LUK KAE	0-3456-6423-4	
273	THA MUANG	0-3461-1412-3	
274	THA RUA PHRA THAEN	0-3456-2005-6	
KHON-KAEN			
275	BANPHAI	0-4327-2108	0-4327-2680
276	CHUM PHAE	0-4331-1309-10	
277	HOME PRO KHON KAEN*	0-4327-1624-6	
278	KHON KAEN UNIVERSITY*	0-4320-2260	0-4334-2388
279	KHON-KAEN	0-4322-0856-7	
280	NAM PHONG	0-4343-1341-2	
281	PHU WIANG	0-4329-1290-2	
282	THA PHRA KHON KAEN*	0-4326-1661-5	
283	THANON BAN KOK KHON KAEN*	0-4327-0455-7	
284	THANON KLANGMUEANG KHON KHEN*	0-4322-2588	0-4322-2799
285	THANON MALIWAN	0-4323-7952	0-4324-2565
286	THANON MITTRAPHAP KHON KAEN	0-4332-5411-5	
KRABI			
287	AO NANG KRABI*	0-7569-5429-31	
288	KRABI	0-7562-1258-61	
289	PHI PHI ISLAND*	0-7561-8109	0-7561-8033
LAMPANG			
290	LAMPANG	0-5432-3269-72	
291	LAMPANG RAJABHAT UNIVERSITY*	0-5431-7950-2	
292	THANON BOONYAWAT LAMPANG*	0-5422-8184-6	
LAMPHUN			
293	LAMPHUN	0-5351-0246-7	
294	NORTHERN REGION INDUSTRIAL ESTATE (LAMPHUN)*	0-5358-2112-4	
LOEI			
295	LOEI	0-4281-2619-20	
LOP BURI			
296	LAM NARAI	0-3646-1994-5	
297	LOP BURI	0-3641-1599	0-3641-1600
298	PHATTHANANIKHOM SOI 12*	0-3643-6066	0-3643-6114
299	WONG WIEN SA KAEO LOP BURI*	0-3642-2601-2	
MAE HONG SON			
300	MAE HONG SON	0-5361-1868-9	
301	PAI*	0-5369-9062	0-5369-9097
302	PTT PAI*	0-5369-8131-2	0-5369-9077
MAHA SARAKHAM			
303	MAHA SARAKHAM	0-4372-2227-8	
MUKDAHAN			
304	MUKDAHAN	0-4261-3035-6	
NAKHON NAYOK			
305	NAKHON NAYOK	0-3731-2644-5	
306	ONG KHARAK	0-3732-2268-9	
NAKHON PATHOM			
307	KAMPHAENG SAEN	0-3435-1705-6	0-3435-1809-10
308	NAKHON CHAISI	0-3433-3640-4	
309	NAKHON PATHOM	0-3425-1155-7	
310	PHRA PRATHON	0-3424-2826-7	
311	PTT THANON PHUTTHAMONTHON SAI 4*	0-2429-2051	0-2429-2104

No.	Branch	Telephone	
312	SAM PHRAN	0-3432-2796-9	
313	SILPAKORN UNIVERSITY (SANAM CHANDRA PALACE CAMPUS)*	0-3427-1133	0-3427-1484
314	TESCO LOTUS SALAYA*		
315	THANON RATCHAWITHI NAKHON PATHOM*	0-3427-5020-1	0-3428-0282
316	THANON PHUTTHAMONTHON SAI 5*	0-2420-7715	0-2420-7720
	NAKHON PHANOM		
317	NAKHON PHANOM	0-4251-3082-5	
318	PHON SAWAN*	0-4259-5119	0-4259-5091
	NAKHON RATCHASIMA		
319	HUA THALE NAKHON RATCHASIMA	0-4426-6042-6	
320	NAKHON RATCHASIMA RAJABHAT UNIVERSITY	0-4424-8405-6	
321	NAKORN RATCHASIMA	0-4425-1340-2	
322	NON SUNG	0-4437-9111-3	
323	PAKCHONG	0-4431-3908-9	
324	PTT SIKHIO*	0-4432-5722-4	
325	PTT THANON SURANARAI NAKHON RATCHASIMA	0-4425-7061-3	
326	SIKHIU	0-4441-2465-6	
327	THANON MITTRAPHAP (NAKHON RATCHASIMA)	0-4425-6866	0-4425-6899
328	THANON MITTRAPHAP YAEK PAK THONG CHAI*	0-4427-7324-5	
329	TALAT SAVE ONE NAKHON RATCHASIMA*	0-4422-2131	0-4422-2141,
	NAKHON SAWAN		
330	CHUMSAENG	0-5628-2247-8	
331	NAKHON SAWAN	0-5622-8017-8	
332	NAKHON SAWAN RAJABHAT UNIVERSITY*	0-5623-3444-6	
333	TAKHLI	0-5626-1249	0-5626-1530
334	THANON SAWANWITHI NAKHON SAWAN	0-5622-7866-7	
	NAKHON SI THAMMARAT		
335	NAKHON SI THAMMARAT	0-7534-2789	0-7534-6125
336	THANON PHATTHANAKAN KHU KWANG	0-7531-7841-5	
337	THUNG YAI	0-7548-9004-5	
338	TUNGSONG	0-7541-2684-5	
	NAN		
339	NAN	0-5477-2584-6	
	NARATHIWAT		
340	NARADHIWAAS	0-7351-1202-3	
341	SUNGAI KOLOK	0-7361-5741-3	
	NONG BUA LAM PHU		
342	NA KLANG	0-4235-9023-4	
343	NONG BUA LAM PHU	0-4231-2536-9	
	NONG KHAI		
344	NONG KHAI	0-4242-0743-4	
345	SRI CHIENGMAI	0-4245-1336-8	
	NONTHABURI		
346	BANG BUA THONG	0-2571-3530-4	
347	BANG YAI	0-2594-0608-9	

No.	Branch	Telephone	
348	CENTRAL CHAENG WATTHANA	0-2193-8081-3	
349	CENTRAL RATTANATHIBET*	0-2525-4546-8	
350	GRAND CANAL*	0-2575-2163-4	
351	HOME PRO CHAENG WATTHANA*	0-2584-1411	0-2584-1432
352	HOME PRO RATCHAPHRUEK*	0-2423-3645-8	
353	IMPACT MUANG THONG THANI	0-2504-5162-4	
354	INDEX LIVING MALL BANG YAI*	0-2595-0420-1	
355	KASEMRAD RATTANATIBETH HOSPITAL*	0-2594-0937-9	
356	MAJOR HOLLYWOOD CHAENG WATANA*	0-2582-2534-5	0-2582-2492
357	NONTHABURI	0-2967-2000-1	0-2526-4059
358	PAK KRET	0-2960-7961-2	
359	PRACHANIWET 3*	0-2589-9678	0-2589-9769
360	PTT THANON KRUNGTHEP-NONTHABURI*	0-2525-4750-2	
361	PTT THANON TIWANON*	0-2584-5501-3	
362	SAPHAN PRA NANGKLAO	0-2527-0241-4	
363	SOCIAL SECURITY OFFICE*	0-2526-9610-2	
364	THANON CHAENG WATTHANA (SOFTWARE PARK)	0-2962-3104-5	
365	THANON NGAMWONGWAN	0-2951-8403-4	0-2591-6676
366	THANON RATCHAPHRUEK	0-2423-0181-3	
367	THANON TIWANON (KHLONG BANG TALAT)	0-2580-6611	0-2580-6622
368	THE MALL NGAM WONG WAN*	0-2550-0630-1	0-2550-0905
369	TIWANON (KHAERAI)	0-2588-3986	0-2588-4638
370	TOPS RIVER PLAZA*	0-2527-7508-10	
	PATHUM THANI		
371	MAJOR RANGSIT	0-2567-5010	0-2567-5046
372	BANG PHUN*	0-2581-8545-7	
373	NAVA NAKHON INDUSTRAL PROMOTION ZONE*	0-2529-1295	0-2529-3266
374	NAVA NAKORN	0-2529-2076-8	
375	PATHUM THANI	0-2581-3908-10	
376	PTT LAT LUM KAEO*	0-2598-3932-5	
377	PTT RATCHAPHRUEK-RATTANATHIBET*	0-2191-9864-6	
378	PTT THANON RANGSIT-NAKHON NAYOK (KHLONG 7)*	0-2577-4636-8	
379	RAJAMANGALA UNIVERSITY OF TECHNOLOGY THANYABURI	0-2577-4504	0-2927-4744
380	RANGSIT	0-2958-0245-9	
381	TALAAD THAI*	0-2529-1121	0-2529-1960
382	TALAT SI MUM MUANG	0-2536-8154-6	
383	THANON LAMLUKKA (KHLONG 2)	0-2523-3933-5	
384	THANON RANGSIT-NAKHON NAYOK (KHLONG 2)	0-2966-0916-8	
385	VALAYA ALONGKORN RAJABHAT UNIVERSITY*	0-2529-5254	0-2529-5346
	PATTANI		
386	PATTANI	0-7333-2772-3	
	PHANGNGA		
387	KHAOLAK PHANG-NGA*	0-7648-5425-7	
388	PHANGNGA	0-7641-1989	0-7641-2444

No.	Branch	Telephone	
389	THAP PUT	0-7644-2228-30	
	PHATTHALUNG		
390	PHATTHALUNG	0-7461-1365-6	
391	SI BANPHOT*	0-7468-9164-7	
	PHAYAO		
392	PHAYAO	0-5448-1863-4	
	PHETCHABUN		
393	LOM SAK	0-5670-2009-11	
394	NONG-PHAI	0-5678-1411-5	
395	PETCHABOON	0-5672-2572-3	
396	THANON SUEKSA CHAROEN PHETCHABOON UNIVERSITY*	0-5672-2247-8	
	PHETCHABURI		
397	CHA-AM	0-3247-2047-51	
398	KHAO YOI	0-3249-9057-8	
399	PHETCHABURI	0-3242-8611-2	
400	SAPHAN CHOM KLAO PHETCHABURI*	0-3241-3185-7	
401	THA YANG	0-3246-1826-7	
	PHICHIT		
402	BANG MUN NAK	0-5663-1844-7	
403	PHICHIT	0-5661-2510-4	
404	TAPHAN-HIN	0-5662-2312-4	
	PHITSANULOK		
405	HOME PRO PHITSANULOK*	0-5522-1962-4	
406	NARAESUAN UNIVERSITY*	0-5526-1125-6	
407	PHITSANULOK	0-5522-1721-3	
408	THANON AKATOSAROT PHITSANULOK*	0-5522-5173-7	
	PHRAE		
409	PHRAE	0-5451-1595-6	
	PHRA NAKHON SRI AYUTTHAYA		
410	AYUDHYA	03524-5718-20	
411	BANG PA-IN	0-3522-1071-2	0-3522-1074
412	BANG SAI	0-3574-1111-5	
413	BIG C AYUTTHAYA*	0-3574-7152-4	
414	HI-TECH INDUSTRIAL ESTATE*	0-3531-4337-9	
415	LAT BUA LUANG	0-3537-9350-1	
416	PHATUNAM PHRA-IN	0-3521-9851-4	
417	ROJANA INDUSTRIAL PARK*	0-3533-0515	0-3533-0525
418	SENA	0-3520-2009	0-3520-2279-80
419	THA RUA	0-3534-1969-70	
420	WANG NOI	0-3527-1882-3	
	PHUKET		
421	BAN SAI YUAN(RA WAI)*	0-7638-8804-6	
422	CENTRAL FESTIVAL PHUKET*	0-7636-7005-7	
423	CHOENG THALE PHUKET*	0-7632-5062	0-7632-5139
424	HA YAEK CHALONG PHUKET*	0-7638-4034-6	
425	TESCO LOTUS PHUKET*	0-7621-2656	0-7621-2619
426	JUNGCEYLON PHUKET*	0-7636-6029-31	
427	KAMALA BEACH PHUKET*	0-7627-8113-4	0-7638-6125-6
428	KATA*	0-7633-3518-20	
429	PA TONG	0-7634-0809-10	
430	PHUKET	0-7621-1110	0-7621-1592
431	PA KHLOK PHUKET*	0-7637-9851-3	
432	PTT THANON THEPKRASATTRI PHUKET*	0-7637-7514	0-7637-7584
433	SAM KONG PHUKET*	0-7652-3200-2	
434	THANON CHALOEM PHRAKIAT PHUKET*	0-7637-6001-2	
435	THANON NA NAI PATONG*	0-7634-5161	0-7634-5163-4
436	THANON PATAK (KARON)*	0-7639-8249-51	
437	THANON CHAO FA (EAST) PHUKET*	0-7652-5071-3	
438	THANON PHRABARAMI PHUKET*	0-7632-2179-81	
439	THANON POON PHOL PHUKET	0-7622-1284-6	
440	THANON THAWIWONG(PATONG)*	0-7634-6074-6	
441	THANON THEPKRASATTRI PHUKET	0-7623-6337-8	
	PRACHIN BURI		
442	304 INDUSTRIAL PARK PRACHINBURI*	0-3727-4300-1	0-3720-8314
443	KABINBURI	0-3720-3015-9	
444	KABINBURI INDUSTRIAL ZONE*	0-3745-5334	0-3745-5502-3
445	PRACHINBURI	0-3721-3217-8	
	PRACHUAP KHIRI KHAN		
446	BANG SAPHAN	0-3254-8404-7	
447	HUA HIN	0-3251-1120	0-3251-1442
448	NONGKAE HUA HIN*	0-3251-6546-8	
449	PRACHUAP KHIRI KHAN	0-3261-1980-1	
450	PRANBURI	0-3254-4105-6	
451	PTT KUI BURI*	0-3268-2700	0-3268-1087
452	THANON CHOMSIN HUA HIN*	0-3251-5370-1	0-3251-5406
453	THANON PHET KASEM HUA HIN*	0-3251-3927	0-3251-3932
	RANONG		
454	RANONG	0-7781-1777	0-7782-1205
	RATCHABURI		
455	BAN PONG	0-3220-1949-50	
456	HUAI KRA BOK*	0-3229-1091-3	0-3229-1237-8
457	PHOTHARAM	0-3235-4317-8	
458	RATCHABURI	0-3232-5650-2	
459	THANON ROT FAI RATCHABURI*	0-3232-5650-2	
	RAYONG		
460	EASTERN SEABOARD INDUSTRIAL ESTATE*	0-3865-6256-7	0-3895-4704
461	EASTERN SEABOARD INDUSTRIAL ESTATE 2*	0-3865-6446-8	
462	KACHET*	0-3864-8295-6	
463	KLAENG	0-3867-4427-8	
464	MAP TA PHUT	0-3860-8891-4	
465	NIKHOM PHATTHANA RAYONG	0-3863-7585-6	0-3889-7504
466	RAYONG*	0-3861-6072-3	
467	SIAM EASTERN INDUSTRIAL PARK*	0-3866-0000-2	
468	STAR PLAZA RAYONG*	0-3862-3842-4	
469	IRPC RAYONG*	0-3862-3839-41	
	ROI ET		
470	PHANOM PHRAI	0-4359-1141-2	
471	PHON THONG	0-4357-1035-7	
472	ROI ET	0-4351-1615-6	
473	THANON HAISOKE ROI ET*	0-4351-1830	0-4351-3307
	SA KAEO		
474	SA KAEO	0-3724-1810-3	

No.	Branch	Telephone	
	SAKON NAKHON		
475	KASETSART UNIVERSITY (SAKON NAKHON)*	0-4275-4228-30	
476	SAKON NAKHON RAJABHAT UNIVERSITY*	0-4271-4303	0-4271-6887
477	SAKON NAKHON	0-4271-3001-2	
478	WANON NIWAT	0-4279-1165-6	
	SAMUT PRAKAN		
479	AIRCRAFT MAINTENANCE CENTER, THAI AIRWAYS PUBLIC COMPANY LIMITED*	0-2134-2472-4	
480	ASSUMPTION UNIVERSITY (THANON BANGNA-TRAD KM.26)	0-2707-0350-4	
481	BANG BO	0-2708-5395	0-2708-5419
482	BANG PU	0-2324-3581-5	
483	BANG SAO THONG*	0-2313-4547-9	
484	HOME PRO BANG NA*	0-2325-1167-9	
485	HUACHIEW CHALERMPRAKIET UNIVERSITY*	0-2312-6625	0-2312-6719
486	IMPERIAL WORLD SAMRONG	0-2380-6214-6	
487	OPERATIONS CENTER, THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED	0-2134-1795-7	
488	PHRA-PRADAENG	0-2463-5230	0-2463-1012
489	PTT THANON BANGNA-TRAD KM.14*	0-2312-5915-7	
490	PTT THANON THEPHARAK*	0-2385-5986-8	
491	SAMRONG	0-2384-3623-4	
492	SAMUT PRAKAN	0-2387-1814-5	
493	SUVARNABHUMI AIRPORT (BUS TERMINAL)*	0-2134-1868-70	
494	SUVARNABHUMI AIRPORT (FREE ZONE)*	0-2134-2467-9	
495	THANON MUEANGMAI BANGPHLI 2*	0-2315-1112-4	
496	THANON PHRAEKSA SAMUTPRAKAN	0-2387-0081-2	
497	THANON SRINAKARIND-SUKHUMWIT	0-2389-1443	0-2389-1465
498	THANON SRINAKARIND-THEPHARAK	0-2385-7120-1	0-2385-7923-4
499	THANON SUKSAWAT 53	0-2463-2510	0-2463-2920
500	THANON THEPHARAK	0-2385-0975-9	
501	THANON THEPHARAK KM. 22.5	0-2315-2984-6	
502	THANON WAT KINGKAEO	0-2316-9495-6	
503	THANON WAT KINGKAEO (RACHA TEWA)	0-2312-4795-7	
	SAMUT SAKHON		
504	KHLONG KHRU SAMUT SAKHON*	0-3442-8916-7	0-3442-8930
505	KRATHUMBAEN	0-3447-2580-1	
506	OM NOI	0-2431-0131-6	
507	PTT THANON EKKACHAI*	0-3441-8190-2	
508	SAMUT SAKHON	0-3441-1986-7	
509	THANON KIJMANEE SAMUT SAKHON*	0-3445-5120	0-3445-5122

No.	Branch	Telephone	
510	THANON RAT BANCHOP SAMUT SAKHON	0-3442-8126-7	
	SAMUT SONGKHRAM		
511	SAMUT SONGKHRAM	0-3471-3039-40	
	SARABURI		
512	DON PHUT*	0-3638-5112-4	
513	HIN-KONG	0-3637-9013-4	0-3637-1634
514	KAENG KHOI	0-3624-5320-3	
515	MUAKLEK	0-3634-1076-7	
516	NONG DON	0-3639-7225-8	
517	NONG KHAE	0-3632-6400-3	
518	PHRABUDHABATH	0-3626-8022-4	
519	SARABURI	0-3622-2277-9	
520	THANON PHAHON YOTHIN SARABURI	0-3631-8401-4	
	SATUN		
521	KHUAN DON*	0-7473-5271-5	
522	SATUN	0-7472-2500-2	
	SING BURI		
523	KHAI BANG RACHAN*	0-3659-7050-2	
524	SING BURI	0-3652-0697-8	
	SI SAKET		
525	SI SAKET	0-4561-2293-4	
	SONGKHLA		
526	HAADYAI	0-7424-9065-6	
527	SONGKHLA	0-7432-1077-9	
528	THANON KANCHANAWANIT HAT YAI	0-7421-7111-3	
	SUKHOTHAI		
529	SUKHOTHAI	0-5561-2671-2	
530	THANON KANCHANAWANIT SONGKHLA*	0-7432-5806-10	
531	THANON PHET KASEM HAT YAI	0-7423-0557-8	
532	THANON SI PHUWANAT HAT YAI	0-7422-1003-5	
	SUPAN BURI		
533	BANG PLA MA	0-3558-7623-4	
534	SONGPHINONG	0-3553-1491-2	
535	SUPHANBURI	0-3552-3961-3	
536	THANONPHRAPHANVASA SUPHANBURI*	0-3552-5128-32	
537	U THONG	0-3552-3022-3	
	SURAT THANI		
538	BANGKOK SAMUI HOSPITAL*	0-7741-4033	0-7741-4058-9
539	BEACH ROAD (CHAWENG)*	0-7741-3464	0-7741-3468
540	BOPHUT*	0-7742-7540-2	
541	CHAWENG BEACH	0-7741-3736-8	
542	CHOENG MON BEACH*	0-7748-4223	
543	KANCHANADIT	0-7737-9028-30	
544	KO PHA-NGAN*	0-7737-7276	0-7737-7627
545	KO SAMUI	0-7742-0176-9	
546	LAMAI BEACH*	0-7741-9017-8	0-7723-0821
547	MAE NAM*	0-7742-7787-9	
548	MAKHAMTIA	0-7728-8750-3	
549	PHUNPHIN	0-7731-1523	0-7731-1967
550	SURAT THANI	0-7728-3116-9	

No.	Branch	Telephone	
551	THANON THAVEERATPHAKDEE (CHAWENG)*	0-7748-4451-3	
552	WIANG SA	0-7736-1958-60	
	SURIN		
553	SURIN	0-4451-5061-2	
	TAK		
554	BAN TAK*	0-5559-1249-50	
555	MAE SOT	0-5553-3781-3	
556	TAK	0-5551-3511-3	
	TRAD		
557	KO CHANG*	0-3955-1431-3	
558	THANON SUKHUMWIT TRAD*	0-3952-0969	0-3952-0994
559	TRAD	0-3952-1151-3	
	TRANG		
560	TRANG	0-7522-2461-7	
	UBON RATCHATHANI		
561	DET-UDOM	0-4536-1001-2	
562	MUANG SAMSIP*	0-4548-9004-5	
563	PHIBUN MANGSAHAN	0-4544-1400-1	
564	PTT WARIN CHAMRAP*	0-4532-3770	0-4532-3772-3
565	THANON CHAYANGKUN UBONRATCHATHANI	0-4524-4594-5	
566	UBONRATCHATHANI	0-4524-4885	0-4525-4064
567	UBONRATCHATHANII RAJABHAT UNIVERSITY*	0-4525-5416	0-4525-5537
568	WARIN CHAMRAP	0-4526-9470-4	
	UDON THANI		
569	BIG C UDON THANI*	0-4221-2733	0-4220-4920
570	HOME PRO UDON THANI*	0-4224-6000	0-4224-6733
571	NONG BUA UDON THANI	0-4224-3434	
572	THANON PHOSI UDON THANI*	0-4224-9736-7	
573	UDON THANI	0-4222-1523	0-4224-4738
	UTHAI THANI		
574	UTHAI THANI	0-5651-2561-4	
	UTTARADIT		
575	UTTARADIT	0-5541-1357	0-5541-1457
576	UTTARADIT RAJABHAT UNIVERSITY*	0-5541-3736	0-5541-7505
	YALA		
577	YALA	0-7321-1688-9	
578	BETONG	0-7324-5861-4	
	YASOTHON		
579	YASOTHON	0-4571-2954-6	

* domestic sub-branch

OVERSEAS BRANCHES

No.	Branch	Telephone
1	VIENTIAEN BRANCH	(856-21) 214575-7 (856-21) 213520
2	CAYMAN ISLANDS BRANCH	(345) 949-2001 (345) 949-7097 (02) 296-4426
3	HONG KONG BRANCH	(852) 2525-7398-9 (852) 2525-4445

FOREIGN EXCHANGE OFFICES

No.	Branch	Telephone
	BANGKOK	
1	BANG LAM POO BRANCH	0-2282-8253-4
2	FORTUNA	0-2254-4650
3	GOLD PLACE PLAZA	0-2254-6476
4	PRATUNAM BRANCH	
5	RIVER CITY	0-2234-9154
6	SIAM PARAGON	0-2129-4873
7	SIAM PARAGON (MAIN LEVEL)	
8	SUAN RIM NAM	0-2237-3496
9	SUKHUMVIT 14	0-2229-5865-6
10	SUKHUMVIT 22	0-2258-5668
11	SUKHUMVIT 24	0-2261-2515-6
12	THANON PHRA ATHIT	0-2281-2277
	CHIANGMAI	
13	CHIANGMAI BRANCH	0-5325-1811-2
14	CHIANGMAI NIGHT BAZAAR	0-5323-4657-8
15	CHIANGMAI NIGHT SAFARI	0-5326-1639-40
16	THANON CHANG KHLAN BRANCH	0-5327-0431-4
17	THANON LOIKROH 2	0-5328-0322-3
18	THANON MOON MUANG	0-5327-7266
	CHONBURI	
19	CENTRAL PATTAYA	0-3842-0905
20	PATTAYA SOI 13	0-3842-0274
21	PATTAYA SOI 13/3	
22	SOUTH PATTAYA	0-3842-7484
23	SAMITIVEJ SRIRACHA HOSPITAL	0-3831-3566
24	SOI BUA KAOW	
25	THANON PATTAYA SAI 2	
26	THANON PATTAYA TAI BRANCH	
27	THE AVENUE PATTAYA SUB BRANCH	
	KALASIN	
28	KALASIN PLAZA	0-4381-6401
	KHONKAEN	
29	KHONKAEN AIRPORT	0-4324-7597
	KRA BI	
30	AO NANG	0-7563-7771-2
31	PHI PHI ANDAMAN	0-7560-1150
32	PHI PHI ISLAND SUB BRANCH	0-7560-1010-2
	MAE HONG SON	
33	PAI	0-5369-9789
34	PAI SUB BRANCH	0-5369-9062
	PHANGNGA	
35	KHAOLAK PHANG-NGA SUB BRANCH	0-7642-5022-4
	PHETCHABURI	
36	CHA AM	0-3247-2274
	PHUKET	
37	ABSOLUTE SEAPEARL PATONG	0-7634-5771
38	BAN SAI YUAN (RAWAI) SUBBRANCH	
39	KAMALA BEACH	0-7638-6021-2
40	KAMALA BEACH PHUKET SUB BRANCH	0-7627-8113-4
41	KATA SUB BRANCH	0-7633-3518-20

No.	Branch	Telephone	
42	PATONG BRANCH	0-7634-0809-10	
43	PATONG 3	0-7634-5054	
44	PATONG OTOP	0-7634-0793	
45	SOI TON TARN KATA BEACH	0-7633-0119	
46	THANON NANAI PATONG SUB BRANCH	0-7634-5163-4	
47	THANON PATAK (KARON)	0-7639-8305	
PRACHUAP KHIRI KHAN			
48	DAMNERN KASEM	0-3251-2408	
49	HUA HIN BRANCH	0-3251-1120	
50	HUA HIN COMPLEX	0-3251-1386	
51	THANON NARESDAMRI	0-3251-1715	
SAMUT PRAKARN			
52	ABAC MALL	0-2313-4503	
SURATTHANI			
53	BANGRAK	0-7743-0223	
54	BEACH ROAD (CHAWENG) SUB BRANCH	0-7741-3464	
55	CHAWENG BEACH	0-7742-2493	
56	CHAWENG BEACH 2	0-7742-2203	
57	CHEONG MON BEACH SUB BRANCH	0-7748-4223	
58	LAMAI BEACH	0-7742-4386	
59	LAMAI BEACH 2	0-7741-8656	
60	HAD RIN	0-7737-5551	
61	HAD YAO	0-7734-9291-2	
62	IT COMPLEX	0-7745-8170-1	
63	KHAO YAI NOI	0-7741-3419	
64	KO PHA-NGAN SUB BRANCH		
65	LIVING SQUARE	0-7741-3851	
66	SURAT THANI AIRPORT	0-7744-1250	
67	THANON THAVEERATPAKDEE	0-7748-4586-7	
68	THONGSALA KOH PANGAN (CHAWENG)	0-7737-7044	
TRAD			
69	BANG BAO	0-3955-8091	
70	KO CHANG SUB BRANCH	0-3955-1431-3	
UBON RATCHATHANI			
71	UBON RATCHATHANI AIRPORT	0-4525-6137	
UDORNDHANI			
72	UDORNDHANI AIRPORT	0-4224-0802	

FOREIGN BUSINESS CENTERS

No.	Branch	Telephone	
BANGKOK			
1	HEAD OFFICE	0-2296-2222	0-2296-4650
2	BANGNA-TRAD	0-2751-4043-4	
3	BANGRAK	0-2235-5968	0-2237-7182-3
4	CHAROEN NAKHON	0-2437-0936	0-2438-3389
5	CHAENG WATTANA (SOFTWARE PARK)		0-2583-7206-7
6	CHOKCHAI 4	0-2539-8615-6	0-2538-9492
7	GEMOPOLIS INDUSTRIAL EATATE	0-2727-0425-6	
8	NONG KHAEM	0-2444-4336-7	
9	PLOENCHIT	0-2208-2133-6	
10	RAMA II	0-2451-4540-1	
11	SAMYAEK	0-2221-1528-9	
12	THANON VIBHAVADI RANGSIT (SUN TOWER)	0-2273-8856-7	
PROVINCES			
13	AMATA NAKHON INDUSTRIAL ESTATE	0-3845-8336-7	
14	CHONBURI	0-3828-9137-8	0-3879-0378
15	HATYAI	0-7423-7690-1	
16	LAEM CHABANG	0-3849-4905-6	
17	MAP TA PHUT	0-3860-8906-7	
18	PHUKET	0-7621-3899	
19	PRATUNAM PHRA-IN	0-3535-4141-3	
20	SAMUTSAKHON	0-3481-0641-2	
21	SIYAEK SANAM BIN CHIANGMAI	0-5320-0150	0-5328-5347-8

EXCLUSIVE BANKING CENTER

No.	Branch	Telephone	
BANGKOK			
1	ALL SEASONS PLACE	0-2250-7575	
PROVINCES			
2	PHUKET	0-7621-1110 ext. 9	

EXCLUSIVE BANKING ZONE

No.	Branch	Telephone	
BANGKOK			
1	BANG KHEN	0-2579-1619 0-2579-9930	0-2561-3017-8
2	BANG RAK	0-2235-5524 0-2237-7177 ext. 104	
3	LUMPINI	0-2286-5668-9	0-2285-6696-9
4	PLOENCHIT TOWER	0-2263-0667-9	0-2263-0159-60
5	RAMA II (KHEHA THONBURI 3)	0-2451-4094-8	
6	SANAM PAO	0-2615-0198-9	0-2615-1074-6
7	SAPHAN KWAI	0-2278-0236 0-2270-1134	0-2272-2990-1
8	SIYAEK SUAPA	0-2225-9502 0-2223-5334-5	0-2223-5310
9	THANON NANG LINCHI	0-2678-3016-8 0-2286-5892	0-2286-8842
10	THANON THEPHARAK	0-2385-0975-9	
11	WONGWIEN 22 KARAKADA	0-2222-7585 0-2223-0760	0-2221-9610
PROVINCES			
12	THANON SUKHUMVIT CHONBURI	0-3827-2653-5 0-3828-9097	0-3827-4521

Summary of Specified Items per Form 56-2