



krungsri
กรุงศรี

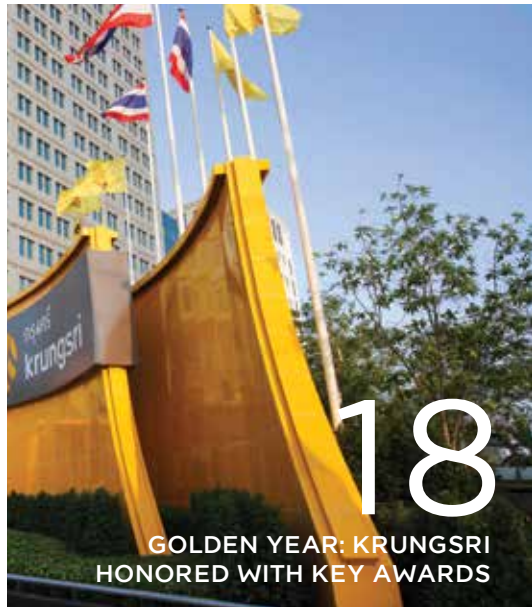
A member of  MUFG
a global financial group

ANNUAL REPORT 2013



**GROWING IN STRENGTH
WELCOMING MUFG/BTMU**

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Dear Shareholders

The Year 2013 heralded a dramatic transformation of Bank of Ayudhya (Krungsri)'s shareholder profile. Looking back over the past 15 years, it has been an illustrious journey containing the dreams, visions and commitment that help us to defend and build Krungsri into a modern and prosperous financial institution. The path was not an easy one, not paved with gold but one that demanded sacrifice, endurance, and team spirit which throughout devoted Krungsri professionals successfully delivered results with integrity, class, and a well-deserved sense of pride.

The story of Krungsri's modern history begins immediately after the Asian financial crisis in 1997, when Krungsri experienced its most difficult struggle. The so-called 'Tom Yum Kung crisis' brought Krungsri's major shareholder to confront the critical decision of whether to enter the Government's assistance program or set about raising fresh capital on its own. The Ratanarak Group, then the controlling shareholder, preferred the challenging route.

Never a group to shirk a difficult mission, confident in its management's ability and possessed of a strong will to succeed, the major shareholding group drew upon much of its available resources to restore the Bank's equity position and finally prevail over an unimaginable

fate. Notwithstanding the achievement, Krungsri's financial position remained fragile and it could not grow at a rate commensurate with that of its strong peers. The prospect was an inescapable reality: without expanding equity to grow, stagnation was inevitable.

This brings us to the second chapter of Krungsri's modern history, nine years ago, when the Bank's major shareholder pondered how best to place Krungsri on a proper financial footing in order to generate consistent profits and dividends. As confidence in the Bank was restored, the Ratanarak Group constructively proceeded to consider interested strategic financial institutional investors as joint core shareholders in Krungsri.

GE Capital International Holdings Corporation (GE) stood out amongst the parade of potential partners, with its strong retail assets portfolio and top quality management. GE proved to be an inspired choice and the perfect synergy boosted Krungsri's performance and elevated its share price to new heights.

Seven years of successful joint partnership followed. This chapter in Krungsri's story ended with GE's decision to review its investment policy and divest itself of some of its most valuable marketable assets, among them

its stake in Krungsri. The Ratanarak Group understood the reasons behind GE's decision and offered its full support. However, this brought Krungsri to the crossroads once again, requiring its core shareholder to consider a more permanent partnership.

At this juncture, Krungsri possessed a successful track record, had solid financial fundamentals, maintained an excellent management team with a reputation for innovation, and was the recipient of many international and professional awards covering the spectrum of industry sectors and functions.

Everything was in place to attract the 'best of the best' as a partner, which for Krungsri's leadership meant The Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU), a core member of Mitsubishi UFJ Financial Group, Inc. (MUFG). The only contentious issue for the Ratanarak Group was the Voluntary Tender Offer (VTO) process could lead BTMU to climb above a 50% shareholding, thus becoming the controlling shareholder of Krungsri.

The Ratanarak Group could have denied BTMU's wish to launch the VTO and could instead have considered other candidates prepared to settle for GE's 25% holding. After an exhaustive review and a full evaluation of the long-term benefits to Krungsri, however, it became clear that having BTMU as a single controlling shareholder was in the best interests of the Bank. The Ratanarak Group therefore decided to yield its joint major shareholder position and threw its support behind BTMU becoming the sole controlling shareholder and management of Krungsri. The Ratanarak Group, without selling one single share during the VTO, willingly sacrificed its controlling position for the Bank's greater good and future growth, and now settles for its place at the Bank as a significant minority shareholding group and a constructive partner in Krungsri's future.

The acquisition of Krungsri will support BTMU's strategy of expansion in Southeast Asia. Among MUFG/BTMU's subsidiaries, Krungsri is the largest investment in Asia, and the second-largest stake globally after US-based UnionBanCal Corporation.

From this year 2014, with BTMU's prudent management, inspiring leadership and solid financial position, Krungsri can now look forward with confidence to an era of improved financial performance, even with a fiercely competitive business environment or unfavorable local and or international economic conditions to contend with.

Confidence in the sheer quality BTMU and its parent, MUFG, brings to Krungsri is well-placed: quality that flows through operation-enhancing attributes including a well-entrenched global presence and impeccable top-level connections, customer-centric entrepreneurial and professional values to enhance our own, disciplined work culture, utmost integrity, a long-embedded tradition of strict compliance with good corporate governance principles, strong financial resources and a large Japanese clientele upon the integration of BTMU's Bangkok branch into Krungsri in compliance with the Bank of Thailand's one presence policy.

It is with a sense of optimism and excited by new possibilities that we extend our best wishes and a very warm welcome to MUFG/BTMU as we set out together towards a new era of inspiring achievements at Krungsri.

Finally, with our anticipation of Krungsri's bright future, let us pause and look back for a moment to express our deepest thanks and best wishes to all of our valued stakeholders, management and employees, who together formed a formidable team that brought us this far along the road to success.


Veraphan Teepsuwan
Chairman

TOWARDS A BRIGHTER FUTURE, FROM AN AWARD-WINNING YEAR

The Krungsri Group turned in another solid performance in 2013 against the backdrop of a slowing economy caused by an easing in domestic demand and delays in the government's planned infrastructure investments.

We also delivered an award-winning performance: 2013 was a year of numerous accolades for Krungsri from many well-known industry and professional organizations recognizing the Group's leadership in corporate governance, service excellence and customer insights. The pinnacle for the year was receiving the prestigious Gallup Great Workplace Award commending our ongoing attention to investment in our most valuable resource: Krungsri's employees.

A new chapter in Krungsri's story of development and growth has been initiated with a new strategic shareholder, BTMU, joining us in our quest to Make Life Simple for our customers as we reach for new heights of success for all of our stakeholders.

Growth in 2013 was achieved responsibly, in line with the overall operating environment and slowing economy, while maintaining adequate liquidity levels and asset quality.

Loans grew 13.7%, while deposits grew 11.2%. Our loan growth was broad-based across large corporate, SME and retail customers, reflecting the Group's strategy to diversify risks across our portfolio.

Additionally, Krungsri booked THB 2.55 billion in June as a counter-cyclical resource in the event of an economic slowdown. This boosted our level of loan loss reserves and coverage.

Notwithstanding the prudential reserve booked in June, an improved cost-to-income ratio and strong growth in fees and service income contributions resulted in a net profit of THB 12.0 billion.

The Gallup Great Workplace Award presented to Krungsri in 2013 was high praise indeed from the world's leading research-based performance management company.

Krungsri was the only Thailand recipient of the award from the 32 organizations honored worldwide. The award recognizes exceptional organizations whose leadership truly engages employees in the workplace.

The Gallup award highlights Krungsri's commitment to human resources excellence: we view our people as our most important asset, and they will continue to form the bedrock of Krungsri's competitive advantage going forward.

Other key awards and certifications in 2013 included recognition for Krungsri Auto as a Superbrand, plus awards honoring Krungsri's excellence in corporate governance, investor relations, foreign exchange products and services, and financial innovations.

In 2013, Krungsri became one of the first Thai commercial banks to be awarded certification as part of the Private Sector Collective Action Coalition Against Corruption from the Thai Institute of Directors Association (IOD). We are proud to be in the first wave of Thai commercial banks to be recognized for our holistic approach in regard to business principles and procedures in countering bribery.



The Voluntary Tender Offer (VTO) conducted by BTMU in the latter part of 2013 resulted in BTMU acquiring a majority stake of 72% in Krungsri, providing the opportunity to leverage synergies between Krungsri's best-in-class SME and retail banking business and BTMU's outstanding corporate business and impressive global network in the coming years.

We begin 2014 on a positive note, looking forward with enthusiasm to welcoming our new strategic shareholder and integrating BTMU's Bangkok team, products and assets into the Krungsri Group in the latter part of 2014.

Together with BTMU, our commitment to be a responsible corporate citizen in the pursuit of

our business goals remains firmly established as part of our foundation. Our responsible lending practices and corporate social responsibility initiatives will continue to contribute positively toward the development of the Thai banking sector as well as the Thai economy at large.

In closing, our sincere and heartfelt thanks go out to our valued customers, to our shareholders, and to the employees and management who comprise our exceptional team.

We remain dedicated to moving onward and upward in 2014 and beyond as we continue our quest to Make Life Simple.

A handwritten signature in black ink, reading "Janice Van Ekeren". The signature is fluid and cursive, with a long horizontal line extending from the end.

Janice Van Ekeren
Chief Executive Officer

TOWARDS A GLOBAL FUTURE, HONORING KRUNGSRI SPIRIT, LEADING BY EXAMPLE



It is with a sense of honor, a spirit of great optimism and a firm belief that the best is yet ahead that the four incoming board members, including myself, from The Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU), a member of Mitsubishi UFJ Financial Group, Inc. (MUFG), take our esteemed place as the newest members of the Krungsri family.

Krungsri today is a modern and prosperous financial institution, with seven decades of achievements, milestones and prudent stewardship for all stakeholders to look back upon with a justified sense of pride.

'Making Life Simple' is certainly a philosophy that strikes a chord in complex and uncertain times. It is a commitment I take seriously, as do my incoming colleagues. With this front and center in our minds, along with leading by example with global best practices in corporate governance, risk management, financial

products and service innovations, the four of us join Krungsri's journey in becoming 'a leading regional financial institution with global reach', committed to meeting the needs of our customers and serving society.

We will strengthen and build upon Krungsri's solid fundamentals and corporate governance, which together with MUFG/BTMU's global product depth and diversity, global networks and multinational company connections make us a formidable team.

To this end, we will become staunch defenders of Krungsri's strong, long-standing tradition of safeguarding and pursuing continuous improvement in the critical value of customer centricity, together with our integrity, team spirit, and sense of pride. These are the values which have helped Krungsri become the respected and celebrated institution it is today. They are values which align with MUFG/BTMU's values, and which we wholeheartedly embrace anew.

Krungsri's strong traditions also complement the organization's embedded core values of 'passion for excellence' and 'embracing change', empowering Krungsri to take the lead in the many customer and product segments we currently serve, and garnering praise from numerous professional and international organizations. On behalf of the incoming board members, we also recognize that strong organizational values drive our proud culture of workforce engagement.

In addition, as we align our mission to MUFG/BTMU's global orientation, we enhance our core values with an additional one – 'global awareness'. This means our organizational values and culture, which are the bedrock of our success and an integral part of our corporate raison d'être, reflect and aspire to a more global orientation in our provision of services and products, leveraging synergies that can be realized with the benefit of MUFG/BTMU's strengths in these areas.

Our joined forces, synergized corporate cultures and shared value systems – depicted so aptly on our Annual Report's cover – create a platform of great potential. We honor the present team's efforts and take up our places with the greatest respect for Krungsri's proud history.

It is with this promise of a bright future that we set out on the next stage of Krungsri's journey to become the number one preferred financial group for our customers while firmly embracing our brand promise of 'Making Life Simple' through our professional 'One Krungsri' team.

It is indeed a privilege and a pleasure to begin this new journey together.

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

KRUNGSRI MISSION:

To be a leading regional financial institution with global reach, committed responsibly to meeting the needs of our customers and serving society through sustainable growth.

KRUNGSRI VISION:

Highly qualified team of professionals providing innovative products and services, dedicated to becoming our customers' number one preferred financial group.

KRUNGSRI VALUES:

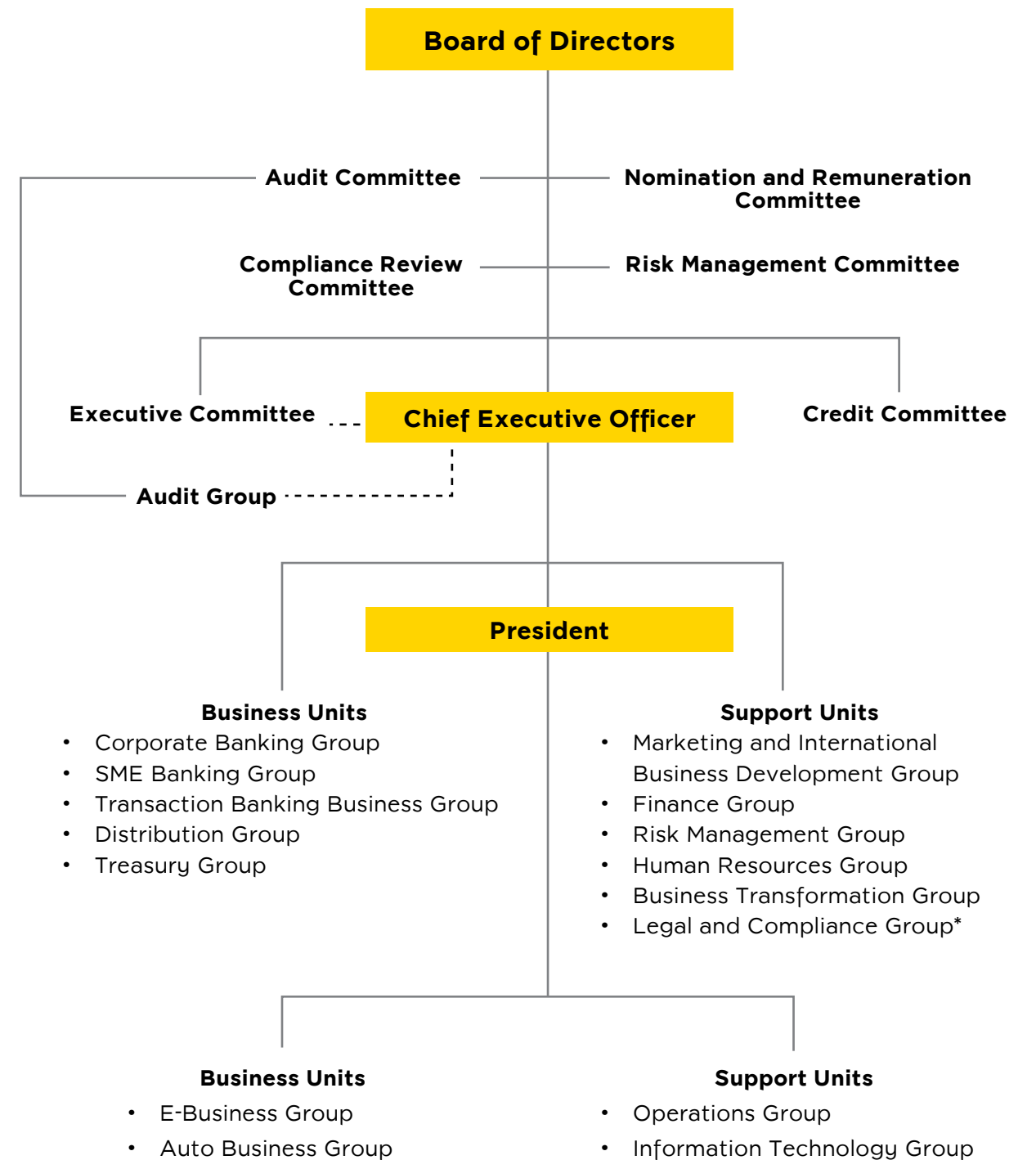
- 1. Integrity:** We are fair and professional, inspiring trust and work with transparency, legalism, and ethics.
- 2. Team Spirit:** We work together as a team for the benefit of our customers and Krungsri with open hearts and open minds to reach our goals.
- 3. Customer Centricity:** We put our customers first, understanding and anticipating their needs and expectations and responding with best solutions.
- 4. Passion for Excellence:** We are committed to instill in ourselves the expectation of excellence in delivering our work and services.
- 5. Embracing Changes:** We intend to do better every day by opening ourselves to changes and new experiences that will fairly benefit Krungsri and our customers.
- 6. Global Awareness:** We challenge ourselves as a valued member of a global financial group, supporting the growth of our customers both within and outside of Thailand.

Noriaki Goto
Chief Executive Officer
(Effective January 2, 2014)



OUR ORGANIZATION

ORGANIZATIONAL STRUCTURE



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

BOARD OF DIRECTORS (2013)



Mr. Veraphan Teepsuwan
Chairman



Mrs. Janice Van Ekeren
Executive Director
Chairman of the Risk Management Committee
Chairman of the Executive Committee



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



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



Mr. Pornsanong Tuchinda
Executive Director
Risk Management Committee Member
Credit Committee Member
Executive Committee Member



Mr. Pongpinit Tejagupta
Director



Miss Potjanee Thanavaranit
Independent Director
Chairman of the Audit Committee



Miss Nopporn Tirawattanagool
Director
Nomination and Remuneration Committee Member



Mr. Phong-adul Kristnaraj
Independent Director
Audit Committee Member
Chairman of the Compliance Review Committee



Mr. Virojn Srethapramotaya
Director



Mr. Philip Tan Chen Chong
Executive Director
Risk Management Committee Member
Deputy Chairman of the Executive Committee



Mr. Xavier Pascal Durand
Director

BOARD OF DIRECTORS (2014)



Mr. Veraphan Teepsuwan
Chairman



Mr. Kanetsugu Mike
Vice-Chairman
Nomination and Remuneration Committee Member



Mr. Noriaki Goto
Executive Director
Chairman of the Risk Management Committee
Chairman of the Executive Committee



Mrs. Janice Van Ekeren
Executive Director
Deputy Chairman of the Risk Management Committee
Deputy Chairman of the Executive Committee



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



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



Miss Potjanee Thanavaranit
Independent Director
Chairman of the Audit Committee



Miss Nopporn Tirawattanagool
Director
Nomination and Remuneration Committee Member



Mr. Phong-adul Kristnaraj
Independent Director
Audit Committee Member
Chairman of the Compliance Review Committee



Mr. Philip Tan Chen Chong
Executive Director
Risk Management Committee Member
Executive Committee Member



Mr. Takeshi Ogasawara
Director
Compliance Review Committee Member



Mr. Go Watanabe
Director

SENIOR MANAGEMENT



Mrs. Janice Van Ekeren
Chief Executive Officer



Mr. Philip Tan Chen Chong
President



Mr. Pornsanong Tuchinda
Head of Corporate Banking



Miss Phawana Niemloy
General Counsel



Mr. Pairote Cheunkrut
Managing Director
Ayudhya Capital
Auto Lease Plc.



Mr. Chandrashekar Subramanian
Krishoolndmangalam
Chief Risk Officer



Mr. Tak Bunnag
Head of Treasury



Mr. Thakorn Piyapan
Managing Director
Ayudhya Capital
Services Co., Ltd.



Mr. Sudargo Harsono
Head of Marketing and
International Business
Development



Mr. Phonganant Thanattrai
Head of Distribution



Mrs. Voranuch Dejakaisaya
Head of Information
Technology



Mrs. Wanna Thamsirisup
Head of Operations



Miss Duangdao Wongpanitkrit
Chief Financial Officer



Mr. Kris Chantanotoke
Executive Vice President
Wealth Management
Division



Mr. Takanori Sazaki
Head of Strategic Planning
Office and Deputy Chief
Financial Officer
(Effective January 2, 2014)



Miss Puntipa Hannoraseth
Head of Audit



Mr. Sayam Prasitsirigul
Head of SME Banking



Mr. Rohit Khanna
Head of Business
Transformation

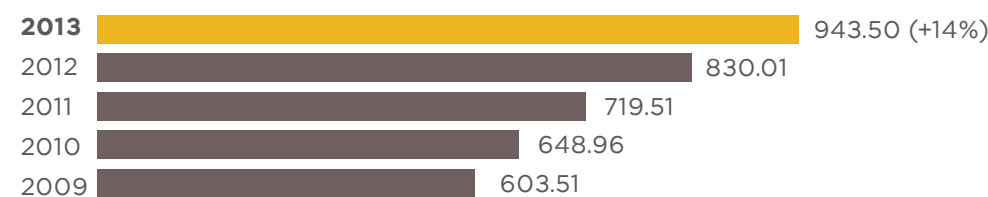


Miss Anuttara Panpothong
Head of Human Resources

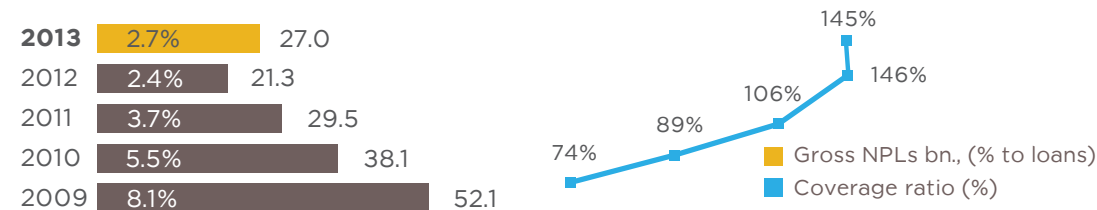
FINANCIAL HIGHLIGHTS

(Consolidated)

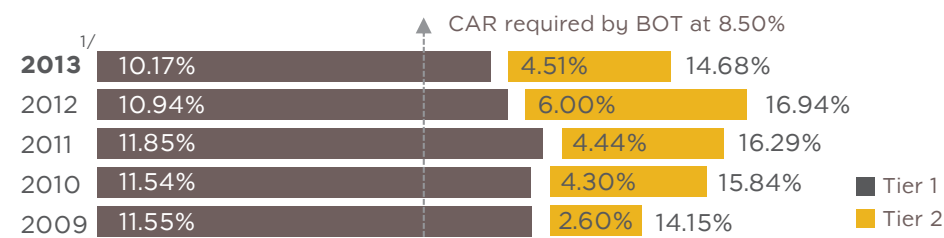
LOANS (THB billion)



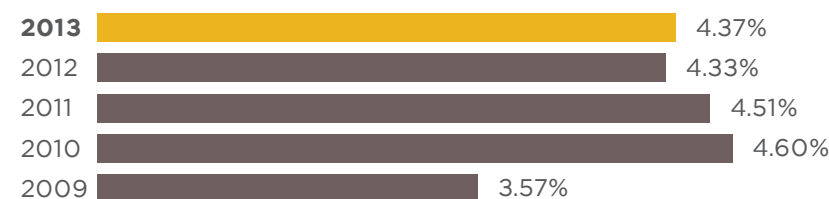
NPLs & COVERAGE RATIO (THB billion)



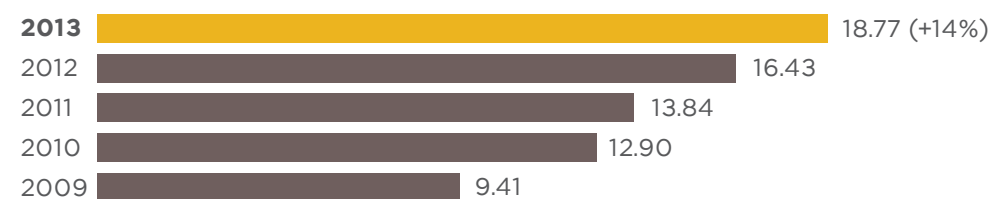
STRONG CAPITAL BASE (Percent)



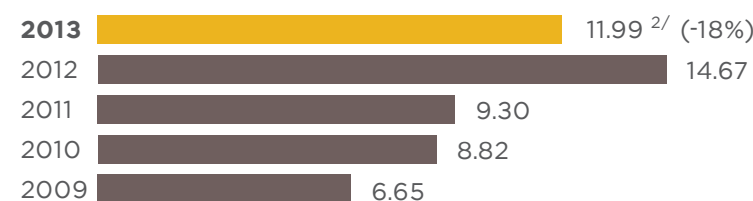
NET INTEREST MARGIN (NIM) (Percent)



FEES & SERVICE INCOME (THB billion)



NET PROFIT (THB billion)



1/ Bank only (BASEL III effective in January 2013)

2/ Including one-time impacts from prudential surplus reserves of THB 2.6 bn. in 2Q 2013 as countercyclical resource in the event of a potential slowdown in economic or business activities.

Consolidated Financial Statements

	2013	2012	2011	2010	2009
Financial position (THB million)					
Assets	1,179,582	1,071,965	947,797	869,834	780,132
Loans to customers	943,502	830,008	719,507	648,960	603,508
Allowance for doubtful accounts	38,986	31,029	31,279	33,953	38,600
Net NPLs	13,308	11,835	18,763	23,832	32,370
Gross NPLs	27,014	21,292	29,536	38,149	52,080
Liabilities	1,057,934	958,479	845,102	770,730	687,547
Deposits	764,050	687,159	560,540	576,479	520,515
Shareholders' equity	121,648	113,486	102,696	99,104	92,585

Operating performance (THB million) 1/

Interest income	71,381	64,640	56,428	47,275	38,183
Interest expense	26,442	24,687	18,963	12,647	13,138
Interest income, net	44,939	39,953	37,465	34,628	25,045
Fees and service income, net	14,552	12,735	10,787	10,080	7,193
Non-interest and non-fee income	9,010	8,501	7,052	6,819	4,775
Other operating expenses	33,614	30,798	27,477	26,796	18,636
Impairment loss of loans and debt securities	18,959	11,385	12,214	12,391	10,216
Net profit 2/	11,867	14,625	9,264	8,793	6,659

Financial ratios

Return on average assets	(%)	1.05	1.45	1.02	1.07	0.87
Return on average equity	(%)	10.11	13.53	9.18	9.17	7.44
Net profit per share	(THB)	1.95	2.41	1.53	1.45	1.10
Cost / income ratio 1/	(%)	49.07	50.33	49.68	52.00	50.35
Capital adequacy ratio 3/	(%)	14.68	16.94	16.29	15.84	14.15
Tier 1 capital to risk assets ratio 3/	(%)	10.17	10.94	11.85	11.54	11.55
Book value per share	(THB)	20.03	18.68	16.91	16.32	15.24
Loans to deposit ratio	(%)	123.49	120.79	128.36	112.57	115.94
Loans to deposit plus debentures and bills of exchange ratio	(%)	104.40	102.87	96.89	98.98	99.78
Net NPLs / loan 4/	(%)	1.33	1.34	2.41	3.48	5.18
Gross NPLs / loan 5/	(%)	2.67	2.39	3.74	5.45	8.08
Coverage ratio	(%)	145.05	146.19	106.20	89.09	74.12

1/ Presents the reclassification in compliance with the new financial statement format of the Bank of Thailand's announcement no. SNS. 11/2010

2/ Attributable to equity holders of the Bank

3/ Bank only (BASEL III) for 2013 and Bank only (BASEL II) for 2009-2012

4/ Represents percentage of net NPLs divided by loans including money market loans less NPLs reserves

5/ Represents percentage of gross NPLs divided by loans including money market loans

AWARDS AND RECOGNITION

Krungsri Group enjoyed another highly successful year in 2013 during which our ongoing efforts and initiatives in employee engagement, CG excellence, innovation, brand building and new products won numerous local and international awards.



2013 Gallup Great Workplace Award

Krungsri was the only recipient in Thailand and one of just 32 organizations around the world to receive the 2013 Gallup Great Workplace Award from Gallup, the world's leading research-based performance management consulting company. The award recognizes exceptional organizations whose leadership has mastered the use of employee engagement initiatives as a key driver of real business outcomes.



SET Award of Honor for 2013

In recognition of our commitment to good corporate governance practices Krungsri received the SET Award of Honor for 2013 as a result of winning the Top Corporate Governance

Report Awards for three consecutive years from 2011-13 from the Stock Exchange of Thailand (SET) and Money & Banking Magazine.

Best Marketing Campaign in Asia (Silver) Award

Our Mee Tae Dai campaign won the Best Marketing Campaign in Asia (Silver) Award from APPIES 2013, an annual festival of leading marketing ideas in Asia organized by the Institute of Advertising Singapore (IAS). The campaign enabled Krungsri to become the market leader for high yield savings products in Thailand. It also helped improve our net promoter score, which reflects customer engagement and brand preference.



Advertising Campaign of the Year

Asian Banking and Finance Awards 2013 presented Krungsri with the Advertising Campaign of the Year Award for Mee Tae Dai saving product.

Online Banking Initiative of the Year

Krungsri was awarded Online Banking Initiative of the Year at the Asian Banking and Finance Awards 2013 for Krungsri Mobile Application.

Excellence in Mobile Banking

Krungsri received the Excellence in Mobile Banking award at the Financial Insights Innovation Awards (FIIA) 2013 for the Krungsri Mobile Application.



Product Excellence in Payment Innovation

Banking & Payments Asia Trailblazer Awards 2013 recognized Krungsri for Product Excellence in Payment Innovation for becoming the first bank in the market to offer mobile point of sale payment solutions with Krungsri Quick Pay.

Best for FX Product and Services in Thailand 2013

Asiamoney magazine, a forefront publication reporting on Asia-Pacific financial markets, presented Krungsri with Best for FX Product and Services in Thailand 2013. This recognized our position as the leading provider of foreign exchange products and services and our outstanding customer service.



Asia Pacific Property Awards (Office Interior)

Krungsri together with Concept International Design won the Asia Pacific Property Award 2013-2014 for Office Interior for the new retail branch design that was implemented as part of our recent rebranding.

Best Business Leader of the Year in the Innovative Channel

Krungsri Consumer received the Best Business Leader of the Year in the Innovative Channel award from Visa International Asia Pacific for Krungsri Quick Pay.

Western Union Agent of the Year

Krungsri received the Western Union Agent of the Year award from Western Union, for achieving the best overall performance among the agents' network for its success in various areas including volume and location growth, frontline participation and point-of-sale audit. Krungsri demonstrated great performance in delivering the services, as a result of winning for two consecutive years from 2012-2013.



Top 50 for Investor Relations in South East Asia

IR Magazine ranked our Investor Relations department among the top 50 in Southeast Asia. The publication is the only monthly global magazine to focus on the interactions between companies and their investors. The ranking is based on an investor perception survey of analysts and fund managers.

Superbrands Thailand

Krungsri Auto, Thailand's leader in integrated auto-loan business, received a Superbrand 2013 award at the Thailand Superbrands Council contest for the second consecutive year.



Consumer Protection Board Office Award

Krungsri Auto was honored to receive the Office of Consumer Protection Board (OCPB) Award for our television commercial entitled 'The Precious'. The OCPB and the Advertisers Association of Thailand jointly hosted the award to promote and recognize business operators that value social responsibility, fairness to consumers and consumer rights.



A NEW STRATEGIC PARTNER TO LIGHT THE WAY

Expanding opportunities,
leveraging a global perspective



WALKING IN STEP TOWARD A BRIGHTER FUTURE

Aligning two great brands built on shared values



SHARING A VISION OF A PROMISING DESTINY

Beginning a journey to achieve new heights of success



OPERATING ENVIRONMENT

THAI ECONOMY IN 2013 AND OUTLOOK FOR 2014

2013 Economic Review

Thailand's economic growth was slower than expected in 2013 due to the sluggish global economic recovery and waning effects from government measures to stimulate the domestic economy in the wake of the 2011 floods. This provided a stark contrast to 2012's strong performance which was buoyed by the government stimulus program and post-flood reconstruction.

During the year Thai exports suffered from the double effects of a weaker-than-expected global recovery and a slowdown in key Asian markets, most notably China. The Thai Baht's sharp appreciation against the US dollar in the first six months of the year – mainly due to large capital inflows catalyzed by quantitative easing in US and Japan – further crimped the Kingdom's export competitiveness. These capital inflows started to reverse in the second half; however, after the US Federal Reserve signaled it would taper its quantitative easing (QE) program, asset prices, wealth and economic growth faltered across Asia as investors relocated their capital back to the US. A nascent recovery in advanced countries did give Thai exports a small boost during the fourth quarter.

Weak domestic consumer spending, resulting from soaring household debts and the waning effects of government stimulus measures – such as tax breaks for first-time car buyers and raising the minimum wage to THB 300 a day – and low agricultural prices, were contributing factors to the year's tepid performance. Private investment slowed following subdued consumer spending, weak exports and the high base effects from 2012's post-flood reconstruction. Lawmakers delayed the government's controversial water management project, further dampening economic activity by preventing the dispersal of funds.

In addition, domestic political turmoil sparked by a proposed Amnesty Bill exacerbated the economic slowdown late in the year. Compounded, these domestic and external factors saw Thai economic growth decelerate sharply to 2.9 percent from 6.5 percent in 2012. The Bank of Thailand reduced the policy rate two times by a total of 0.50 percentage points to 2.25 percent to mitigate poor economic performance.

2014 Economic Outlook

Thailand's economy will likely experience moderate growth in 2014 as a more rapid global recovery should outweigh an uncertain investment outlook and weak domestic consumption.

Softening purchasing power, due to low farm prices and the reduced fiscal stimulus through a number of channels such as uncertainty over the troubled rice subsidy scheme, is expected to dampen consumer spending. Cuts to the government's fuel subsidy could also increase living costs while high household debts will likely take a number of years to resolve. On the upside, Thailand's near-zero percent unemployment rate, an expanding middle class and growing urbanism should help cushion the effects of these negative trends and support growth in private consumption.

On the external front, a continued recovery in the world economy led by advanced countries, particularly the US and Japan, should spur global demand next year. The scaling back of the QE program in response to a firmer US economy could lead to volatile capital flows and may create risks for developing countries, whose economic booms had been boosted by a half decade of QE. Despite this, the global recovery and growth dynamism in Thailand's neighboring countries together with a weakening trend of the Thai Baht may boost Thai exports to grow by 4-6 percent in 2014, compared to a contraction of 0.2 percent in 2013.



The key driver of the Thai economy will come from the export sector rather than domestic investment as many previously expected. Political uncertainty delays public spending, notably the THB 2 trillion infrastructure development programs and the THB 350 billion water management project, which affects business sentiment and economic activities. The private sector thus is likely to postpone its investment expansion plan, waiting for a clearer situation.

Political uncertainty aside, other supportive factors exist which are likely to shore up the domestic economy in the longer term. These include:

- Business expansion in preparation for the inauguration of the ASEAN Economic Community (AEC) in 2015 which is reinforced by Thailand's location as the regional grouping's geographical hub.
- Development of economic corridors within Southeast Asia and with the region's major economies such as China.

Considering the above, we forecast the Thai economy will grow by 2.5-3.0 percent in 2014. Despite a possible global trend for higher interest rates resulting from the tapering of QE in the US, benign inflation and weakened domestic demand could allow the Monetary Policy Committee to cut the policy rate by 0.25 percentage points to 2.0 percent to help mitigate downside risk to economic growth.



COMMERCIAL BANKING IN 2013 AND OUTLOOK FOR 2014

2013 Market Overview

Thailand's commercial banking sector remained financially sound and stable throughout the year. Commercial banks posted moderate loan and deposit growth of 11.0 percent and 9.3 percent, respectively. This was achieved despite subdued economic activity during the second half of the year partly due to the completion of government stimulus programs, in particular the first car buyer program, and the slowdown in exports, which resulted in lower than expected performance for both the sector and the overall economy.

Commercial loans expanded by 10.2 percent, driven mainly by higher demand for working capital and increased private investment. Growth in term loans was strongest in the real estate, public utilities, commerce, construction and manufacturing sectors. Lending to SMEs increased by 14.9 percent. Consumer loans grew by 12.9 percent supported by higher domestic spending and increases in the minimum wage which came into effect in January 2013. Take up of auto hire-purchase loans slowed to 8.4 percent, however, in line with the expiry of tax rebates for first car buyers.

Deposits grew by 9.3 percent, reflecting a concerted action by commercial banks to mobilize funding to support lending growth and, in part, their expectations of tighter liquidity conditions going forward. Meanwhile, bills of exchange continued to decrease, contracting by 57.0 percent over the year. Expanding loan growth saw the banking sector's liquidity tighten further

throughout the year, though it remained adequate with a loan-to-deposit (including bills of exchange) ratio of 96.6 percent, up from 93.1 percent last year. While banks did not expect an upward trend in interest rates during the year, they locked in their funding with long-term debentures and long-term deposits. The Bank of Thailand reduced policy rates by 0.5 percentage points to mitigate downside risks to the economy.

Overall asset quality remained sound. The gross NPL to total loan ratio lowering from 2.3 percent last year to 2.2 percent in 2013. Notwithstanding the overall improvement in asset quality, NPL ratio in the consumer sector increased to 2.2 percent from 1.9 percent last year as a result of the slowing economy. In 2013, Thai banks set aside precautionary provisions to counter a potential slowdown in economic or business activities on either the domestic or international front. This resulted in a strong improvement in the Thai banking sector's loan loss coverage which rose to 168.3 percent up from 157.2 percent in 2012.



Non-interest income continued to improve as banks diversified their earnings sources beyond traditional interest income to other areas, most notably by leveraging their fees and wealth franchises. By year-end, fee and service income accounted for 24.9 percent of the banking sector's total revenues.

Overall, Thai banks reported record net profits of THB 214.9 billion, up THB 41.1 billion from the previous year, despite the impact from booking precautionary provisions and the slowing economy. Net interest margins and average return on assets improved to 2.6 percent and 1.3 percent, respectively. Years of accumulated retained earnings contributed to favorable capital levels with a Bank for International Settlements (BIS) ratio of 15.7 percent and a Tier-1 ratio of 12.6 percent, both of which were well above the Bank of Thailand's minimum requirements and among the highest in the region.

2014 Market Outlook

The outlook for Thai banks in 2014 is positive given the improving global economic recovery. However, downside risks stem from delays in government investment and fragile confidence within the private sector, which would likely be compounded if Thailand's political impasse is not resolved.

Non-interest income, in particular fee income, will continue to grow strongly. Loan-related fees and services income will expand in line with loan growth. Meanwhile, low penetration of insurance and wealth management products among the Thai population will continue to support strong growth in fee income.

Key risks in 2014 include global financial volatility resulting from the US Federal Reserve tapering its QE policy and greater competition for funds – both among commercial banks and from specialized financial institutions within Thailand. Competition for deposits will remain intense as banks look for additional funds to support their loan book expansion. In addition, government demand for funds to finance the budget deficit and investment projects may reduce liquidity within the system.

Looking beyond 2014, liberalization of the financial services sector under the Bank of Thailand's Financial Sector Master Plan Phase II, as well as the formation of the AEC in 2015, will not only bring new entrants into the Thai banking sector, it is also likely to foster both greater liberalization of cross-border trade in financial services and products and regional consolidation within the industry.

In 2013, as part of an initiative to promote competition within the financial sector, the Ministry of Finance and the Bank of Thailand announced the opportunity for five new licenses to establish new local subsidiaries of foreign commercial banks which are targeted to take place within this year.

Mergers and acquisitions within the local banking sector have continued since 2012. To enhance the stability of financial institutions and strengthen and improve the sector's competitiveness, during the year the Ministry of Finance and the Bank of Thailand authorized Krungsri to increase its foreign shareholding limit beyond 49 percent of the bank's issued shares, and for Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU) to enter into transactions to purchase and hold shares of Bank of Ayudhya Public Company Limited. Further consolidation in the industry is therefore likely given both the supportive regulatory environment and more intense competition within the commercial banking industry.

Thai banks are likely to remain sound and stable in 2014 supported by the global economic recovery despite external and internal operating challenges. Sector-wide loan growth is forecast at 8-10 percent.



COMPETITIVE CAPABILITY

OUR STORY

The Bank of Ayudhya Public Company Limited (Krungsri) officially opened its doors on April 1, 1945. We found immediate public favor, grew rapidly and listed on the Stock Exchange of Thailand on September 26, 1977. Our steady growth has continued unabated to the present day. As of December 31, 2013, Krungsri Group had a total registered capital of THB 75,741 million and THB 60,741 million in paid-up capital.

Krungsri is Thailand's fifth largest universal bank in terms of assets, loans and deposits today.

Krungsri constantly strives to provide for the ever-changing needs of our broad customer base by offering a comprehensive range of universal banking financial products and services to three key target groups: corporate, SMEs and consumers. We also provide related financial services through our subsidiaries and associated companies, which include wealth management, credit cards, non-life insurance, asset management, securities trading, auto hire purchase, equipment leasing, factoring, micro-finance and installment loans.



This year the Krungsri Group reached another key milestone in our history when we became a subsidiary of The Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU), which is the wholly-owned subsidiary of Mitsubishi UFJ Financial Group, Japan's largest banking group and one of the world's largest and most diversified financial groups.

A brief chronology of key shareholder developments in 2013 were as follows:

On 2 July 2013, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU) announced it had signed a Share Tender Agreement with GE Capital International Holdings Corporation (GECIH) to purchase the shares in Krungsri held by GECIH. Under the agreement, BTMU was required to launch a Voluntary Tender Offer (VTO) for all shares at the price of THB 39 per share. GECIH would then tender its entire shareholding of 1,538,365,000 shares, representing 25.33 percent of Krungsri's total shares, to BTMU.

"2013 MARKED AN IMPORTANT MILESTONE IN KRUNGSRI'S HISTORY WHEN IT BECAME A MEMBER OF JAPAN'S LARGEST FINANCIAL GROUP"

On August 27, 2013, Krungsri obtained approval from the Bank of Thailand for the Bank to have foreign shareholders with a combined stake of more than 49 percent.

On September 18, 2013, Krungsri announced our plan to purchase BTMU's Bangkok branch.

On October 31, 2013, an Extraordinary General Meeting (EGM) of Krungsri's shareholders was convened which approved the integration of the Bank and BTMU's Bangkok branch by acquiring the assets of BTMU's Bangkok branch and entering into a Conditional Branch Purchase Agreement between Krungsri as transferee and BTMU as transferor and other related agreements. The EGM also approved reducing the Bank's registered capital from THB 70,893,927,550 to THB 60,741,437,470 and then approved increasing its registered capital from THB 60,741,437,470 to THB 75,741,437,470 by issuing not more than 1,500,000,000 new ordinary shares at par value of THB 10. These new shares would be issued as a private placement to BTMU and/or exchanged for the transfer of the assets of BTMU's Bangkok branch.

In late December 2013, after the successful completion of the VTO, BTMU replaced GECIH as the strategic shareholder of Krungsri. BTMU currently holds 72.01 percent of the issued and paid-up shares, while Ratanarak Group holds 25 percent. Following the successful completion of the VTO, Moody's Investors Service and Standard & Poor's upgraded Krungsri ratings from Baa2 to Baa1 and from BBB- to BBB+, respectively. Similarly, TRIS Ratings also took a positive action by upgrading the Bank's rating from AA- to AAA.

These developments will leverage both Krungsri and BTMU's complementary strengths to establish a unique position for Krungsri in the Thai banking industry. BTMU is a world-class financial institution with a business network covering more than 40 countries worldwide. The partnership will strengthen Krungsri's leading position in the retail banking business in Thailand and across the region by providing access to a larger customer base. It will also significantly enhance the scale and diversity of Krungsri's corporate and SME banking businesses, particularly with Japanese enterprises in Thailand and across ASEAN.

OUR PHILOSOPHY

Krungsri Group's core philosophy is founded on good governance. Adherence to the highest ethical standards and a steadfast commitment to transparency form the keystone of our business. This is essential considering we are entrusted with the honor of protecting our customers savings and investments.

Throughout the year we continued to deliver on our brand promise to Make Life Simple. We strive to ensure your experience of our products and services is as efficient and hassle-free as possible at every touchpoint, whether it be online, through a smartphone app or at one of our branches. The development of cutting edge technology and world-class client analytics and customer relationship management techniques have enabled us to achieve this essential goal.

These commitments have resulted in the further strengthening of our trust-based relationships

all areas of corporate governance reporting and information disclosure ranging from the annual registration statement and annual report to our website and our shareholder meetings.

In addition to the SET awards, we also received Asia's Best CFO (Investor Relations) and Best Corporate Social Responsibility (CSR) company awards from Corporate Governance Asia and were ranked among the top 50 companies for investor relations in Southeast Asia by IR Magazine, the world's leading investor relations publication.

"KRUNGSRI'S COMPETITIVE CAPABILITY IS REINFORCED BY OUR CORPORATE GOVERNANCE PHILOSOPHY, BRAND PROMISE AND PEOPLE, AS WELL AS PRODUCTS THAT SHAPE MARKETS"

the year we implemented **Krungsri PRIDE** – People, Right System, Integrity, Development and Engaged Culture, an initiative designed to enhance employee engagement. PRIDE covers a range of capacity building areas, such as fostering personnel development, implementing the right processes and infrastructure, developing a strong determination and commitment to integrity, focusing on talent management and building an employee engagement culture.

The quality and effectiveness of PRIDE and other human resource development and employee engagement policies were reflected in the accolades we received for our team efforts, including the 2013 Gallup Great Workplace Award. Krungsri was one of only 32 organizations around the world, and the only Thai company, considered exceptional in terms of their employee engagement initiatives by Gallup, the world's leading research-based performance management consultancy.

Krungsri Quick Pay – electronic payment solutions that enable SME merchants to accept debit/credit card payments anywhere through smartphones, tablets and other connected devices.

Krungsri Mobile Application – Asia's first mobile banking application offering a full range of integrated financial services from across the Krungsri Group and packaging customer-relevant lifestyle content. The app includes balance checking, credit card payments, purchasing mutual funds and various other anywhere, anytime services and monetary transactions. Having achieved more than 600,000 downloads within six months and three million-plus transactions per month, the app won two awards for useability from Financial Insights Innovation Awards (FIIA) and Asian Banker.

Visa payWave – Tesco Lotus credit card was the first retailer's credit card in Thailand to offer Visa payWave at every Tesco Lotus branch. Visa payWave enables customers to make contactless payments using the Tesco Lotus credit card.



with stakeholders as reflected in the numerous international, regional and national awards presented to the Krungsri Group throughout the year. While technology has played a leading role in these achievements, our people, our products and our pursuit of corporate governance excellence remain our fundamental strengths.

CORPORATE GOVERNANCE EXCELLENCE

We received the Stock Exchange of Thailand's Award of Honor 2013 for Continuous Excellence in recognition of our winning the Top Corporate Governance Report Awards from the SET for three consecutive years: 2011, 2012 and 2013. This accolade further strengthened our position as the industry's leader for corporate governance. The SET's award distinguished the Bank as a listed company with an exceptional commitment to

These awards recognize our ongoing effort to enhance and improve our corporate governance and meet the highest international standards as well as our commitment to safeguarding the interests of all shareholders. Increasing the transparency of our business operations is a key element of improving corporate governance. During the year, we were proud to be among the first group of Thai commercial banks to be awarded a certificate of Private Sector Collective Action Coalition Against Corruption from the Thai Institute of Directors Association (IOD).

OUR PEOPLE

People are our most important asset. They are the key channel for delivering our products and services to customers. Ensuring they are engaged and developing their skills while working with us is therefore of the utmost importance. During



OUR PRODUCTS

Developing simple yet profound market-leading products has been instrumental in crystalizing and holding true to our Make Life Simple brand promise. This year we delivered 'Banking on the Go' to customers. They responded extremely positively to this paradigm of providing simple innovative services which received record adoption rates and included:

Transactions can be made in less than a second by simply holding the card in front of a special card reader.

Electronic Receipt Management – this green technology enables merchants to store a customer's digital signature and sales information negating the need to rely on physical documents for sales transactions. This reduces paper usage, storage space and related costs for users. It also reduces the turnaround time for reimbursement from an average of seven business days to just one business day.

Our competitive capability is embedded and reinforced by our CG philosophy, brand promise, people and market-shaping products. Krungsri's unique approach not only fosters greater confidence and trust among depositors, customers, business partners and investors, it also helps further enhance our competitiveness in an ever-evolving global marketplace.

CORPORATE BANKING

Krungsri's Corporate Banking Group serves large Thai corporations across a wide range of industries, as well as multinational companies operating in Thailand, each of which have an annual turnover of more than THB 500 million. Our industry sector experts and relationship managers provide a full suite of financial and advisory services to clients. Solutions, which are tailored to the specific needs of each client, include trade finance, cash management products, hedging solutions and investment banking services. While the Thai economy only grew moderately during the year, our well established client relationships and customized services resulted in loan portfolio growth of 15 percent.

Sectorial growth was driven by the food and beverage, agriculture, construction materials, automotive, petrochemical and energy sectors. In addition, growth was also driven through Krungsri's services for clients involved in the country's infrastructure projects, the expansion of mass transit routes in Bangkok and surrounding areas, as well as industries with strong future growth potential such as renewable energy projects including solar, wind, and biomass resources.

We strengthened our debt capital market position, maintaining our number five ranking throughout the year, and achieving record underwriting for clients amounting to more than THB 30,000 million of debentures for Siam Cement, CP ALL, Sahacogen, BTS Rail Mass Transit Growth Infrastructure Fund, and others. The Corporate Banking Group continued to restructure itself and simplify workflows to maximize efficiency and enhance productivity. We established the Middle Market Enterprise team, a new unit to specifically service customers with an annual sales turnover ranging from THB 500 million to THB 3,000 million, which helped strengthen our relationships with customers in this segment and enhance the quality of service we provide to them.

To prepare for the inauguration of the ASEAN Economic Community (AEC) at the end of 2015, we have been very active in conducting seminars to keep clients abreast of key developments at the local, regional and global levels as well as helping them address related opportunities and challenges.

Our customer centric strategy requires us to continually develop the capabilities of our staff to ensure they are equipped with the latest knowledge and skill sets. Active recruitment has enabled us to further strengthen our team, enabling them to surpass the demands of our competitive environment and evolving customer needs.

2014 Strategic plan

Krungsri's partnership with BTMU, and the added financial strength they bring, will help deliver accelerating growth in the Corporate Banking Group's loan portfolio in 2014. In addition, BTMU's relationships and networks will enable us to be more effective in approaching Japanese businesses operating in Thailand and offering them and their supply chains lending facilities and new international products and services.

We will also explore opportunities to increase our regional presence by servicing Thai corporations that are setting up production facilities in neighboring countries. This will include coordinating with BTMU's well established overseas network to support Thai customers who are entering such new markets.

Looking ahead, we will draw on the strengths of our comprehensive products and services and improved service quality to drive growth. Delivering the best possible customer experience with the utmost speed, efficiency and simplicity will remain the core focus for us throughout the year.



SME BANKING

Thinking outside the box is a driving force of our business at Krungsri, where we emphasize strategic collaboration and the elimination of silos across business groups and/or organizations to ensure we deliver the best products and services possible to customers. Synergies derived from such collaboration normally results in mutual benefit in terms of growth and profitability. This spirit of partnership inspired the development of **The Ease of Growing Business with Krungsri SME**, a business program aimed at empowering customers to grow their businesses and realize new business opportunities.

Our in-depth customer and market research revealed that expanding market and finding new



partners were the areas where most SMEs needed the greatest support. In response to these findings we developed a service to assist entrepreneurs in identifying potential business partners and/or strategic alliances through different marketing activities. Such strategic activities are supported by Krungsri's market leading product innovations, operational capacity, established networks and portfolio of products and services offered by our financial subsidiaries, such as Krungsri Auto, Krungsri First Choice and Srisawad Ngern Tid Lor with their combined networks of more than 15,000 business allies.

The Ease of Growing Business with Krungsri SME is supported by our 4P Model:

Partnerships – Krungsri has organized numerous business matching activities to facilitate new opportunities and growth for our clients' businesses.

Power of Krungsri Synergy – The group's service channels and touch points provide access to 44 Krungsri SME Business Centers and 610 branches, ensuring we can fulfill the financial transactions and other requirements of our SME customers. In addition, our customers can take advantage of Krungsri's universal banking platform through the Bank and our financial subsidiaries.

Product – Our suite of financial products and services are designed to meet the needs of entrepreneurs to both strengthen and grow their businesses. This includes Krungsri Value Chain Solutions which was developed to provide an innovative vendor financing program with attractive interest rates and special loan conditions for clients.

Process – This year we continued investing in technology to streamline our business processes and credit approval systems. This enabled us to not only improve turnaround times but to also effectively improve our risk analytics to meet the demands of clients with larger credit facilities. In addition, we were the first bank to offer clients a Quick Pay Service, a payment system enabling SMEs to receive payments from customers via smartphones or tablets.

Evolving Partnership Program

Our partnership initiatives under the 4P model were developed into a new program called **SME Connect**. The overriding objective of this program is to identify business opportunities for customers while helping strengthen SME business networks. We then developed the Real Network Program to help customers connect with potential business partners and allies through our business matching activities. Meanwhile, the **Open House Networking Program** arranged visits to large corporations such as Ichitan Group, Ek-Chai Distribution System (Tesco Lotus), Boonrawd Brewery and Toyota Motors (Thailand) to help our SME clients better understand complex supply chain processes and requirements. Business seminars and luncheon networking events were organized throughout the year to provide customers with access to in-depth industry knowledge and outlooks from Thailand's leading experts and business gurus. The events provided entrepreneurs with a platform for local and international business matching, networking and exchanging business ideas. Krungsri joined with four leading partners from the public and private sectors during the year, namely the Federation of Thai Industries, Department of Industrial Promotion, Ensogo Thailand and Loxley to strengthen our business matching offering.

Strengthening relationships with our customers

We strengthened customer relationships during the year by launching a new loyalty program centered on our Make Life Simple philosophy. Krungsri SME customers can now earn Krungsri Yellow Points with every transaction they conduct via the Bank, whether it be establishing a credit or overdraft facility, conducting money transfers or purchasing an insurance policy. The loyalty points can be redeemed for different premiums.

These initiatives helped expand our loan growth and credit utilization while increasing the number of Krungsri products held by customers and strengthening their loyalty to our brand. In addition, our Net Promoter Score (NPS) improved to 38 points in 2013.

The Ease of Growing Business with Krungsri SME also helps SME customers to sustainably grow their businesses while deepening our relationship with them. These strategies will help us consolidate our position as one of the top three SME banks for entrepreneurs, a position which will be further strengthened by our new strategic partnership with BTMU, whose particular strength lies in commercial lending.



TRANSACTION BANKING BUSINESS

We established the Transaction Banking Business Group in 2012 as an independent business division to provide a range of complete transactional banking services for our business and corporate clients who range from SMEs and blue chip corporations to government agencies and state enterprises. The new unit has enabled us to respond to our customers' various needs more precisely and effectively. In addition, product and service innovations were designed to meet their evolving financial transactional needs and requirements.

Our core transactional services cover three key areas: trade services, cash management services and securities services. These services not only enhance work efficiency while reducing document-related workloads and operational errors, they also enable customers to lower operating costs and devote more time to business expansion and growth plans, while Krungsri is looking after their cash flow management.

Trade Services

Krungsri provides a full spectrum of international trade and advisory services tailored to meet the financing needs of import, export and domestic operators. Customers can draw on advice from our expert trade specialists who service them via our network of nationwide business centers and global correspondent partners. During the year we also strengthened the efficiency of our business centers to provide faster service with advanced document management technology. Our online channel, Krungsri Trade Link, enables customers to conduct trade related transactions anywhere, anytime.

Our International Trade Finance services cover all types of payments including letters of credit, bills for collection and remittance. We also provide financing for customers' imports and exports through trust receipts and packing credits. Chinese yuan services were introduced during the year to facilitate more effective and efficient management of yuan-based cash flows.

The strength of our combined offering enabled us to achieve import-export volume growth of 16 percent, exceeding Thailand's import-export performance.

Cash Management Services

We provide total accounts payable and accounts receivable solutions which are combined with services for planning, controlling and managing customers' liquidity. This offering is specifically designed to provide complete streamlined payment and collection transactional services for customers with the added benefit of reducing document handling and minimizing the recording of redundant data while freeing up more time for data reconciliation.

Cash management services are available from our extensive nationwide network which covers 5,000 locations and includes branches, ATMs and cheque payment distribution centers. These channels are supported by Krungsri Cash Link, our online service which enables customers to manage transactions and verify data 24/7.

Krungsri also offers solutions packages bundled with other banking products, such as payroll services combined with employee welfare benefits packages. This service partners payroll management with retail banking products for employees, such as mortgages, personal loans, credit cards and investment products.

We also design unique solutions for individual customer needs. One of our key innovations during the past year was the development of Cash Management System for Savings Co-Operatives for deposits, loans, dividends, capital contributions and loan payment systems. The system reduces the customers' operational and management costs, especially those related to infrastructure investment and branch expansion. Co-operative members can make deposits, withdrawals and requests for loans through our branches, ATMs and ATM pools. By using our service network and infrastructure, the co-operatives can significantly lower the number of transactions they have to handle as well as lowering operational risks relating to cash management. Additional benefits for co-operative members include greater convenience and security while conducting transactions through our nationwide network as well as full access to our 24/7 Krungsri Online channel.

Our Cash Management Services during the year drove robust growth in corporate deposits of 25 percent, more than double Thailand's corporate deposit growth rate.

Securities Services

We launched Securities Services in 1997. Since then our dedicated and experienced team of advisers have built the unit into one of Thailand's top-three securities service providers.

Customers can rely on our advanced, highly efficient and secure system. Our core services are:

- Agency services
- Custodian
- Fund supervisory
- Securities registrar
- Bond/debenture holders' representative

The strength of our securities services comes from our ability to provide customers with these services while acting in strict compliance with all related regulations and laws. As a case in point, we are the only Thai bank acting as custodian for mutual funds investing in physical gold bars in the international market.

TREASURY

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

Despite volatile currency movements and capital outflows, 2013 was another successful year for the Treasury Group. Key achievements were:

- Krungsri was voted the Best Domestic Provider for FX Products & Services in Thailand in the Asiamoney Poll 2013.
- Our Financial Market Sales & Product Development Unit achieved record levels of transactions across a range of financial products such as spot, forward exchange, currency options, interest rate swaps and cross currency swaps with multinationals, Thai corporates and large SMEs, despite a high volatility in the FX market. The Thai Baht fluctuated between 28.555 and 32.48 to the US dollar driven by the US Federal Reserve reining in its quantitative easing policy and investment outflows. Our interbank FX trading volume increased by 13 percent from last year.

"KRUNGSRI VOTED BEST DOMESTIC PROVIDER FOR FX PRODUCTS & SERVICES IN THAILAND BY ASIAMONEY READERS' POLL"



- ASEAN/Asian currencies became increasingly popular with corporate clients keen to invest in ASEAN economies. The FX volume of Laos Kip traded by clients in Vientiane and Savannakhet increased significantly as a result. Moreover we developed new products to help clients hedge against exposure to non-deliverable and non-liquid currencies such as the Indonesian Rupiah.

- Client bond and debenture volumes grew strongly, increasing our market share to 11 percent from 8 percent last year. In particular, the Thai policy rate was cut from 2.75 percent to 2.5 percent in May in part to relieve pressure from a strengthening Baht. Institutional investors searched for yield from local securities and debt capital market which consequently increased business volumes for our Financial Market Trading Unit. Krungsri climbed from number four to number two in the ranking for trading short-term debt securities.

- The Bank of Thailand cut the policy rate for a second time from 2.5 percent to 2.25 percent in November due to the lower consumer confidence and political instability. The market responded positively to the rate cut as demonstrated by gains in the Stock Exchange of Thailand Index, appreciation of the Baht and lower bond yields. Many clients revised their investment strategies in line with the downward interest rate trend.
- Wholesale funding through Krungsri's short-term debentures and bills of exchange continued to be cost-effective funding instruments from the capital market. In 2013, the Liquidity Management Unit established very strong funding programs through SEC filings enabling our short term and long term debenture issuances to be highly flexible and timely to meet the demands of investors.

- For foreign currency funding, Krungsri partnered with the International Finance Corporation to fully utilize a \$200 million term loan supporting SMEs affected by the 2011 floods in Thailand.

- Our capital market investment portfolio outperformed market benchmarks having benefited from stock selection strategy and market timing from foreign investment fund flows.

Looking forward, next year the Treasury Group's capabilities will be upgraded to global market standards thanks to the new strategic partnership with BTMU. Together we will build a global market product platform to serve clients in any currency, anywhere, and anytime.



CONSUMER BANKING

Wealth Management, Deposits and Investments

We have continued to focus on customer segmentation to ensure we develop and deliver the best products and services available in the market for a wide range of customer groups, ranging from mass banking services to bespoke wealth management advice for high net worth individuals. Krungsri offers a suite of deposit and investment products which cater to diverse risk appetites and financial needs. Customers with a greater risk tolerance can seek higher returns by investing in equity and foreign income funds.

Since their launch in 2012, our flagship **Mee Tae Dai** high yield savings product, and **Jad Hai**, a savings and debit card package providing five free bill payments per month and free withdrawals from any ATM machine, have proven very popular with our customers. As a result, we continued to actively promote these flagship products in 2013.

Our Wealth Management Division reached a significant milestone during 2013 when it embarked on a new strategic partnership with Aberdeen Asset Management Company Limited. The partnership enables us to provide a wider range of products and services which further enhanced investment opportunities for our affluent customers. Meanwhile, in collaboration with our asset management subsidiary, Krungsri Asset Management Company Limited, we launched a number of new mutual fund products for customers wanting to diversify their portfolios and enhance their return on investments.

Looking ahead, our strategic partnership with BTMU will expand our operating accounts, including payroll accounts of Japanese corporations, which will help lower our overall cost of funds. This will contribute positively to expanding our business opportunities in wealth management products such as deposit, debentures, mutual funds and card products.

Bancassurance

We improved our current personal accident insurance during the year by introducing the **Krungsri PA Extra Prompt**. This product offers best-in-class accident benefits of up to THB 800,000, plus a hospital accident payment of THB 1,000 per day, for an annual premium of just THB 1,590. In preparation for the formation of the AEC in 2015, we have extended the underwriting guidelines for our life insurance products to include customers from the border areas of neighboring countries of Laos (Vientiane, Savannakhet, Champasak and Bokeo provinces) and Myanmar (Tachileik province) as well as Mae Sai and Chiang Rai in Thailand. Eligible applicants can purchase life insurance products offering coverage of up to 20 years with a maximum coverage of up to three million baht.

Looking forward, our bancassurance business will benefit from our partnership with BTMU as we will now be able to offer new products and services, such as property insurance for IAR (Industrial All Risks) and marine cargo insurance to Japanese corporations.



Krungsri Exclusive

Throughout the year Krungsri Exclusive created a holistic customer experience which supports the financial and lifestyle needs of our customers. In the first quarter, we introduced our **Investment Hotline**. This enables customers to contact our investment consultants by phone to discuss their investments, market information and advisory needs. During the second quarter we re-launched **Krungsri Exclusive Wealth Focus**. The newsletter provides intelligence on a broad range of investment products and issues, as well as highlighting our special promotions and exclusive privileges from prominent partners that suit our customers' lifestyle needs.

We also organized two key events during the second and third quarters. **Exploring Buffettology with Mary Buffet**, which we co-hosted with the Money Channel and the Stock Exchange of Thailand, and the **Mid-Year Outlook 2013**, which provided Krungsri's perspective on a range of economic and investment ideas. In the fourth quarter, we held **The Exclusive Night**, a grand party to thank our customers and to celebrate the upcoming New Year.

ATM and Debit Card Services

During the year, we launched a number of new product and service innovations to ensure we provided market-leading products that responded to the dynamic and evolving financial and lifestyle needs of our customers. These new developments focused on making transaction services easier to use and streamlining processes to serve our clients more efficiently. Key developments during the year included:

- **Account Open Anywhere** – a simplified process that requires only a Thai national identification card to open a savings account for Krungsri subsidiaries' customers. This service was first introduced for customers of Ayudhya Capital Auto Lease Plc.
- **Pattaya Gift Card** – a product which provides convenient and secure payment for goods and services combined with special privileges and discounts for international tourist in Chon Buri

province. This card was created in conjunction with our partners, Pattaya City and Visa International.

- **Manchester United Debit Card** – relaunched to celebrate the 20th Premier League Championship won by our global partner, Manchester United Football Club, the new debit card not only deepened our relationship with the premier team but also strengthened Krungsri brand loyalty among the Club's fans in Thailand.
- **EDT Company Partnership** – a partnership which leverages EDT's expertise as a leading specialist in brokering discounts with first-class stores, restaurants and spas across Thailand. Through this new partnership, our customers enjoy discounts of up to 70 percent at participating outlets, when spending with our debit card.

Krungsri continued to expand our ATM services and network throughout the year to cover international banking transactions and electronic payments. In order to improve the range of services offered and prepared for the AEC in 2015, we have introduced the following new services in conjunction with our international partners:

- Customers of Krungsri and our joint partner Banque Pour Le Commerce Extérieur Lao (BCEL) are now able to conduct banking transactions at interbank ATM machines at a discounted service fee rate.
- UnionPay cards, issued by international financial institutions who are members of the UnionPay International Company, can now use Krungsri ATMs for balance inquiries and cash withdrawals.
- Users of the Expressway Authority of Thailand's Easy Pass toll payment service can top up their passes through the bank's electronic channels, including Krungsri ATM, Krungsri Online, and the Krungsri Call Center.

Mortgage Loans

Thailand's property market was subdued during the year in terms of both supply and demand as a range of factors including the global economic slowdown, lower-than-expected domestic economic growth, higher costs of living, and volatile LPG prices dampened consumer confidence and spending. Furthermore, the government's stimulus program which provided tax breaks for first-time car buyers increased consumer debt, especially for borrowers whose monthly income was lower than THB 20,000, which affected home purchasing decisions. Property developers and mortgage lenders also adopted a more cautious position as a result of this development.

Our mortgage strategy throughout the year focused on improving credit quality and customer centricity. Krungsri offered attractive terms, conditions and interest rates for targeted customer segments from our 610 branches nationwide, as well as through over 100 direct sales team members who were stationed at prime developers' project sites. Offering such on-site mortgage services at the project sites proved effective in defending our market position in a sluggish but highly competitive market. We also won recognition for working closely with leading developers, nationally and regionally, to provide attractive offers and best-in-class after-sales services which enabled us to achieve mortgage portfolio growth of 17 percent in 2013.

Krungsri also launched a system to maintain the quality of our mortgage loan portfolio. This system sends borrowers friendly reminders about due dates to help promote healthy loan payment discipline. This included delivery of mortgage statements to remind customers of due dates along with campaigns to encourage the use of direct debit to service mortgage repayments. We also introduced the **Sabai Jai Kai Bann Tor** (Happy Referral) program to encourage existing clients to recommend potential clients to apply for Krungsri Home Loans, with incentives for both new and existing clients. We also collaborated with leading developers to develop pre-screening systems for qualified borrowers.

This not only enabled us to improve the quality of borrowers, it also improved sales opportunities for our developer partners. In response to increasing consumer demand for services provided outside of the traditional banking touch points, we significantly expanded our sales channels, including online, with various partners to reach more diversified customer groups.

E-BUSINESS

Supplying **Banking on the Go** to customers was our key mechanism for delivering our brand promise to 'Make Life Simple' during the year. We successfully introduced market-leading innovative products which received a strong positive response from customers. We won numerous regional awards for innovation and Krungsri is now recognized as the pioneer of mobile banking and mobile payments in Thailand.

Krungsri Online achieved record growth rates for customer adoption and usage during 2013. To date we have more than 2.6 million online customers, up from 1.6 million last year, an increase of 63 percent, who generate an annual transaction volume of THB 300 billion through some 60 million transactions. Digital technology will remain a key driver of our product and service innovation in the coming years. Our current portfolio of e-business solutions include:



- **Krungsri Mobile Application** – packages integrated mobile banking and financial services from across Krungsri Group with customer-relevant lifestyle content. The app, which achieved 600,000 downloads in six months with more than three million transactions per month, has won two awards for its highly useable and intuitive interface from Financial Insights Innovation Award (FIIA) and Asian Banker.

- **Krungsri Mobile Application for iPad** – Krungsri was the first bank in Thailand to offer tablet banking with an application specifically optimized for the iPad.

- **Krungsri Quick Pay** – transforms smartphones, tablets and other connected devices into a secure mobile point of sales interface. The technology enables merchants to accept debit and credit card payments via the device. Users can view sales (settlement) reports and sales slips anytime, anywhere 24/7. The payment process operates in the same manner as EDC. Krungsri Quick Pay won the Product Excellence in Payment Innovation award at the BPA (Banking & Payment Asia) Trailblazer Awards 2013.

- **Krungsri ePayment** – an innovative secure payment gateway for online shopping. Through our partnership with CyberSource, one of the world's largest payment management companies and a subsidiary of Visa Inc, Krungsri customers will be able to use Visa, MasterCard and JCB credit cards issued by financial institutions from around the world for secure online payment services protected by CyberSource's Fraud Management system.

- **Social media content** – we have enhanced our Facebook and Instagram communications to connect with customers and deliver content in a more contemporary and stylish way.

- **Portal website design** – we now offer a range of online portals that are tailored to the specific needs of each key customer segment.



MARKETING AND INTERNATIONAL BUSINESS DEVELOPMENT

In 2013, we continued with our mission to Make Life Simple for customers by making our services more accessible and simple to use. The launch of Krungsri Quick Pay – an electronic payment solution that enables merchants to accept debit and credit card payments through a connected device – and Krungsri Mobile Application were our key milestones. Both initiatives reinforce Krungsri's commitment to simplifying the customer experience through the Banking on the Go concept. We also introduced a Branch Ambassador program this year to recognize and celebrate individual examples of customer service excellence. This program has received very positive feedback from recent branch surveys of customer satisfaction relating to issues of waiting time, staff skills and knowledge and the likelihood of customers recommending our products and services to other people.

Our marketing team won accolades for a number of their campaigns launched during the year. APPIES Marketing Awards from the Institute of Advertising Singapore ranked the marketing campaign for our Mee Tae Dai savings product as one of the top 15 from Asia. It also won the Best Advertising Campaign Award 2013 from Asian Banking and Finance magazine.

Our partnership with BTMU marks an evolutionary step in Krungsri's development. For the past 68 years we have earned a reputation for being one of Thailand's strongest and most pioneering banks. We now have the opportunity to join forces with BTMU, tap their experience and provide similar best-in-class products and services to Japanese corporate clients.

Customer relationship management

Krungsri continuously enhanced our integrated customer relationship management (CRM) platforms to provide customers with the best possible banking experience while enhancing our superior cross-selling capabilities to drive sales growth. During the year we expanded the event-based marketing mechanism to cover more channels, including ATMs and online banking. This helps monitor customer behavior and improves the identification and timing of appropriate cross-selling offers for individual customers. This mechanism helped us improve our cross-selling take-up rate for predictive modeling by 45 percent over 2012. Our Krungsri Mobile Application also helps align CRM activities across all customer touchpoints.

We also worked with our product teams to design more customized cross-selling campaigns for specific customer segments. These included the **Life-Cycle Management** campaign for SME customers and the **Plan Your Money** campaign for the mass affluent segment. Predictive modeling was also implemented to analyze customers' past behavior and predict future product needs, which improved our cross-selling response rate for event-based marketing by 80 percent from the previous year. We also integrated state-of-the-art campaign management technology into our activities to make processes more efficient.

Krungsri also streamlined the registration process and offered a number of customer incentives to improve the take-up rate for our autopay debit service for customers to help them manage bill payments in a more simple and efficient manner. Besides promoting the service we also streamlined the registration process across all our channels – branches, ATMs, online and interactive voice response – which almost doubled the registration rate from 2012. Our Business Intelligence Portal was implemented to consolidate the vast amount of data and consumer insights from across the Group so that it can be easily accessed from a single source. The process was automated to ensure accuracy and timely delivery of intelligence. The portal helped enhance the business team's efficiency in utilizing information to make more effective strategic, tactical and operational decisions.

Beyond cross-selling activities, we also continued our customer loyalty program from last year including birthday greetings and a variety of special offers. These CRM activities contributed to further growth in the average number of products held per customer from 2.8 products last year to 3 by year-end.

BUSINESS TRANSFORMATION

Our Business Transformation Group supports all business units and subsidiaries across the Krungsri family in embracing organizational change and realizing our promise of delivering simplicity by transforming our processes and operations.

During the year, we started to reap rewards from a series of transformation projects that were launched since 2011 and will be completed in 2013-2016.

This year we benefited from:

- **Enterprise Data Management** – in April we implemented Teradata, one of the world's most powerful data warehouse platforms, and are currently migrating valuable customer information into this advanced data management system. Once completed, it will significantly expand our capacity for delivering better products and services to customers.
- **Enterprise Content Management** – we started to integrate paperless business workflows into our businesses since June. Currently a number of major business units, such as the trade finance business, have adopted the new system.
- **Loan Origination System for Corporate and Large & Medium Size SME Customers** – launched in the last quarter, this system provides additional support for corporate and SME customers seeking loans. It helps improve service levels while reducing turnaround times and streamlining processes relating to loan approval. The system will be fully operational in the first quarter of 2014.
- **Cash Management System** – this new technology was launched at the year-end and will deliver better customer service through a new front-end cash management system which will also strengthen our core systems and support future business growth. The new system's expanded capacity can meet the higher demand of large-scale businesses, and new services such as host-to-host payment, 24/7 authorization, STP transactions, multi-payment file uploading, complex reporting and flexi-billing charging. New customers will be migrated to the system over the next two years.

IT infrastructure

We have continually upgraded our IT infrastructure to make it more flexible and reliable to serve the needs of our business and our customers now and in the years to come. Major developments in 2013 were:

- Adding 2,176 PCs and 2,732 peripheral devices across our branch network. We also replaced

uninterruptible power supply (UPS) and generators at all branches to strengthen our business continuity plan.

- Rolling out 452 new ATMs in new locations as well as replacing obsolete machines.
- Implementing the mainframe tapeless system, a new technology, to support business growth and improve the performance of our data backup systems.
- Launching the advanced data leakage protection system to protect customer information and our general business.

"WE IMPLEMENTED TERADATA, ONE OF THE WORLD'S MOST POWERFUL DATA WAREHOUSE PLATFORMS TO SUPPORT BUSINESS GROWTH"

Capacity for growth

To meet business growth targets at Krungsri, we must ensure our capacity expands to meet the demands of new business and new customers while delivering the best service possible to our customers. To support this goal, we introduced a number of initiatives and technologies during the year, including:

- **Service Delivery Model** – a new group-wide concept that strengthens Krungsri's competitive position by establishing a Center of Excellence which synergizes expertise from across the business, and a shared service center, which supports better quality high volume services by streamlining and standardizing service delivery processes. We will focus primarily on the human resource (HR) and finance departments over the next two years before rolling the system out across the rest of the Bank.
- **People Soft Self Service** - introduced to Bank employees this year to provide self servicing capabilities in the HR area.
- **New learning platform** – rolled out to improve training services across Krungsri Group by providing staff access to high quality educational and learning content.

Capacity for winning

Krungsri must continuously strengthen our team, processes and technology to ensure we maintain the ability to be a leader in the local banking sector.

Significant developments during the year were:

- **WiTi Krungsri** – a methodical approach to running the branch to increase operational efficiency was rolled out nationwide in April.
 - **Krungsri Corporate Banking Vision and Aspirations** – developed to drive performance by establishing clear roles and responsibilities across the business. The strategy comprises three components:
 - Market segmentation – identifies customer segments with optimal economic and risk levels.
 - Sales and service model – establishes value propositions for each customer segment by aligning client coverage and specializations.
 - Credit approval process – meets the needs and required risk policy tailored to each customer segment.
 - **Paperless workflow** – improved by increasing the ease and effectiveness of e-document handling across Krungsri's network.
- Innovations for customers**
- **Krungsri Mobile Application** – in February we launched our award-winning iOS and Android smartphone app which provides a full range of banking and financial services packaged with customer-relevant lifestyle content. The app received a very positive response from customers. We launched an iPad version in June.
 - **Krungsri Quick Pay** – a payment system enabling SMEs to process debit and credit card payments using smartphones, tablets and connected devices.

Krungsri's strategic partnership with Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU)

The Business Transformation Group works closely with BTMU's integration team to ensure a smooth transition with the new strategic partnership between the two entities, most of which will take place over the next two years in three stages: consolidation, integration, and synergy. Most of the consolidation will take place between the end of 2013 and early 2014. Integration of people, processes and systems will take place within next year in readiness to go online in 2015. Synergies between the two institutions will start from early 2015.

DISTRIBUTION

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

Continuous branch development and training yielded strong sales growth, delivering 51 percent increase in mutual funds, 26 percent increase in mortgage loans, 15 percent increase in personal loans and 14 percent increase in bancassurance over the previous year. Branch location is a determining factor in a bank's success, especially to meet the more lifestyle-focused demands of contemporary customers. By focusing on branch rationalization – where we review the potential



"2,176 PCS AND 2,732 DEVICES ADDED ACROSS OUR BRANCH NETWORK TO SERVE THE NEEDS OF OUR BUSINESS AND CUSTOMERS"

of branches from within our network – we have optimized our distribution network to meet consumer needs and market trends across the country by renovating, expanding, closing and relocating existing branches. This enables us to foster growth while keeping development costs down.

Krungsri continued to roll out our new standardized branch layout that is a physical manifestation of our brand promise to Make Life Simple for customers. The more relaxed, open plan layout is designed to enhance the customer experience and includes a number of time-saving and self-service product and service innovations.

During 2013, we opened 17 new branches, added 452 ATMs and expanded our network of currency exchanges by 5 booths. We also relocated 12 branches and 191 ATMs. These changes have resulted in a significant increase in transactions 5 percent at branches and 16 percent at ATMs from 2012. In addition, 59 branches were upgraded to the new Krungsri branded design and another four prototype branches were opened.

Technology also played a transformative role in simplifying a range of banking services and back office processes as part of the expansion of our new-look branches. One Scan enables loan requests to be instantly uploaded to our system which eases the application process and significantly reduces approval time. Our Simple Q system reduces in-branch transaction times by minimizing related paperwork. Customers simply swipe their passbook, select the required transaction and the system then puts them in the queue while retrieving all relevant account information from our system which then only requires the customer to sign the appropriate documents.

Our network of currency exchange booths expanded into new high potential areas. We also launched the China Union Pay service to tap Thailand's large inbound tourism market. These services help us prepare for the inauguration of the AEC in 2015 and AEC+2 which includes China and India. The Bank also implemented Call for Western Union and ATM for Western Union services to make it more convenient for Western Union customers to conduct transactions.

By focusing on developing a broad spectrum of traditional and non-traditional sales channels we continuously increased the number of sales through our telesales teams, direct sales agents and branch commission sales which contributed to this year's 29 percent growth in sales volume. Specialized training programs enabled us to upgrade the skills of Krungsri Exclusive Relationship Managers which improved service levels for customers.

People are our key asset, especially at the branch level. Because of this we continually develop our people so we can continue raising the bar on service excellence within the industry. Training courses are tailored for the needs of each job and cover a range of skill sets from management and customer service to product knowledge and sales techniques. We also hired Cohen Brown, a renowned international training professional, to further enhance our staff development courses. Our Head of Distribution plays a leading role in Krungsri's group-wide employee engagement program. The 'Sales Roundtable' is a new initiative which provides a forum for staff to share best practices and other product sales and customer service experiences with their peers. Furthermore, our 'Think+ 2nd Year' project seeks to promote a positive attitude among all branch staff with the aim of enhancing the quality of their services to customers.

HUMAN RESOURCES

Pride in our People as we Make Life Simple

Krungsri's mission is not only to lead the local banking industry and achieve our business targets, but also to be recognized as the sector's Employer of Choice. We are committed to fostering an engaging corporate culture and professional environment in which people want to work.

In 2013, we reached a significant milestone by being recognized as the only Thai company and one of just 32 around the world to receive the Gallup Great Workplace Award from Gallup, the world's leading research-based performance management consulting company.

Our Human Resources Group is the key facilitator in creating such a highly engaged and empowered workplace. **Krungsri P R I D E** is one of the key mechanisms for achieving this goal.



People – are our biggest asset. As such we have developed personnel development plans for employees at all levels in a systematic manner. All employees have their own individual development plan based on their career path. In 2013, Krungsri primarily focused on the development of leadership competencies for high-level executives and partnered with leading academic institutions and personnel development organizations at national and global levels such as the Sasin Graduate Institute of Business Administration (SASIN) and Assumption University (ABAC). We arranged 39 training courses for more than 1,200 executives with the aim of creating role models who can motivate their colleagues and teams to deliver excellent performance.

Right System – refers to the development of a system which enables the organization to achieve sustainable business growth while maintaining good corporate governance. For example, Krungsri applied the information technology system to streamline redundant processes under the concept of Make Life Simple. The Krungsri People system was developed to enable employees to access and manage their personal information. Moreover, a strategy to develop new ways of learning was implemented and we integrated e-learning multimedia technology across the business in order to make training courses more interesting and to facilitate easy access to self-development courses for employees.

Integrity – must be upheld throughout the business by each and every employee at Krungsri. To demonstrate their commitment to integrity in doing business, all employees are required to sign Krungsri's The Spirit & The Letter form. In addition, Krungsri consistently promotes awareness of this principle through multiple learning channels and tools.

Development – of our people is a key focus at Krungsri where we promote growth and career advancement of employees through our Talent

"1,200 EXECUTIVES TOOK PART IN 39 TRAINING COURSES ON CREATING ROLE MODELS AND DELIVERING IMPROVED PERFORMANCE"

Management program. This provides a guideline for identifying and developing talent based on an employee's performance rating and the assessment of their core values and leadership skills. Our Succession Planning program is another key element of our human resource development strategy. It establishes clear guidelines and processes for identifying successors within the Bank and its subsidiaries from people who demonstrate outstanding performance and potential and are ready to be developed for positions of advancing responsibility. The program is aimed at ensuring management continuity in key positions and emphasizes the development of personnel to be ready to step up into key positions.

We are also implementing foreign language training courses in preparation for the formation of the AEC in 2015. Over 500 employees who work at strategic branches and serve foreign customers will undertake this training.

Engaged Culture – Voice of Krungsri (VOK) gives every employee an opportunity to share their creative ideas for developing and driving the organization towards its goals of becoming the 'Employer of Choice'. This tool allows employees to express their opinions via a series of employee engagement surveys which are used in forming action plans which are then implemented to improve the workplace environment.

In addition to Krungsri PRIDE we have also developed Krungsri We Care as another project to increase employee engagement. This program provides employees working in provincial areas the opportunity to meet and exchange opinions with the Bank's CEO in an informal setting.

Furthermore, during the year we produced a short film titled **Krungsri Core Values: The Movie** with an aim to communicating the Bank's core values to employees. We also launched the Values Appreciation Card, an activity through which employees can acknowledge colleagues who demonstrate our core values. This activity motivates and encourages employees to increasingly exhibit behaviors which reflect Krungsri's organizational values and culture.

OPERATIONS

Krungsri has long made it a **strategic goal to achieve operational excellence across the Group** in order to drive the Bank's business, deliver the best customer experience possible and enhance our corporate social responsibility activities. Developing a robust and efficient operations framework is key to attaining this goal.

We have continually centralized our operations, improved operational risk management and successfully deployed a number of processes and systems such as a shared operations platform and straight-through-processing (STP) to achieve an economy of scale.

During 2013, we received a number of awards for operational excellence in international trade transactions.

- STP Award for Outstanding Excellence Quality of Commercial Payment Transactions (MT103) from Citibank (USA) for the fifth consecutive year
- STP Performance Excellent Award for USD Payment from Standard Chartered Bank (NY, USA)
- STP Award for Excellent Quality of EUR Payment from Commerzbank (Germany)
- STP Improvement Award on AUD Clearing in recognition of Excellence for AUD & NZD MT 103 Commercial Payment Transactions from ANZ Banking (Australia)

Our operations framework also helps deliver quality service by providing a system for receiving and analyzing customer feedback so that we can improve related processes and align them to our OneKrungsri Group standard.

Newly developed operational tools that were introduced and integrated this year include digital imaging technology, technological management of treasury reserves and automated processing systems. These innovations have been developed as part of our Enterprise Content Management.

Developments that have supported the operations framework include:

- Digital imaging technology facilitates more efficient document management of loan documents by providing a highly secure paperless system for fast information viewing.
- Automated tools strengthened real-time logistics and operational handling for our trade finance transactions.

Guided by our corporate governance and CSR policies, we have encouraged the use of more time and resource-saving technologies – such as automated workflows, increased use of email and tele-conferences – and environmentally-friendly materials in our workplace to reduce our carbon footprint and minimize the Group's use of natural resources. We also launched the Krungsri Smoke-Free Society, to encourage employees to stop smoking.

INFORMATION TECHNOLOGY

Information Technology is a key enabler of Krungsri's business growth and product and service innovation. To ensure we have the appropriate technology infrastructure in place to continue leading the market and to Make Life Simple, for both customers and employees, we made major investments in many areas during the year, such as the core banking system, cash management system, a new mobile banking platform and improved applications and IT infrastructure at branches, as well as upgraded security, all designed to ensure our systems were as user friendly as possible. We also implemented new technologies to digitize our services and operations to reduce cost and improve productivity.

Core banking system

Improvements made to the core banking system facilitated the launch of the following products during 2013:

Krungsri introduced 5-month and 15-month time deposit products and the Step up 9-month Time Deposit Account under the 'It gets bigger and bigger' banner. Customers can withdraw cash anytime and still earn interest with step-up interest rates. Interest is paid monthly with a maximum 9 percent per annum for a 9-month deposit.

Krungsri Personal Credit was launched with key features including no collateral requirements and a credit line of up to THB 1 million. The product provides a multi-purpose credit line for customers who can choose to either take a lump-sum loan or reserve credit that is ready to use and can be withdrawn using an ATM card.

The Bank launched a new service for conducting international money transfers via more than 4,700 Krungsri ATMs nationwide. The new, more secure 24/7 service simplifies the transfer process and targets SME entrepreneurs, e-commerce traders, expatriates working in Thailand and Thais with family living abroad. Customers can register for the service at any Krungsri branch.

Krungsri Simple Transfer is a new channel from Krungsri to help customers in Lao transfer money to recipients with an account at a different bank without the need for either party to have a Krungsri account.

The Bank also implemented an automated workflow for the Trade Finance System to streamline international trade units within the group, such as Krungsri Business Center, operational units, Corporate Banking and SME customers.

The new Cash Management platform was launched at the end of 2013 to support both large corporate and SME customers. It increases the functionality and user friendliness of Krungsri Corporate Internet Banking.

ICAS (Image Check Clearing and Archive System) reduces time for clearing cheques upcountry from three-to-five working days to one day, while improving data accuracy and reducing the number of lost cheques. This was implemented in May, expanded in June to cover interbank cheques and rolled out to key provinces in August.

To Make Life Simple for customers, Krungsri developed Smart e-Guarantee and e-Payment with the Customs Department which enables the transferring of information to facilitate electronic tax payment guarantees and includes other types of import and export-related guarantees and electronic tax levies. The system makes the process easier for entrepreneurs while helping them reduce related logistic expenses. The system was officially launched in March.

New opportunities with overseas branches

In July, the Bank successfully replaced our core banking systems in Laos. The new system simplifies a number of processes for employees and customers alike. It enables us to expand our product and services offerings, improve service availability and disaster recovery capabilities and increase data security. Ultimately, it will facilitate the expansion of our customer base and help us establish a strong regional presence.

Enterprise business solutions

OneKrungsri Enterprise Application Platform is being developed under our OneKrungsri Vision policy. During the year, we successfully introduced more solutions into the IT application portfolio:

Anti Money Laundering – we take the battle against graft, corruption and crime very seriously. As part of this commitment we implemented Actimize Anti-Money Laundering solutions, the well-known global product anti-money laundering application. This was launched in the first quarter



for Krungsri and Ayudhya Capital Services Co., Ltd. to monitor more than one million transactions as per the Anti Money Laundering Office's regulatory requirements. We are planning to expand the system to cover other business units in the coming years.

Krungsri continues to invest and enhance our anti-fraud technology to ensure customer transactions are secure and protected. We use Instinct technology to detect fraudulent applications during the loan origination process. This solution increases our capacity to monitor and detect loan fraud across a wide range of entities. Krungsri will expand fraud monitoring to all customer touchpoints under our customer-centric protection commitment.

Our PeopleSoft HR system was implemented across the group during the year. We will start consolidating all employee data and HR process within the single platform from early 2014. This is a starting point for developing other Krungsri One HR solutions such as enterprise learning management, recruitment databases and payroll services later in the year.

Oracle Finance was successfully implemented across all business units and we are now using Oracle BI (business intelligence) to provide business intelligence for the Finance and Accounting Group. With this tool, management can access more robust financial information and use it for improved monitoring and financial planning purposes.

Loan Origination is one of Krungsri's core growth strategies. To make this area of our business more efficient and effective we introduced a new loan origination platform which will be fully operational by the third quarter of 2014. The solution automates parts of the credit decision recommendation process for all product categories from micro-retail and retail to SMEs and corporate loans. The new automated solution will start to utilize best practice products in the market for areas such as new Business Strategy Management, Business Process Management and our OneKrungsri Enterprise Content Management platform in early 2014 and will expand to cover retail loans in the third quarter of 2014.

Risk and finance technology

In 2013, we improved the automation and efficiency of our single Account Reconciliation system to provide faster, more accurate responses in line with our OneKrungsri standard. We expanded the system to subsidiaries such as Siam Realty and Services Co., Ltd. and Krungsri Asset Management Co., Ltd.

To enhance our risk management, we implemented a Risk Adjusted Performance Management system to provide performance analysis for several risk areas, such as asset allocation value, fair value allocation for liabilities, return on average assets and return on average shareholders' equity. These could be further divided into more detailed groups such as account type, similar products and business groups in line with the requirements of the report submitted by the debtor bank to Bank of Thailand.

Krungsri's Recovery System is a newly designed platform to consolidate the end-to-end processing of debt collection and case management for loans that are more than 90 days past due. This helps us mitigate the risk of non-performing loans (NPLs). The system shares and tracks the activities of each customer, including any information regarding collections, credit analysis for debt restructuring and litigation status enquiries. This initiative supports the Bank's goal in debt recovery and to reduce NPLs.

Enterprise data management

We successfully completed phase one of our Teradata data warehouse implementation project during the year which will strengthen the system's centralized core data. The program team will also decommission older data storage platforms and migrate users and information to the new system which provides more timely and accurate data to end users.

We also embarked on other data management initiatives during the year, including the use of specialized technologies and processes to improve the quality of data across the Krungsri family as well as initiating MDM (Master Data Management) to improve customer master data and improve our customer insights which, in turn, will facilitate better product and service offerings and enhance the customer experience.

In other areas, we continued to enhance the customer 360-degree view to incorporate more information to support the Bank's SME and Corporate Relationship Managers in servicing our

customers. We have developed specific data marts to expand alternate channels in line with Krungsri's e-Business strategy. We also started to explore relevant technologies to leverage the use of mega data to improve customer analytics and drive the Bank's business going forward.

IT Quality Assurance

At Krungsri Test Centre of Excellence (Krungsri TCoE) we adhere to the old adage, 'an ounce of prevention is worth a pound of cure'. This is especially true when it comes to quality assurance. Having established TCoE during 2012 we have now defined and incorporated our quality assurance and quality control concepts. The framework is now ready to be implemented across the organization in phases.

We aim to incrementally deploy the TCoE framework in all software development projects to deliver high quality software across the Krungsri group. We emphasize discipline, strengthen the capability of the testing team and expand our testing resources so they can be easily identified for reuse.

Prevention, made possible by a rigorous quality assurance process, requires the testing process to start as early as the initiation phase of software development. Cure, on the other hand, is enabled by a set of activities that utilizes Krungsri's assets and tools to facilitate defect detection and correction at optimal cost. The strategy is to focus energy and efforts on prevention by building in the quality assurance process along the development and testing life-cycle.



Operating system, infrastructure and network

Krungsri successfully improved our operating system and upgraded our infrastructure with the latest technologies. Virtualization enables our computers to run multiple operating systems and applications, making our infrastructure simpler and more efficient. Applications are deployed faster, performance and availability increase and operations become automated, resulting in IT that's easier to implement and less costly to own and manage. Within this year, we completely upgraded around half of our machines.

IT infrastructure was further improved by implementing new tapeless server backup technology. Replacing the six-year old SILO tape cartridge backup technology with the latest advanced and green technology enables the Bank to reduce operational costs, increase customer data protection with KEY encryption and facilitate fast data recovery. The technology also enables us to process data faster and with greater stability, especially for night batch operations.

Ayudhya Card Services was successfully merged into Krungsri Credit Card's system this year. This fully utilized the existing core system and will facilitate wider support for our subsidiaries. Furthermore, we collaborated with other members of the Thai Bankers Association to implement a local switching system coordinated with the ATM Pool (ITMX) to support local debit card transactions through a local payment network, as per Bank of Thailand regulations, instead of routing through VISA's network. We are also continually upgrading and enhancing our highly popular Krungsri Mobile Application to cope with

the high volume and dynamic demands of the smartphone and connected device market. We also expanded the app to incorporate Krungsri Auto services.

Branch infrastructure & communication devices

During the year we implemented and improved IT infrastructure at the branch level to increase efficiency and reduce waiting time for customers. These improvements included installing an additional 2,176 computers.

To maximize efficiency, Krungsri began upgrading and rolling out new operating systems and software, changing from Windows XP to Windows 7. We upgraded software on 4,500 machines and plan to complete another 2,500 machines next year. For standard communications devices, we replaced 1,100 Blackberry devices with iPhone 5 handsets. Solutions also cover the implementation of Mobile Device Management systems and Note Traveler.

In addition, we installed an electrical backup system using a power redundancy model (UPS with Generator) for 610 branches across the country. We installed 206 auto-start generators coupled with surge protection systems at 50 major branches.

Our IT Star Program further strengthened the IT capacity of branch staff, minimized computer-related delays and streamlined customer service. Furthermore, Krungsri enabled RAILS Operational Improvements to develop solutions for any minor hardware or software problems. This not only reduces branch software and hardware maintenance costs, it improves the customer experience in our branches.

Information security

Ensuring the best information security is a core focus of our IT solutions. We continue to invest in enhancing the efficiency and effectiveness of our information security system in compliance with the highest global industry standards. We ensure this by embedding all mandatory security requirements and controls into Krungsri TCoE. On top of it, we continually improve security protection and detection mechanisms as the technology evolves.

We have also been strengthening our data leakage prevention (DLP) efforts for the past few years. This year, we successfully rolled out DLP solutions for key business functions and the effort will continue to cover critical functions relating to sensitive Bank and customer data.

This year, we also implemented a real-time monitoring and alert system to detect threats from the Bank's internet channel. This provides immediate notification of malicious activities from the internet, so we can instantaneously block or manage them.

COMPLIANCE

Krungsri views our steadfast commitment to compliance not only as a mirror on the Bank's conduct, ethical values and integrity; adherence is also an essential component of maintaining our competitiveness and driving sustainable growth.

Preventive and monitoring mechanisms are core components of our compliance controls. We also deploy world class technology to enhance our controls.

For prevention, we ensure staff, executives and the Board are fully aware of new developments regarding regulatory requirements through constant and prompt communications, followed by training exercises organized by the Compliance Division. The purpose is to ensure all related policies and procedures are updated and that all relevant staff are fully aware of the changes and their implications.

During the year, 119 regulations were added or amended by relevant regulatory bodies. We communicated the changes and provided relevant compliance training covering credit granting, securities, anti-money laundering and combating the financing of terrorism and etc.

Our monitoring activities include providing business units within the Krungsri Group with checklists which cover different regulatory requirements to facilitate self-assessment and coordinate with the Internal Audit Group to ensure their business functions fully comply with regulations. In 2013, we issued 37 checklists covering key aspects of various requirements.

From the technology perspective with respect to anti-money laundering and combating the financing of terrorism, Krungsri has broadened the use of monitoring systems to monitor suspicious transactions of both loan and deposit customers. Our in-house system was enhanced to prevent designated persons – people prohibited by authorities – to establish any account or engage in any business with the Bank and its subsidiaries.



RISK MANAGEMENT

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

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

Credit risk

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

This year, group NPLs were THB 27.01 billion increased to 2.66% from 2.39% in 2012, driven largely by the increasing of the non-performing loans in subsidiaries, largely from equipment leasing business and also a moderate increase in the Auto Leasing and Hire Purchase business. But, NPLs of the bank and subsidiaries in other segmentation are still in good condition. The bank has been improved the rigorousness to NPL portfolio management by timely portfolio interventions.

Prudent risk management practices were also enacted to ensure Krungsri maintains adequate reserve coverage. As a contingency, we have established additional reserves that provide us with coverage that extends beyond the Bank of Thailand's guidelines for calculating the allowance for loan losses. The reserve-to-NPL ratio on a consolidated basis is 145%, slightly decreased from 146% in 2012.

Risk management team foreseeing an economic turbulence and political uncertainty, may affect to our portfolio, responded proactively in helping tackle the impact. Timely intervention and regular monitoring ensured minimal erosion of our portfolio quality.

"RISK MANAGEMENT POLICIES, REGULAR REVIEWS AND STRESS TESTS PROTECT KRUNGSRI'S INCOME AND CAPITAL FROM MARKET UNCERTAINTIES"

Market risk

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

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

Liquidity risk

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

Operational risk

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

Business Management of Subsidiaries and Associated Companies

KRUNGSRI AMC

[Krungsri Ayudhya AMC Ltd.]

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

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

Source of funds: The Bank

KRUNGSRI FACTORING

[Krungsri Factoring Co., Ltd.]

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

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

Source of funds: The Bank

KRUNGSRI LEASING

[Ayudhya Development Leasing Co., Ltd.]

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

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

Krungsri Leasing is the market leader in the leasing industry. The company focuses on medium-to large-ticket-sized leases as well as structured leases for a variety of industries. These activities provide the company with a meaningful point of differentiation.

Source of funds: The Bank

KRUNGSRI AUTO

[Ayudhya Capital Auto Lease PCL]

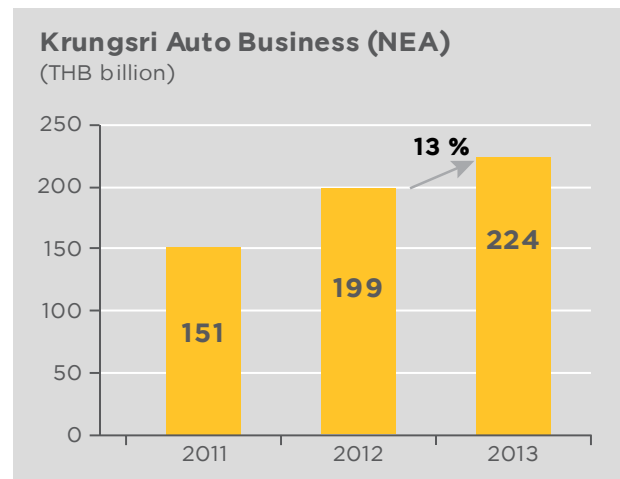
Type of service: Auto financing is one of this business' major products and services. Ayudhya Capital Auto Lease Public Co., Ltd. (Krungsri Auto) is one of Thailand's leading full-range auto financing companies providing: 1) hire-purchase financing for new cars, used cars, motorcycles, truck, auto-secured loans (Car4Cash) and top-up loans to existing customers; 2) leasing (financial lease) for company's car financing; 3) car dealer inventory financing for car dealers; and 4) Auto Loan - financing service under loan contract with vehicle as loan collateral and interest calculation by effective interest rate

In 2013, Krungsri Auto achieved THB 129 billion in new loans, pushing total loans to more than THB 224 billion, up 13 percent on the previous year. Krungsri Auto thus ranked as number two in Thailand's auto financing sector, as well as retaining the market leader position in used car financing and auto-secured loans. During the year Krungsri Auto also became the market leader for motorcycle financing.

Krungsri Auto has received an A+ rating with stable outlook from TRIS Rating for the past five years. The company is not only well trusted by the credit rating agency but also regarded by general consumers and marketing professionals as the top brand in the local auto financing business. Krungsri Auto has won prestigious Superbrands Thailand awards in 2011-2012 and 2013. From our commitment to improve services for our customers with IT technology, Krungsri Auto was awarded Thailand ICT Excellence Awards from Thailand Management Association for two consecutive years, for iBuddy and iChecking, e-tools that support effective loan approval.

In addition, our television commercial entitled 'The Precious' won second place in the service category from the Excellence in Television Advertisement for Consumers (OCPB Ad Awards 2013) from the Office of the Consumer Protection Board (OCPB) and the Advertising Association of Thailand. OCPB Ad Award 2013 honors and promotes entrepreneurs who focus on consumer rights, social responsibility and the fair treatment of customers.

The business strategy during the year was to enhance the customer experience at every touch point under the Customer Touch-Point



Journey campaign to become customers' brand of choice. The journey comprises four phases: 1) Before Engagement/Customer Initiation, 2) Loan Application & Credit Approval/Customer Acquisition, 3) Payment/Customer-in-Contract, and 4) After Sales Service. This initiative successfully expanded the customer base and strengthened the company's competitive edge.

Right products: Krungsri Auto introduced new auto-loan products, namely 'Car for Cash Poh' during the year. This product enables customers to conveniently secure refinancing without having to transfer their car registration book to the business. The company also launched Krungsri Truck in response to increasing demand for truck financing from logistics business seeking to benefit from the inauguration of the ASEAN Economic Community (AEC) in 2015.

Innovative services: Krungsri Auto developed new technologies to simplify the customer experience from the first touch point or the application process. 'Thai Car Loan' application provides customers with product information and financial plans during the Before Engagement/Customer Initiation phase.

Krungsri Auto On Mobile helps customers understand the details of our loans, application processes and other services. Krungsri Auto continues to use its iChecking e-tool to improve its customer service, reduce turnaround times for loan approval and enhance internal operations within the organization. The Automated Decisioning System helps marketing representatives and credit analysts to appraise customer applications with the same standard of product programs.

iCollect, a real-time online application, facilitates payment status monitoring to enhance the service efficiency for field collectors to receive, record and print out receipts for customer payment and provide other services via a tablet. To make loan installment payments more convenient for

customers, during the year we developed our 'No Bill' service, a payment system enabling loan installment payments to be made to Krungsri Auto in real time. Customers can pay installments by simply showing their national identification card and providing their vehicle license plate number at more than 8,200 service points at Krungsri branches and 7-Eleven Counter Service points nationwide.

More accessibility: Throughout the year Krungsri Auto reinforced its brand by becoming the official auto finance services provider at Bangkok International Motor Show for the third consecutive year as well as for Money Expo events in Bangkok, Chiang Mai, Nakhon Ratchasima, Udon Thani and Songkhla provinces. The company also has the largest distribution network in Thailand with more than 16,000 servicing points. The company started using 7-Eleven's Counter Service as a new channel with more than 7,000 outlets nationwide which provides customers with a quick and convenient 24/7 service. Loan by Phone or Unstructured Supplementary Service Data (USSD) was launched so customers could access auto loans by simply



dialing *740# on their mobile phone. Krungsri Auto staff will then contact the customer to coordinate the application process and ensure quick approval. The business is also looking to expand auto loan services to Laos with a new entity, Krungsri Leasing Services Co. Ltd., to benefit from the formation of the AEC in 2015.

Preferred brand: The company reinforced its preferred brand status with the slogan, '**Krungsri Auto, With You Every Step of the Way**' and its firm commitment to responsible lending. Krungsri Auto is committed to providing customers the best experience by leading product and service innovation within the market. The business also launched the Car for Cash Online Campaign featuring ScreenSync technology – a new method to present digital content through desktop computers and connected devices simultaneously to build greater brand loyalty with young urbanites and professionals.

Corporate social responsibility: In 2013 Krungsri Auto continually engaged with the community through its Smart Finance project to provide necessary financial, marketing and business management support to local micro SMEs. Its Krungsri Auto Library Project, established in 2010, now supports eight libraries nationwide with the aim of supporting rural students and reducing the education divide in remote parts of the country. During the year the company opened Krungsri Auto Library 7 and 8 at Bann Ta-Ang School, Nakhon Ratchasima and Bann Hin-Prakai School, Phitsanulok respectively.

Opportunities from partnership with BTMU: Krungsri Auto believes its position as a market shaper combined with BTMU's expertise in dealing with corporate customers present significant future growth opportunities for both companies. The company has achieved tremendous success through the collaboration program with the Government Pension Fund, which has more than 1.2 million members nationwide.

Source of funds: The Bank, AYCAL debentures and bills of exchange.

KRUNGSRI CONSUMER

[Ayudhya Capital Services Co., Ltd.]

Type of service: Krungsri Consumer operates credit card, sales finance (merchandise installment financing) and personal loan businesses as well as insurance brokerage services. The group's credit card portfolio includes Krungsri Credit Card (KCC), HomePro Credit Card, AIA Credit Card, Central Credit Card, Simple Credit Card, Tesco Credit Card, First Choice Credit Card (3-in-1). Krungsri Consumer also leads the sales finance and personal loans sector, with a market share of 27 percent as at the end of 2013. The business's flagship brands are First Choice Card (2-in-1) and PowerBuy Card. As the end of 2013, we have a combined customer portfolio of 6.7 million accounts in total.

Market and Competition: Krungsri Consumer still continues to lead the market, despite the global and local economic challenges experienced during the year that continue to change the business landscape, and remains committed to delivering simple, yet innovative and efficient consumer financial services that meet the demands of our customers and their lifestyles.

Key Initiatives and Achievements:

- **Business expansion in Laos**
To tap market opportunities arising from the formation of the AEC in 2015, Ayudhya Capital Services Co., Ltd., together with Ayudhya Capital Auto Lease Plc., and our local business partner in Vientiane, have entered into a joint-venture

agreement this year to establish Krungsri Leasing Services Co. Ltd., an auto and personal loan service provider in Laos. The joint venture will help diversify our products and services, further promote our business strengths and sharpen our competitive edge in Laos, and also help pave the way for Krungsri Consumer's future business expansion in the region.

- **Transfer of AYCS customers to KCC**
In July we transferred all Ayudhya Card Services customers to Krungsriayudhya Card Co., Ltd. This was in line with one of our key growth strategies called '**The Power of Synergy**' which focuses on leveraging business strengths across the Krungsri Group and its business partners. The transfer has resulted in better service quality for customers as former AYCS customers can now benefit from greater privileges offered to Krungsri Credit Card customers and enjoy greater convenience from KCC's online services and cutting-edge technology.
- **Expansion of Krungsri First Choice Mini-Kiosks**
To bring our services closer to customers, Krungsri First Choice has expanded its network of mini-kiosks in prime locations. The kiosks offer a full range of services, similar to those available at Krungsri First Choice's branches, but are located in prime areas to provide customers with greater convenience and accessibility. Following positive customer feedback, Krungsri First Choice established a total of 21 mini-kiosks in 2013.

Delivering simplicity through market-leading innovations: As a leader in consumer finance business, Krungsri Consumer continued to differentiate itself throughout the year by delivering new streamlined, hassle-free financial services to customers. These include:

- **Web-based Extended Payment Plan** – facilitates more affordable payments plans for online or e-commerce customers through an option to make extended payments via credit card installments or Krungsri First Choice card (merchandising installment financing with terms of up to 48 months).
- **Visa payWave** – Tesco Lotus credit card is the first retailer's credit card issuer in Thailand to offer Visa payWave at every Tesco Lotus branch. Visa payWave enables our customers to make contactless payments by simply holding the Tesco Lotus card in front of a special card reader.
- **Electronic Receipt Management** – A green technology which helps merchants store a customer's digital signature and sales information instead of using hard copy documents for sales transaction, thus reducing

paper usage and storage space and minimizing turnaround times for reimbursement from an average of seven business days to just one business day.

- **Krungsri Quick Pay** – this mobile point of sale (m-POS) solution transforms smartphones and tablets into secure debit and credit card payment points.
- **Scan & Simple App** – this new solution was introduced in November to help reduce turnaround time and simplify credit card application and approval processes for customers. Through imaging management technology, application forms and documents are scanned and delivered to Krungsri Consumer with a single click. The approval and issuance of new cards is completed within 30 minutes on average and customers can set their ATM PIN code and use their new cards right away.
- **Two-way SMS and IVR** – For customers' convenience, Krungsri Consumer has introduced two-way SMS and interactive voice response (IVR) as alternative service channels for phone inquiries.
- **Simplified Billing Statement** – the format of printed billing statements has been simplified to make it more customer-friendly and easier to read. Less paper is now used to make the process more environmentally friendly. The new system will help save the business about THB 2.7 million a year.

These market-leading innovations won Krungsri Consumer a number of awards during the year including **Best Co-Branded Card Award from Smart Card Award Asia 2013, Payment Innovation Trailblazer Award, and Best Business Leader of the Year (Innovation Channel)**.

Responsible Lender: As a responsible corporate citizen, Krungsri Consumer is committed to being a responsible lender. The company embraces the concept in every part of its business. Apart from adopting thorough credit assessment and prudent credit risk management policies in processing customer loan and credit card applications, we also try to inspire people to be more socially responsible. Employees are encouraged to become volunteers who educate the disadvantaged and vocational school students on basic financial knowledge and to create awareness of saving disciplines. Additionally, we have also organized a number of free seminars and workshops on personal finance management to promote better understanding of financial literacy. Other programs promote a sense of social responsibility among our employees such as raising donations for rural schools, and **Krungsri Maximize** which encourages our people to maximize the use of resources to help conserve the environment.



Strategic opportunities with BTMU: Krungsri Consumer expects the strategic partnership with BTMU will help strengthen our positioning in the market through sharing of best practice and business knowledge, developing cross-selling opportunities, growing Krungsri Consumer's Japanese customer base and enhanced opportunities for regional business expansion.

Krungsriyudhya Card Co., Ltd.

Type of service: Krungsri Credit Card (KCC) is Krungsri Consumer's flagship credit card with a total of 1.7 million cards in circulation by the end of 2013. Not only was KCC the first credit card in the market to waive annual fees for life, but with the acquisition of 500,000 cards from HSBC Thailand's credit card business and the inclusion of more than 200,000 AIA Visa Cards onto our portfolio, we have also become the market leader in terms of customer base and total card spending.

Product innovations and segmented marketing campaigns were key growth drivers throughout the year. In addition, our strong network of business partners was another success factor as it helps drive consumer spending and enhance customer satisfaction.

We tap into diverse market segments such as department stores, airlines and hospitals to appeal to the different needs of our customers. Additionally, we also offer a variety of lifestyle cards tailored to the lifestyles of our different customer segments, including Krungsri Exclusive Visa Platinum Card, Krungsri Visa Platinum Card, Krungsri Visa/Mastercard, Krungsri Lady Titanium MasterCard, Krungsri Business MasterCard Corporate Card, Krungsri Manchester United Champions Credit Card and AIA Visa Card.

We also offer the HomePro Visa Card for families and those who love DIY. Our latest product, HomePro Visa Platinum, provides exclusive privileges for modern families and homeowners.

Under the concept 'Healthy Home, Healthy Life', HomePro Visa Platinum offers special discounts or point redemption at HomePro stores, 24/7 support service for home maintenance services and other



Krungsri Exclusive Visa Platinum Credit Card



HomePro Visa Platinum Credit Card

special privileges at partner merchants including selected luxury restaurants, airlines, hotels, gasoline stations and hospitals. HomePro Credit Card's total billing volume in 2013 was THB 13.9 billion from over 200,000 cards in circulation.

KCC is also actively promoting a merchandise installment financing plan called **Krungsri Smart Plan**. This will be available from more than 8,000 partners nationwide with normal or zero-percent interest rate for qualified customers. Partner coverage includes consumer goods, electrical appliances, IT, mobile phones, home improvement, beauty clinics and luxury merchandise. Additionally, prior to the payment due date, customers who want to turn any KCC credit cards transaction conducted anywhere around the world into a monthly installment plan can contact our call center to apply.

Market-leading innovations: Krungsri Buddy is an innovative, market-leading mobile application offering 24/7 account maintenance capabilities for our subscribing customers, allowing cardholders to manage their own account information, check balances and conduct transactions, check and redeem loyalty points. The mobile application is available for smart phones on both IOS and Android platforms.

Strategies for growth: The heart of KCC's success is efficient management of its large, diversified customer portfolio. To ensure sustainable growth and optimal profit, KCC has developed state-of-the-art customer support systems to accommodate our diversified customer portfolio. We also place great emphasis on customer database management, segmentation and customer relationship management for both credit card and installment plan customers. After the integration of the HSBC card into our portfolio, KCC has continually developed our customer

support system and service standards to facilitate the growing number of foreign cardholders. This is also in line with our business expansion plan which expects to acquire more foreign customers, including those from the AEC countries from 2015 onwards and those in collaboration with BTMU.

Source of funds: The Bank

General Card Services Ltd.

Type of service: GCS Credit Cards are:
Central Credit Card – Thailand's leading department store co-branded credit card was developed through a joint-partnership between Central Department Store, Thailand's first and largest premier department store and Krungsri Group. General Card Services Ltd. is a company set up to oversee and issue exclusive credit card and personal loan products and services under the Central brand. GCS was the first credit card issuer in Thailand to create special shopping experiences for cardholders within Central Department Store including 'Central Card Day', 'Preview Day' as well as major sales events such as 'Midnight Sale' and 'Private Sale'. Central Card offers cardholders an array of exclusive benefits within Central Department Store, including but not limited to 10 percent discount off normal-priced items throughout the year. In addition, there are many tie-in out-of-store privileges and benefits including cash rebates and cash coupons at Tops supermarkets and PTT gasoline stations nationwide. Cardholders can also enjoy on-going promotions throughout the year for restaurants, travel, hospitals and more. These long-term privileges as well as promotions contributed to the continuity of card usage, customer loyalty and product attractiveness.

Central Exclusive Cash – a personal loan product managed under GCS. The product introduced an ATM feature which allows customers greater flexibility and convenience in withdrawing cash from any Krungsri ATM machines throughout Thailand. Existing customers need not apply for the feature nor submit additional documents to use this feature. Central Exclusive Cash also offers on-going special campaigns such as low annual percentage rate and zero-percent interest rate for three months, and etc.

Simple Visa Card – another credit card product, previously called Robinson Visa Card, which is managed by GCS. Simple Visa Card offers attractive features, benefits and promotions such as discounts/cash back at all major department stores in Thailand including Robinson, Central, The Mall, Emporium and Siam Paragon. The card is currently positioned as 'The Best Shopping Card in Thailand'. Other benefits include cash back offers in key everyday consumer outlets such as gasoline stations and supermarkets.

Power Buy Card – this sales finance card is a joint effort between Krungsri Group and Power Buy, the major electrical appliance distributor with 85 branches nationwide. The product offers merchandise installment financing along with cash withdrawal features. The card can only be used at Power Buy stores. Similar to other sales finance features, cardholders can enjoy in-store special promotions with special interest rates, including an option of zero-percent interest rates with longer-term repayments. The minimum income requirement for Power Buy Card is lower than that required for normal credit cards. Power Buy Card also provides personal loans with installments of up to 36 months. Power Buy reaches consumers via multiple channels such as Power Buy One Call and Power Buy servicing counters nationwide.

Market-leading Innovation: This year General Card Services Ltd. continued to innovate and develop new products, features, benefits and services designed to meet changing customer needs as well as maximizing convenience. These included:

- **Central Reward Point conversion The1Card points** – Starting this year, Central Credit Cardholders can convert their existing Central Reward Points to The1Card points at the exchange rate of 1 to 1. This can be done at any customer service counter within Central and Zen Department Stores.
- **Dual Applications** – Combining Central Exclusive Cash and Central Credit Card applications into one. This simple but effective method will not only help reduce approval turn-around time but maximize convenience for customers. The applicants need only fill out a single application and submit one set of supporting documents.

Source of funds: The Bank

Ayudhya Capital Services Co., Ltd.

Type of service: Ayudhya Capital Services Co., Ltd. has continued to maintain a high market share of 19 percent in the areas of sales finance (merchandise installment financing) and personal loans. The sales finance business was launched in 1994 by GE Capital under the First Choice brand. Initially, the First Choice Card was to provide retail installment financing, focusing on electrical appliances.

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



Krungsri First Choice Card continued as a 2-in-1 card providing sales financing with terms of up to 48 months and personal loans with revolving features as well as installment loans with terms of up to 48 months. The card requires lower income criteria than most other credit cards. Krungsri First Choice is now offered through 45 branches, with more than 470 service counters co-located with our business partner nationwide.

The card's key strength comes from its partnership management. To date, more than 12,000 major merchandise distributors across the country accept the card and participate in special promotional programs. In addition, we have enjoyed a solid, long-term relationship with key leading OEM manufacturers including Samsung, Sony, Acer, HP, Dell, Lenovo, Panasonic, Toshiba, Philips, Hitachi, Blackberry, HTC, Michelin and Bridgestone, to develop co-promotions aimed to service cardholders. There are 200–300 active campaigns each month. Krungsri First Choice offers zero-percent interest rate with installment terms of up to 48 months to ensure broader coverage of an array of product categories.

As part of the One Krungsri strategy, the Bank is working with Krungsri First Choice to provide credit facilities to merchandise distributors for purchasing goods from OEM manufacturers. This enables Krungsri to provide financial solutions to support our partners' supply chain management from OEMs and merchant distributors to end users.

Krungsri First Choice Visa Card – launched in 2008 to meet demand for credit card features to be combined with sales finance and personal loan installment programs with longer repayment periods. The card targeted customers who meet credit card criteria but require more liquidity through longer-term payments. The card is accepted across the Visa network for normal credit card spending and is accepted by more than 12,000 partners across the country for sales finance with normal or zero-percent interest rate.

Krungsri Debit First Choice Card – this card was inspired by the corporate vision to 'Make Life Simple' and was launched in mid-2011 as the first 4-in-1 card. It features ATM and debit card services from the Bank plus sales finance and personal loan

services from Krungsri First Choice. The card can be used to withdraw cash from all ATMs, while the debit card spending feature uses the Visa network. For sales finance, the card is accepted by more than 12,000 partners with installment financing terms of up to 48 months. Cardholders also enjoy personal loan facilities with revolving features as well as a repayment period up to 36 months. Customer qualification requirements are the same as that of the Krungsri First Choice Card (2-in-1). Krungsri Debit First Choice is offered through all Krungsri branches.

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

Market-leading innovation: Krungsri First Choice has significantly expanded into new business lines through partnership with new dealers to increase sales in a variety of new market segments such as smart phones, gold jewelry, beauty and skincare products. We have also harnessed the latest technologies including **Electronic Receipt Management (ERM)** and **Scan and Simple App** to better facilitate our customers and business partners. Additionally, we have also expanded our service network with the establishment of mini-kiosks in prime locations to provide our customers with greater convenience and service accessibility.

Source of funds: The Bank

Total Services Solutions, PCL

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

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

Source of funds: The Bank

Krungsri General Insurance Broker Ltd.

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

It introduced personal accident insurance and auto insurance to General Card Services Ltd., Krungsriayudhya Card Co., Ltd., and Ayudhya Capital Services Co., Ltd. customers.

Since 2009, the company has focused on customer analytics to determine the characteristics of each customer segment so that it introduces appropriate products to serve their needs. It has grown on the back of its customer segmentation and cross-selling initiatives while seeking to attract new customers by increasing its product range. It continues to introduce customers to a wide range of non-life products, such as hospital income plans, personal accident and other selected general insurance products. In addition, the company offers zero-percent rate installment plans for auto insurance.

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

Krungsri Life Assurance Broker Ltd.

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

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

The life insurance market continues to grow as a result of a broader product range, new insurance partners, customer segmentation and cross-selling initiatives. The company introduces customers to a range of endowments and term life products from selected life insurance partners. It also focuses on customer analytics to develop appropriate products for specific customer segments.

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

Tesco Card Services Ltd.

Type of service: This business is a joint venture between Krungsri Group and Tesco Lotus, the largest hypermarket chain in Thailand. It was established in 2001 to operate the Tesco Lotus Credit Card program. The business started with the Tesco Lotus Private Label Credit Card and later converted to Tesco Lotus Visa Credit Card. It further evolved to include Tesco Lotus Premier Card (merchandise installment financing and personal loans) and Tesco Insurance Broker Services. The company has continued to expand and improve its distribution through Tesco Lotus stores, with the number of in-store branches increasing from 145 to 157 during 2013. A renovation program to give branches a facelift is ongoing, with all upgraded outlets offering additional services.

Market-leading innovation: One of the card's outstanding features was the integration of the Tesco Lotus Clubcard loyalty scheme into its credit card, with points collected on card transactions both inside and outside Tesco Lotus stores. The points were converted to Tesco Lotus Store coupons and delivered to the cardholders. This feature provides customers with the fastest way of collecting Clubcard points and saving money on their weekly shopping at Tesco Lotus. It also offers up to 3.5 percent cash back at Tesco Lotus, up to 3.0 percent cash back from Esso Gasoline station and 0.5 percent cash back on spending elsewhere. In 2013, Tesco Lotus credit card became the first retailer's credit card in Thailand to offer Visa payWave at every Tesco Lotus branch. This contactless payment feature received a strong positive response from cardholders.

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

Tesco General Insurance Broker Ltd.

Type of service: Tesco General Insurance Broker introduces non-life insurance products and services to cardholders of Tesco Card Services Ltd., and to general customers of Tesco Lotus stores. The company's reputation as a price leader of the auto insurance sector is due to its discount offering and variety of product provided. It has improved distribution and customer service through the launch of call centers for auto insurance customers. In addition, the company introduced insurance quotes on its website to streamline and simplify customers' auto insurance inquiries. The website provides an end-to-end sales process with real-time price quotations, secure online payment and the facility to print policy documents.

This year, the company has offered Class 1 voluntary auto insurance for cars and pick-up trucks, and Class 2 Plus voluntary auto insurance at a very competitive price for Tesco Lotus customers. In addition, it also offers a new product 'Extended Coverage' which provides Tesco Lotus customers with extended coverage from standard insurance coverage period when purchase electrical appliances.

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

Tesco Life Assurance Broker Ltd.

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

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

KRUNGSRI MICROFINANCE [CFG Services Co., Ltd.]

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

Market and competition: The company operates the well-known Srisawad Ngern Tid Lor brand, competing head-to-head with family-run, local and regional finance companies, with the aim of consolidating this fragmented market. Krungsri Microfinance distinguishes itself by providing fair and transparent lending practices and adhering to international standards when servicing the under-banked segment. CFG is widely known for its ability to provide cash loans to motorcycle owners in only 30 minutes.

Key achievements: In 2013, Krungsri Microfinance revitalized its 'Ngern Tid Lor' brand by replacing branch signage with newly designed billboards and light boxes to promote a friendlier, more trustworthy and approachable image. Fifty new branches were also opened under this new image,

resulting in a network of 290 branches nationwide. Throughout the year, CFG promoted products under the revitalized brand, with its most recent national advertising campaign highlighting the company's strength in lending using vehicles such as motorcycles or tractors as collateral.

The company grew its new loan volume by over 40 percent from last year, rising to more than THB 9 billion and delivered another year of record profits. The key drivers of growth were continued success of the 'Ngern Sip Lor' truck-for-cash product, expansion of the Krungsri referral channel and branch expansion. In parallel with this impressive growth, the company exercised prudent risk management practices and maintains a healthy loan portfolio despite the rising debt levels among Thai households.

Innovations and product launches: As a market leader, Krungsri Microfinance continues to serve the under-banked segment with innovative products. The company's newest business line provides Thai farmers the opportunity to purchase tractors under loans that designed to accommodate their seasonal cash flows. Such 'flexible installment' loans feature monthly, semi-annual and annual installment options making it easier for farmers to invest in equipment that will help generate higher crop yields and reduce labor input costs. CFG's tractor portfolio grew by 100 percent in 2013.

Source of funds: The Bank

KRUNGSRI SECURITIES [Krungsri Securities PCL]

Type of service: Offers brokerage services of listed securities:

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

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

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

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

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

Market and competition: In 2013 the Stock Exchange of Thailand, including the Market for Alternative Investment, had a market capitalization of about THB 11.67 trillion, a decrease of about 2.43 percent from last year based on the average daily trading value of THB 50.3 billion (including proprietary trading) an increase from THB 32.3 billion in 2012. The total number of futures contracts traded on the Futures Exchange of Thailand totaled 16,664,126 contracts up 59.3 percent from last year based on the average of 68,017 traded contracts per day, higher than 43,823 contracts traded in 2012. The company's market share was 1.68 percent at the year-end when it ranked 22 out of 33 brokers, compared to the previous company's market share last year of 1.72 percent and rank of 22.

In 2013, trading on the Stock Exchange of Thailand was very active with the total value traded on average per day higher than a year ago. As a result, the company's revenues were higher by THB 682.1 million or 35.5 percent from the previous year. Net profit was THB 125.9 million, up 175.5 percent from last year.

Significant Developments in 2013 and future strategies:

- The company joined the Krungsri Mobile Application, an additional channel through which customers can easily check their accounts, current investment portfolio and transfer money.
- Krungsri Securities received its license for its securities borrowing and lending business from the Ministry of Finance on March 14, 2013. This enables the company to serve its customers with a new portfolio management tool and increase returns on investment by short selling. Similarly stock lenders can benefit from a lenders fee.
- We also participated in the SET and TFEX's Banker to Broker 2013 project which aims to expand its customer base by rewarding bankers who introduce new customers to brokers. Contests and prizes were held every two months during the year to increase visibility for prospective customers to more easily access

investments. Our investment consultants are also available to open new accounts at branches across the country. We have satellite locations in Bangkok and upcountry. In addition customers can visit any of the Krungsri 610 branches nationwide to apply for a new account.

Source of funds: The Bank

KRUNGSRI ASSET MANAGEMENT

[Krungsri Asset Management Co., Ltd.]

One of Thailand's leading asset management companies with licenses granted by the Securities and Exchange Commission, we offer a full range of investment products and services across all major asset classes including mutual funds, private funds, provident funds, property funds and derivatives. Our products are designed to serve individuals, corporate clients, and institutional investors who can select to invest in equities, fixed income, commodity indexes, FIF and property funds. KSAM is committed to delivering sustainable returns and wealth. Our teams of experienced fund managers are committed to following prudent investment procedures and efficient execution platforms to assure our funds generate satisfactory returns in relation to their given risk levels, under different market environments. Our products and services can respond to the needs of all types of investors including individuals, juristic persons, foundations, cooperatives or institutions.

Key initiatives and achievements:

- **Sustaining growth and winning trust**
In 2013, we had assets under management, increase of 30 percent compared to industry growth of just 17 percent. Our LTF and Equities-RMF showed the highest growth in asset under management during the year, achieving the highest growth among all asset management companies. Our investors increased from 121,146 to 192,287, up 58 percent. This proves that we continue to gain trust from customers.
- **Stronger with Krungsri's coverage network**
Krungsri's 610 branches nationwide are important channels for us to serve customers who are interested in investment. Krungsri's staff can also offer advice on various products and services. We continue to train our staff to enhance their understanding of investment and develop investment planning skills. This helps increase the number of staff who are licensed investment advisors at each branch. In 2013, the investment and the number of customers who invest through Krungsri's branch network increased by 51 percent and 64 percent, respectively.



- **Advanced with simple access**
Our robust marketing scheme aims to build market share and acquire new customers. We have developed various sales channels and we now have several types of selling agents including foreign financial institutions such as Citibank, Standard Chartered Bank (Thai) and UOB (Thai), domestic financial institutions such as Krungsri Securities, Phatra Securities and Phillip Securities (Thailand) and individual agents. The number of our selling agents increased to 73 in 2013. We also enhanced the Access Online Service to accommodate the increasing number of online transactions with the number of subscribers increasing from 44,098 in 2012 to 71,724 this year with more than 300,000 transactions.

Innovations and Developments:

- **Market leading equity funds**
Our outstanding equity fund performance continues to attract more investors. The asset value of our equity funds accounts for 36.52 percent of total assets under management, which is ranked 6th in the investment industry. Success is attributed to our investment system's in-depth analysis to ensure the best long-term returns for our funds as well as providing opportunities for investors who want sound short-term returns during the volatile market conditions. During volatile periods of the past year we launched 12 trigger funds which proved attractive with many investors and saw our investment value total THB 6 billion.
- **Investor education seminars**
Apart from offering ranges of products to suit each type of investors, we also focus on providing education on diversification of investment and long-term investment to interested customers and the general public. We organize regular seminars on topics such as 'How to make THB 100 million from investing' with speakers from our firm and external experts. Our aim is to promote financial planning and asset allocation principles which help investors achieve financial objective.

- **Employee engagement**
Our sustainable and growth depends on the commitment and dedication of our employees in performing their duties to their full capacity to ensure that we provide excellent products and services for customers. As such, we implemented 'VOK' (Voice of Krungsri) as a tool to increase employee engagement by providing capacity building and skills development courses for staff.

New products and services: Our new products and services were developed to meet the demands and needs of our customers. We thoroughly analyze the investment needs of each customer segment and use scenario models to represent current situation in the money market and the equity market both in Thailand and abroad. This enables us to set up funds that suit investor needs and future developments.

- **Krungsri Europe Equity Fund (KF-EUROPE)**
We launched KF-EUROPE when the European economy was recovering. Financial conditions of the listed-companies have improved and performances are good but share price is still lower than those in other regions. Such a situation provides investment opportunities with healthy long-term returns. KF-EUROPE invests through Allianz Europe Equity Growth Fund which has outperformed the comparison index since its inception in 2006. The fund value was THB 1,036 million at the end of 2013.
- **Krungsri Mixed 80-20 Fund (KFMIX80-20)**
80 percent of the fund is invested in fixed income and 20 percent in equities. This fund suits investors who do not wish to invest heavily in equities but still require higher returns than from investing in fixed income products.

Benefits from BTMU partnership

BTMU's investment in Krungsri provides us with a great opportunity to expand our customer base to cover BTMU's institutional and key individual clients. The company will diversify its investment options to suit BTMU's investment style which provides a sound opportunity to strengthen our competitive edge.

Source of Funds: The company's funds

KRUNGSRI SERVICES

[Siam Realty and Service Co., Ltd.]

Type of service: Provides human resource services and vehicle rental to the Bank and its affiliates. Krungsri Services operates in two key business areas: 1) providing drivers, maids, messengers, security personnel and other essential staff to the Bank and its affiliates; and 2) supplying rental cars to the Bank and its affiliates within the scope specified by the Bank of Thailand.

Market and competition: The company has no competitors in the market as it exists solely to support the Bank. The company expanded its car rental service to include the Bank's affiliates and also has enhanced training for operating procedures for both types of service to best service our customers.

Source of funds: The Bank

METRO DESIGNEE CO., LTD.

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

Source of funds: The company's shareholders

Under Liquidation

Ayudhya Total Solutions PCL

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

Ayudhya Card Services Co., Ltd.

The company registered with the Ministry of Commerce to liquidate on July 24, 2013 and is currently in the liquidation process.

SUBSIDIARIES AND ASSOCIATED COMPANIES

	Name	Business type	Issued shares		
			Share type	No. of shares	Ownership (%)
1	Krungsri Ayudhya AMC Ltd.	Asset management	Ordinary	600,000,000	99.99
2	Krungsri Factoring Co., Ltd.	Factoring	Ordinary	30,000,000	99.99
3	Ayudhya Development Leasing Co., Ltd.	Finance (leasing & hire-purchase)	Ordinary	70,500,000	99.99
4	Ayudhya Capital Auto Lease PCL.	Finance (Auto financing)	Ordinary	104,500,000	99.99
5	CFG Services Co., Ltd.	Finance (Auto financing)	Ordinary	4,919,061	99.99
			Preferred	222,000	
6	Ayudhya Capital Services Co., Ltd.	Finance (Credit card & personal loan)	Ordinary	2,750,000	99.99
7	General Card Services Limited	Finance (Credit card & personal loan)	Ordinary	75,800,000	99.99
8	Krungsriayudhya Card Co., Ltd.	Finance (Credit card & personal loan)	Ordinary	120,552,000	99.99
9	Krungsri Life Assurance Broker Limited	Finance (Life insurance broker)	Ordinary	20,000	99.99
10	Krungsri General Insurance Broker Limited	Finance (Non-life insurance broker)	Ordinary	20,000	99.99
11	Total Services Solutions PCL.	Service (Collection)	Ordinary	132,600,002	99.99
12	Siam Realty and Services Co., Ltd.	Service	Ordinary	1,000,000	99.99
13	Krungsri Securities PCL.	Securities	Ordinary	60,000,000	98.71
14	Krungsri Asset Management Co., Ltd.	Asset management	Ordinary	3,500,000	76.59
15	Tesco Card Services Limited	Finance (Credit card & personal loan)	Ordinary	7,800,000	50.00
16	Tesco Life Assurance Broker Limited	Finance (Life insurance broker)	Ordinary	20,000	50.00
17	Tesco General Insurance Broker Limited	Finance (Non-life insurance broker)	Ordinary	770,000	50.00
18	Metro Designee Co., Ltd.	Service*	Ordinary	1,000	21.90

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

Companies under dissolution and liquidation process

	Name	Business type	Issued shares		Ownership (%)
			Share type	No. of shares	
1	Ayudhya Card Services Co., Ltd.	Finance (Credit card & personal loan)	Ordinary	7,200,000	99.99
2	Ayudhya Total Solutions PCL.	Finance (Auto financing)	Ordinary	119,699,977	99.81
3	Siam Bangkok Port Limited	Cargo loading warehouse	Ordinary	6,000,000	10.00

Companies that the bank holds shares of 10% but less than 20% of its paid-up capital

	Name	Business type	Issued shares		Ownership (%)
			Share type	No. of shares	
1	P.P. Parawood Co., Ltd.	Furniture manufacturer	Ordinary	95,000	10.00
2	Asian Trade and Leasing Co., Ltd.	Import and distributors (Construction machinery, trucks etc.)	Ordinary	1,500,000	10.00

Companies acquired through debt restructuring process

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

INCOME STRUCTURE OF THE BANK, SUBSIDIARIES AND ASSOCIATED COMPANIES

For 2013 operating performance, the Bank and its subsidiaries had interest income and non-interest income at a ratio of 71.99% and 28.01%, respectively. Interest on loans constituted the largest proportion representing 47.15% of total income. Details are as follows:

Income structure	2013		2012		2011	
	THB mn.	%	THB mn.	%	THB mn.	%
Interest on loans	46,751	47.15	42,563	47.52	36,356	47.02
Interest on interbank and money market items	2,709	2.73	2,481	2.77	3,095	4.00
Hire purchase and financial lease income	19,561	19.73	16,895	18.86	14,952	19.34
Investments and trading transactions	157	0.16	206	0.23	79	0.10
Investments in debts securities	2,203	2.22	2,495	2.78	1,946	2.52
Total interest income	71,381	71.99	64,640	72.16	56,428	72.98
Fees and service income	18,766	18.92	16,434	18.35	13,838	17.90
Gain on tradings and FX transactions	1,564	1.58	1,542	1.72	1,278	1.65
Gain on investments	633	0.64	800	0.89	820	1.06
Share of profit from investment for using equity method	112	0.11	177	0.20	32	0.04
Dividend income	551	0.56	504	0.56	441	0.57
Bad debts recoveries	3,879	3.91	3,178	3.55	2,215	2.87
Other income	2,271	2.29	2,299	2.57	2,266	2.93
Total non interest income	27,776	28.01	24,934	27.84	20,890	27.02
Total income	99,157	100.00	89,574	100.00	77,318	100.00

Income structure	2013		2012		2011	
	THB mn.	%	THB mn.	%	THB mn.	%
1. Bank of Ayudhya Plc. ^{1/}						
Total interest income	46,551	78.08	43,483	77.72	37,399	73.31
Total non interest income	13,071	21.92	12,466	22.28	13,614	26.69
Total	56,622	100.00	55,949	100.00	51,013	100.00
2. Krungsri Ayudhya AMC Ltd.						
Total interest income	162	17.72	209	16.15	304	20.60
Total non interest income	752	82.28	1,085	83.85	1,172	79.40
Total	914	100.00	1,294	100.00	1,476	100.00
3. Ayudhya Development Leasing Co., Ltd.						
Total interest income	792	78.88	964	83.25	731	81.04
Total non interest income	212	21.12	194	16.75	171	18.96
Total	1,004	100.00	1,158	100.00	902	100.00
4. Krungsri Factoring Co., Ltd.						
Total interest income	76	83.52	212	82.81	293	82.30
Total non interest income	15	16.48	44	17.19	63	17.70
Total	91	100.00	256	100.00	356	100.00
5. Ayudhya Capital Auto Lease Plc.						
Total interest income	17,181	80.78	14,682	79.08	12,803	79.63
Total non interest income	4,089	19.22	3,885	20.92	3,276	20.37
Total	21,270	100.00	18,567	100.00	16,079	100.00
6. Ayudhya Capital Services Co., Ltd.						
Total interest income	6,736	64.30	5,728	64.40	4,935	63.07
Total non interest income	3,740	35.70	3,166	35.60	2,890	36.93
Total	10,476	100.00	8,894	100.00	7,825	100.00
7. General Card Services Ltd.						
Total interest income	2,032	60.44	1,948	58.96	1,822	59.56
Total non interest income	1,330	39.56	1,356	41.04	1,237	40.44
Total	3,362	100.00	3,304	100.00	3,059	100.00
8. Krungsriayudhya Card Co., Ltd.						
Total interest income	3,887	55.45	2,927	51.83	2,039	54.27
Total non interest income	3,123	44.55	2,720	48.17	1,718	45.73
Total	7,010	100.00	5,647	100.00	3,757	100.00

Income structure	2013		2012		2011	
	THB mn.	%	THB mn.	%	THB mn.	%
9. Krungsri Securities Plc.						
Total interest income	54	7.92	44	8.75	39	7.80
Total non interest income	628	92.08	459	91.25	461	92.20
Total	682	100.00	503	100.00	500	100.00
10. Siam Realty and Services Co., Ltd.						
Total interest income	-	-	-	-	-	-
Total non interest income	539	100.00	527	100.00	543	100.00
Total	539	100.00	527	100.00	543	100.00
11. Krungsri Asset Management Co., Ltd.						
Total interest income	19	1.20	11	1.21	7	1.00
Total non interest income	1,565	98.80	895	98.79	693	99.00
Total	1,584	100.00	906	100.00	700	100.00
12. Total Service Solutions Plc.						
Total interest income	15	1.34	11	1.07	25	2.46
Total non interest income	1,104	98.66	1,021	98.93	990	97.54
Total	1,119	100.00	1,032	100.00	1,015	100.00
13. CFG Services Co., Ltd.						
Total interest income	1,888	78.90	1,402	77.89	1,027	79.49
Total non interest income	505	21.10	398	22.11	265	20.51
Total	2,393	100.00	1,800	100.00	1,292	100.00
14. Krungsri General Insurance Broker Ltd.						
Total interest income	2	0.46	1	0.29	-	-
Total non interest income	437	99.54	338	99.71	241	100.00
Total	439	100.00	339	100.00	241	100.00
15. Krungsri Life Assurance Broker Ltd.						
Total interest income	1	0.26	1	0.31	-	-
Total non interest income	377	99.74	319	99.69	270	100.00
Total	378	100.00	320	100.00	270	100.00
16. Tesco Card Services Ltd.						
Total interest income	2,139	60.82	1,582	56.12	1,192	56.84
Total non interest income	1,378	39.18	1,237	43.88	905	43.16
Total	3,517	100.00	2,819	100.00	2,097	100.00
17. Tesco General Insurance Broker Ltd. ^{2/}						
Total interest income	3	0.92	3	1.19	2	1.04
Total non interest income	324	99.08	250	98.81	190	98.96
Total	327	100.00	253	100.00	192	100.00

Income structure	2013		2012		2011	
	THB mn.	%	THB mn.	%	THB mn.	%
18. Tesco Life Assurance Broker Ltd. ^{2/}						
Total interest income	-	-	-	-	-	-
Total non interest income	47	100.00	30	100.00	15	100.00
Total	47	100.00	30	100.00	15	100.00
19. Metro Designee Co., Ltd. ^{3/}						
Total interest income	-	-	-	-	-	-
Total non interest income	-	-	-	-	-	-
Total	-	-	-	-	-	-

Companies Under Dissolution and Liquidation Process

Income structure	2013		2012		2011	
	THB mn.	%	THB mn.	%	THB mn.	%
1. Ayudhya Total Solutions Plc.						
Total interest income	31	81.58	72	58.54	236	71.95
Total Non interest income	7	18.42	51	41.46	92	28.05
Total	38	100.00	123	100.00	328	100.00
2. Ayudhya Card Services Co., Ltd.						
Total interest income	299	56.42	494	56.20	501	57.85
Total non interest income	231	43.58	385	43.80	365	42.15
Total	530	100.00	879	100.00	866	100.00

Remarks: Year 2013 data are unaudited financial statement

^{1/} The Bank's statement of comprehensive income of Bank of Ayudhya Public Company Limited

^{2/} Subsidiary of Tesco Card Services Company Limited

^{3/} The Bank invested on December 25, 2009 and immaterial financial information



RISK FACTORS AND RISK MANAGEMENT

Managing risk: Delivering an optimal risk-reward balance

RISK MANAGEMENT PRINCIPLES

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

The group follows the following principles:

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

RISK MANAGEMENT STRUCTURE

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

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

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



Capital management

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

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

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

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

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

CREDIT RISK MANAGEMENT

Credit risk refers to the risk of the borrowers or counterparty may default on contractual obligations or agreements, including the downgraded credit rating, resulting in revenues and capital. To deal with risk, the Bank has developed a mechanism of credit risk management which is compatible with international standards and efficiency. The Bank's credit risk management approach is based on a commitment to maintain a balance between the business and its credit underwriting to ensure transparency and in order to create a mechanism of checks and balances between the loan officer and relationship manager of the bank. These two stakeholders have a common purpose to promote new growth with quality and maintain original loans effectively.

Under the above mentioned credit risk management approach, the Bank has improved automation support systems. In addition to supporting credit operation's standard in terms of personnel, the Bank has developed operational guidelines, roles and responsibilities for all levels of the loan officer involved. Moreover, it provides staff with an understanding of credit principles and practices so all parties can communicate correctly and on the same basis. The Bank, therefore, has provided training courses on credit knowledge for relevant employees. In addition, the Bank has improved understanding and developed skills to an appropriate level in accordance with Krungsri's business development.

Krungsri's strategy for managing credit risk is consistently determined according to the level of risk appetite. To identify clear goals for practitioners, the Bank has established a policy and operational plans for reference, and in accordance with the strategy, e.g. credit policy, credit risk management policy and credit rating policy. The comprehensive policy and operational plan contributed service to all the Bank's customers and all of its credit products. Customers' risks are managed under the Bank's strategy which is based on international standards and conform to the Bank of Thailand's laws and regulations.

Credit risk control

Krungsri recognizes the importance of controlling credit risk, so the credit risk management unit's responsibilities are divided between two teams: commercial and consumer. Both units have the following functions:

Commercial risk Control

Krungsri has established a credit risk assessment process at the entity level according to industry type. The adequacy of the structure of the credit and risk mitigation are reviewed appropriately before loan approval and/or annual credit review. The Bank also measures customer credit risk in the form of customer credit rating, which estimates the probability that a borrower will default (Probability of Default: PD) of each rating grade (PD-based rating model) to support approval, risk-based pricing and limit setting in accordance with the credit risk of each customer group (segmentation). This risk rating tool was trialed from 2011 to parallel the existing rating model. In addition, Krungsri is currently testing the accuracy of the model (back testing) and related risk-rating tools to improve the performance of the model if it significantly lacks accuracy. It is expected the new risk model will be able to fully implemented within 2014.

In 2013, Krungsri developed a model to estimate the loss given default (LGD) model and a model to estimate the amount of delinquent customer debt (Exposure at Default (EAD) model). The Bank will implement a model for developing automated calculation systems for LGD and EAD within 2014. Moreover, in the first half of 2013, the Bank started to work on value-based management for risk-adjusted performance management (RAPM), which is used to create the highest value possible for shareholders through various measures, including indicators to measure the rate of return on risk capital, e.g. risk-adjusted return on regulatory capital (RORC) and risk-adjusted contribution value (RACV) which measures net profit after adjusting for cost of capital and risk charges.

Consumer risk control

Credit policies and underwriting criteria are developed by the Consumer Risk Management team and approved by the Risk Management Committee. Decisions and line assignments are based on application scorecards and credit bureau behavior. Where applicable, line enhancements are based on behavior scorecards. Underwriting is carried out based on approved policies and is managed by the operations function. Past-due management is centralized and is managed by a separate unit within operations. The processes

are automated. The implementation of PD, LGD and EAD models is nearing completion and will take place within 2014. Once online, these models will help the Bank further strengthen its portfolio management capabilities as well as take a major step towards Advanced Internal Rating - Based (A-IRB) and International Financial Reporting Standards (IFRS) compliance in the future.

Country risk management

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

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



Credit risk monitoring and review

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

Reserve adequacy

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

Annual credit risk review

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

Credit monitoring and management information system

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

Stress testing

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

Subsidiary management

The following subsidiaries operate under consolidated Supervision: Krungsri Ayudhya AMC Ltd. (KAMC), Krungsri Factoring Co., Ltd. (KSF), Ayudhya Capital Auto Lease Plc. (AYCAL), Ayudhya Development Leasing Co., Ltd. (ADLC),

Ayudhya Capital Services Co., Ltd. (AYCAP), Krungsri Life Assurance Broker Ltd. (KLAB), Krungsri General Insurance Broker Ltd. (KGIB), General Card Services Ltd. (GCS), Krungsriayudhya Card Co.,Ltd. (KCC), Krungsri Securities Plc. (KSS), Siam Realty and Services Co., Ltd. (SRS), Krungsri Asset Management Co., Ltd. (KSAM), Total Services Solutions Plc. (TSS), CFG Services Co., Ltd. (CFGS).

All subsidiaries maintain independent risk organizations headed by senior risk executives. The Bank's Chief Risk Officer has oversight of subsidiary risk management activities. These subsidiary risk management units must comply with Krungsri's overall risk management strategy. They must ensure they have appropriate capacity, the required risk-related infrastructure and comply with the Bank's risk appetite objectives and reporting requirements. All product, policy and process changes must be approved by the Chief Risk Officer and the Risk Management Committee.

Non-performing loan management

Non-performing loans (NPLs) are managed by a dedicated team of specialists with experience in handling past-due accounts. This department manages all high-value loans and determines the best course of action to collect from customers in order to improve asset quality and minimize financial losses. The Bank's NPL department also undertakes to sell NPLs based on guidance and approval from the Board of Directors. In June and December 2013, the Bank sold two tranches of NPLs, reducing our outstanding NPLs by THB 4.2 billion.

MARKET RISK

Prudent Market Risk

Market risk refers to the adverse impact on income and capital funds caused by price changes in the trading and banking books with regard to interest rates, exchange rates, equity instruments and commodities.

As market risk factors are external factors beyond the Bank's control, Krungsri recognizes the importance of effective market risk management. The Bank has therefore decided to place greater importance on monitoring market risk exposure as well as timely responding to changes in the business environment. Krungsri continually reviews related policies, enhanced methodologies, measurement tools and processes to manage market risk as well as maintain adequate capital relative to our risk exposure. Furthermore, we have determined proper internal controls for market risk management processes and independently and regularly review the risk management systems to ensure they fully comply with Bank of Thailand policies.

Principles

The Bank monitors and controls market risk under a specified risk appetite. It also reviews risk limits to ensure they are commensurate with the scope, volume and complexity of transactions and changing businesses and market situations. In addition, the Bank has continued to develop the Internal ICAAP. We conduct regular stress tests based on potential stressed macro-economic scenarios to predict capital adequacy under such conditions. This is used as a key input in forecasting future capital requirements in order to achieve sustainable growth and returns for shareholders.

Organization and structure

The Board has delegated risk management to the Risk Management Committee which has the authority to manage and control market risk in a manner consistent with policy. The Assets and Liabilities Management Committee (ALCO) establishes guidelines for appropriate management of assets, liabilities, and off-balance sheet items. The organizational structure clearly segregates the duties and responsibilities of the units responsible for transaction execution, operations and risk management to avoid conflicts of interest.

In 2013, the Bank maintained our focus on proper market risk management, in response to changing domestic and international economic circumstances, as well as high volatility in the exchange rate and the Stock Exchange of Thailand (SET) Index and interest rate direction in the money market as per the policy rate of Bank of Thailand. The Risk Management Committee decided to place greater importance on closely monitoring market risk exposure and established a reporting process to cope with any negative signals about the movement of market risk factors to ensure effective and timely risk management.

Market risk management structure

The Market Risk Management Department provides strategic risk management and reports risk exposures to the Risk Management Committee for managing and controlling market risk in a manner consistent with policy. The Treasury Division executes transactions and manages positions under the risk limits approved by the Board of Directors. The Assets and Liabilities Management Department under the Finance Group provides ALCO with sufficient analyses of the Bank's and competitors' balance sheet management as well as strategic risk options in order to achieve higher efficiency in market risk management.

Measurement system

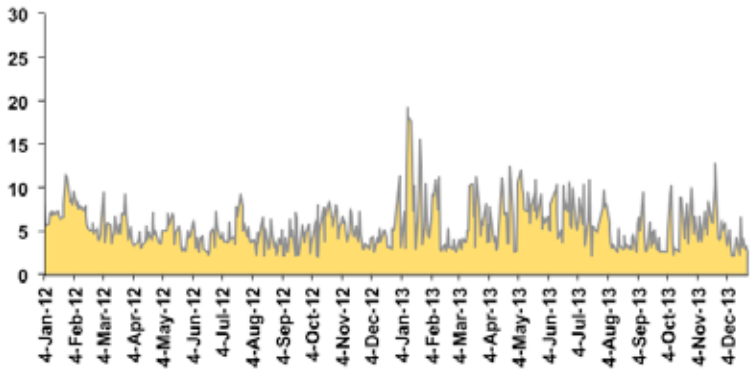
In 2013 the Bank's aggregate market risk was well within acceptable levels. The assessment, control, and monitoring of market risk can be divided into two parts – transactions in the trading book and transactions in the banking book:

- 1. Risks from transactions in the trading book: We use Value-at-Risk (VaR) and conduct back-testing to assess the reliability of the models. We also conduct stress testing to assess risk under crisis situations.

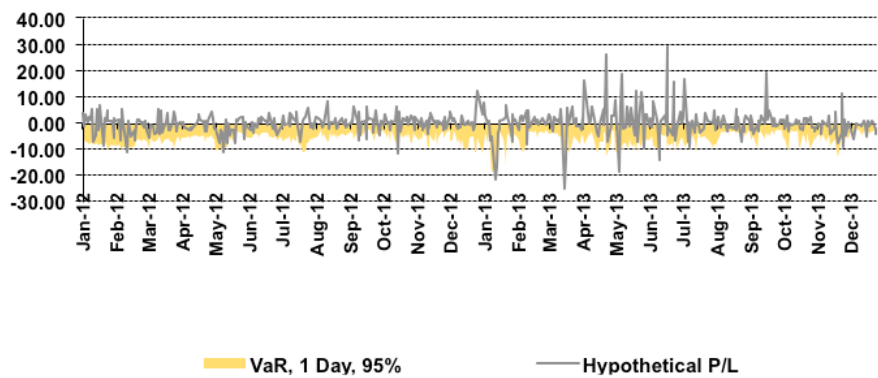
In 2013, the VaR for a one-day holding period with a 95-percent confidence level for the trading book, was THB 5.64 million on average.



Krungsri Group's total daily Value-at-Risk (VaR) movement – 2013 and 2012 (Unit: THB million)



Krungsri Groups total daily Value-at-Risk (VaR) back testing – 2013 and 2012 (Unit: THB, million)



2. Risks from transactions in the banking book:
The Bank assesses the probable impact on net interest income (earnings perspective) from mismatches of the interest rate structure and on- and off-balance sheet positions. We also conduct re-pricing gap analysis in terms of static simulation and dynamic simulation according to the projected interest rate trend. In addition, we analyze interest rate risk which reflects the sensitivity of the economic value of shareholder equity (economic value perspective).

In 2013, changes in interest rates had no significant impact on the Bank’s capital funds as the Bank had adjusted our balance sheet structure to be consistent with interest rate risks and also within a specified risk appetite. In addition, the Bank prepared a report on the interest rate risk gap and assessed net interest income sensitivity over the next 12 months, based on an assumption of a one percentage-point change in interest rates for all types of assets, liabilities and off-balance sheet items at their different re-pricing periods. The results of the interest rate risk assessment are as follows:

Financial Group’s net interest income sensitivity
As of December 31, 2013 and December 31, 2012

(Unit: THB million)

	As of December 31, 2013		As of December 31, 2012	
	- 100 bps.	+ 100 bps.	- 100 bps.	+ 100 bps.
Net interest income impact	-29.73	-532.38	135.12	-662.01
Percentage of total net interest income	-0.061%	-1.087%	0.289%	-1.415%

Financial Group assets and liabilities based on next re-pricing maturity
December 31, 2013 and December 31, 2012

The Financial Group’s financial statements as at December 31, 2013

(Unit: THB million)

	0-3 months	Greater than 3 – 12 months	Greater than 1 – 5 years	Greater than 5 years	Non performing loans	Non-interest bearing	Total
Financial Assets							
Interbank and money market items, Net	69,250	-	-	-	-	17,777	87,027
Investment, Net	9,180	14,296	32,561	11,176	-	6,061	73,274
Loans to customer	550,531	109,377	184,017	6,509	27,014	110,566	988,014
Financial Liabilities							
Deposits	530,982	166,960	46,638	-	-	19,470	764,050
Interbank and money market items, Net	31,118	5,014	16,056	13	-	3,296	55,497
Debt issued and Borrowings	66,332	34,929	38,500	34,844	-	-	174,605

The Financial Group’s financial statements as at December 31, 2012

(Unit: THB million)

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

Capital requirements

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

Market risk capital requirements as at December 31, 2013 and December 31, 2012

(Unit: THB million)

Standardized Approach	2013	2012
Total Capital Charge for Market Risk	382	370
Total Risk Weighted Assets for Market Risk	4,774	4,626

LIQUIDITY RISK
A Balancing Liquidity and Risk

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

The Bank understands the importance of liquidity risk management as well as the need for timely responses to an ever-changing business environment with a proactive and proper assets, liabilities and off-balance sheet structure. We have continuously reviewed our policies and enhanced methodologies/measurement tools as well as processes for liquidity risk management to comply with Bank of Thailand’s guidelines and best practices of international standards. The Bank also reviews a liquidity contingency plan and guideline (LCP) and prepares a liquidity cushion (contingency funding plans) and tests LCP on a regular basis.

Principles
The Bank has maintained liquid assets, on average, of at least 6.0 percent of deposits and borrowing, in compliance with the Bank of Thailand’s regulations. Krungsri emphasizes the management of excess liquidity at an acceptable level and controls liquidity risk consistent with the Bank’s risk appetite and appropriate operating costs. The Bank maintains an excess liquidity cushion at a level commensurate with the economic situation. We seek to ensure there is adequate cash for both the business operations of the Bank and its subsidiaries. Liquidity management utilizes qualitative and quantitative approaches to ensure appropriate risk diversification.

Basel III Standards
Basel Committee on Banking Supervision (BCBS) has launched new regulations for Basel III that may result in changes in commercial banks’ capital and liquidity risk management and Bank of Thailand has announced the submission of its liquidity risk report dated 11 July 2013. The Bank has been studying in preparation for the changes, assessing impacts of compliance, and continuously monitoring the progress of Basel III implementation in order to ensure that compliance

will not have any impact on the capital level and liquidity risk management of the Bank and Krungsri Group's (Bank of Ayudhya Plc. and its subsidiaries) consolidation.

Organization and structure

The Board, through the Risk Management Committee and the Asset and Liability Management Committee, has delegated the authority to manage and control liquidity risk in a manner consistent with policy. The Asset and Liability Management Committee closely monitors the liquidity position and liquidity risk.

Liquidity risk management structure

The Market Risk Management Department provides risk management strategic option and reports the Bank's liquidity risk exposures to the Risk Management Committee for managing and controlling liquidity risk in a manner consistent with policy. The Treasury Group is responsible for monitoring and managing daily liquidity. Assets and Liabilities Management Department under the Finance Group provides the Asset and Liability Management Committee with sufficient analyses of the Bank's and competitors' balance sheet management as well as the Bank's liquidity risk and funding strategic options, which are major risks under the Asset and Liability Management Committee's responsibilities in order to achieve higher efficiency in liquidity risk management of Krungsri.

Measurement system

Krungsri realizes the importance of having adequate liquidity risk measurement tools and methodologies appropriate to the size and

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

In addition, we have determined liquidity ratios and early warning signs for daily monitoring such as highest deposit and bill of exchange decrease per day, concentration of customer groups (top 10 and top 20 deposits and bills of exchange) concentration of customer group, in order to reduce the concentration of our funding sources, as well as its liquidity ratios.

In 2013, Krungsri aggregate liquidity risk was rather low. We have closely monitored major factors that may impact liquidity risk such as direct and indirect foreign capital inflows – outflows, global and domestic economics and the direction of the Bank of Thailand's policy rate adjustments. In addition, amid high competition in savings and investment products of financial institutions, Krungsri continued to pursue our strategy of increasing new deposit products while diversifying the customer base to enlarge our main sources of funding, support their strong lending growth and, to a lesser extent, the conversion of bills of exchange into deposits.

Financial Group assets and liabilities based on remaining contractual maturity December 31, 2013 and December 31, 2012

Financial Group's financial statements as at December 31, 2013

(Unit: THB million)

	On demand	0-3 months	Greater than 3 – 12 months	Greater than 1 – 5 years	Greater than 5 years	Non-performing loans	Non maturity	Total
Financial Assets								
Interbank and money market items, Net	18,899	67,518	210	167	-	-	233	87,027
Investment, Net	-	7,915	14,535	33,495	11,238	-	6,091	73,274
Loans to customer	25,494	201,626	162,335	338,122	233,423	27,014	-	988,014
Financial Liabilities								
Deposits	402,941	147,511	166,951	46,647	-	-	-	764,050
Interbank and money market items, Net	5,944	37,656	2,391	9,493	13	-	-	55,497
Debt issued and Borrowings	-	66,469	34,978	38,500	34,658	-	-	174,605

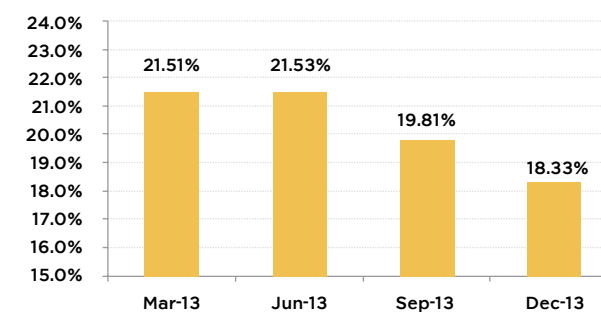
Financial Group's Financial Statements as of December 31, 2012

(Unit: THB million)

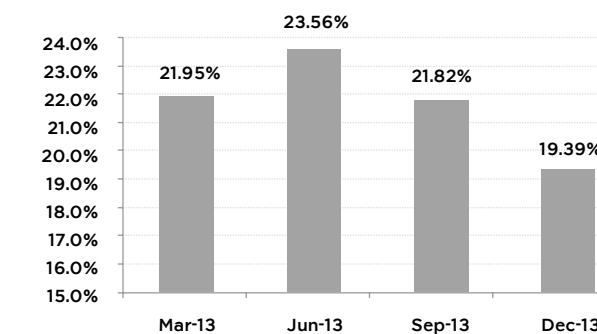
	On demand	0-3 months	Greater than 3 – 12 months	Greater than 1 – 5 years	Greater than 5 years	Non-performing loans	Non maturity	Total
Financial Assets								
Interbank and money market items, Net	15,046	63,705	200	120	-	-	319	79,390
Investment, Net	90	9,990	20,429	34,762	9,079	-	3,952	78,302
Loans to customer	17,941	178,953	180,224	303,509	167,463	21,292	-	869,382
Financial Liabilities								
Deposits	369,460	149,920	160,116	7,663	-	-	-	687,159
Interbank and money market items, Net	8,722	30,674	640	8,773	12	-	-	48,821
Debt issued and Borrowings	-	60,559	13,598	45,711	34,761	-	-	154,629

Financial Group's Ratio of Liquid Assets to Short-Term Liabilities

2013

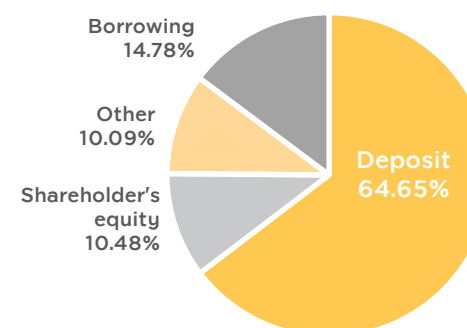


2012

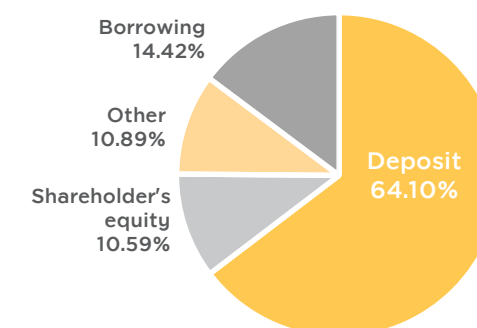


Financial Group's Sources of Funds

As of December 31, 2013



As of December 31, 2012



OPERATIONAL RISK

Operational risk refers to the risk of loss resulting from inadequate or failed internal processes, technology problems, human factors or external events including legal risk but excluding strategic and reputational risk. Operational risk is an integral and unavoidable part of the Bank’s business as it is inherent in our endeavors to provide services to customer and to generate profits for shareholders. By Making Life Simple, we remain committed to effectively managing and mitigating major operational risks through a proactive approach as well as continue to embed an awareness of operational risk throughout the culture of the Bank and its subsidiaries.

Principles

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

Organization and structure

Operational risk is managed under the Group Operational Risk Management Policies, approved by the Board of Directors. The policies stipulate the minimum requirements of a framework that is implemented throughout the organizational structure along three lines of defense to ensure independent oversight of operational risk management throughout the Group. All business units as primary operational risk owners and risk takers have prime responsibility for identifying and managing the day-to-day operational risks inherent in their products, activities, processes and systems according to the policies.

The Risk Management Committee, assigned by the Board of Directors, is responsible for formulating strategies and overseeing the adequacy of the risk and control processes. The Committee meets on a monthly basis to review and make recommendations on the operational risk profile. The Operational Risk Management Department, an independent function reporting to the Chief Risk Officer, is responsible for designing, maintaining and continually developing the operational risk framework and measurement system. This is to ensure operational risk is well mitigated and properly managed. In addition, the Internal Audit function provides an independent assurance of the proper functioning of the design, adequacy and effectiveness of our internal controls.

Review measurement system and achievements in 2013

The Bank and its subsidiaries continue to embed operational risk management encompassing, on an on-going basis, the process of identifying possible operational risks, measuring and monitoring those risk exposures and ensuring effective mitigation programs are in place. Krungsri’s Risk and Control Self-Assessment Program (RCSA) is reviewed regularly based on historical loss data and changes in the business environment. Under the Bank’s anti-corruption policy and program, bribery risks have been taken into account when conducting assessments in order to set in place the measures and resources needed to mitigate the risks.

A process to regularly monitor operational risk exposures has been implemented, Key Risk Indicators (KRI) are collected and tracked Bank-wide and at the business unit level to provide early warning signals of deterioration in the Group’s internal control system. Action is taken if and when risk levels exceed the acceptable threshold.

The tracking and reporting of Operational Risk Loss Data is also a key component of the Group’s operational risk management framework. We centralize the loss database in a system. Losses beyond a certain threshold including near-misses and non-financial impact events are systematically collected by the business units and reported to Operational Risk Management Department. Investigation and recovery process are actively performed to minimize losses and improve broken controls. Referral of the escalation of individual events to senior management is determined by the seriousness of the event.

An on-going process to manage and monitor potential operational risks that might stem from outsourcing and insourcing arrangements is in place. The continuity of business operations, service provisions to customers and a suitable customer protection system are also our main accountability when considering of outsourcing and insourcing.

Krungsri implements operational risk systems for recording and linking RCSA, KRI and Operational Risk Loss Data where appropriate. The system enables a comprehensive view, analysis and reporting of the Group’s operational risk profile. We embed the new product, process and system risk assessment program to ensure that all new products – or significant changes to existing process and systems – are subject to comprehensive risk evaluation and are approved by specialists prior to launch.

The Group recognizes the importance of business continuity management to ensure that throughout the Group, when disruption occurs, key products and services to customers can be delivered or recovered within a reasonable period. Key risks and threats are periodically assessed and reviewed by senior management from a business continuity perspective, including political crises, pandemics, technology disruptions, flooding and other environmental impacts. To ensure the readiness to respond to the disruption, business continuity plans and alternate sites are reviewed, maintained and tested regularly.

The Group has established risk reporting processes. All units and subsidiaries are accountable to report their operational risks such as RCSA, KRI and Operational Risk Loss Data to

the Operational Risk Management Department for analysis. The Group’s operational risk profile and performance report are then regularly prepared and delivered to the Risk Management Committee and Board of Directors, to facilitate early detection of key operational risks within the Group and support appropriate decision making. Furthermore, we strongly believe our operational risk management will be strengthened by our new strategic partnership with the Bank of Tokyo-Mitsubishi UFJ, Ltd.

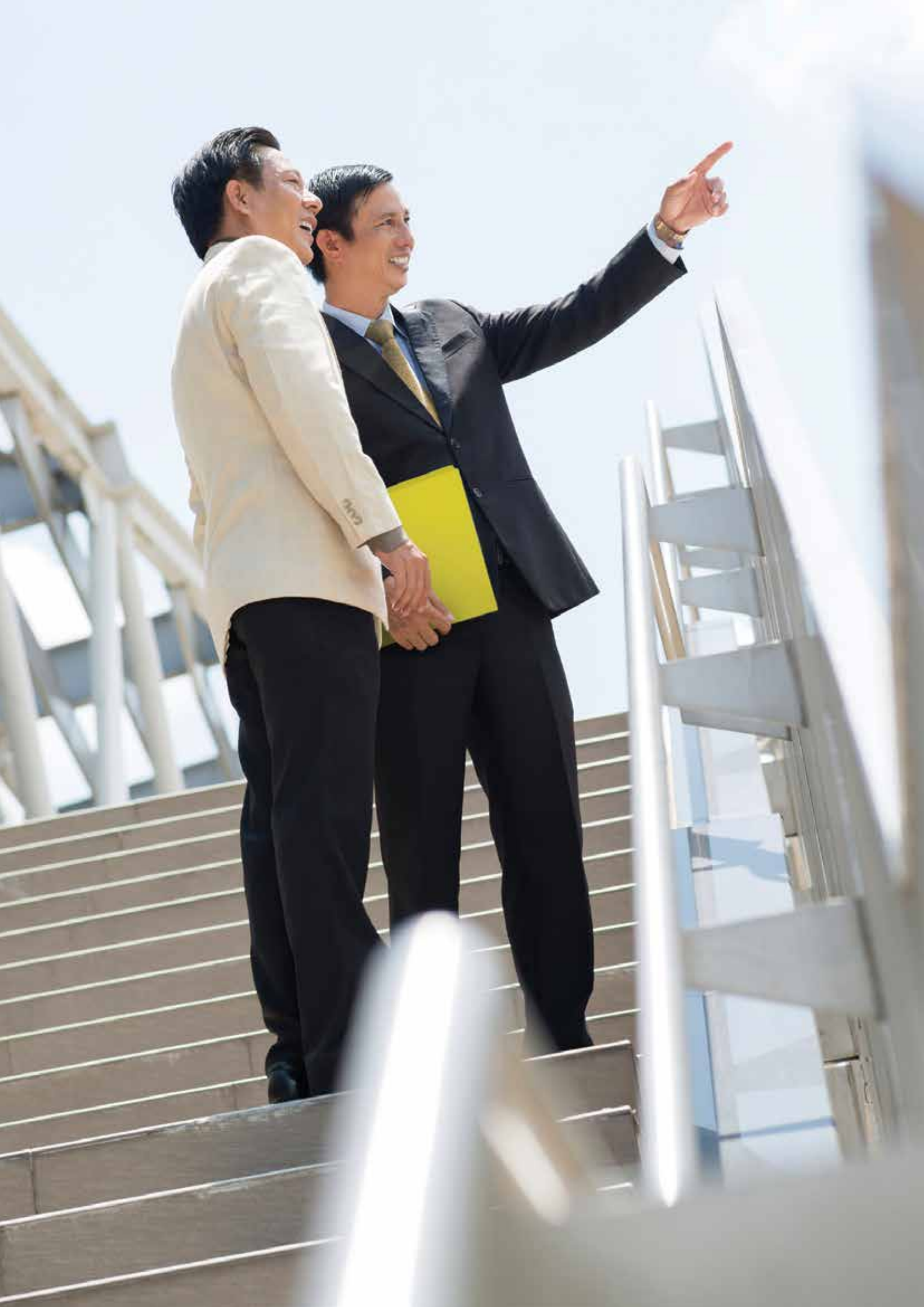
Capital requirements

We currently use the standardized approach (SA) to calculate operational risk capital within Krungsri Financial Business Group. These capital requirements are detailed in the following table.

Krungsri Operational Risk Minimum Capital Requirement
As at December 31, 2013 and December 31, 2012

(Unit: THB million)

Standardized Approach	2013	2012
Total Capital Charge for Operational Risk	4,598	4,255
Equivalent Risk Weighted Assets for Operational Risk	57,480	53,193



CORPORATE GOVERNANCE

CORPORATE GOVERNANCE POLICY

Good Corporate Governance Principles form a significant foundation for an organization's sustainable growth. The Bank's Board of Directors is aware of the importance of corporate governance. These principles are factors that contribute to the Bank's effective performance based on righteousness, transparency, equality and verifiability. Following these principles builds confidence among shareholders, investors and stakeholders as well as increases the Bank's long-term value with regard to managing risk, while promoting accountability to stakeholders and every party concerned equitably. Alongside these practices, the Bank supports sustainable economic, social and environmental development.

The Board of Directors has stipulated the Bank's "Good Corporate Governance Principles" in writing. Their provisions cover shareholders' rights and their equitable treatment, information disclosure and transparency, accountability of the Bank's Board of Directors and Sub-Committees, internal control and audit systems, and philosophy for business engagement. As well, the Principles state the Bank's role to stakeholders, its vision and core values, morality and ethics of its employees and social responsibility. In addition, the Bank stipulates that the Principles be reviewed on an annual basis, or instantly in case of significant change. This is to ensure the appropriateness of the Bank's Principles to situations which may change at anytime.

In 2013, the Good Corporate Governance Principles were reviewed to ensure optimum appropriateness based on the good corporate governance principles prescribed by the Office of the Securities and Exchange Commission (SEC) of Thailand and compliance with the ASEAN CG Scorecard principles, as part of the Bank's preparation for the ASEAN Economic Community in 2015. The sections revised this year include those dealing with the Bank's Board of Directors, shareholders' rights and their equitable treatment, business engagement philosophy and the Bank's role to stakeholders. The Bank conveys and publicizes its good corporate governance principles via several channels such as e-mail and the Bank's website under the good corporate governance section.

The Bank, moreover, organizes training and activities to promote and create clear understanding so that the principles are implemented and practiced correctly. The activities are intended to ensure awareness and understanding on the part of directors, executives and employees alike. As well, they are intended to assure that policies and practicality are upheld

and in compliance with the Principles. In addition, the Bank stipulates that each department appoint a Compliance Champion responsible for providing knowledge and understanding of the Bank's corporate governance, and communicating with employees so that they acknowledge and understand the Bank's policy. Moreover, the Bank has designated, in writing, 'The Spirit and the Letter' (S&L), the key principle of the Code of Conduct, stating matters that employees should know and practice, as well as matters that they should be aware of. Punitive measures are also specified in case of violations. Apart from providing a manual to every employee, the Bank also makes it available on its internal website. Activities are organized to promote knowledge and understanding of the issues, for example, the annual S&L Week.

Because of the Bank's consistent adherence to good corporate governance principles, in 2013 it received good corporate governance awards:



- SET Award of Honor from the Stock Exchange of Thailand. The award signifies that the Bank as listed company has been continuously distinguished for good corporate governance reporting based on its information disclosed in various reports such as annual registration statement (Form 56-1), annual report (Form 56-2), website and shareholders meeting minutes.
- The 9th Corporate Governance Asia Annual Recognition Awards 2013 from the Corporate Governance Asia magazine. The award is normally offered to organizations in the Asian region that show determination to develop good corporate governance.

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

Section 1 Shareholders' Rights

1.1 Policy on and the Protection of Shareholder Rights

The Bank places importance on shareholder rights applied equally, and does not commit any acts that will violate or eliminate shareholder rights, or restrict their opportunities to learn information about the Bank. At the same time, the Bank encourages its shareholders to exercise their rights including their basic rights according to the law, such as the right to sell or transfer shares, the right to participate and vote in meetings of shareholders, the right to receive profit/dividend, and the right to equitable treatment in share buy-backs (if any). In addition, the shareholders are entitled to access to the Bank's information via the Stock Exchange of Thailand's channels of disclosure including the Bank's website under the headings "Investor Relations" and "Investor Relations Journal" released twice a year to provide our shareholders, via postal mail, with information on the Bank's operating results, shareholder rights, analyses and the Bank's activities.

1.2 Meetings of Shareholders

The Bank organized the Annual General Meeting of Shareholders (AGM) No. 101 on April 10, 2013 in accordance with the Bank's Articles of Association, relevant laws and the requirements specified by the AGM Checklist, including good governance standards. Details are summarized as follows:

- Minority shareholders were entitled to propose agenda items and nominate qualified persons to be elected as Bank directors, and to submit Bank-related queries that require responses at the AGM three months prior to the end of the fiscal year. The criteria and procedures for exercising such rights were posted on the Bank's website. Meanwhile, query forms were attached to the meeting notifications sent out to shareholders in advance. The shareholders were informed at the AGM that no shareholders had proposed any agenda items, nominated any person for election or submitted queries that required responses at the AGM.
- The notification of the AGM was issued in Thai and English and dispatched together with the annual report in CD-ROM format 21 days prior to the AGM date. It was also posted on the Bank's website more than 30 days prior to the AGM date to give shareholders adequate time to study the information.
- The invitation to the AGM was posted at every Bank office and branch 14 days prior to the closing date of the share register, supplemented

by three consecutive days of advertisements in newspapers for more than three days prior to the AGM date.

- The notification contained the date, time, venue and details of the agenda with precise and sufficient facts and reasons, clear and adequate comments provided by the Board of Directors and relevant Sub-committees to support the consideration. Also enclosed were details on the registration process and a list of documents required to be presented to the Bank's officers prior to attending the AGM, both in person and by proxy, as well as meeting participation methods, the Bank's Articles of Association on meetings of shareholders, voting procedures, and a map of the venue.
- The Bank neither added any agenda items nor changed any significant information without prior notice to the shareholders.
- The proxy form was prepared as prescribed by the Ministry of Commerce and enclosed with the notification of the AGM enclosed with the notification of the AGM. In case a shareholder cannot be present at the AGM in person, he/she can use the proxy form to express his/her opinion concerning voting. The Bank also affixed the duty stamp thereto. In this respect, the Bank clearly indicated a list of required documents and procedures and set uncomplicated conditions for proxy appointment. Additionally, the Bank nominated two independent directors as options for the shareholders to appoint as their proxy.
- The Bank appropriately supported and facilitated every shareholder including institutional investors in exercising their rights to participate and vote in the AGM, or authorizing a proxy to participate in the meeting and vote on their behalf. In addition, the Bank opens chances for shareholders to meet and talk without any attempt to obstruct communications between shareholders.
- The Bank assigned the Investor Relations Department to coordinate as well as provide information and answer questions from investors and shareholders.
- For the election of directors agenda item, the Bank provided summarized backgrounds of those who were nominated for election or re-election as stipulated by the Bank's regulators, such as name-surname, age, educational background, working experience, and selection criteria and procedures. Also provided was other relevant and necessary information deemed useful for shareholders' consideration. During the consideration of this agenda item, the directors



who had retired by rotation and had been re-nominated left the room so that the shareholders could discuss and cast their votes independently. The Bank collected ballots from all participating shareholders.

- For the directors' remuneration agenda item, each type of director remuneration was specified, including remuneration for sub-committee duties, along with the policy and criteria for consideration of the payments.
- For the auditor appointment and auditor remuneration agenda item, the Bank designated the nominated auditor(s) to be appointed or reappointed, including details on auditors' independence and other relevant and necessary information for the benefit of the shareholders' consideration.
- For the dividend payment agenda item, the Bank specified the dividend payment policy, the dividend pay-out rate, along with reasons and supporting information for consideration of shareholders.
- In the registration and vote-counting processes, the Bank used the barcode system designed by Thailand Securities Depository Co., Ltd. The shareholders were entitled to register no less than two hours prior to the AGM. After the AGM was duly convened, the shareholders were entitled to register to exercise their rights to vote on the agenda items for which resolutions had not yet passed. The shareholders who had already registered would receive ballots to exercise their voting rights.
- The Chairman of the Board, the President and CEO, and the Chairpersons of Sub-Committees, as well as senior executives, the Bank's external auditor and representatives from Norton Rose (Thailand) Co., Ltd. (the external legal firm, as inspectors), attended the AGM. The Chairman of the Board introduced these persons one by one to the AGM.
- Before the meeting, the Chairman of the Board announced the number and percentage of shareholders participating both in person and by proxy to the AGM. Also explained were the criteria and procedures for casting votes. Before voting on each agenda item, the shareholders were entitled to express their opinions or raise questions about the item under discussion or about the Bank independently.
- Currently, the Bank has one type of share: common shares. One share is equal to one vote, and a majority vote is required unless otherwise specified by law. Shareholders with conflicts of interest on any agenda items were not entitled to vote, except for the election of directors agenda item.
- The Bank videotaped the entire meeting and separated the file into video clips according to each agenda item for dissemination on the Bank's website.
- Subsequent to the AGM, the Bank conveyed the summary of the meeting resolutions and the voting results of each agenda item to the shareholders and the public via the Stock Exchange of Thailand's channels of disclosure within the meeting date. The Bank also enclosed the notice and the letters from its proxies to

express its gratitude to all shareholders for exercising their rights and entrusting the Bank's directors with their proxies.

- The Bank prepared accurate and comprehensive Minutes of the AGM, complete with the names and titles of the Bank's directors and senior executives who attended and did not attend the meeting. Also recorded were the vote casting and counting procedures as explained to the shareholders before the meeting began. The Minutes, moreover, included subjects and data proposed; the directors' opinions on each agenda item; questions and answers, observations and suggestions deemed significant to the shareholders; the meeting's resolutions on an item-by-item basis, together with the voting results for each agenda item; opinions in approval and disapproval, or abstentions. Those Minutes were presented to the Chairman of the Board and all members of the Audit Committee for a review of their correctness and completeness prior to submission to the relevant authorities within 14 days of the AGM date.

Section 2 Equal Treatment of Shareholders

All shareholders are regarded as the owners of the Bank. Thus, it is the Bank's policy to incorporate equal treatment to all of its shareholders.

The meeting of shareholders was organized in a transparent, accurate and effective manner. For example, in the appointment of a director who has a conflict of interest as a proxy, if a shareholder appointing the proxy does not express his/her vote, that director shall abstain from voting on his/her behalf.

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

- The Bank stipulates that its directors, executives and employees strictly abide by the relevant laws, directives or policies of the Bank, as well as the code of business and ethical conduct. It is forbidden for the Bank's inside information to be used for personal interests or disclosed to other persons.
- The policy has been conveyed to all employees for their acknowledgement and compliance, which is monitored on a regular basis.
- The Bank requires that in case directors, executives, employees including spouses and their minor children who have not yet reached adulthood acquire the Bank's shares, they must hold them for at least three months.

- At any time that the Bank is going to disclose any important financial data to the public, the Bank will announce a blackout period to prohibit any of the Bank's shares from being traded normally for three working days before and after notification to the Stock Exchange of Thailand.
- It is required that apart from reporting the trading of the Bank's securities to the Office of the Securities and Exchange Commission, the Bank's directors and executives as specified by law, their spouses and minor children within the specified period, have a duty to disclose their trading to the Bank's Board of Directors.
- It is stipulated that the use of internal information for the benefit of stock trading is prohibited and illegal and contradicts the principles governing conflict of interest. All of the Bank's directors, executives and employees must perform in compliance with the law on financial institution business and the law on securities and exchange.
- In the case of shares acquired during a person's tenure as the Bank's director, no transaction can be made until three months after the acquisition, except when permitted otherwise with endorsement of the Audit Committee or other authorized persons.
- In the previous year, there was no case of insider trading committed by the Bank's directors, executives or employees.

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

- The Bank's directors or executives with conflicts of interest will abstain from any consideration and voting on transactions between the Bank, its subsidiaries or associated companies and stakeholders or individuals having either actual or potential conflicts of interest. In addition, the Audit Committee is authorized to provide opinions relating to the necessity of such transactions and the propriety of the pricing. Furthermore, the Audit Committee is obligated



to ensure that the correct and complete disclosure of any transaction, which may incur a conflict of interest, is made on a regular basis.

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

2.3 Stakeholding of directors and/or executives

- The Bank's directors and senior executives are obligated to provide reports on their own and any other related persons' stakeholding related to the management of the Bank or its subsidiaries. The reports shall include their stakeholding in their positions, shareholdings and transactions. The reporting regulations are clearly established and delivered to the Chairman of the Board and the Chairman of the Audit Committee for their acknowledgement.
- In any meeting of the Bank's Board of Directors, the directors who have stakeholding related to any issues under discussion do not participate in consideration and have no right to vote on such issues. Practically, in the past if any director may have had a potential stakeholding in an issue, the director would ask to be excused from participating in consideration and would abstain from voting on that issue.
- The Bank establishes a policy to proscribe any loans or transactions similar to loans, or debt guarantees, granted to the Bank's directors and senior executives and other related persons, except loans granted in the form of credit cards, or loans as part of general welfare in accordance with the regulations of the Bank of Thailand.
- In the previous year, the Bank neither violated these rules nor failed to comply with the regulations on asset trading.

Section 3 Roles of Stakeholders

3.1 Treatment to stakeholders

The Bank attaches importance to and respects every group of stakeholders equally. It has therefore incorporated in its Good Corporate Governance Principles the Bank's business philosophy and roles to all groups of stakeholders, i.e. investors, shareholders, customers, employees, directors and its executives. As well, the Bank states its responsibility to society and the environment in the Good Corporate Governance Principles as follows:

- **Investors:** The Bank places a priority on disclosing information that is correct, comprehensive, transparent, timely and up-to-date. In addition to conveying its information via various

channels including the media, the Bank has set up the Investor Relations Department to coordinate, provide answers and announce the Bank's significant performance details, as well as establish good relations with investors and stakeholders.

- **Shareholders:** The Bank takes every shareholder into account and equally respects his or her rights to examine and offer suggestions on the Bank's performance. Effective management practices take into consideration business growth and sound operating results that bring about appropriate returns to the shareholders in the long term, and significant information is disclosed to the shareholders in a correct and complete manner, with clarity and accountability.
- **Board of Directors:** The Bank gives an opportunity for the Board of Directors to perform its duties on a comprehensive basis, with independence in expressing opinions and giving recommendations on the Bank's operations to the management. The Bank also provides the Board of Directors with a Directors' Handbook and notifies members of appropriate quarterly training courses on a regular basis. In this regard, the Corporate Secretariat Department has been responsible for facilitating and supporting practices and activities of the Board of Directors in order to ensure full compliance with the laws and Good Corporate Governance Principles.
- **Executives:** The Bank gives an opportunity for the executives to perform their duties independently without any intervention, as per the roles, duties and responsibilities assigned by the Board of Directors.
- **Employees:** The Bank recognizes that its employees at all levels are valued resources and key drivers, providing them with appropriate payments and welfare comparable to other business groups at the same level, and in line with the Bank's short- and long-term performance.

- The Bank has set up a provident fund for its employees to which the Bank pays its contributions, according to each individual employee's working tenure, on the same dates that its employees pay their savings.
- The Bank fully promotes and supports advancement alongside knowledge and skill development of its employees. In this regard, Human Resource Learning & Development Department has designed and developed training courses in response to business needs as well as individual demands. These courses are divided into 8 major training calendars with a total of 474 courses 1,558 sessions. In addition, the department has designed 53 E-learning courses. In 2013, the

employees attending these courses averaged 94.83% per annum. Details are as shown in the annual data list (Form 56-1) and the annual report (Form 56-2) under the section "Personnel Development".

- The Bank designates a set of principles on the environment, health and safety in "The Spirit & The Letter". In this connection, the Bank has set up a committee to specifically oversee safety, occupational health and workplace environment issues in order to ensure employees' safety and health.
- **Customers:** The Bank's business is operated with honesty, integrity and fairness. It provides customers with services and advice equally to protect their best interests and deliver maximum satisfaction with quality products as well as excellent services that are convenient, swift and make life easier, in line with the slogan "Krungsri Make Life Simple". In addition, the Bank provides its customers with comprehensive and correct information. At the same time, it does not disclose customers' information or secrets, unless required by law or given permission by the customer in writing. Apart from not employing customers' information for its own benefits, the Bank invites customers to share their opinions for further development of its services. Customers can file any complaints or recommendations via several channels.
- **Suppliers:** The Bank treats each supplier with honesty, integrity and fairness, maintains mutual benefit, and does not disclose suppliers' confidential information. The Bank also provides suppliers with complete and correct information, follows the provisions of contracts or terms as agreed strictly. It promotes activities that will lead to better mutual understanding. Furthermore, the Bank has drawn up a clear policy and guidelines for procurement and hiring, as well as a gift and entertainment policy to be adhered to by its employees, for the purpose of fair treatment of all related parties and to ensure transparency and accountability. In terms of the supplier selection process, the Bank has stipulated the principles guiding relationships with suppliers in "The Spirit & The Letter". For example, suppliers are required to follow the same standard and are entitled to equal opportunity. The Bank must try to avoid any conflicts of interest that may arise from the supplier selection process. Each supplier must be assessed based on its technological leadership, quality, trustworthiness, prices and services. As well, the Bank must safeguard suppliers' confidential information and other information that is protected under the confidentiality contract.

- **Creditors:** The Bank is aware of the importance of its responsibility to every group of creditors by strictly following commitments, relevant regulations and laws on the basis of honesty, equality and fairness. The Bank does not disclose creditors' confidential information, while providing them with correct and complete information as well as promoting activities to enhance better mutual understanding.

The Bank has designated a comprehensive managerial structure for business operation. As well, it has stipulated a clear strategy on capital management for the organization's security and strength to ensure that the Bank will not fall into any financial difficulty that would eventually result in its inability to pay debts. The Bank's liquidity management enables it to pay debts on time according to maturity periods, and to be ready to pay debts under an emergency situation. Above all, this managerial structure will ensure that the Bank is capable of paying its debts even when it has to confront a liquidity crisis.



- **Commercial Banks or Financial Institutions:** The Bank cooperates in any activities that are deemed beneficial to the overall business to prevent any impacts that may result in damage to the commercial banking system. Moreover, the Bank promotes activities that foster better understanding, while competing fairly with other commercial banks under the rules and regulations. For example, the Bank does not seek for any confidential information in a dishonest or inappropriate manner; nor does it make any accusations or disparaging comments. In addition, the Bank cooperates to reduce the costs and expenses of the commercial banking system and the overall economy.

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

- The Bank has developed a policy on environmental care with concrete guidelines. For example, it follows the ISO14000 and 14001 international standards, and adopts measures or practices within the organization that explicitly spell out its responsibility to the environment, e.g. providing different bins for garbage separation.
- The Bank promotes efficient use of resources by designating an environmental policy as well as disclosing practical processes.
- The Bank has created environmental projects, such as ancient site preservation in Phra Nakhon Sri Ayutthaya Province; Krungsri Weaving Students' Dreams to Education; and Krungsri Simple Finance.
- The Bank has designed training courses for its employees to promote their understanding of the environment and energy conservation under the topics "Krungsri Conserve the Planet" and "If Safe, then Happy at Work". Designed as E-learning programs, these courses are accessible to every employee to learn without any limits. The rates of employees participating are 2.64% and 0.77% respectively.
- Apart from initiating its own social and environmental projects, the Bank also supports the activities of charitable organizations in both the public and private sectors, including making donations. In this regard, the Bank focuses on creating benefits for society in 6 areas: eliminating poverty; development of young people and education; religion, arts and culture; environment; public health and health condition enhancement; and rehabilitation of people affected by disasters. Details are shown in the annual report (Form 56-2), under the topic "Responsibility to Society and the Environment".



3.2 Other relevant practices

- **No violation of human rights and privacy** The Bank has stipulated a policy on non-violation of human rights and privacy, stating that directors, executives and employees are obligated to comply with human rights principles. For instance, every employee must be treated with honesty and dignity; there must be no violation and menace, physically or verbally, to others; no employment of minors; no racial, gender or religious segregation or discrimination; no contempt for other people's disabilities; and employees' personal information must be kept safe.
- The Bank stipulates in "The Spirit & The Letter" that employees are obligated to protect patents, trademarks, copyrights, trade secrets, and any other information under the Bank's proprietary rights. At the same time, they are required to respect other people's intellectual property.
- **Resisting corruption and bribes for business benefits, as well as combating money laundering and the financing of terrorism.**

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

In March 2012, the Bank became a member of the 'Thailand Private Sector Collective Action Coalition Against Corruption' project. The Bank focuses on cooperating with leading Thai organizations and its stakeholders in an attempt to make the country's business operations free from corruption. It was one of the 22 companies granted a certificate as a full member of the Thailand Private Sector Collective Action Coalition Against Corruption project in October 2013.

The Bank has created a corruption assessment process.

It stipulates guidelines on auditing and controlling to prevent and monitor risks from corruption.

The Bank has also specified guidelines to monitor and assess results of the anti-corruption policy's implementation and practice. As well, it has organized training courses for employees to provide them with knowledge of the anti-corruption policy and practices.

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

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

- Postal mail to the Chairman of the Audit Committee (Ms. Potjanee Thanavarant), or Audit Committee Member (Mr. Virat Phairatphiboon), or Audit Committee Member (Mr. Phong-adul Kristnaraj), or Secretary to the Audit Committee (Ms. Puntipa Hannoraseth) and sent to Bank of Ayudhya Public Company Limited, Head Office 1222 Rama III Road, Bang Phong phang, Yan Nawa, Bangkok 10120

- E-mail: audit.committee@krungsri.com

- The Bank's website under the heading "About Us", sub-heading "Receipt of Complaints"

- Complaints or requests for any other information can be filed via

- Call Center at 1572

- E-mail: irgroup@krungsri.com

- The Bank's website under the heading "Investor Relations", sub-heading "Contact Investor Relations"

As for the Bank's employees, apart from the above-mentioned channels, they can file complaints concerning any wrongdoing or violations of policies, rules and regulations of the Bank to the Ombudspersons, who are senior Bank executives recognized by their fellow employees and executives for their honesty, ethics and

objectivity; namely Ms. Ladawan Kongkruapun and Mrs. Thidarat Sethavaravichit. The complainants may choose to have their names revealed or concealed.

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

Section 4 Disclosure of Information and Transparency

4.1 Disclosure of Information

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

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

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

- **Annual Financial Statements:** The Bank discloses its financial statements, audited by a certified public accountant and endorsed by the Office of the Securities and Exchange Commission of Thailand as being presented fairly in all material aspects in accordance with Generally Accepted Accounting Principles. In the previous year, the Bank prepared and submitted its yearly



and quarterly financial statements within the submission deadlines, and no corrections to these financial statements were required by the Office of the Securities and Exchange Commission.

4.2 Specific Unit to Foster Relationships with Investors and Concerned Parties

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

- **The Establishment of the Investor Relations Department:** The Bank established its Investor Relations Department in 2002 with the key mandate of managing investor relations-related duties and activities, in particular the disclosure of both financial and non-financial information under Good Corporate Governance Principles and the above-mentioned policies governing disclosure and transparency. Apart from information concerning the Krungsri Group, disclosures include comparative financial performance and status, current operations, competitive capabilities of financial businesses, business plans and policies, including measures and regulations governing the financial sector.
- **Major Stakeholders include shareholders,** investors, securities analysts and credit rating agencies, both domestic and abroad.
- **Number of Investor Relations Activities:** The number of activities has been increasing significantly, reflecting the more comprehensive scope of responsibility after the Bank succeeded in merging the businesses of its subsidiaries under the "One Krungsri" umbrella. The expansion also reflects the changes in the Bank's shareholder structure.

Another important mandate of the Investor Relations Department is promoting effective two-way communication between the Bank and its stakeholders.

- **Senior Management's Engagement,** both in planning and participating in Investor Relations activities, is an essential factor reinforcing the effectiveness of two-way communication with the stakeholders. Senior Management members meet with investors to exchange perspectives on business development and strategy as well as business and industry trends via meetings domestically and abroad.

Besides the Chief Executive Officer, President, Chief Financial Officer, and the Senior Manager Investor Relations Department, the key entity responsible for Investor Relations activities, other executives joined the Department in meetings with investors throughout 2013. They included the Head of Corporate Banking, Managing Director of Krungsri Consumer, Head of SME Banking, Executive Vice President of the Wealth Management and Bancassurance Division, Executive Vice President of Mortgage Loan Products, and Chief Risk Officer.

- **Significant activities of the Investor Relations Department in 2013:**

- The Chief Executive Officer was invited to be one of the guest speakers at Thailand Focus 2013, the biggest annual seminar for the Thai securities market, co-organized by the Stock Exchange of Thailand, Phatra Securities PCL. and Bank of America Merrill Lynch.
- The President participated in the Mekong Sub-region Meeting, a national meeting focused on opportunities in the Mekong Sub-region, and joined in a non-deal roadshow activity in Japan, a new target market of the Bank.
- The Chief Financial Officer and Senior Manager of the Investor Relations Department took part in retail investor meetings.

- In the country: met with retail investor groups (Value Investors, members of the Value Investors Association of Thailand).

- Abroad: joined Invest ASEAN 2013 at the Singaporean and Malaysian Stock Exchanges to present information on the Bank's stock, which is categorized as one of the "ASEAN Star" stocks, to more than 760 small investors in Singapore and Malaysia.

- The Senior Manager of the Investor Relations Department was the guest speaker at a training course (The First Step to Investor Relations Affairs) for investor relations professionals of Thailand's listed companies, organized by the Stock Exchange of Thailand.

The continued engagement of Investor Relations activities to meet with investors abroad and domestically alike, as well as in meetings with analysts and investors on company visits, participation in international conferences, and one-on-one meetings with investors/analysts demonstrated the continued interest of investors, securities analysts and credit rating institutions’ analysts in the Bank.

In 2013, the Bank’s executives travelled to meet with investors in the United States, Japan, Malaysia, Singapore and Hong Kong. Notable Investor Relations activities in 2013 can be summarized as below:

price. These communication channels include electronic communication to shareholders/ stakeholders. In the past year, the important issues communicated included the Voluntary Tender Offer (VTO) launched by the Bank of Tokyo-Mitsubishi UFJ, Ltd., the Bank’s meeting agendas, information pertaining to the extraordinary shareholders’ meeting and other supporting information.

In addition, the Investor Relations Department has added backdated financial information on a quarterly basis. To facilitate access by investors and other persons interested in the Bank’s financial information, the information

Type of Meeting	Number	Number of Companies	Number of Participants
Company visits with investors/analysts	101	145	195
Conferences via telephone	35	40	49
Participation in domestic meetings/meetings with domestic investors*	13	165	195
Participation in international conferences/ meetings with international investors*	9	196	292
Meetings with securities analysts**	2	72	90
Laise with Credit Rating Agencies for Krungsri Group**	8	5	13
Conference Call with Rating Agencies	7	4	7
Analyst Previews	8	116	126
Site Visit	6	21	24

Remarks * In 2013, 22 conferences and investor meetings, of which 18 were participated by Chief Executive Officer and/or President and/or Chief Financial Officer and/or Head of Business Group.
 ** The Chief Executive Officer, President, and Chief Financial Officer participated in conferences.

- **Information Reported to the Bank’s Board of Directors and Senior Executives**
Aside from providing services to external stakeholders meeting as mentioned above, the Investor Relations Department follows up its performance and other development related to the Bank’s business operations. It reports regularly to the Bank’s Board of Directors and Senior Executives the comments and perspectives from securities analysts as well as analyses of and reports on appropriate shareholder structure. The Investor Relations activity plan is submitted to the Bank’s Board of Directors quarterly.
- **Information Reported to Stakeholders:** The Bank employs effective communication tools and channels in disclosing important information, such as details related to significant strategies, strategic developments and important information that will affect the Bank’s stock

is conveyed on the Investor Relations website (<http://www.krungsri.com/en/investor-relation.aspx>)and can be downloaded. The Investor Relations Department continuously relays news, reports on the Bank’s performance as well as other significant developments to investors so that the latter can be constantly updated on the Bank’s news and important developments.

In addition to its role and duty to ensure that the Bank’s stock price reflects fair value in the long term, in 2013 the Investor Relations Department played a supporting role pertaining to the issuance of two lots of the Bank’s debentures.

In the previous year, the Bank has not been subjected to any complaint by regulators due to its failure to announce any important events within the designated time frame.

Section 5
Responsibilities of the Bank’s Board of Directors

The Board of Directors, comprising independent directors, executive directors, and non-executive directors, plays an important role in establishing the direction, policy, business operational strategy, and supervising the business for transparency and legal compliance to ensure maximum benefits to the Bank and its shareholders.

All Bank directors possess the requisite qualifications as stipulated by the relevant laws and regulations of the Bank’s regulators, the Bank’s Articles of Association, and good corporate governance principles. They also have specialized proficiency beneficial to the Bank, for example in economics, business administration, accounting and international business, together with extensive experience in commercial banking and other related businesses. In this regard, the Chairman of the Board is a different person from the top management, and their duties are clearly separated from each other.

In the previous year, the Bank has not committed any acts of misconduct or violated any regulations of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand in cases concerning corruption or unethical conduct. Nor have there been any resignations of non-executive directors for reasons related to the Bank’s good corporate governance or a negative reputation arising from the Board of Directors’ failure in performing their duty as supervisor.

5.1 Offices of Directors and Senior Executives

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

5.2 Board of Directors’ Meetings

- The Board of Directors’ meeting is held at least once a month, with the dates and important agenda items for each monthly meeting designated in advance for the whole year. Additional meetings may be held to address necessary or urgent matters. The Corporate Secretary compiles and proposes the agenda to the Chairman of the Board, and the top

management for joint consideration and endorsement prior to it being proposed to the Board of Directors meeting. In this regard, the directors may propose agenda items to the meeting by informing the Chairman of the Board, top management or the Corporate Secretary.

- The Corporate Secretary has a duty to dispatch the notification of the meeting together with the agenda and supporting documents in the form of hard copy and electronic files to the directors for consideration and study at least seven days prior to the meeting date. If the directors wish to ask for additional information or documents, they can make their requests to the executive directors or the Corporate Secretary.
- Every director is obligated to attend every Board of Directors meeting, unless he/she has imperative business such as a meeting with a government agency, an overseas business trip or has fallen ill. The majority of the Bank’s directors attended more than 75% of all meetings in 2013, except for engagement in overseas business. The Bank’s Board of Directors also encouraged the non-executive directors to organize meetings among themselves to provide opportunities to independently discuss various issues without the presence of either executive directors or the Management and report a summary of their opinions to the top management for acknowledgement.
- All of the meetings in 2013 were attended by no less than two thirds of the total number of directors, which is more than that indicated in the Bank’s Articles of Association, which stipulate that a quorum must consist of no less than half of the total number of the directors.
- Each Board of Directors’ meeting takes an average of four hours. This provides an opportunity for all directors to make inquiries, suggestions and to debate issues fully and independently. Senior executives and officers responsible for each issue discussed are also invited to answer questions, receive suggestions and observations made by the Board of Directors.
- Clearly identified in detail in the minutes are the date and time that the meeting is declared in progress and adjurned, lists of absent and present directors, summary of the agenda, significant content of issues discussed, recommendations of the Board of Directors, including explanations of the management and resolutions of the Board. The minutes are signed by the chairman of the meeting and the minute taker. In this regard, directors with conflicts of interest in a matter under discussion will abstain from consideration and voting on that matter, which is also recorded in the minutes.
- After the minutes are adopted by the meeting, the Corporate Secretariat Department is responsible for dispatching copies of the

documents to both the relevant internal and external units within a designated time, and also for safeguarding the minutes in the form of hard copy and electronic file for the purpose of reference and accountability. However, amendments to the minutes cannot be made without the approval of a meeting.

5.3 Evaluation of the Performance of the Board of Directors

- The Bank stipulates that the Board of Directors' performance be evaluated annually for the purpose of promoting good corporate governance principles and encouraging efficiency and productivity of the Board of Directors and the Management. In addition, the evaluation gives the Board of Directors an opportunity to review its performance, problems and any obstacles encountered during the past year with a view to making further improvements.
- The performance evaluation is intended to assess the performance of the duties of the Board of Directors as a whole. While it contains the opinions of each director on the overall performance of the Board, it is not an evaluation of the performance of an individual director. The evaluation covers six major issues:
 - (1) Structure and qualifications of the Board of Directors;
 - (2) Roles, duties and responsibilities of the Board of Directors;
 - (3) Meetings of the Board of Directors;
 - (4) Performance of the directors;
 - (5) Relationship with management;
 - (6) Professional development of directors and executives.
- The Corporate Secretariat Department will submit the evaluation form to the Nomination and Remuneration Committee before relaying the evaluation form to an individual director for assessment.
- The Corporate Secretariat Department will gather and summarize the assessment results for submission to the Nomination and Remuneration Committee and the Board of Directors for acknowledgement and discussion, including observations and recommendations for further improvement, which the management can apply in order to enhance the effectiveness of the Bank's operations.

5.4 Remuneration of Directors and Executives

- The Bank has established a clear and transparent policy on remuneration of directors, comparable to the industry benchmark for similar-size banks. In this respect, the duties and responsibilities

as well as contributions each director makes to the Bank are taken into account, and the remuneration is sufficient to attract and retain qualified directors.

- The policy and remuneration of the directors – annual retainer fee; attendance fee; bonus/ pension and other benefits, including any amendments – must be approved by an annual general meeting of shareholders. The remuneration is also based on the type of director, i.e. non-executive director, independent director and executive director. The remuneration structure consists of a retainer fee, attendance fee and pension, and directors' remuneration as sub-committee members. Remuneration for directors is clearly separated from other remuneration for other duties.
- Remuneration of the executives is in accordance with the principles and policies stipulated by the Board of Directors and relates to the Bank's performance and targets as well as an individual executive's performance. Executives who are also directors of the Bank, sub-committee members and directors in any subsidiary companies will not receive additional remuneration.

5.5 Corporate Secretary

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

5.6 Internal Control and Internal Audit System

- The Bank has set up a clear internal audit system in line with international practices, i.e. Three Lines of Defence, comprising the business unit, supervisory unit and internal audit unit. These three units cooperate via working procedures designated for each level.
- The Bank has established an independent unit responsible for assessing the adequacy and appropriateness of the internal control system, overseeing compliance with the system, and reporting to the Audit Committee and the

Board of Directors. In this regard, the Bank has appointed Ms. Puntipa Hannoraseth as the Head of Audit to be responsible for auditing work.

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

5.7 Risk Management

- The Board of Directors has appointed the Risk Management Committee to determine the scope and policy on integrated risk management. The Board has also established the Risk Management Group to analyze, assess, monitor and control risk management relating to the Bank's loan approvals. This is intended to ensure that all transactions are carried out within the agreed scope and in compliance with the rules and regulations of the Bank and relevant authorities. The adequacy of the risk management system and its effectiveness is reviewed by the Board of Directors on a regular basis.
- The Bank discloses related details in the Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2) under the heading "Risk Factors and Risk Management".

5.8 Professional Development of Directors and Executives

- For directors assuming their first terms the Bank has an orientation run by the top management and senior executives in charge of the Bank's core business, such as Chief Financial Officer, General Counsel and Head of Human Resources. The orientation includes briefings on the nature of the banking business, laws that directors should be aware of, and other relevant information. The Bank also provides the new directors with a Directors' Handbook, information and documents necessary for performing their duties as directors.
- The Bank encourages and arranges for the directors, executives and parties directly related to the corporate administration and the Corporate Secretary to attend, from time to time, seminars and training courses on relevant practices organized by the Thai Institute of Directors Association (IOD), the Stock Exchange of Thailand and other leading domestic and international training institutions. Furthermore, the Bank compiles books relevant to directors' roles, duties and practices for additional study.
- On a quarterly basis, the Corporate Secretary compiles a list of training courses to be held by the Thai Institute of Directors Association (IOD) and submits it to the directors so that they are

able to arrange their schedules to participate regularly in the relevant courses. In 2013, the directors attended various courses held by Thai Institute of Directors Association (IOD), e.g. Director Certification Program (DCP), Chartered Director Class (CDC), Financial Institutions Governance Program (FGP), Monitoring the Quality of Financial Reporting (MFR), How to Develop a Risk Management Plan (HRP), Risk Management Committee Program (RMP), and Anti-Corruption for Executives Program (ACEP), and other courses on the performance of directors' duties organized by the Bank.

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

5.9 Succession and Management Development Plans

- The Nomination and Remuneration Committee is responsible for preparing a succession plan for the key positions of CEO and President. It also approves succession plans for Group Heads/ Chief Officers to ensure continuity of the Bank's operations.
- The Bank develops the succession plan and specific training and development plans individually by considering officers at the executive level and their subordinates in cascading tiers of the Bank and its affiliates who achieve outstanding performance with potential to be developed as higher-level executives of each department.
- The succession plan is divided into two levels according to the readiness of the successors: 1) those who are ready to move up to a new position within 1-2 years (successor); and 2) those who are ready to succeed within 3-5 years (future successor). The Bank also designates emergency candidates in case of any immediate change in an executive position while it is still waiting for successor to be ready.
- The Bank makes career plans for successors based on necessity analysis, and at the same time designates a development plan to promote employees' self-development. Relating to the Competency Based Management concept, in the previous year the plan emphasized developing leadership capability, with around 75% of potential successors having been developed continuously. In this regard, the Bank carries out its employee development plan, monitors and assesses the outcomes, then expresses its recognition via promotions of these persons to the next levels of their careers.

COLLECTIVE ACTION COALITION AGAINST CORRUPTION (CAC):

Krungsri Unites to Fight Graft in all its Forms

Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) was initiated in 2010. The project signifies the collaboration of the private sector in adhering to the international framework and procedures for combating corruption.

The CAC project is supported by the Office of the National Anti-Corruption Commission and started through the cooperation of eight leading organizations, namely the Thai Institute of Directors Association, Thai Chamber of Commerce, Joint Foreign Chambers of Commerce, Thai Listed Companies Association, Thai Bankers' Association, Federation of Thai Capital Market Organizations, Federation of Thai Industries and Tourism Council of Thailand.

The project has also received full support of the US based Center for International Private Enterprise. The project was established with the aim of fostering collaboration from within the private sector to combat corruption. If the corruption problem persists, it will impact the country's economy, as well as the banking and financial sector.

Recognizing the significance of this initiative, the Bank encourages the Krungsri Group which comprises the Bank and companies in its financial business group to conduct business fairly and socially responsible for all stakeholders in accordance with the good corporate governance principles and guided by the Group's ethical values.

In 2012 and 2013, Krungsri Group became a signatory to CAC's Declaration which, with a unanimous resolution, put in place the anti-corruption policy and program. This details



guidelines and procedures including monitoring compliance with the program and providing relevant training for staff and management, to put effective anti-corruption policies and practices in place across Krungsri Group. This gives all stakeholders the confidence that Krungsri Group is strongly committed and determined to combating all forms of corruption. By signing the declaration, Krungsri wants to publicly declare its commitment to conducting business with honesty, integrity, transparency, impartiality and fairness, and that the Group will refuse to compromise its standards or principles regarding anti-corruption.

On 8 October 2013, the Bank, met CAC certification standards and received a CAC certificate at the Thailand's 4th National Conference on Collective Action Coalition Against Corruption, which was organized by the Thai Institute of Directors. Other subsidiaries of Krungsri Group also applied to becoming CAC-Accredited companies during the year.

"KRUNGSRI BECOMES ONE OF THE FIRST THAI COMMERCIAL BANKS TO BE AWARDED CERTIFICATION AS PART OF THE PRIVATE SECTOR COLLECTIVE ACTION COALITION AGAINST CORRUPTION"

POLICY AND MEASURES AGAINST INSIDER INFORMATION

Prevention against the use of insider information is significantly important for the Bank. In operating the business, the Bank recognizes that certain undisclosed information can be improperly used and unfairly taking advantage on external parties. Hence, the Bank has established a policy and procedure to prohibit employees to disclose crucial information of the Bank or our customers as well as the use of this information for undue benefit.

The Bank also disallowed staff to trade Bank shares during the 'Blackout Period' which extends from the days before and after quarterly official financial performance results announcements. All Members of the Board and top management also have to disclose their own securities holdings, including their related parties on a quarterly basis or upon changes to demonstrate our commitment to the insider trading prevention. Also, staff are required to hold Bank's shares for at least 3 months once bought unless otherwise approved by the Audit Committee or authorized persons.

In 2013 the Bank has improved on the measures imposed on the securities listing for watch list and restricted list to efficiently prevent relevant functions from using insider information for undue benefit.

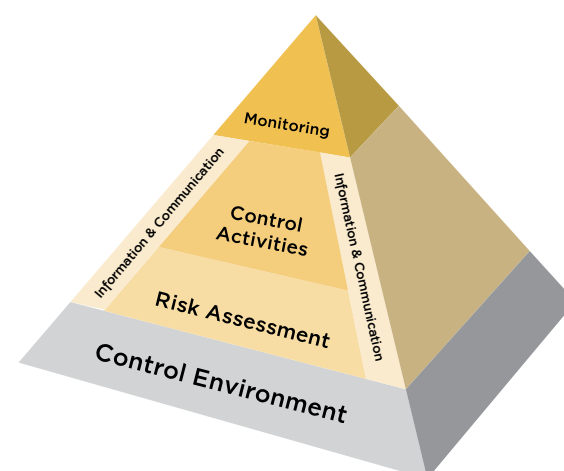
Together with other measures, the Bank also established ethical walls between workstations of different business units apart from restricting access rights to sensitive information of each function.

The aforesaid measures demonstrate the Bank's strong commitment to preventing the use of insider information.

INTERNAL CONTROL SYSTEM AND INTERNAL AUDIT

Internal Control System

Recognizing the importance of internal control, the Bank has adopted the three lines of defense model which is an international governance standard and involves the business function, the compliance supervision function and the internal audit function. The three functions will collaborate efforts through work processes and controls applicable to each line of defense in order to ensure that the Bank, in achieving its goals, complies with the good governance and effective internal control principles based on the COSO framework which consists of the following 5 key components:



- **Control Environment** - The organizational structure is aligned with the nature of the Bank's business operations; segregation of duties is adopted to achieve check and balance; scope of authority is clearly determined; and the principles of integrity and professionalism are emphasized.
- **Risk Assessment** - Opportunities and impact associated with possible incidents and affecting the Bank's goal achievement are assessed in order to identify risk management and control measures.
- **Control Activities** - The Bank has established well-defined policies and operational procedures, effective resource maintenance and utilization processes, segregation of duties and operations review.



- **Information & Communication** - The Bank has implemented information and communication systems which ensure timely response as well as reliable, accurate and timely financial records and reporting.
- **Monitoring** - Continuous monitoring and assessment are conducted to ensure that the Bank's risk management is effective and appropriate.

Internal Audit Function

The internal audit function assesses the adequacy and appropriateness of the internal control system applicable to operational processes and work systems of the Bank and companies in the financial business group as well as outsource activities. The internal audit function performs duties independently and reports directly to the Audit Committee which comprises the Bank's Independent Directors. The internal auditors do not have any involvement in the Bank's daily business operations.

Audit Activities

According to the international governance standard, the internal audit function performs 2 types of activities, i.e. assurance service and consulting service. The implementation of these activities is planned in a systematic manner in order to allocate resources and determine the proportion of audit activities for optimal benefit of the Bank.

1. Assurance Service

1.1 Annual Audit Plan

The annual audit plan is developed in accordance with the risk-based approach and collaboratively considered by high-level executives and auditors. In addition, the plan is approved by the Audit Committee. During the year, the audit plan will be reviewed and amended in response to the new or changing risks.

1.2 Audit Process and Supporting IT Systems

The integrated audit approach which integrates the IT auditing with the operational auditing is adopted by the Bank with the aim of improving audit efficiency. In 2013, data audit is also integrated into the operational auditing to reduce sampling risk in the audit process. In addition, auditing software has been developed to support the analysis of potential irregularities. The Audit Group has continuously developed audit programs in order to effectively support audit activities relating to emerging risks and new products of the Bank. Auditing software has also been employed in the management of audit process which includes audit planning, resource allocation, random sampling, data analysis, audit data recording and archiving, audit tracking etc. With a view to continuously improving the audit quality, the Audit Group has conducted a post-audit satisfaction

survey to compile opinions of auditees. In 2013, the E-Survey system was developed for enhanced convenience in online survey completion. The quality of audit work has been reviewed by an independent functional unit within Audit Group and audit approaches are steadfastly developed in accordance with the internationally recognized best practices.

1.3 Audit Report Presentation and Audit Tracking

The outcomes of internal control system review have been directly reported to executives of audited functional units and relevant functional units for collaborative consideration of improvement and rectification within appropriate dates. The internal audit function has monitored the actions taken in response to the audit recommendations and reported them to high-level executives as well as the Audit Committee every month. In this regard, the audit monitoring has been conducted through the electronic audit tracking system which enables the auditees to report progress and retrieve reports in different formats from the system at any time, hence improved efficiency of the audit monitoring.

2. Consulting Service

In addition to the assurance service according to the annual audit plan, the Audit Group has given advice on implementation of internal control system to functional units within the Bank. In addition, the Audit Buddy Line (hotline for consulting issues relating to internal control) was initiated in 2013.

3. Personnel Development

The Bank's audit officers have been provided with in-house and professional trainings every year such as professional training courses and certification courses on internal audit as well as training courses on business, product and IT system knowledge. Knowledge tests covering new rules and regulations have been regularly conducted through online tests (E Quiz). In addition, the internal audit function has continuously developed self-learning (e-learning) courses which are specifically designed for audit officers and enable them to access lessons at their convenience. Every year, audit officers are given opportunities to propose projects aimed at developing / improving audit work. External consultant companies have been engaged to collaboratively perform audit functions for the purpose of audit knowledge sharing and experience broadening. In 2013, a total of 46 audit officers of the Bank have received 88 audit certificates.

4. Value Adding to the Bank

To support the Bank's achievement of business goals under effective governance and internal control, the Audit Group has continuously

implemented knowledge sharing projects to share knowledge related to internal control to functional units and branches nationwide through internal communication channels of the Bank. Examples of these projects are the effective internal control system project and the FAQ project to provide clarification for frequently asked questions related to branch operations, the Mind Map project which summarizes key control procedures for branch officers for clearer understanding and less operational faults of branch officers and etc. In addition, the Bank's Audit Group is a pioneer among Thai banks in conducting penetration testing on the Bank's web-based applications and mobile applications to assess vulnerabilities of the applications. In addition to adding value to the Bank, the Audit Group helps reduce the expenses for engaging external companies to perform tasks such as examination of the Bank's work systems in relation to the Payment Card Industry Data Securing Standard (PCIDSS) according to VISA requirements by assigning the task to the internal audit officers who have received the training and passed the test required by VISA.

Head of Internal Audit Function

At present, the Bank's internal audit function is under the responsibility of Ms. Puntipa Hannoraseth, First Executive Vice President, who assumes the position of Head of Audit.

Academic degrees and certificates:

- Master of Business Administration, Thammasat University
- Bachelor of Accounting (1st Class Honor), Thammasat University
- Certified Public Accountant (CPA Thailand)
- Certified Internal Auditor (CIA)
- Certificate of Advanced Audit Committee Program

Relevant work experience and trainings:

- April 2013 – Present: First Executive Vice President, Bank of Ayudhya Pcl.
- September 2010 – Present, and January – September 2009: Secretary to the Audit Committee, Bank of Ayudhya Pcl.
- November 2009 – March 2013: Executive Vice President, Bank of Ayudhya Pcl.
- April 2009 – Present: Head of Audit, Bank of Ayudhya Pcl.
- April – September 2009: Acting Manager, Audit Department, Bank of Ayudhya Pcl.

- January – April 2009: Senior Vice President and Manager, Audit Department, Bank of Ayudhya Pcl.
- 2007 – December 2008: Senior Vice President, Audit Department, Bank of Ayudhya Pcl.
- Trainings: ACP, MIA, MFM, MFR, MIR, Company Secretary Program (CSP) of the Thai Institute of Directors Association (IOD).

Appointment, transfer, employment termination, remuneration determination and annual merit consideration of the head of internal audit function are considered and endorsed by the Audit Committee.

Head of Compliance Function

At present, the Bank's compliance division is under the responsibility of Mr. Saengchart Wanichwatphibun, Executive Vice President

Academic degrees and certificates:

- Bachelor of Science, Business Administration, Option in Accounting, California State University of Los Angeles, USA
- Master in Marketing (MIM8), Thammasat University
- Master of Applied Finance, Monash University, Melbourne, Australia.

Relevant work experience and trainings:

- August 2007 – Present : Bank of Ayudhya EVP Compliance Division
- February 2006 - July 2007 : BNP Paribas Head of Compliance
- September 2005 - January 2006 : GE Money Retail Bank Assistant Vice President (Compliance)
- September 1996 -August 2005 : Bank of Thailand Senior Analyst
- January 1995 - August 1996 : The Sakura Bank Credit Officer
- November 2008 – Present : Siam Realty and Services Co.,Ltd. Director
- May 2013 – Present : Krungsri Asset Management Co., Ltd. Director

Authorities, Duties and Responsibilities

- Complete established tasks per the Compliance Annual Plan by means of preventive and monitoring measures to ensure compliance within the realm of regulatory and internal compliance requirements
- Assume the role of Secretary to the Compliance Review Committee (CRC)

CORPORATE GOVERNANCE FOR SUBSIDIARIES AND ASSOCIATED COMPANIES

• For the interest of the Bank, the Bank has regulatory mechanisms that supervise and oversee the operation of subsidiaries and associated companies. The Bank would appoint suitable executives to be directors of companies in the Bank's financial business group. The Bank has clearly established procedures and practices for the nomination of candidates to the position of directors of companies in the Bank's financial business group.

• Companies which are in the Bank's financial business group and under the managing authority of the Bank and/or the President and CEO shall consider the suitability of executives who are employees of companies within the Krungsri Group or external candidates who are fully qualified according to regulatory requirements in order to nominate them for appointment/election as directors of companies in the Bank's financial business group. Subsequently, the documents shall be submitted to the Human Resources Group which shall propose the matter to the Nomination and Remuneration Committee for consideration.

• If nominated candidates possess appropriate qualifications, the Nomination and Remuneration Committee will pass a resolution to submit the proposed candidates to the Bank's Board of Directors for consideration and endorsement for further appointment/election as companies' directors. The Secretary to the Nomination and Remuneration Committee shall prepare a letter to the Bank of Thailand to request endorsement for the appointment of directors of companies in the Bank's financial business group (only in the case of managing directors of companies under solo consolidation). The Secretary of the Nomination and Remuneration Committee shall inform companies in the Bank's financial business group of the resolution of the Bank's Board of Directors for further actions.

• The roles and responsibilities are clearly stated to ensure that operations are carried out in compliance with the law and are consistent with the business' code of conduct and good corporate governance principles. Directors of companies in the Bank's financial business group shall consider and approve significant matters of the companies as stipulated by law, Articles of Association and the Bank's direction. In addition, he or she must ensure the establishment of policies and procedures important for the companies' operations and supervise the management to implement the approved policy effectively and efficiently for the benefit of the companies and its shareholders.

• The Bank takes into account the importance of disclosure policy of companies in the Bank's financial business group. The Bank ensures proper, complete, clear and transparent disclosure of important information, financial and non-financial, to government authorities, shareholders, investors and the general public, within a reasonable period of time. The Bank disclosed information regarding the related party transactions under section 6.24 of notes to the Consolidated and the Bank's financial statements for the year ended December 31, 2013.

The Bank and its subsidiaries had business transactions with subsidiaries, associates, and related companies, which the Bank and/or its subsidiaries hold the shares and/or have the same major shareholders and/or the director or executive officer of the Bank and/or its subsidiaries its appointed as director of the entity. Such related party transactions are priced on an arms-length basis in the normal course of business of the Bank and its subsidiaries with the same conditions as other customers. The allowance for doubtful accounts policy complies with the same Bank of Thailand regulations as those granted to other debtors. The details can be found in Related Party Transactions Section.

• The Bank recognizes the importance of internal control of the Bank's financial business group. Each company is required to maintain an adequate internal control system. It encompasses the operation unit, supervisory unit and the internal audit unit to ensure its efficiency in promoting smooth business operations. It also contributes to risk management system and enables managers to formulate viable business strategies towards achieving the Bank's goal. The details can be found in Internal Control and Internal Audit System Section.



SHAREHOLDING AND MANAGEMENT STRUCTURES

SHAREHOLDING STRUCTURE

As of the latest closing date on October 10, 2013

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

Item	Shareholder Name	Number of Shares	% of Total Shares
1.	GE Capital International Holdings Corporation	1,538,365,000	25.33
2.	Thai NVDR Company Limited	832,023,934	13.70
3.	Morgan Stanley & Co. International PCL	242,960,955	4.00
4.	State Street Bank Europe Limited	199,531,614	3.29
5.	HSBC (Singapore) Nominees Pte Ltd.	195,545,900	3.22
6.	Stronghold Assets Company Limited	166,536,980	2.74
7.	The Great Luck Equity Company Limited	166,478,940	2.74
8.	GL Asset Company Limited	166,414,640	2.74
9.	BBTV Satelvision Company Limited	166,151,114	2.74
10.	BBTV Asset Management Company Limited	163,112,900	2.69
11.	Bangkok Broadcasting & T.V. Co., Ltd.	160,789,220	2.65
12.	Mahakij Holdings Co., Ltd.	158,726,810	2.61
13.	Tun Rung Rueng Co., Ltd.	157,889,440	2.60
14.	Goldman Sachs & Co	77,402,221	1.27
15.	State Street Bank and Trust Company	75,909,986	1.25
16.	GIC Private Limited-C	75,221,500	1.24
17.	MBK PCL	53,000,000	0.87
18.	Super Assets Co., Ltd.	51,421,714	0.85
19.	C.K.R Co., Ltd.	48,528,834	0.80
20.	Social Security office (Two-Type)	43,940,600	0.72
21.	Thanachart Capital PCL	34,081,010	0.56
22.	Ratanarak Co., Ltd.	33,321,590	0.55
23.	Chase Nominees Limited 15	32,986,455	0.54
24.	Mr.Torpong Cheevaprawatdomrong	32,000,000	0.53
	Other Shareholders	1,201,802,390	19.79
Total		6,074,143,747	100.00

Remark : On December 18, 2013, the Bank of Tokyo-Mitsubishi UFJ, Limited reported to the Bank on the result of the securities acquisition of the Bank amounting to 4,373,714,120 shares or 72.01% of the Bank's total issued shares, which included the purchase of 1,538,365,000 shares from GE Capital International Holdings Corporation.

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

MANAGEMENT/ ORGANIZATION STRUCTURE

(as of December 31, 2013)

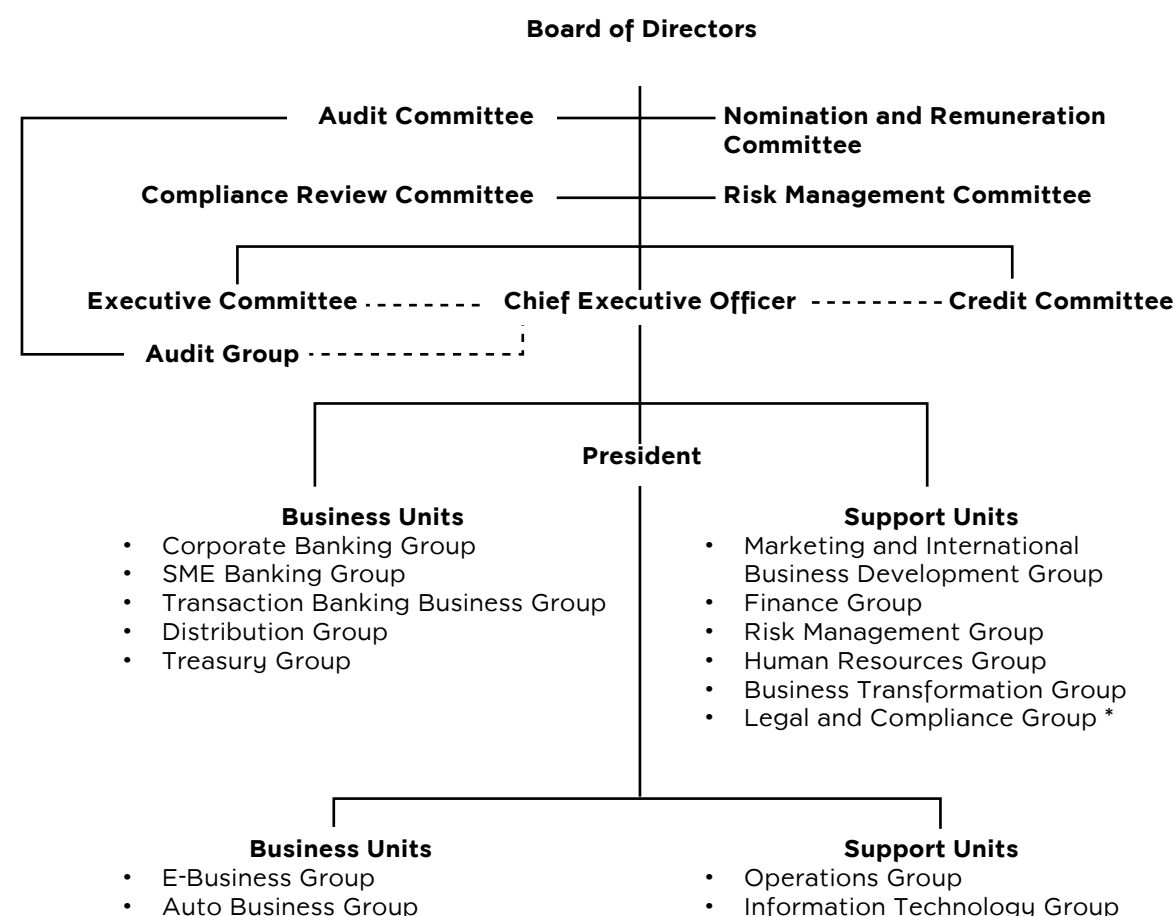
The Bank's management/organization structure consists of the Board of Directors and six Committees appointed by the Board of Directors to assist in performing duties and to ensure supervision and control of business risks. The Bank's operations are divided into two parts based on the responsibilities,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

Roles and Responsibilities

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

Currently, the Chairman of the Board and CEO who is the top executive of the Bank are different persons, and the roles and duties of each position are clearly indicated.

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



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

Board of Directors

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

Composition

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

Qualifications

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

Selection of Directors

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

Voting on Election/Appointment of Directors :

There are two voting approaches as follows:

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

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

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

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

- Appointment of replacement directors for reasons other than retirement by rotation by the Board of Directors meeting's resolution passed by not less than three-quarters of the remaining

directors. The replacement director shall serve only the remaining term of the director whom he/she replaces.

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

Qualifications for Independent Directors

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

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

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

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

(4) Within 2 years prior to the appointment, not having or never had a business relationship with the Bank, parent company, subsidiary company, associated company, major shareholder or managerial authority of the Bank in the manner that may affect the independent discretion. Also, not being or never been principal shareholder or managerial authority of those having business relationship with the Bank, parent company, subsidiary company, associated company, major shareholder or managerial authority of the Bank.

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

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

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

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

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

However, consideration of the above relationship period shall be in accordance with the Notification stipulated by the Capital Market Supervisory Board. Independent directors who have qualified under items (1)-(9) may be assigned by the Board of Directors to make decisions relating to business operations of the Bank, subsidiary company, same-level subsidiary company, or any juristic person with a conflict of interest on the basis of collective decision, whereby such actions of the independent director are not deemed partaking of management.

Term of Office

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

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

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

Authority, Duties and Responsibilities of Directors

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

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

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

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

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

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

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

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

(9) Ensure the establishment of the process on adherence to and compliance with the practice guidelines on anti-fraud and corruption.

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

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

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

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

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

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

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

Members of the Board of Directors

As of 31 December 2013, the Board of Directors consists of 12 directors as below:

Non-Executive Directors		
1	Mr. Veraphan Teepsuwan	Chairman
2	Mr. Pongpinit Tejagupta	Director
3	Mr. Virojn Srethapramotaya	Director
4	Miss Nopporn Tirawattanagool	Director
5	Mr. Xavier Pascal Durand	Director
Independent Directors		
6	Mr. Karun Kittisataporn	Director
7	Miss Potjanee Thanavarani	Director
8	Mr. Virat Phairatphiboon	Director
9	Mr. Phong-adul Kristnaraj	Director
Executive Directors		
10	Mrs. Janice Van Ekeren	Director
11	Mr. Philip Tan Chen Chong ^{1/}	Director
12	Mr. Pornsanong Tuchinda	Director

Secretary to the Board of Directors is Mrs. Thidarat Sethavaravichit.

Remark: ^{1/} Appointed as the Bank's director in replacement of Mr. Mark John Arnold who resigned from the Bank, effective from January 1, 2013.

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

Meetings of the Board of Directors

In 2013, there were a total of 18 meetings i.e. 12 ordinary meetings as scheduled in advance and 6 special meetings with details below:

Members of the Board of Directors	Number of Meetings Attended / Total Number of Meetings Held						
	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Risk Management Committee	Compliance Review Committee	Credit Committee	Executive Committee
Non-executive Directors							
1 Mr. Veraphan Teepsuwan	18/18						
2 Mr. Pongpinit Tejagupta	18/18						
3 Mr. Virojn Srethapramotaya	18/18						
4 Miss Nopporn Tirawattanagool	18/18		21/21				
5 Mr. Xavier Pascal Durand ^{1/}	11/18				4/6		
Independent Directors							
6 Mr. Karun Kittisataporn	18/18		21/21				
7 Miss Potjanee Thanavarani	18/18	21/21					
8 Mr. Virat Phairatphiboon	17/18	21/21	20/21				
9 Mr. Phong-adul Kristnaraj ^{2/}	18/18	21/21			6/6		

Members of the Board of Directors	Number of Meetings Attended / Total Number of Meetings Held						
	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Risk Management Committee	Compliance Review Committee	Credit Committee	Executive Committee
Executive Directors							
10 Mrs. Janice Rae Ekeren	17/18			12/12			12/13
11 Mr. Philip Tan Chen Chong	17/18			8/12			12/13
12 Mr. Pornsanong Tuchinda	18/18			10/12		92/98	12/13

Remark: ^{1/} Resigned from the position of Chairman of Compliance Review Committee, effective on June 24, 2013.
^{2/} Appointed as the Chairman of Compliance Review Committee by the Board of Directors, in replacement of Mr. Xavier Pascal Durand who resigned, effective from June 26, 2013.

Audit Committee

Composition

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

Qualifications

Committee members shall have the qualifications as per regulations stipulated by the Capital Market Supervisory Board, and not being a director who has been assigned by the Board of Directors to make decisions regarding business operations of the Bank, subsidiary company, associated company same-level subsidiary company, major shareholders or managerial authority person of the Bank and not being a director of listed companies which are subsidiary company or same-level subsidiary company.

Committee members shall have extensive knowledge, capability, experience and thorough understanding on their duties and responsibilities as well as business operations and risk control of the Bank. Besides, at least one committee member shall possess knowledge and experience at a level sufficient to review the reliability of financial statements.

Term of Office

The term of office is three years.

Authority, Duties and Responsibilities

- External auditor and financial reports

(1) To ensure that Audit Committee members, external auditor, management team and internal auditors have a clear and common understanding of their roles and duties.

(2) To cooperate with external auditor, internal auditors and executives of relevant departments in conducting a review at the end of each quarterly and/or annual audit in order to ensure that financial statements and the notes to financial

statements are accurate, complete and are transparently disclosed.

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

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

- Internal control system and audit

(5) To ensure and attest the independence of internal auditors and external auditor as well as to offer opinions regarding the appointment, transfer, employment termination, remuneration and annual merit review of the head of the internal audit functional unit.

(6) To examine and approve audit plans of internal auditors and to give suggestions and recommendations on audit plans of external auditor to ensure appropriateness and effectiveness.

(7) To cooperate with internal auditors and external auditor in reviewing all matters required to be audited in order to eliminate redundancy of auditing tasks and reduce expenses of the Bank.

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

(9) To monitor any cooperation or significant conflict between the management and external auditor/internal auditors during the course of auditing operations.

(10) To cooperate with the management and internal auditors in reviewing and examining identified major weaknesses and to monitor the corrective response from the management.

(11) To have the authority to conduct an examination and investigation on employees or relevant persons within the given scope of authority.

(12) To have the authority to hire an expert or seek professional advice, in the name of the Bank, in order to assist the auditing or investigation task, as deemed appropriate, at the Bank's expense.

- Companies in the financial business group

(13) To cooperate with boards of directors of companies in the financial business group in conducting a review to ensure that performance of duties, supervision, and risk management and control are in compliance with policies of the Bank which is the parent company.

- Related parties transactions or transactions that may create conflicts of interest

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

- Good governance

(15) To serve as another complaint channel to ensure that complaints from all groups of stakeholders are heard. The Audit Committee also acknowledges the results of complaint resolutions to ensure that complaints are handled in an appropriate and transparent manner.

- Risk Management

(16) To review efficiency and appropriateness of risk management process in collaboration with the Bank's risk management function as well as consult with the Bank's internal auditors and external auditor.

- Compliance with regulatory requirements

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

- Others

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

(19) To prepare a report publicly disclosing responsibilities and undertakings of the Audit Committee which forms part of the Bank's Annual Report.

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

(21) To conduct a review and revision of the Audit Committee Charter and to consider the approval of the Internal Audit Charter to ensure that it is always up-to-date and appropriate to the current organizational environment.

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

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

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

(23) To perform any other duties as assigned by the Board of Directors and endorsed by the Audit Committee.

Names of Members and Meetings of the Audit Committee

In 2013, there were a total of 21 meetings, i.e. 12 ordinary meetings and 9 special meetings, 2 out of 21 meetings were made with the external auditors without the management. Details are shown below:

	Members of the Audit Committee	Position	Number of Meetings Attended / Total Number of Meetings Held
1	Miss Potjanee Thanavaranit	Chairman	21/21
2	Mr. Virat Phairatphiboon	Member	21/21
3	Mr. Phong-adul Kristnaraj	Member	21/21

Secretary to the Audit Committee is Miss Puntipa Hannoraseth

Remark: All the three members are competent and experienced in the review of the Bank financial statements.

Nomination and Remuneration Committee

Composition

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

Qualifications

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

Term of Office

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

Authority, Duties and Responsibilities

(1) Determine the following:

- The policies, rules and procedures of nomination of directors, members of committees and senior executives of the Bank consisting of the President and CEO, Chief Officers, Deputy Chief Officers, First Executive Vice Presidents and Executive Vice Presidents.
- The policies, rules and procedures of nomination as well as selection and/or screening of the names of the suitable candidates as the case may be of directors, managing director or the equivalent thereof under any other name of the companies in which the Bank hold 50% or more of shares. This selection and/or screening are also applicable to internal candidates suitable for appointment to these positions as well.

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

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

- Directors of the Bank
- Members of the various committees reporting directly to the Board of Directors
- Senior executives, i.e. the CEO and President, the various Chief Officers and Deputy Chief Officers, First Executive Vice Presidents and Executive Vice Presidents
- Directors of companies in which the Bank holds 50% or more of shares

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

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

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

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

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

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

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

Names of Members and Meetings of the Nomination and Remuneration Committee

In 2013, there were a total of 21 meetings as detailed below:

	Members of the Nomination and Remuneration Committee	Position	Number of Meetings Attended / Total Number of Meetings Held
1	Mr. Karun Kittisataporn	Chairman	21/21
2	Mr. Virat Phairatphiboon	Member	20/21
3	Miss Nopporn Tirawattanagool	Member	21/21

Secretary to the Nomination and Remuneration Committee is Miss Anuttara Panpothong

Risk Management Committee

Composition

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

Qualifications

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

Term of Office

The term of office is two years.

Authority, Duties and Responsibilities

(1) Make policy recommendations relating to integrated Risk Management to the Bank's Board of Directors. Recommendations are in line with Bank of Thailand's risk-based approach to commercial banking, which sets guidelines for assessing core risks such as strategic risk, credit risk, market risk, liquidity risk, operational risk, legal

risk and other forms of risk which may have an impact on the reputation of the Bank.

(2) Monitor and administer the Bank's transactions in accordance with the Bank's Integrated Risk Management.

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

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

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

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

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

- (8) Prepare and review credit lending policy and guidelines, including the setting up of a reserve, the policy to write-off NPLs, credit limit management, the use of a scorecard system for credit approval and credit pricing which depend on risks involved and investments in the acquisition of other businesses.
- (9) Give advice on information technology relating to risk management.
- (10) Approve new products launching programs or change of pricing for products under the process of approval to be included in the Bank's business plans.
- (11) Oversee the supervision of the companies within the Financial Business Group to comply with the measures set forth by the Bank of Thailand and Bank's Internal Risk Management Policy.

- (12) Establish a risk management policy governing the risk management framework of the entities within the Financial Business Group, both from a system or process perspectives for supervision purposes.
- (13) Appoint additional committees/ working committees to oversee the management of different types of risk, as it sees fit. These committees/working committees report directly to the Risk Management Committee.
- (14) Inspect any Bank documents and to question any Bank employee as necessary for successful completion of the committee's work.
- (15) Consistently notify the Audit Committee of all operations in need of improvement or adjustment to comply with the specified policies and strategies.

Names of Members and Meetings of the Risk Management Committee
In 2013, there were a total of 12 meetings as detailed below:

	Members of the Risk Management Committee	Position	Number of Meetings Attended / Total Number of Meetings Held
1	Mrs. Janice Van Ekeren ^{1/}	Chairman	12/12
2	Mr. Chandrashekar Subramanian Krishoolndmangalam	Deputy Chairman	11/12
3	Mr. Philip Tan Chen Chong ^{2/}	Member	8/12
4	Miss Duangdao Wongpanitkrit ^{3/}	Member	11/12
5	Mr. Pornsanong Tuchinda	Member	10/12
6	Mr. Sayam Prasitsirigul	Member	12/12
7	Mr. Saengchart Wanichwatphibun	Member	11/12

Secretary to the Risk Management Committee is Mr. Nitus Lertpittayanukun

Remark: ^{1/} Appointed as the Chairman of Risk Management Committee by the Board of Directors, effective on January 1, 2013.
^{2/} Appointed as the Risk Management Committee member by the Board of Directors, effective on January 1, 2013.
^{3/} Appointed as the Risk Management Committee member by the Board of Directors, effective on January 1, 2013.

Compliance Review Committee

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

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

Term of Office
The term of office is two years.

- Authority, Duties and Responsibilities**
- (1) Make recommendations on principles and practices for effective compliance measure for the Bank.
- (2) Make recommendations on the development of Good Corporate Governance – Best Practices for the Bank.
- (3) Make recommendations on Code of Business Conduct and employee Code of Conduct for publication and communication to related persons for acknowledgement and use as guidelines.
- (4) Make recommendations on the development and implementation of plans to ensure compliance practices as prescribed by policies.
- (5) Make recommendations relating to Business ethics and good practices of the Bank's executives and employees.
- (6) Make recommendations on reports to be made to the Board of Directors containing details and formats as required by the Board of Directors unless otherwise specified by the Board of Directors.
- (7) Make recommendations on control and enforcement in compliance with policies and regulations and laws applicable to the Bank.
- (8) Follow up on development of the basic culture of the organization in the fields of compliance, prevention, auditing and correction.

- (9) Ensure that training is provided to the employee to promote understanding of each employee's responsibilities as prescribed by the compliance program.
- (10) Report and give suggestions on corrective plans related to compliance principles/ policies.
- (11) Ensure that reports prepared in accordance with the compliance program are proposed to the Board of Directors.
- (12) Review and make recommendations on ensuring consistency of compliance practices and principles and applicability of those guidelines to the business of the Bank.
- (13) Review and make recommendations on messages regarding good corporate governance to the public.
- (14) Review and report to the Board of Directors on the Bank's good corporate governance practice and to provide recommendations or advice on the improvement of the practice as deemed appropriate unless otherwise specified by the Board of Directors.
- (15) Appoint a sub-committee and/or working group as deemed necessary.

Names of Members and Meetings of the Compliance Review Committee
In 2013, there were a total of 12 meetings as detailed below:

	Members of the Compliance Review Committee	Position	Number of Meetings Attended / Total Number of Meetings Held
1	Mr. Phong-adul Kristnaraj ^{1/}	Chairman	6/6
2	Miss Phawana Niemloy	Deputy Chairman	12/12
3	Miss Duangdao Wongpanitkrit ^{2/}	Member	12/12
4	Mr. Chandrashekar Subramanian Krishoolndmangalam	Member	9/12
5	Mr. Phonganant Thanattrai	Member	9/12
6	Mrs. Wanna Thamsirisup	Member	11/12
Members who resigned or whose the term of office ended during the year			
1	Mr. Xavier Pascal Durand ^{3/}	Chairman	4/6

Secretary to the Compliance Review Committee is Mr. Saengchart Wanichwatphibun

Remark: ^{1/} Appointed as the Chairman of Compliance Review Committee by the Board of Directors, in replacement of Mr. Xavier Pascal Durand who resigned, effective on June 26, 2013.
^{2/} Appointed as the Compliance Review Committee member by the Board of Directors, effective on January 1, 2013.
^{3/} Resigned from the position of Chairman of Compliance Review Committee, effective on June 24, 2013.

Credit Committee

Composition

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

Qualifications

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

Term of Office

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

Authority, Duties and Responsibilities

(1) Approve credit requests and also relevant operations relating to credit within its scope of authorizations in accordance with the credit policy and based on acceptable risk in accordance with the risk policy of the Bank as per attachment to charter of the Credit Committee.

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

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

Authority, Duties and Responsibilities

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

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

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

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

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

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

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

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

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

- High cost investment
- Launching of new product or cessation of providing service or adjustment of prices which have been approved
- Enter a business by capital investment, share investment, business partnership or contracts or agreements
- Provision of credits or guarantee apart from the Bank's ordinary operations

• Any actions resulting in property rights or right over the Bank's assets

• Liability payments or liability payment before due date

• Changes of remuneration or employee benefit policy

• Changes of strategies relating to the provision of credit and acceptance of deposits

• Credit limits opening and closing

• To enter into agreements or the setting of policy relating to agreements with the departments monitoring the Bank's business operations in cases other than those which the Bank's high-level executives have been empowered to do.

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

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

(12) Examine the Bank's documents and data and summon relevant employees for questioning to enable the Committee to fulfill its objectives.

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

(14) Undertake assignments from the Board of Directors.

(15) Report the Bank's operations and various activities that have major implications to the Board of Directors.

(16) Direct matters relating to the Bank's overall business or operations.

(17) Monitor operations of the sub-committees reporting to the Executive Committee.

Names of Members and Meetings of the Credit Committee

In 2013, there were a total of 98 meetings as detailed below:

	Members of the Credit Committee	Position	Number of Meetings Attended / Total Number of Meetings Held
1	Mr. Chandrashekar Subramanian Krishoolndmangalam	Chairman	91/98
2	Mr. Pornsanong Tuchinda	Member	92/98
3	Mr. Sayam Prasitsirigul	Member	94/98
4	Mr. Nuttawit Boonyawat	Member	96/98
5	- Vacant -	Member	
Members who resigned or whose term of office ended during the year			
1	Miss Maleewan Phongsathorn ^{1/}	Member	34/40

Secretary to the Credit Committee is Mr. Khomkrit Chantapoh

Remark: ^{1/} Resigned from Bank, effective on June 1, 2013

Executive Committee

Composition

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

Qualifications

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

Term of Office

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

Names of Members and Meetings of the Executive Committee

In 2013, there were a total of 13 meetings i.e. 12 ordinary meetings as scheduled in advance and 1 special meeting with detailed below:

Members of the Executive Committee	Position	Number of Meetings Attended / Total Number of Meetings Held
1 Mrs. Janice Van Ekeren ^{1/}	Chairman	12/13
2 Mr. Philip Tan Chen Chong ^{2/}	Deputy Chairman	12/13
3 Miss Duangdao Wongpanitkrit ^{3/}	Member	12/13
4 Mr. Chandrashekar Subramanian Krishoolndmangalam	Member	12/13
5 Miss Phawana Niemloy	Member	13/13
6 Mrs. Wanna Thamsirisup	Member	13/13
7 Mr. Pornsanong Tuchinda	Member	12/13

Secretary to the Executive Committee is Mrs. Thidarat Sethavaravichit

Remark: ^{1/} Appointed as the Chairman of Executive Committee by the Board of Directors, effective on January 1, 2013.
^{2/} Appointed as the Deputy Chairman of Executive Committee by the Board of Directors, effective on January 1, 2013.
^{3/} Appointed as the Executive Committee member by the Board of Directors, effective on January 1, 2013.

SHAREHOLDING OF DIRECTORS AND EXECUTIVES

(As defined by the Capital Market Supervisory Board)

Name-Surname	31 December 2013			31 December 2012			Total
	No. of Shares (shares)		Total	No. of Shares (shares)		Total	Shares
	Directors/ Executives	Spouse and Child who has not yet reached adulthood	Shareholding (%) ^{1/}	Directors/ Executives	Spouse and Child who has not yet reached adulthood	Shareholding (%) ^{1/}	Increase / (Decrease) During the Year (shares)
Non-Executive Directors							
1. Mr. Veraphan Teepsuwan	1,960	251,901	0.0042	1,960	251,901	0.0042	-
2. Mr. Pongpinit Tejagupta	-	-	-	-	-	-	-
3. Mr. Virojn Srethapramotaya	-	-	-	-	-	-	-
4. Miss Nopporn Tirawattanagool	-	-	-	-	-	-	-
5. Mr. Xavier Pascal Durand	-	-	-	-	-	-	-
Independent Directors							
6. Mr. Karun Kittisataporn	-	-	-	-	-	-	-
7. Miss Potjanee Thanavaranit	-	-	-	-	-	-	-
8. Mr. Virat Phairatphiboon	-	-	-	-	-	-	-
9. Mr. Phong-adul Kristnaraj	-	-	-	-	-	-	-
Executive Directors							
10. Mrs. Janice Van Ekeren	-	-	-	150,000 (by NVDR)	-	0.0025	(150,000)
11. Mr. Philip Tan Chen Chong	-	-	-	-	-	-	-
12. Mr. Pornsanong Tuchinda	-	-	-	-	-	-	-
Executives							
13. Mr. Sudargo (Dan) Harsono	-	-	-	-	-	-	-
14. Miss Phawana Niemloy	-	-	-	-	-	-	-
15. Miss Duangdao Wongpanitkrit	-	-	-	-	-	-	-
16. Mrs. Voranuch Dejakaisaya	-	-	-	-	-	-	-
17. Miss Puntipa Hannoraseth	-	-	-	14,000	-	0.0002	(14,000)
18. Mrs. Wanna Thamsirisup	-	-	-	-	-	-	-
19. Miss Anuttara Panpothong	-	-	-	-	-	-	-
20. Mr. Chandrashekar Subramanian Krishoolndmangalam	-	-	-	-	-	-	-
21. Mr. Rohit Khanna	-	-	-	-	-	-	-
22. Mr. Tak Bunnag	-	-	-		N.A. ^{2/}		N.A. ^{2/}
23. Mr. Sayam Prasitsirigul	-	-	-	-	-	-	-
24. Mr. Phonganant Thanattrai	-	-	-	-	-	-	-
25. Mrs. Orawan Sujarittayon	-	-	-	-	-	-	-
26. Mrs. Varabhorn Achakornlak	-	-	-	-	-	-	-
27. Miss Jiraporn Popairoj	2,374	-	0.0000	-	-	-	2,374
28. Mr. Poonisit Wongthawatchai	-	-	-	-	-	-	-

Name-Surname	31 December 2013			31 December 2012			Total Shares
	No. of Shares (shares)		Total Shareholding (%) ^{1/} who has not yet reached adulthood	No. of Shares (shares)		Total Shareholding (%) ^{1/} who has not yet reached adulthood	
	Directors/ Executives	Spouse and Child		Directors/ Executives	Spouse and Child		
Executives (continued)							
29. Miss Pornnapa Patarasatienkul	-	-	-	-	-	-	-
30. Mrs. Akanit Mattison	-	-	-	-	-	-	-
31. Mr. Kriangsak Jongsukkgiparnich	-	-	-	-	-	-	-
32. Miss Pisara Pattanasiri	-	-	-	-	-	-	-
33. Mr. Khomson Adunwitthayakorn	-	-	-	-	-	-	-
34. Mrs. Duangkhae Khunviseadpong	-	-	-	-	-	-	-
35. Mr. Jamorn Phianphrom	2	-	0.0000	2	-	0.0000	-
36. Miss Somjai Pattanakitpairoj	-	-	-	-	-	-	-
37. Mrs. Orawan Julapol	-	-	-	-	-	-	-
38. Miss Sukanda Thawilwang	-	-	-	-	-	-	-
39. Miss Siriporn Sribooncharoen	-	-	-	-	-	-	-
40. Miss Uraivan Charoenbunditchai	-	-	-	-	-	-	-
41. Mrs. Samanporn Chantanahom	27,000	-	0.0004	27,000	-	0.0004	-
42. Miss Porntip Sae Lor	-	-	-	-	-	-	-
43. Mrs. Kamoltip Jittimaporn	1,300	-	0.0000	-	-	-	1,300
44. Miss Rattaporn Pornprasit	-	-	-		N.A. ^{2/}		N.A. ^{2/}
45. Miss Benjawan Surachutikarn	-	-	-		N.A. ^{2/}		N.A. ^{2/}
46. Mrs. Anantaya Padanupong	-	-	-		N.A. ^{2/}		N.A. ^{2/}

Remark: ^{1/} Shareholding includes spouse and child who has not yet reached adulthood. As of December 31, 2012 and December 31, 2013, the Bank had a total of 6,074,143,747 ordinary shares sold.
^{2/} In 2012, he/she was not the executive that falls under executive definition prescribed by the Capital Market Supervisory Board.

DETAILS OF DIRECTORS, EXECUTIVES, PERSONS WITH MANAGERIAL AUTHORITY AND CORPORATE SECRETARY

(As defined by the Capital Market Supervisory Board)

As of December 31, 2013

Board of Directors

Name – Surname Education and Training	Age	Work Experience in the last 5 years		
	(Yrs)	Period	Position	Name of Organization
Non-Executive Directors				
1. Mr. Veraphan Teepsuwan • MBA., Northeastern University, USA • Bachelor of Economics, Boston University, USA • Certificate of training and seminar, Thai Institute of Directors Association (IOD) - Role of the Chairman Program (RCP), Year 2008	72	Jan 2007 – Present 1999 – Present Nov 2006 – Present 1995 – Jan 2011 2003 – Present 1983 – Present Sep 2010 – Present	Chairman Chairman Chairman Chairman Vice Chairman Director Director	Bank of Ayudhya PCL Sri Ayudhya Capital PCL Siam City Cement PCL Allianz Ayudhya Assurance PCL Eastern Star Real Estate PCL Bangkok Broadcasting & T.V. Co., Ltd. Exclusive Senior Care International Co., Ltd.
2. Mr. Pongpinit Tejagupta • MBA., University of Detroit, Michigan, USA • Bachelor of Accountancy, Chulalongkorn University • Certificate of training and seminar, Thai Institute of Directors Association (IOD) - Director Accreditation Program (DAP), Year 2008 - Director Certification Program (DCP), Year 2009 - Advanced Audit Committee Program (completed ACP, MIA, MFM, MFR, MIR), Year 2010 - Successful Formulation & Execution of Strategy (SFE), Year 2010 - Financial Institutions Governance Program (FGP), Year 2010 - The Board's Role in Mergers and Acquisitions (M&A), Year 2011 - Role of the Nomination and Governance Committee (RNG), Year 2012 - Role of the Compensation Committee (RCC), Year 2012 - Chartered Director Class (CDC), Year 2013 - Anti-Corruption for Executive Program (ACEP), Year 2013 - How to Develop a Risk Management Plan (HRP), Year 2013 - Risk Management Committee Program (RMP), Year 2013	59	Jan 2014 - Present * Aug 2005 – Dec 2013 Jul 8 – 31, 2009 Jan – Jul 2009 Jun 2007 – Jul 2009 Apr 2006 – Jul 2009 Apr 2011 – Present Feb 2010 – Present Feb 2010 - Apr 2011 Apr 2003 – Present Aug 1996 – Jul 2009	Advisor to the Board of Directors Director (Authorized Signatory) Senior Advisor to the Distribution Group Compliance Review Committee Member Head of Distribution Executive Committee Member Chairman of the Audit Committee Independent Director Audit Committee Member Director Director	Bank of Ayudhya PCL <

Remark: * Facts occurred after December 31, 2013 until January 10, 2014

Name – Surname Education and Training	Age (Yrs)	Work Experience in the last 5 years		
		Period	Position	Name of Organization
3. Mr. Virojn Srethapramotaya • MBA., Jacksonville State University, USA • Bachelor of Accountancy, Chulalongkorn University • Advanced Management Program for International Bankers, The Wharton School, University of Pennsylvania, USA • Certificate of Financial Executive, The Thai Institute of Banking and Finance Association, The Thai Bankers’ Association • Certificate of training and seminar, Thai Institute of Directors Association (IOD) - Accreditation Program (DAP), Year 2003 - Director Certification Program (DCP), Year 2003 - Director Diploma Examination (DDE), Year 2003 - DCP Refresher Course 2007 - Role of the Chairman Program (RCP), Year 2008 - Successful Formulation & Execution of Strategy (SFE), Year 2010 - Financial Institutions Governance Program (FGP), Year 2010 - Chartered Director Class (CDC), Year 2012 - Advanced Audit Committee Program (completed ACP, MIA, MFM, MFR, MIR), Year 2013	61	Jan 2014 – Present *	Advisor to the Board of Directors	Bank of Ayudhya PCL
		Feb 2010 – Dec 2013	Director (Authorized Signatory)	
		Jan – Feb 2010	Senior Advisor to the Corporate Banking Group	
		Jan 2007 – Dec 2009	Head of Corporate Banking	
		Jan – Dec 2009	Credit Committee Member	
		Apr 2006 – Dec 2009	Executive Committee Member	
		Feb 2004 – Dec 2009	Senior Executive Vice President	
		Oct 2002 – Dec 2009	Risk Management Committee Member	
		Jul 2007 – Mar 2009	Compliance Review Committee Member	
		Jan 2012 - Present	Director and Audit Committee Member	Allianz Ayudhya Assurance PCL
		Jan 2011 - Present	Chairman (Authorized Signatory)	Sri Ayudhya General Insurance PCL
		Dec 2010 – Jan 2011	Director	Sri Ayudhya Capital PCL
		Feb 1998 – Present	Director (Authorized Signatory)	
		Feb 2007 – Dec 2009	Chairman	Krungsri Factoring Co., Ltd. Ayudhya Development Leasing Co., Ltd.
		Apr 2008 – Apr 2009	Director	

Remark: * Facts occurred after December 31, 2013 until January 10, 2014

Name – Surname Education and Training	Age (Yrs)	Work Experience in the last 5 years		
		Period	Position	Name of Organization
4. Miss Nopporn Tirawattanagool • Master of Accounting, Faculty of Commerce and Accountancy, Thammasat University • Bachelor of Business Administration (in Accounting), Thammasat University • Certificate of training and seminar, Thai Institute of Directors Association (IOD) - Director Accreditation Program (DAP), Year 2003 - Role of the Compensation Committee (RCC), Year 2009 - Audit Committee Program (ACP), Year 2010 - Director Certification Program (DCP), Year 2011 - Financial Institutions Governance Program (FGP), Year 2011 - Anti-Corruption for Executive Program (ACEP), Year 2013	59	Jan 2014 – Present *	Director (Authorized Signatory)	Bank of Ayudhya PCL
		Apr 2010 – Present	Nomination and Remuneration Committee Member	
		Apr 2010 – Dec 2013	Director	
		Mar 2009 – Feb 2010	Executive Committee Member	
		Sep 2008 – Apr 2010	Head of Human Resources	
		Dec 2004 – Apr 2010	First Executive Vice President	
		Jun 2007 – Mar 2009	Secretary to the Executive Committee	
		May 2013 – Present	Nomination and Remuneration Committee Member	Sri Ayudhya Capital PCL
		Apr 2013 – Present	Director	
		Aug 2012 – Present	Director (Authorized Signatory)	ITBC Business Consultant Group Co., Ltd.
		Apr 2012 – Present	Director	Siam City Cement PCL
		Apr 2011 – Present	Director (Authorized Signatory)	Exclusive Senior Care International Co., Ltd.
		Sep 2010 – Present	Director (Authorized Signatory)	BBTV International Holdings Co., Ltd.
		Sep 2010 – Present	Director (Authorized Signatory)	Sunrise Equity Co., Ltd.
		Sep 2010 – Present	Director (Authorized Signatory)	BBTV Equity Co., Ltd.
		Apr 2010 – Jan 2012	Independent Director	Lanna Resources PCL
		May 2010 – Aug 2011	Audit Committee Member	
		May 2004 – Jan 2011	Chairman (Authorized Signatory)	Professional Call Center Co., Ltd.
		Nov 2009 – Apr 2010	Director	Dherakupt International Law Office Co., Ltd. Total Services Solutions PCL Ayudhya Total Solutions PCL Ayudhya Capital Auto Lease PCL Ayudhya Auto Lease PCL Krungsri Securities PCL
		Apr 2009 – Apr 2010	Director	
		Apr 2008 – Apr 2010	Director	
		Nov 2003 – Apr 2010	Director	
		Apr 2008 – Mar 2010	Director	

Remark: * Facts occurred after December 31, 2013 until January 10, 2014

5. Mr. Xavier Pascal Durand • Masters of Engineering, Ecole Nationale des Ponts et Chaussees (Paris), France • Masters of Engineering, Ecole Polytechnique (Paris), France	49	Feb 2012 – Dec 2013 Apr 2012 – Jun 2013	Director Chairman of the Compliance Review Committee	Bank of Ayudhya PCL
		Feb 2011 – Present	President and CEO	
		Mar 2011– Present	Director	
		Jul 2011 – Dec 2012	Director	
		Jul 2011 – May 2012	Director	
		2009 – 2011	Head of GE Global Banking's Businesses in Western Europe, Russia and Latvia	GE Capital Asia Pacific Tokyo, Japan Hyundai Card Corporation GE Japan Corporation Yingda International Leasing Company GE Capital Global Banking Western Europe, Russia, Latvia Paris, France
		2008 – 2009	President and CEO, GE Money West Europe	

Name – Surname Education and Training	Age (Yrs)	Work Experience in the last 5 years		
		Period	Position	Name of Organization
Independent Directors				
6. Mr. Karun Kittisataporn	66	Apr 2008 – Present	Independent Director Chairman of the Nomination and Remuneration Committee	Bank of Ayudhya PCL
<ul style="list-style-type: none">• MA., (International Trade), Syracuse University, N.Y., USA (USAID Scholarship)• BCA., Victoria University of Wellington, New Zealand (Colombo Plan Scholarship)• Degree from the National Defense College (Joint State - Private Sector), Class 8• Certificate of Commercial Policy Course, GATT, Geneva• Certificate of training and seminar, Thai Institute of Directors Association (IOD)- Director Certification Program (DCP), Year 2006- Role of the Compensation Committee (RCC), Year 2008- Audit Committee Program (ACP), Year 2009- Financial Statements for Directors (FSD), Year 2009- Financial Institutions Governance Program (FGP), Year 2011- Monitoring the Qualify of Financial Reporting (MFR), Year 2011- Monitoring the Internal Audit Function (MIA), Year 2013- Anti-Corruption for Executive Program (ACEP), Year 2013		Jan 2011 – Present	Audit Committee Member	Central Pattana PCL
		Apr 2009 – Present	Independent Director Nomination and Remuneration Committee Member	Khon Kaen Sugar Industry PCL
		Nov 2012 - Present	Audit Committee Member	
		Feb 2010 – Present	Independent Director Nomination and Remuneration Committee Member	
		Nov 2008 – Present	Audit Committee Member	Sahamit Machinery PCL
		May 2008 – Present	Chairman of the Executive Committee Commissioner	The Support Arts and Craft International Centre of Thailand (Public Organization) Insurance Commission
		Oct 2007 – Present Nov 2006 – Present Nov 2009 – Feb 2011	Member Director	Council of State Securities and Exchange Commission
		Jan 2008 – Feb 2011	Commissioner	Public Sector Development Commission

Name – Surname Education and Training	Age (Yrs)	Work Experience in the last 5 years		
		Period	Position	Name of Organization
7. Miss Potjanee Thanavaranit <ul style="list-style-type: none"> • MBA., Syracuse University, USA (USAID Scholarship) • Bachelor of Accountancy, Chulalongkorn University • Certificate of Advanced General Insurance Program, Swiss Insurance Training Center, Switzerland (Swiss Re Scholarship) • Certificate of Advanced Management Program, Australian Management College, Australia (COLOMBO Scholarship) • Certificate of Executive Development Program (Class 18), Office of the Civil Service Commission • Degree from the National Defense College, Class 42 • Certificate of Top Executive Program, Class 8, Capital Market Academy • Certificate of Top Executive Program in Commerce and Trade, Class 3, Commerce Academy • Certificate of Advanced Security Management Program, The National Defense College Association of Thailand • Certificate of training and seminar, Thai Institute of Directors Association (IOD) - Director Certification Program (DCP), Year 2002 - Role of the Chairman Program (RCP), Year 2006 - Role of the Compensation Committee Program (RCC), Year 2007 - Financial Institutions Governance Program (FGP), Year 2011 - Advanced Audit Committee Program (completed ACP, MIA, MFM,MFR, MIR), Year 2013 - Anti-Corruption for Executive Program (ACEP), Year 2013 	67	Apr 2012 – Present	Chairman of the Audit Committee	Bank of Ayudhya PCL
		Apr 2010 – Present Apr 2010 – Apr 2012	Independent Director Audit Committee Member	Thai Reinsurance PCL
		Jun 2012 - Present	Nomination and Remuneration Committee Member	
		2007 - Present 2009 – Present	Independent Director Independent Director Audit Committee Member	Oishi Group PCL
		2009 – Present 2007 – Present	Independent Director Independent Director Audit Committee Member	Berli Jucker PCL Bangkok Insurance PCL
		2007 – Present	Chairman of the Board (Independent Director) Audit Committee Member	Univentures PCL
		2007 – Present	Chairman of the Compensation and Nomination Committee	The Federation of Thai Insurance Organization Office of the Council of State
		2006 – Present	Qualified member of the Committee Member of the Council of State (Group 3 - Monetary Laws)	
		Apr 2010 – Jul 2013 2008 – Mar 2013	Director Chairman of the Public Sector Audit and Evaluation Committee	BJC Logistics and Warehouse Co., Ltd. Ministry of Commerce
		2007 – Jul 2012	Member and Treasurer	Bhumirajanagarindra Kidney Foundation

Name – Surname Education and Training	Age (Yrs)	Work Experience in the last 5 years		
		Period	Position	Name of Organization
8. Mr. Virat Phairatphiboon • BA. in Economics and Business Administration, Adams State College, Colorado, USA • Executive Development Program, Princeton University, USA • Certificate of training and seminar, Thai Institute of Directors Association (IOD) - Director Certification Program (DCP), Year 2002 - Audit Committee Program (ACP), Year 2004 - Role of the Compensation Committee (RCC), Year 2008 - Anti-Corruption for Executive Program (ACEP), Year 2013	65	Feb 2007 – Present	Nomination and Remuneration Committee Member	Bank of Ayudhya PCL
		May 1999 – Present	Audit Committee Member	
		Dec 1998 – Present	Independent Director	
		May 2012 – Present	Chairman of the Audit Committee	Tipco Foods (Thailand) PCL
		2007 – Present	Independent Director	
		2007 – May 2012	Audit Committee Member	
9. Mr. Phong-adul Kristnaraj • MBA., Management, Sasin Graduate Institute of Business Administration of Chulalongkorn University • Bachelor of Accountancy in Banking and Finance, Chulalongkorn University. • Certificate of training and seminar, Thai Institute of Directors Association (IOD) - Director Certification Program (DCP), Year 2012 - Advanced Audit Committee Program (completed ACP, MIA, MFM,MFR, MIR), Year 2013 - Financial Institutions Governance Program (FGP), Year 2013 - Anti-Corruption for Executive Program (ACEP), Year 2013	63	Jun 2013 – Present	Chairman of the Compliance Review Committee	Bank of Ayudhya PCL
		Apr 2012 – Present	Independent Director	
		Oct 2012 – Present	Audit Committee Member	Thai Public Broadcasting Service
		2010 – Present	Advisor	Tangthanasin Co., Ltd.
		2010 – April 2012	Member of the Asset Management Working Team	Sukhumvit Asset Management Co., Ltd.
		2009 – 2011	President	Bank of Thailand Employee's Thrift and Credit Co-Operative Ltd.
		2009 – 2011	Director	The Institute of Internal Auditors of Thailand
		1975 – 2010	Examiner - Senior Director	Bank of Thailand

Executive Directors

10. Mrs. Janice Van Ekeren • MBA., (Finance), University of Chicago, USA • BSc. in Industrial Administration, Iowa State University, USA • Certified Public Accountant (US) • Certified Bank Auditor (US) • Certificate of training and seminar, Thai Institute of Directors Association (IOD) - Director Certification Program (DCP-English), Year 2007 - Director Diploma Examination Program (Fellow Member), Year 2007	54	Jan 2014 – Present *	Deputy Chief Executive Officer	Bank of Ayudhya PCL
			Deputy Chairman of the Risk Management Committee	
		Jan 2007 – Present	Deputy Chairman of the Executive Committee	
		Jan – Dec 2013	Director (Authorized Signatory)	
			Chief Executive Officer	
			Chairman of the Risk Management Committee	
			Advisor to the Compliance	

Name – Surname Education and Training	Age (Yrs)	Work Experience in the last 5 years		
		Period	Position	Name of Organization
10. Mrs. Janice Van Ekeren (con't)		Aug 2009 – Dec 2012	Review Committee Advisor to the Credit Committee	
		Jul 2009 – Dec 2012 and Jul 2007 – Mar 2009	Chairman of the Executive Committee	
		Jan 2007 – Dec 2012	Acting Head of Treasury	
			Compliance Review Committee Member	
		Jan 2011 – Present	Chief Financial Officer	
		Jan 2012 – Present	Vice Chairman of the Executive Committee	
		Jan – Dec 2011	Risk Management Committee Member	
		Nov 2009 – Mar 2013	First Executive Vice President	
			Board of Governors	American Chamber of Commerce Thailand
			Treasurer	
			Secretary	
			Director (Authorized Signatory)	Tesco Card Services Ltd.

Remark: * Facts occurred after December 31, 2013 until January 10, 2014

11. Mr. Philip Tan Chen Chong • Master of Management, Sasin Graduate Institute of Business Administration of Chulalongkorn University • Bachelor of Science Electrical Engineering, University of Maryland, USA • Certificate of training and seminar, Thai Institute of Directors Association (IOD) - Director Certification Program (DCP), Year 2013	48	Jan 2014 – Present *	Executive Committee Member	Bank of Ayudhya PCL
		Jan 2013 – Present	Director (Authorized Signatory)	
			President	
			Risk Management Committee Member	
		Oct 2013 – Present	Advisor to the Compliance Review Committee	
		Jan – Dec 2013	Acting Head of E-Business	
			Acting Head of Auto Business	
			Advisor to the Credit Committee	
		May– Dec 2012	Deputy Chairman of the Executive Committee	
		Mar 2010 – Dec 2012	Head of E-Business	
			First Executive Vice President	
		Mar 2010 – Apr 2012	Head of Consumer Finance	
		Mar 2013 – Present	Director (Authorized Signatory)	Tesco Card Services Ltd.
		Aug 2011 – Present	Board of Visitors	
		Jun 2010 – Present	Chairman (Authorized Signatory)	University of Maryland Ayudhya Capital Auto Lease PCL
		May 2010 – Jul 2013	Chairman (Authorized Signatory)	Ayudhya Card Services Co., Ltd.
		May 2010 – Sep 2012	Chairman (Authorized Signatory)	General Card Services Ltd.
		Jun 2010 – Jul 2012	Chairman (Authorized Signatory)	Krungsriayudhya Card Co., Ltd.
		May 2010 – Jun 2012	Chairman (Authorized Signatory)	Ayudhya Total Solutions PCL
		May 2007 – May 2012	Chairman (Authorized Signatory)	Ayudhya Capital Services Co., Ltd. Ayudhya Auto Lease PCL

Name – Surname Education and Training	Age (Yrs)	Work Experience in the last 5 years		
		Period	Position	Name of Organization
Executive Directors				
11. Mr. Philip Tan Chen Chong (con't)		Jun 2010 – Sep 2011	Chairman	Krungsri General Insurance Broker Ltd. Krungsri Life Assurance Broker Ltd. GE Money (Thailand) Ltd.
		Nov 2008 – Apr 2010	Director	
		Jul 2009 – Mar 2010	Director	
		Jan 2007 – Jul 2009	Chief Executive Officer (CEO) Chief Marketing Officer (CMO)	
Remark: * Facts occurred after December 31, 2013 until January 10, 2014				
12. Mr. Pornsanong Tuchinda • MBA. (Finance and Management), Babson College, Massachusetts, USA • BA. (Economics and Political Science), The University of Michigan, Ann Arbor, Michigan, USA • Certificate of training and seminar, Thai Institute of Directors Association (IOD) - Director Accreditation Program (DAP), Year 2004 - Audit Committee Program (ACP), Year 2006 - Director Certification Program (DCP), Year 2008	52	Jan 2014 – Present *	Advisor to the Board of Directors	Bank of Ayudhya PCL
		Nov 2013 – Present	Acting Head of Transaction Banking Business	
		Oct 2012 – Present	Head of Corporate Banking	
		Jul 2012 – Present	Risk Management Committee Member	
		Feb 2010 – Present	Credit Committee Member	Focus Development and Construction PCL
		Jan 2010 – Present	Executive Committee Member	
		Jan 2007 – Dec 2013	Senior Executive Vice President	
		Jul – Sep 2012	Director	
		Jan 2010 – Sep 2012	Acting Head of Corporate Banking	
		Apr – Jun 2010	Head of Transformation	
			Acting Head of Human Resources	
			Secretary to the Nomination and Remuneration Committee	
		Feb 2007 – Dec 2009	Nomination and Remuneration Committee Member	
		Mar 2010 – Present	Audit Committee Member	
		May 2008 – Present	Remuneration Committee Member	
		Mar 2005 – Present	Independent Director	Krungsri Securities PCL
May 2008 – Feb 2010	Chairman of Audit Committee			
Mar 2005 – May 2008	Audit Committee Member			
Nov 2009 – Present	Chairman (Authorized Signatory)			
	2007 – Sep 2010	Chairman	Triple P Development Co., Ltd. Krungsri Asset Management Co., Ltd.	
	Dec 2008 – Nov 2009	Chairman		

Remark: * Facts occurred after December 31, 2013 until January 10, 2014

New Directors being appointed effective January 2, 2014

Name – Surname Education and Training	Age (Yrs)	Work Experience in the last 5 years		
		Period	Position	Name of Organization
1. Mr. Kanetsugu Mike • MBA., The Wharton School, University of Pennsylvania, USA • Bachelor of Economics, Keio University, Japan	57	Jan 2014 – Present	Vice Chairman (Authorized Signatory)	Bank of Ayudhya PCL
		2013 – Present	Nomination and Remuneration Committee Member	Mitsubishi UFJ Financial Group, Ltd.
			Managing Officer in charge of Global Planning Division and Global Risk Management Division	
		May 2013 – Present	Senior Managing Executive Officer	
			Deputy Chief Executive, Global Business Unit	
		Jun 2011 – May 2013	Managing Director	The Bank of Tokyo-Mitsubishi UFJ, Ltd., Tokyo, Japan
			Chief Executive, Information Systems & Operations	
		May – Jun 2011	Managing Executive Officer	
			Chief Executive, Information Systems & Operations	
		May 2009 – May 2011	Managing Executive Officer	
		Mar – May 2009	Executive Officer and General Manager, Global Planning Division	
2. Mr. Noriaki Goto • Master of Business Administration, Graduate School of Business, The University of Chicago, USA • Bachelor of Arts (Law), School of Law, Waseda University, Japan	51	Jan 2014 – Present	Director (Authorized Signatory)	Bank of Ayudhya PCL
			Chief Executive Officer	The Bank of Tokyo-Mitsubishi UFJ, Ltd., Tokyo, Japan
			Chairman of the Risk Management Committee	
			Advisor to the Compliance Review Committee	
			Chairman of the Executive Committee	
		Aug - Dec 2013	Executive Officer & General Manager, Global Planning Division	Mitsubishi UFJ Financial Group Inc., New York, USA
		Jul 2012 – Aug 2013	Executive Officer & General Manager, Americas Holdings Division	
		Feb 2009 – Jun 2012	Executive Officer & General Manager, Corporate Governance Division for the U.S.	
			Deputy Head, MUFG/MS Strategic Alliance	
		Mar 2009 – Oct 2010		

Name – Surname Education and Training	Age (Yrs)	Work Experience in the last 5 years		
		Period	Position	Name of Organization
2. Mr. Noriaki Goto (con't)		Jul 2011 – Aug 2013	Executive Officer & General Manager, Americas Holdings Division	The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York, USA
		Oct 2010 – Aug 2013	Executive Officer & General Manager, Planning Division for the Americas	
		Feb 2009 – Oct 2010	Senior Vice President & Deputy General Manager, Planning Division for the Americas	
		Jan 2008 – Feb 2009	Deputy General Manager, Compliance Division Office for the Americas	
3. Mr. Takeshi Ogasawara • Bachelor of Law (LL.B.), Faculty of Law, Kyoto University, Japan	60	Jan 2014 – Present	Director Compliance Review Committee Member	Bank of Ayudhya PCL
		May 2012 – Present	Deputy President, Central Region of Japan	The Bank of Tokyo-Mitsubishi UFJ, Ltd., Tokyo, Japan
		May 2011 – May 2012	Senior Managing Director, Chief Compliance Officer in charge of Corporate Risk Management, Credit Policy & Planning, non-Japanese Credit	
		Jan 2010 – May 2011	Managing Director, Chief Compliance Officer in charge of Corporate Risk Management, Credit Policy & Planning	
			Managing Director, Chief Compliance Officer in charge of Corporate Risk Management, Information Security Management, Credit Policy & Planning	
			Managing Director in charge of Corporate Risk Management, Information Security Management, Credit Policy & Planning	
		Mar – May 2009	Managing Director in charge of Corporate Risk Management, Information Security Management, Credit Policy & Planning	
		Jun 2008 – Mar 2009	Banking Credit Division Managing Director in charge of Corporate Risk Management, Information Security Management, Credit Policy & Planning	

Name – Surname Education and Training	Age (Yrs)	Work Experience in the last 5 years		
		Period	Position	Name of Organization
4. Mr. Go Watanabe • Master of Business Administration, University of California – Berkeley, USA • Bachelor of Arts (Economics), Waseda University, Japan	55	Jan 2014 – Present	Director	Bank of Ayudhya PCL
		2013 – Present	Managing Officer	
		Jun 2013 - Present	Managing Executive Officer, Chief Executive Officer for Asia and Oceania (Singapore)	
		May 2012 – May 2013	Managing Executive Officer, Group Head, Nagoya Corporate Banking Group	
		Jul 2011 – May 2012	Executive Officer, General Manager, Global Corporate Banking Division, Head Office, Global Head of Financial Institutions	The Bank of Tokyo-Mitsubishi UFJ, Ltd., China
		Apr 2009 – Jul 2011	Executive Officer, Deputy President, General Manager of Shanghai Branch	
		Apr 2008 – Jul 2009	General Manager, European Planning Division, European Headquarters (UK)	The Bank of Tokyo-Mitsubishi UFJ, Ltd., Tokyo, Japan

Executives and Persons with Managerial Authority of the Bank

Name – Surname Education and Training	Age (Yrs)	Work Experience in the last 5 years		
		Period	Position	Name of Organization
1. Mr. Sudargo (Dan) Harsono • MBA. in Finance and Marketing, Indiana University, Bloomington, IN, USA • Bachelor of Science Cum Laude, Biomedical and Electrical Engineering (Honors Program), University of Southern California, LA, USA • Certificate of training and seminar, Thai Institute of Directors Association (IOD) - Director Certification Program (DCP), Year 2008	53	Oct 2013 – Present	Head of Marketing and International Business Development	Bank of Ayudhya PCL
		Aug 2007 – Present	First Executive Vice President	CFG Services Co., Ltd.
		Apr 2010 – Sep 2013	Head of Marketing and Cross Sell	
		Aug 2007 – Apr 2010 Jan 2008 – Feb 2010	Chief Marketing Officer Executive Committee Member	
		Nov 2009 – Present	Chairman (Authorized Signatory)	
		Nov 2009 – Present	Director (Authorized Signatory)	General Card Services Ltd.
		Jan 2008 – Present	Director (Authorized Signatory)	Ayudhya Capital Auto Lease PCL
		Jan 2008 – Apr 2011	Director	Krungsriayudhya Card Co., Ltd.
2. Miss Phawana Niemloy • LL.M., Harvard Law School, USA • Bachelor of Law (Gold Medal), Chulalongkorn University • Certificate of training and seminar, Thai Institute of Directors Association (IOD) - Director Certification Program (DCP), Year 2006 - Finance for Non - Finance Director (FND), Year 2006	54	May 2007 – Present Jul 2007 – Present	General Counsel Vice Chairman of the Compliance Review Committee	Bank of Ayudhya PCL
		Jun 2007 – Present	Executive Committee Member	
		Jan 2007 – Present	First Executive Vice President	
		Jan 2007 – Mar 2009	Risk Management Committee Member	Mae Fah Luang Foundation under Royal Patronage
		Sep 2002 – Present	Director Executive Director and Assistant Secretary	

Name – Surname Education and Training	Age (Yrs)	Work Experience in the last 5 years		
		Period	Position	Name of Organization
3. Miss Duangdao Wongpanitkrit <ul style="list-style-type: none"> • MBA. (Financial Accounting), Chulalongkorn University • Bachelor of Business Administration (Accounting), Thammasat University • Certified Public Accountant (CPA Thailand) • Certificate of training and seminar, Thai Institute of Directors Association (IOD) - Financial Institutions Governance Program (FGP), Year 2011 - Director Certification Program (DCP), Year 2013 	45	Apr 2013 – Present	First Executive Vice President	Bank of Ayudhya PCL
		Feb 2013 – Present	Acting Executive Vice President, Financial Planning and Analysis Division, Finance Group	
		Jan 2013 – Present	Chief Financial Officer	
			Risk Management Committee Member	
			Compliance Review Committee Member	
		Jun 2007 – Dec 2012	Executive Vice President, Financial Planning and Analysis Division, Finance Group	
		Jan 2013 – Present	Director (Authorized Signatory)	Ayudhya Capital Auto Lease PCL
		Nov 2009 – Present	Director (Authorized Signatory)	Ayudhya Capital Services Co., Ltd.
4. Mrs. Voranuch Dejakaisaya <ul style="list-style-type: none"> • MBA., Chulalongkorn University • BA. in Statistics, Faculty of Commerce and Accountancy, Chulalongkorn University • Certificate of training and seminar, Thai Institute of Directors Association (IOD) - Director Certification Program (DCP), Year 2006 - Financial for Non-Finance Director (FND), Year 2006 	53	Jul 2009 – Present	Head of Information Technology	Bank of Ayudhya PCL
		Jul 2009 – Feb 2010	First Executive Vice President	
		Nov 2009 – Present and Jan 2007 – Jul 2009	Executive Committee Member	Total Services Solutions PCL
		Nov 2009 – Present and Oct 2007 – Jul 2009	Director (Authorized Signatory)	General Card Services Ltd.
		Nov 2009 – Apr 2011 and May 2007 – Aug 2009	Director (Authorized Signatory)	
		2009 – Jun 2009	Director	Ayudhya Capital Services Co., Ltd.
		2007 – 2009	IT SEA Leader-Global Banking	
			Chief Information Officer & IT Regional Support	
5. Miss Puntipa Hannoraseth <ul style="list-style-type: none"> • MBA., Thammasat University • Bachelor of Accounting (1st Class Honor), Thammasat University • Certified Public Accountant (CPA Thailand) • Certified Internal Auditor • Certificate of training and seminar, Thai Institute of Directors Association (IOD) - Advanced Audit Committee Program (completed ACP MIA, MFM, MFR, MIR), Year 2010 - Company Secretary Program (CSP), Year 2009 	45	Apr 2013 – Present	First Executive Vice President	Bank of Ayudhya PCL
		Sep 2010 – Present and Jan – Sep 2009	Secretary to the Audit Committee	
		Apr 2009 – Present	Head of Audit	
		Nov 2009 – Mar 2013	Executive Vice President	
		Apr – Oct 2009 and 2007 – Dec 2008	Senior Vice President, Audit Department	
		Jan – Apr 2009	Senior Vice President and Manager, Audit Department	

Name – Surname Education and Training	Age (Yrs)	Work Experience in the last 5 years		
		Period	Position	Name of Organization
6. Mrs. Wanna Thamsirisup <ul style="list-style-type: none"> • Diploma in Auditing, Thammasat University • BA. in Accounting, Faculty of Commerce and Accountancy, Thammasat University • Certified Public Accountant (CPA Thailand) • Certificate of training and seminar, Thai Institute of Directors Association (IOD) - Director Accreditation Program (DAP), Year 2008 - Director Certification Program (DCP), Year 2008 - Role of the Chairman Program (RCP), Year 2010 - Financial Institutions Governance Program (FGP), Year 2011 - Risk Management Committee Program (RMP), Year 2013 	57	Jan 2008 – Present	Head of Operations	Bank of Ayudhya PCL
		Mar 2009 – Present	Executive Committee Member	
		Sep 2007 – Present	Compliance Review Committee Member	
		May 2011 – Present	First Executive Vice President	Krungsri Securities PCL
		May 2011 – Present	Chairman of the Audit Committee	
		Jun 2010 – Present	Director	Total Services Solutions PCL
		Nov 2009 – Jun 2010	Director (Authorized Signatory)	
		Nov 2009 – Present	Chairman	Ayudhya Capital Services Co., Ltd.
7. Miss Anuttara Panpothong <ul style="list-style-type: none"> • MBA. (Finance), George Washington University, USA • BA. in Finance and Banking (1st Class Honor), Thammasat University 	42	Feb 2009 – Present	Director (Authorized Signatory)	Siam Realty and Services Co., Ltd.
		Apr 2009 – Jun 2012	Chairman (Authorized Signatory)	
			Director (Authorized Signatory)	Ayudhya Total Solutions PCL
8. Mr. Chandrashekar Subramanian Krishoolndmangalam <ul style="list-style-type: none"> • MBA. (Finance), George Washington University, USA • BA. in Finance and Banking (1st Class Honor), Thammasat University 	51	Jul 2010 – Present	Head of Human Resources	Bank of Ayudhya PCL
			Secretary to the Nomination and Remuneration Committee	
		Jan 2009 – Jun 2010	First Executive Vice President	Allianz Ayudhya Assurance PCL
			Chief Officer, Human Resources Department	
8. Mr. Chandrashekar Subramanian Krishoolndmangalam <ul style="list-style-type: none"> • Master in Commerce, Bombay University, India • Certificate of training and seminar, Thai Institute of Directors Association (IOD) - Director Certification Program (DCP), Year 2008 	51	Jan 2007 – Present	Chief Risk Officer	Bank of Ayudhya PCL
			Vice Chairman of the Risk Management Committee	
		Jan 2009 – Present	Executive Committee Member	
		Jul 2007 – Present	First Executive Vice President	
		Nov 2011 – Present	Chairman of the Credit Committee	
		Apr 2008 – Present	Compliance Review Committee Member	Ayudhya Development Leasing Co., Ltd.
			Director (Authorized Signatory)	Krungsri Ayudhya AMC Ltd.
		Apr 2008 – Present	Director (Authorized Signatory)	Ayudhya Capital Auto Lease PCL
		Nov 2009 – Dec 2011	Director	Total Services Solutions PCL

Name – Surname Education and Training	Age (Yrs)	Work Experience in the last 5 years		
		Period	Position	Name of Organization
9. Mr. Rohit Khanna • Master in Business Management XLRI, India • Bachelor of Engineering, Mangalore University	40	May 2012 – Present	Head of Business Transformation	Bank of Ayudhya PCL
		Mar 2010 – Apr 2012	First Executive Vice President	
		Aug 2012 – Present	First Executive Vice President, Back Office Integration Division, Transformation Group	Krungsriayudhya Card Co., Ltd.
		Oct 2010 – Present	Director (Authorized Signatory)	Total Services Solutions PCL
		2006 – 2009	Chairman (Authorized Signatory) Chief Operating Officer	GE Money
10. Mr. Tak Bunnag • MBA. (Finance), Golden Gate University, USA • BS. (Management), Golden Gate University, USA • BS. (Banking and Finance), Chulalongkorn University	53	Jan 2013 – Present	Head of Treasury	Bank of Ayudhya PCL
		May 2005 – Dec 2012	Executive Vice President, Treasury Division, Treasury Group	
		Jul 2008 – Present	Director	Ayudhya Capital Auto Lease PCL
		Apr 2009 – Jul 2013	Director (Authorized Signatory)	Ayudhya Card Services Co., Ltd.
11. Mr. Sayam Prasitsirigul • MBA. (Finance), The Peter F. Drucker Center, The Claremont Graduate School, California, USA • Bachelor of Electrical Engineering, Chulalongkorn University	44	Apr 2012 – Present	Director	Ayudhya Total Solutions PCL
		Apr 2012 – Present	Head of SME Banking Risk Management Committee Member	Bank of Ayudhya PCL
		Jul 2011 – Present	Credit Committee Member	
		Sep 2011 – Oct 2012	First Executive Vice President	
12. Mr. Phonganant Thanattrai • Master of Business Administration, Thammasat University • Bachelor of Business Administration, Assumption University	49	Aug – Sep 2011	Head of Corporate & SME Products	
		Jul 2012 – Present	Head of Supply Chain Solutions and Special Projects	
		Dec 2011 – Jul 2012	Chairman (Authorized Signatory)	Krungsri Factoring Co., Ltd.
		Dec 2008 – Jun 2011	Director	TMB Bank PCL
			Chief SME Banking Officer	
		Apr 2012 – Present	First Executive Vice President	Bank of Ayudhya PCL
		Nov 2011 – Present	Head of Distribution Compliance Review Committee Member	
		Nov 2011 – Mar 2012	Executive Vice President	
		Jul 2010 – Nov 2011	Executive Vice President, Branch Metropolitan Business Division, Distribution Group	
		Dec 2010 – Present	Director	Krungsri Asset Management Co., Ltd.
		2006 – Jul 2010	Executive Vice President, Value Center GM – SME /Branch Banking / Secured Lending	Standard Chartered Bank (Thai) PCL

Name – Surname Education and Training	Age (Yrs)	Work Experience in the last 5 years		
		Period	Position	Name of Organization
13. Mrs. Orawan Sujarittayon • Master of Science in Accounting, Thammasat University • BA. Accounting, Chulalongkorn University • Certified Public Accountant (CPA Thailand)	47	Jul 2010 – Present	Executive Vice President, Accounting Division, Finance Group	Bank of Ayudhya PCL
		Nov 2008 – Jun 2010	Senior Vice President and Manager, Accounting Department	
		May 2013 – Present	Director (Authorized Signatory)	CFG Services Co., Ltd.
		Nov 2009 – Present	Director (Authorized Signatory) Chairman of the Audit Committee	Krungsri Asset Management Co., Ltd.
14. Mrs. Varabhorn Achakornlak • MBA. International Business, Nova University, Florida, USA • Advance International Certificate PSCM (Purchasing & Supply Chain Management), International Trade Center, UNTAD / WTO • Advance Purchasing Research, (IFPMM), The International Federation of Purchasing and Materials Management, Salzburg, Austria	50	Sep 2010 – Present	Senior Vice President and Manager, Procurement Department, Finance Group	Bank of Ayudhya PCL
		Mar 2008 – Sep 2010	Senior Vice President, Procurement Section, Finance Group	
15. Miss Jiraporn Popairoj • Master of Science in Accounting, Thammasat University • Master of Law (Taxation Law), Assumption University • BA. in Accounting, Thammasat University • Bachelor of Law, Ramkhamhaeng University • Higher Diploma in Auditing, Thammasat University • Certified Public Accountant (CPA Thailand) • Certificate of training and seminar, Thai Institute of Directors Association (IOD) - Director Certification Program (DCP), Year 2006	52	Sep 2010 – Present	Senior Vice President and Manager, Financial Compliance Department, Finance Group	Bank of Ayudhya PCL
		Nov 2008 – Aug 2010	Senior Vice President and Manager, Audit Department	
		Nov 2008 – Sep 2009	Secretary to the Audit Committee	
			Senior Vice President, Subsidiaries, Treasury and Investment Audit Section, Audit Department, Audit Group	

Name – Surname Education and Training	Age (Yrs)	Work Experience in the last 5 years		
		Period	Position	Name of Organization
16. Mr. Poonsit Wongthawatchai • Master of Philosophy, University of Cambridge, England • MBA. (International Banking and Finance), Columbia University, USA • Bachelor of Science in Business Economics and Political Science, University of New Hampshire, USA	42	Oct 2013 – Present	Senior Vice President and Manager, Investor Relations Department, Finance Group	Bank of Ayudhya PCL
		Jan – Sep 2013	Senior Vice President and Manager, Investor Relations Department, Finance Group	
		Jun 2011 – Dec 2012	Senior Vice President and Manager, Investor Relations Department, Finance Group	
		Aug 2010 – May 2011	Head, Investor Relations Division, Strategy Division and Business Transformation Office	CIMB Thai Bank PCL
		Jul 2009 – Jul 2010	Director, International Relations Department	The Stock Exchange of Thailand
		Apr 2005 – Jun 2009	Personal Assistant to the President, Office of the President	Siam Commercial Bank PCL
17. Miss Pornnapa Patarasatienkul • Master of Science (Finance), Thammasat University • Bachelor of Banking and Finance, Assumption University	41	Jun 2012 – Present	Senior Vice President and Manager, Corporate Financial Planning and Analysis Department, Finance Group	Bank of Ayudhya PCL
		Mar – Jun 2012	Senior Vice President and Manager, Financial Planning and Analysis Consolidation Department, Finance Group	
		Oct 2010 – Feb 2012	Vice President, Financial Planning and Analysis Consolidation Department, Finance Group	
		Apr 2009 – Sep 2010	Vice President, Finance Group	
		Jul 2011 – Present	Director	Siam Realty and Services Co., Ltd.
		Jan 2007 – Apr 2009	Vice President, Financial Planning and Analysis Department	AIG Retail Bank PCL
18. Mrs. Akanit Mattison • MBA., Assumption University • Bachelor of Banking and Finance, Assumption University	40	Jun 2012 – Present	Senior Vice President and Manager, Consumer and Distribution Financial Planning and Analysis Department, Finance Group	Bank of Ayudhya PCL
		Apr 2006 – Jun 2012	Senior Analyst, Financial Planning and Analysis Department, Finance Group	GE Capital, UK

Name – Surname Education and Training	Age (Yrs)	Work Experience in the last 5 years		
		Period	Position	Name of Organization
19. Mr. Kriangsak Jongsukkgiparnich • MBA. (Finance), Western Michigan University, USA • Bachelor of Faculty of Commerce and Accountancy (Cost Accounting), Chulalongkorn University	45	Jul 2013 – Present	Senior Vice President, Operational Controllership Department, Finance Group	Bank of Ayudhya PCL
		Mar 2011 – Jun 2013	Senior Vice President, Operational Controllership Division, Finance Group	
		Jul 2007 – Feb 2011	Vice President, Operational Controllership Division, Finance Group	
20. Miss Pisara Pattanasiri • MBA., Seattle University, USA • Bachelor of Accounting, Faculty of Commerce and Accountancy, Chulalongkorn University	48	Mar 2013 – Present	Senior Vice President and Manager Financial Planning and Analysis Consolidation Department, Finance Group	Bank of Ayudhya PCL
		Jun 2012 – Feb 2013	Vice President, Financial Planning and Analysis Consolidation Department, Finance Group	
		Sep 2009 – Jun 2012	Vice President, Treasury Financial Planning and Analysis Department, Finance Group	
21. Mr. Khomson Adunwitthayakorn • Master of Science (Finance), Chulalongkorn University • Bachelor of Accounting, Faculty of Commerce and Accountancy, Thammasat University • Certified Public Accountant (CPA Thailand)	40	Jul 2013 – Present	Senior Vice President and Manager, Accounting and Control Department, Finance Group	Bank of Ayudhya PCL
		Mar – Jun 2013	Senior Vice President and Manager, Accounting and Control Department, Finance Group	
		Sep 2010 – Feb 2013	Vice President, Accounting and Control Department, Finance Group	
		Oct 2009 – Sep 2010	Vice President and Section Manager, Accounting and Control Section, Accounting Department, Finance Group	
		Oct 2007 – Sep 2009	Regional Financial Controller	Digital Marketing Solution Co., Ltd.

Name – Surname Education and Training	Age (Yrs)	Work Experience in the last 5 years		
		Period	Position	Name of Organization
22. Mrs. Duangkhae Khunviseadpong • Master of Arts in Business and Managerial Economics, (International Program), Chulalongkorn University • Bachelor of Economics (International Program), Thammasat University	38	Mar 2013 – Present	Senior Vice President and Manager Assets and Liabilities Management Department, Finance Group	Bank of Ayudhya PCL
		Dec 2011 – Feb 2013	Vice President, Assets and Liabilities Management Department, Finance Group	
		Jan 2010 - Nov 2011	Vice President, Head of Assets and Liabilities Management, Finance and Control Group	Kasikornbank PCL
23. Mr. Jamorn Phianphrom • MBA. (Finance), Dhurakij Pundit University • BA., Chiangmai University • Diploma in Tax Law, Thammasat University	52	Jul 2013 – Present	Vice President, Tax and Disbursement Department, Finance Group	Bank of Ayudhya PCL
		Sep 2010 – Jun 2013	Vice President, Tax Management and Payment Verification Department, Finance Group	
		May 2007 – Sep 2010	Vice President and Manager, Tax Management and Payment Verification Section, Accounting Department, Finance Group	
24. Miss Somjai Pattanakitpairoj • Master of Science in Accounting, Thammasat University • Diploma in Auditing, Thammasat University • Bachelor of Accounting, Thammasat University • Certified Public Accountant (CPA Thailand)	43	Jul 2013 – Present	Vice President, Technical Accounting Department, Finance Group	Bank of Ayudhya PCL
		Sep 2010 – Jun 2013	Vice President, Technical Accounting Department, Finance Group	
		Apr – Sep 2010	Vice President, Technical Accounting Section, Accounting Department, Finance Group	
		Mar 2008 – Apr 2010	Senior Manager – Assurance and Audit	Standard Chartered Bank (Thai) PCL
25. Mrs. Orawan Julapol • Master of Science in Accounting, Thammasat University • Bachelor of Accounting, Thammasat University • Bachelor of Law, Thammasat University • Certified Public Accountant (CPA) Thailand	46	Jul 2013 – Present	Vice President, Financial Reporting Department, Finance Group	Bank of Ayudhya PCL
		Jun 2012 – Jun 2013	Vice President, Data Management and Reporting Department, Finance Group	
		Jul 2009 – Jun 2012 Jun 2003 – Jun 2009	Accounting Director Deputy Corporate General Manager, Accounting and Tax Division, Corporate Controlling Office	Double A (1991) PCL Mitsubishi Motors (Thailand) Co., Ltd.

Name – Surname Education and Training	Age (Yrs)	Work Experience in the last 5 years		
		Period	Position	Name of Organization
26. Miss Sukanda Thawilwang • Master of Arts in Business and Managerial Economics, (International Program), Chulalongkorn University • Bachelor of Economics (International Program), Thammasat University	38	Sep 2012 – Present	Vice President, Treasury Financial Planning and Analysis Department, Finance Group	Bank of Ayudhya PCL
		Jul 1997 – Aug 2012	Senior Manager (SVP), Business Finance Global Market, Finance Department	Standard Chartered Bank (Thai) PCL
27. Miss Siriporn Sribooncharoen • MS. (Finance), Chulalongkorn University • BBA. (Finance), Assumption University	40	Nov 2012 – Present	Vice President, SME Financial Planning and Analysis Department, Finance Group	Bank of Ayudhya PCL
		Jun 2004 – Nov 2012	Vice President - FP&A Expense Management, Consumer Banking	Citibank NA Thailand
28. Miss Uraivan Charoenbunditchai • Bachelor of Business Administrative, the University of Thai Chamber of Commerce	47	Mar 2011 – Present	Vice President, Procurement Department, Finance Group	Bank of Ayudhya PCL
		Sep 2008 – Feb 2011	First Assistant Vice President, Procurement Department, Finance Group	
29. Mrs. Samanporn Chantanahom • MPA. (Public Administration), Sounthern University, USA • MS. (Economics), the National Institute of Development Administration • BA. (Economics), Thammasat University	52	Mar 2012 – Present	Vice President, Financial Planning and Analysis Consolidation Department, Finance Group	Bank of Ayudhya PCL
		Mar 2007 – Feb 2012	First Assistant Vice President, Financial Planning and Analysis Consolidation Department, Finance Group	
30. Miss Porntip Sae Lor • Master of Applied Finance, University of Melbourne, Australia • Bachelor of Business Administration International Program, Faculty of Commerce and Accountancy, Thammasat University	34	Apr 2013 - Present	Vice President, Consumer and Distribution Financial Planning and Analysis Department, Finance Group	Bank of Ayudhya PCL
		Jun 2012 – Apr 2013	Vice President and Section Manager, Consumer Financial Planning and Analysis Section, Finance Group	
		Mar – Jun 2012	Vice President, Consumer and Distribution Financial Planning and Analysis Department, Finance Group	
		May 2013 - Present	Finance Leader	Tesco Card Service Ltd.

Name – Surname Education and Training	Age (Yrs)	Work Experience in the last 5 years		
		Period	Position	Name of Organization
31. Mrs. Kamoltip Jittimaporn • Master of Business Administration (Computer), Cleveland State University, USA • Bachelor of Business Administration (Accounting), Thammasat University	52	Dec 2013 – Present	Vice President and Section Manager, Group Center of Excellence Finance Initiative Section, Operational Controllership Department, Finance Group	Bank of Ayudhya PCL
		Jul 2013 – Nov 2013	Vice President and Section Manager, Finance System Management Section, Operational Controllership Department, Finance Group	
		Oct 2012 – Jun 2013	Vice President and Section Manager, Accounting Information System section, Finance Group	
		Sep – Oct 2012	Vice President, Accounting and Control Department, Finance Group	
		Aug 2011 – Aug 2012 Feb 2009 – Jul 2011	Senior Manager Senior Division Manager, Report and Data Management Division	Wipro Technologies (Thailand) Co., Ltd. Islamic Bank of Thailand
32. Miss Rattaporn Pornprasit • Rector's Award for Academic Excellence Certification, Assumption University • MBA, Assumption University • BBA (Finance), University of The Thai Chamber of Commerce	37	Apr 2013 - Present	Vice President and Section Manager, Consumer Financial Planning and Analysis Section, Finance Group	Bank of Ayudhya PCL
		Jul 2012 – Apr 2013	Senior Business Finance Manager	Standard Chartered Bank (Thailand)
		Jul 2011 – Jul 2013	Finance Manager (Alcon Division)	Novartis (Thailand) Ltd.
33. Miss Benjawan Surachutikarn • Master of Business Administration, Cleveland State University, USA • Bachelor of Business Administration, Faculty of Commerce and Accountancy, Thammasat University • Certified Public Accountant (CPA) Thailand	43	Aug 2013 - Present	Vice President and Section Manager, Foreign Branch Financial Reporting Section, Financial Compliance Department	Bank of Ayudhya PCL
		Oct 2006 – Jun 2013	Vice President, Financial Accounting Department	Credit Agricole Corporate and Investment Bank, Bangkok Branch

Name – Surname Education and Training	Age (Yrs)	Work Experience in the last 5 years		
		Period	Position	Name of Organization
34. Mrs. Anantaya Padanupong • Master of Commerce in Accounting and Finance, Macquarie University, Australia • Bachelor of Science (Accounting) Thammasat University	36	Nov 2013 – Present	Vice President and Section Manager, Consumer & Distribution Financial Planning and Analysis Department, Finance Group	Bank of Ayudhya PCL
		May – Nov 2013	Vice President, Business Finance	United Overseas Bank (Thai) PCL
		Nov 2004 – Apr 2013	Business Finance Manager	Standard Chartered Bank (Thai) PCL

New Executives as defined by the Capital Market Supervisory Board being appointed effective January 2, 2014

Name – Surname Education and Training	Age (Yrs)	Work Experience in the last 5 years		
		Period	Position	Name of Organization
1. Mr. Takanori Sazaki • Master of Business Administration, The Wharton School, University of Pennsylvania, USA • Bachelor of Laws, University of Tokyo, Japan	49	Jan 2014 – Present	Head of Strategic Planning Office Deputy Chief Financial Officer Compliance Review Committee Member Executive Committee Member	Bank of Ayudhya PCL
		Aug – Dec 2013	General Manager, Krungsri Project Management Office, Global Planning Division	The Bank of Tokyo-Mitsubishi UFJ, Ltd., Tokyo, Japan
		May – Aug 2013	General Manager, Global Planning Division	
		May 2012 – May 2013	Deputy General Manager, Division for Asia and Oceania	
		Feb – May 2012	Senior Manager, Asia China Division	Mitsubishi UFJ Financial Group, Inc., Tokyo, Japan
		Dec 2009 – Feb 2012	Chief Manager, Financial Planning Division	
		Apr 2008 – Dec 2009	Senior Manager, Financial Planning Division	
2. Mr. Risaku Numaguchi • Master of Business Administration, Washington University, Olin School of Business, USA • Bachelor of Economics upon the completion in the Faculty of Economics, Hitotsubashi University, Japan	47	Jan 2014 – Present	Senior Vice President, Finance Group	Bank of Ayudhya PCL
		Feb 2010 – Dec 2013	Chief Manager, Financial Accounting Office, Corporate Planning Division	The Bank of Tokyo-Mitsubishi UFJ, Ltd., Tokyo, Japan
		Oct 2006 – Jan 2010	Senior Manager, Financial Accounting Office, Corporate Planning Division	
3. Mr. Takashi Kanai • Bachelor of Arts in Economics, Faculty of Economics, Keio University, Japan	46	Jan 2014 – Present	Vice President, Finance Group	Bank of Ayudhya PCL
		Sep 2006 – Dec 2013	Manager, Financial Accounting Office, Corporate Planning Division	The Bank of Tokyo-Mitsubishi UFJ, Ltd., Tokyo, Japan

Corporate Secretary

Name – Surname Education and Training	Age (Yrs)	Work Experience in the last 5 years		
		Period	Position	Name of Organization
Mrs. Thidarat Sethavaravichit • EMBA, Sasin Graduate Institute of Business Administration of Chulalongkorn University • LL.M., Case Western Reserve University, Ohio, USA • Barrister at Law, Thailand • Bachelor of Laws, Chulalongkorn University. • Certificate of Training Program Thai Institute of Directors Association (IOD) - Company Secretary Program (CSP) Year 2002 - Board Reporting Program (BRP) Year 2009 - Director Certification Program (DCP) Year 2012	44	Jul 2010 – Present	Senior Vice President and Corporate Secretary	Bank of Ayudhya PCL
		Nov 2007 – Present	Secretary to the Board of Directors	
		Nov 2008 – Present	Secretary to the Executive Committee	
		Nov 2007 – Jun 2010	Ombudsperson Vice President and Corporate Secretary	

REMUNERATION OF DIRECTORS AND EXECUTIVES

(as per definitions determined by the SEC)

Remuneration of Directors

The Bank has established clear and transparent policies related to directors' remuneration which is comparable to the level paid in the industry and has been approved at the shareholders' meetings. Directors appointed to be members of the Audit Committee or the Nomination and Remuneration Committee will receive additional compensation commensurate with the increased workload.

Remuneration of executives

Remuneration of executives is based on principles and policies set by the Board of Directors and linked to business performance of the Bank and their individual performance.

Remuneration in 2013

Remuneration paid by the Bank in 2013 to directors and executives is as per the following details:

Cash remuneration

(1) Total remuneration (retainer fee, pension and attendance fee) of the 12 directors amounted to THB 31,891,920.00. Details of remuneration paid to each director are as follows:

Unit: THB

List of Directors	Remuneration of the Board of Directors			Remuneration on of the Audit Committee	Remuneration on of the Nomination Remuneration Committee	Total Remuneration
	Retainer fee	Attendance fee	Pension			
Non-Executive Directors						
1. Mr. Veraphan Teepsuwan ^{1/} Chairman of the Board of Directors	2,160,000.00	960,000.00	1,342,800.00	-	-	4,462,800.00
2. Mr. Pongpinit Tejagupta	1,728,000.00	829,440.00	864,000.00	-	-	3,421,440.00
3. Mr. Virojn Srethapramotaya	1,728,000.00	829,440.00	864,000.00	-	-	3,421,440.00
4. Ms. Nopporn Tirawattanagool - Member of the Nomination and Remuneration Committee	1,728,000.00	829,440.00	864,000.00	-	570,240.00	3,991,680.00
5. Mr. Xavier Pascal Durand	-	-	-	-	-	-
Independent Directors						
6. Mr. Karun Kittisataporn - Chairman of the Nomination and Remuneration Committee	1,728,000.00	829,440.00	864,600.00	-	604,800.00	4,026,240.00
7. Mr. Virat Phairatphiboon - Member of the Audit Committee - Member of the Nomination and Remuneration Committee	1,728,000.00	829,440.00	864,000.00	570,240.00	570,240.00	4,561,920.00
8. Ms. Potjaneer Thanavaranit - Chairman of the Audit Committee	1,728,000.00	829,440.00	864,000.00	593,280.00	-	4,014,720.00
9. Mr. Pongadul Kristnaraj - Member of the Audit Committee	1,728,000.00	829,440.00	864,000.00	570,240.00	-	3,991,680.00
Executive Directors *						
10. Ms. Janice Van Ekeren	-	-	-	-	-	-
11. Mr. Philip Tan Chen Chong ^{2/}	-	-	-	-	-	-
12. Mr. Pornsanong Tuchinda	-	-	-	-	-	-

Remark * Executive directors are not entitled to remuneration paid to directors.
^{1/} He waived the right to receive the directors' remuneration of 2 months, i.e. January and February 2013, and had the amount credited to the accounts opened for loss relief and the Bank's annual Kathin merit making ceremony.
^{2/} His appointment was effective on 1 January 2013.

(2) The Executive Committee is not paid remuneration.

(3) The total executives' remuneration paid in 2013 in the form of salary and bonus to the manager and the first four executives immediately in the line of command under him, as specified in the Notification of the Capital Market Supervisory Board, i.e. the president and chief executive officer and chief officers/heads of functional groups totaling 16 persons (including 1 executive resigning during the year), amounts to THB 200,391,589.24

Other remuneration

Contribution to the provident funds for executives (3) amounts to THB 7,681,720.30
 The Bank does not provide any non-cash remuneration such as shares/warrants to executives.



CORPORATE SOCIAL RESPONSIBILITY

Krungsri's social responsibility innovation has helped earn the Bank a reputation as one of Thailand's leading financial institutions. For 68 years we have built our name as a credible, reliable and innovative bank which seeks to deliver the best products, services and experiences for all stakeholders. Recently this has been guided by our brand promise to Make Life Simple for customers. Through service excellence and technology innovation we have minimized the time taken and effort required to conduct bank transactions. We are committed to acting as a responsible corporate citizen in the pursuit of our business goals. Krungsri takes great care in developing and implementing our corporate governance and corporate social responsibility policies to ensure we operate in an economically, socially, and environmentally responsible manner.

Krungsri aims to become Thailand's number one preferred financial group for retail, SME and corporate clients. We are confident that we attract new customers partly because of our commitment to upholding the highest business standards, combating corruption, respecting human rights, treating employees fairly, helping develop communities and acting responsibly for all stakeholders, as well as by publicizing innovations derived from our CSR activities. These policy areas are outlined in detail below:

1. Fair business practices

Fair business practices form the backbone of our corporate philosophy and ethics. Since our inception seven decades ago we have ensured our own ethical commitments go above and beyond legal and regulatory requirements. That is why Krungsri promotes fair competition, equal opportunities for business partners, respect for all intellectual property and proper political engagement across the Group. These principles are spelled out in Krungsri's **The Spirit & The Letter** which provides clear guidelines on related matters which employees can quickly reference.

By conforming with laws on commercial competition, we strive to help raise standards across the industry and prevent unfair competition; treat business rivals respectfully and in line with the law; to follow the rules of fair competition without discriminating against other business competitors; to preserve business competitors' reputation and refrain from false accusations, slander or attacks; and to avoid any actions that obstruct free and fair competition. Furthermore, we have put in place effective measures to prevent the provision of support or assistance to others whose business or activities could obstruct fair competition.

Krungsri is diligent in selecting business partners who adhere to the same ethical standards and

conform to all relevant laws and regulations. We expect our partners to treat their employees fairly and establish workplaces that are hygienic, safe, and environmentally-friendly.

Regarding the protection of intellectual property, Krungsri prohibits employees from infringing or impinging on others' copyright, patents, trademarks, software licensing and proprietary data, and requires them to follow all relevant laws at all times.

In addition, our guidelines concerning political engagement forbid Krungsri from providing any assistance or support for any political activities that contravene the law whether they are conducted by the government, political parties or other groups.

2. Anti-corruption

Krungsri Group takes a zero-tolerance approach to all forms of corruption and fraud. Krungsri's involvement with Collective Action Coalition Against Corruption (CAC) illustrates our active role in promoting and adhering to the highest standards of ethical business conduct and demonstrates how seriously we take our responsibility to society and stakeholders as guided by good corporate governance principles and the Group's business code of conduct. Krungsri's proactive anti-corruption policy formulation and programs placed us among the first group of Thai commercial banks that qualified for full membership of CAC.

3. Respect for human rights and fair treatment of labor

We fully support and uphold the principles of human rights and fair treatment of labor. The Board of Directors, executives and all employees respect and observe the principles of human rights and avoid supporting businesses that violate such principles. To this end, Krungsri states our requirements for the treatment of employees in our corporate governance principles, namely conformance to labor laws and fair employment; establishment of suitable welfare schemes; provision of safe workplaces and work conditions; strict adherence to laws and regulations related to the work environment, health and safety; workplaces free from discrimination, harassment, intimidation or coercion; respect for dignity and individual rights; protection of the confidentiality of employees' personal records except where disclosure is required by law and appointment of ombudsman to address staff concerns or queries.

The Bank employed 11,971 as at the year-end. They are grouped by employment category, gender, age, level, educational qualifications and area as follows:

Group	Employee	Short-term	Outsourced
Head Office	4,575	3	199
Metropolitan	2,846	0	409
Provincial	3,317	0	622
Total	10,738	3	1,230

Group	Gender		Age			
	Male	Female	20-29	30-39	40-49	50-60
Head Office	2,006	2,569	377	1,662	1,769	767
Metropolitan	744	2,102	729	1,045	867	205
Provincial	807	2,510	1,166	926	971	254
Total	3,557	7,181	2,272	3,633	3,607	1,226

Group	Position		Educational qualifications			
	Executives	Staff	Doctoral	Master's	Bachelor's	Below bachelor's
Head Office	467	4,108	9	1,913	2,523	130
Metropolitan	24	2,822	-	397	2,425	24
Provincial	27	3,290	1	430	2,840	46
Total	518	10,220	10	2,740	7,788	200

3.1 Work safety and workplace environment

Ensuring both working conditions and the workplace are safe for employees is an essential requirement for any responsible business. Krungsri's policy on the environment, health and safety establishes preventative measures in accordance with the Health, Occupational Safety, and Workplace Environment Act of 2011 and related laws.

A committee on the environment, health and safety has been set up at our head office and Ploenchit office to formulate, promote and support activities related to health and safety. The committee stages annual fire drills to ensure the preparedness of employees, designated personnel and related firefighting apparatus so as to lower risks to lives and properties while bolstering confidence among employees and members of the public that conduct businesses with Krungsri.

Through internal e-learning, Krungsri also organizes safety training for employees to enable them to full understand issues relating to work safety. The topics deal with workplace safety, work-related ergonomics and safety regulations.

We also take our employees' health seriously. Krungsri provides annual check-ups for all staff

as well as detailed check-ups for our team members who work in environments where there are hearing and respiratory risks, including those working in banknote-examining and cheque-clearing rooms.

In addition, infirmaries equipped and manned to administer preliminary medical treatment have been set up at Head Office and Ploenchit office.

In times of epidemics and other major public health risks, Krungsri procures equipment to keep people safe from the spread of diseases, such as masks, hand gels and thermometers as part of its business continuity plan (BCP). The move is meant to minimize rates of illnesses, hospital admissions and fatalities while educating people on the prevention illness and hygiene and safety best practices.

3.2 Collaboration between Krungsri and employee representatives

Krungsri has implemented a number of processes to help improve the quality of our employees' working lives. We arrange regular feedback sessions where employee representatives or bodies of employee representatives provide us with comments from staff on how we can improve the working experience for them. In addition, on an annual basis, the Bank organizes a project called

'Voice of Krungsri' which has been implemented for all employees to participate by giving their opinions to improve the quality of working environment and creating a great workplace for all. The Bank also organizes elections for workplace welfare committees at Head Office and Ploenchit office. The committees are responsible for fielding employee comments, communicating them to relevant management and developing welfare schemes and other appropriate activities and policies for management consideration.

The Bank also stages monthly meetings between the Human Resources Group (HR) and Krungsri Labor Union Committee to take up concerns and useful comments for employees and the Bank which helps maintain healthy labor relations. Krungsri Labor Union Committee, a 25-member body, serves as the information clearing house among employees and Krungsri, and provides a mechanism for problems' identification and solving. Krungsri provides essential equipment and office space for the union. To date, Krungsri and the union have worked together to find mutually beneficial resolutions to negotiations, leading to joint agreements on hiring conditions based on mutual understanding and in line with fair labor relations principles. Both parties are driven by the common goal of growing Krungsri and enabling it to compete effectively, and respecting each other's rights and responsibilities as defined by the 1975 Labor Relations Act.

3.3 Employee complaint-making process and protective measures

We have put in place a complaints-handling process to enable employees to raise queries and report doubts about integrity and fair practices. Employees can remain completely anonymous and place their complaints through three channels, namely their supervisors, HR, or the ombudsperson. The handler of the complaints compiles related facts and reports to the complainants (if they disclose their names). Protective measures are in place for complainants and other parties who cooperate in the fact-finding process. Krungsri prohibits reprisals against any of these parties. Violators will face maximum disciplinary measures. This measure is guided by Krungsri's good corporate governance principles.

In addition, another fact-finding process helps ensure that disciplinary action is administered prudently and fairly. A transparent process has been established so that any party to receive disciplinary action can lodge an appeal with HR if they feel they have been unfairly treated.

3.4 Employee skill development and upgrading

Krungsri recognizes the value of continual personnel development for the benefits of employees and the Group's business as a whole. Training courses have been designed and developed to facilitate capacity building across

a diverse range of skill sets. Our training program is detailed in the diagram below. In 2013, we provided more than 520 training courses for 1,500 classes. Roughly 94.83 percent of employees underwent training during the year, averaging 7.43 days per person per year.

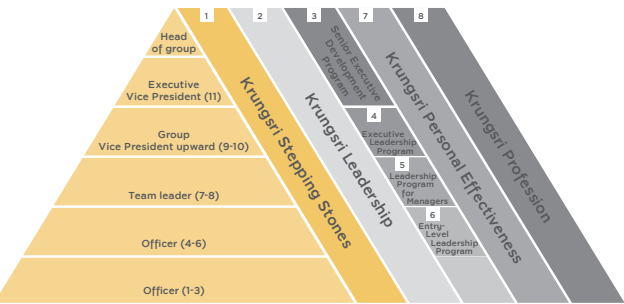


Diagram: Krungsri training structure

- 1. Krungsri Stepping Stones:** Supports establishment of Krungsri values and Make Life Simple
- 2. Krungsri Leadership:** Supports and develops leadership skills, encompassing team and personnel management, change management, business execution and strengthening organizational culture
- 3. Senior Executive Development:** Jointly developed with Sasin Graduate Institute of Business Administration, supports senior executives in delivering Krungsri's plan for successes
- 4. Executive Leadership:** Grows executives' capability and gathers essential tools for effective team leadership
- 5. Leadership Program for Managers:** Develops middle managers' capability
- 6. Entry-level Leadership Program:** Supports and enhances basic leadership skills for supervisors to lay a foundation for efficient team leadership
- 7. Krungsri Personal Effectiveness:** Supports skill development to promote individual work efficiency while striking a work-life balance
- 8. Krungsri Profession:** Supports specific skill development for professionalism and service excellence by specific groups

We have established clear and suitable criteria, in line with Krungsri's policy and growth outlook, for employee promotions and appointments. These policies are reviewed annually under the following criteria:

- Duties are increased to higher jobs or jobs with greater responsibility, on condition that such a position is vacant.
- For job positions within Krungsri's succession plan, priority is given to the first suitable successor who is ready to take up the position.
- Job candidates must be qualified and competent for the new positions, demonstrate appropriate attitudes and behavior in keeping with organizational values, be team players and be potential role models for other employees.

Krungsri is continually engaged in succession planning and executive development to groom high-potential personnel through clear action plans and development programs. We prepare succession plans and individual executive development plans by considering executives and employees at lower levels within the Bank and its affiliates who demonstrate outstanding performance and the potential to shoulder greater responsibility. We nominate stand-ins for rapid executive changes, while waiting until the identified successor is ready to take up the post.

3.5 Proper hiring conditions, compensation and welfare

The Bank has established criteria and guidelines for fair hiring. We not only conform to relevant labor and hiring laws, but have also developed the following hiring policy:

- Candidates are considered on the merits of their educational qualifications, work experience, personal skills and other work-related criteria regardless of nationality, complexion, race, gender, age, physical health, pregnancy, sexual preference, veteran status or other characteristics warranted by laws.
- Compensation is fair and on a par with other leading banks and companies, with due consideration for Krungsri's criteria and reference to compensation surveys conducted by Thailand's leading HR consultants.
- Welfare schemes are provided to address employees' needs, including leave, medical care expenses, assurance and health insurance, a provident fund and scholarships for the children of employees.

Besides providing suitable hiring conditions and compensation, Krungsri has established other proactive welfare schemes to pre-empt employees' needs. These cover three categories:

- Assistance funds to cover children's tuition; funeral expenses for employees and their spouses or parents; funds for disaster victims; and others.
- Medical care, consisting of annual check-ups, group health insurance and group accident insurance.
- Welfare loans, including those to cover family expenses, welfare-assistance loans, housing loans, educational loans, disaster victim loans and motorcycle and car loans.

These welfare schemes are publicized through the employee's handbook and the Krungsri People online system so staff and their families are fully aware of their benefits.

3.6 Work-life balance

We strive to ensure our employees attain a healthy work-life balance at Krungsri. Furthermore, the Group promotes opportunities for our staff to engage in public services through

assorted voluntary projects, ranging from providing practical financial education for the underprivileged, volunteering for environmental projects or other public service activities.

4. Responsibility to consumers

As financial service provider, Krungsri Group recognizes its roles and responsibilities as significant contributors to the national economy by strictly observing and executing their duties under consumer protection regulations as established by the Bank of Thailand, Securities and Exchange Commission, Office of the Insurance Commission and Office of the Consumer Protection Board.

We are therefore committed to addressing consumers' as part of our ongoing responsibility to them. Our commitment to these principles can be seen through our development of various financial products with fair fees for consumers, customer assistance in crises, as seen during the 2011 floods, and providing financial education for consumers, as with our youth financial literacy programs in various schools.

The Bank also takes the disclosure of information on financial products to consumers seriously by utilizing assorted communication channels that ensure the accurate and complete disclosure of information on all relevant areas ranging from risk level and easy to understand product details to understanding key conditions for proper decision-making in line with their needs.

Finally, we have instituted strict confidentiality measures to protect customer information. Besides providing authorized parties legally-required information under the framework of the law, customer consent is required for any disclosure of information to ensure their privacy remains intact at all times.

5. Environmental stewardship

Despite being a financial institution, Krungsri believes that any business operation has some form of environmental impact. We seek to mitigate such impacts by conducting legal risk assessments for environment, health and safety (EHS) related matters before acquiring or lending to new businesses.

Krungsri has also developed policies to maximize the efficient consumption of resources to promote environmental preservation, deliver efficient resource management and increase employees' awareness of related issues. Krungsri follows all EHS laws and regulations and has instituted internal policies, including:

- Procurement of assorted equipment and tools in line with the conservation of energy, natural

resources and the environment, including choice of goods properly certified against relevant standards such as the Ministry of Industry's industrial standards and standards dealing with environmental management (the green label or eco-label).

- Continual improvement and management of natural resource consumption, including water and electricity.
- Support, cultivation of awareness and promotion of employees' understanding of and continued conformance to Krungsri's guidelines for conservation of energy, natural resources and the environment
- Greening of surroundings, increase of oxygen in parallel with decrease of carbon dioxide in common areas, addition of/changing to plants that can improve air quality in the workplace.
- Application of the 'Principles of 5S', namely SEIRI (clearing up), SEITON (organizing), SEISO (cleaning), SEIKETSU (standardizing), and SHITSUKE (training & discipline).
- Reduction of electricity consumption by requiring on-off times for electricity and electrical appliances, procurement of common-area water heaters and coolers and campaigns for using stairs in favor of elevators.
- Lowering of water consumption through standard treatment of water consumed in buildings for reuse in certain applications, campaigns for conscientious consumption of water and leak alerts and procurement of hand-cleansing foams that require less water.
- Minimizing of paper and ink consumption by encouraging the reading of information on-screen over print-outs and the transmission/receipt of information through electronic media.
- Reduction of consumption of plastic and styrofoam tools and products, while establishing the 3R policy (reduce, reuse, recycle), including waste separation and collecting and recycling used paper, averaging 15 tons a month.
- Lowering fuel consumption by making only essential trips and using more efficient trip planning.

6. Stewardship and joint development of communities, society and the environment

Being a good bank is not just about doing business with integrity, but also about being a good corporate citizen. This is why we have constantly instituted assorted social responsibility projects that are public services, with a focus on the following key aspects:



6.1 Poverty alleviation

The Krungsri Simple Finance Project is Krungsri's flagship CSR project that leverages its knowhow as the nation's leading financial institution having our employees provide practical financial education for members of the public through five modules devised by the Bank.

Besides our memorandum of co-operation signed with the Office of Vocational Educational Commission to educate senior-year vocational students, Krungsri Group's subsidiaries staged similar projects among different target groups, including fresh-market vendors and hawkers and students at various colleges and universities. Over the past two years some 100 employee volunteers have taught more than 600 attendance from various groups.



6.2 Youth and educational development

Education is a fundamental of sustainable national development. Recognizing this, Krungsri continually granted opportunities to underprivileged youths. In 2013, we granted 143 scholarships, 600 computer sets and other items to support education, learning and the development of essential skills.

6.3 Religion, art and culture

For many years, Krungsri has helped maintain and conserve national arts and cultural practices. The Bank best demonstrated this commitment through the well-known TV documentary, Krungsri Chronicles. We have also worked closely with the Fine Arts Department to support the conservation of art forms and archeological sites in Phra Nakhon Si Ayutthaya province, a historic city, UNESCO World Heritage Site and the Bank's birthplace. During 2013 these activities included:

- Conservation of a sermon seat and donation of a sangkhet chanting seat at Wat Choeng Tha
- Conservation of murals at Wat Khanon Nuea
- Archeological-site inscription and provision of signage and reproduction of mural drawings, including 87 signs for 14 temples located in heritage sites across Phra Nakhon Si Ayutthaya province.



6.4 Environment

The Krungsri family has constantly backed numerous environmental projects ranging from re-forestation and weir-building to supporting the operations of forest wardens. We also encourage Group employees to take part in assorted activities staged by the Bank in conjunction with other environmental bodies.

6.5 Public health and hygiene

Krungsri has run public health and hygiene projects to help improve the living standards for Thais through activities such as blood donation drives in conjunction with the National Blood Center – we carried out our 100th such drive in 2013 – and the Thai Red Cross Society and other public health promotional campaigns, including a project to support the visually impaired and an anti-breast cancer campaign.

6.6 Rehabilitation of victims of natural disasters

Krungsri is always prepared to provide immediate help to members of the public facing hardship due to natural disasters through support funds and activities facilitated by its employee volunteers. We also recently donated funds via the Thai Red Cross Society to support victims of Typhoon Haiyan in the Philippines.

6.7 Publicizing innovations derived from CSR activities and activities involving stakeholders

The Krungsri Simple Finance Project is an innovative piece of work derived from the Bank's CSR operations. As a leading financial institution, Krungsri commands invaluable knowledge which can significantly benefit the public, particularly about how to efficiently manage personal finances. Under the flagship project, Krungsri Group's employee volunteers teach modules we have developed to vocational students that are about to enter the labor market as well as those underprivileged people. The 10-hour hands-on courses comprise the following modules:

- Smart consumers
- Smart employees
- How to be an entrepreneur
- Basic savings and investments
- Managing your loans

Beside the Krungsri Simple Finance Project, we continually made efforts to cultivate a culture of sharing with customers and the public through our Simple to Share Project, which invites all sectors of society to support projects promoting education, sports and quality of life for students from 38 schools in Chiang Mai province's Samoeng district. The project has been well-publicized through various media channel.





FINANCIAL REPORTING AND FINANCIAL STATEMENTS

MANAGEMENT DISCUSSION AND ANALYSIS

Executive Summary

Krungsri Group delivered a satisfactory performance in 2013 against the backdrop of a slowing economy caused by an easing in domestic demand, a weaker-than-expected global recovery, and delays in the government's planned infrastructure investment. Outstanding loans grew 13.7%, while net profit of THB 11,985 million was recorded.

Total loans reached THB 943,502 million, an increase of THB 113,494 million, or 13.7%, from last year. The robust loan growth in 2013 was broad-based across all customer segments, reflecting the Bank's strategy to diversify risks across our portfolio. In 2013, the retail segment was the key contributor with balanced growth in auto loans, mortgages, credit cards and personal loans of 15.4%, followed by the corporate and SME segments which grew 14.9% and 9.1%, respectively.

Krungsri undertook the prudent step of posting an additional provision of THB 2,552 million in June as a countercyclical resource in the event of a potential deterioration in economic conditions. Following the provision of the prudential surplus reserve, net profit for 2013 stood at THB 11,985 million, representing a 18.3% decrease from last year.

Before the countercyclical resource recorded in June, core profit for 2013 was THB 14,027 million, or a decrease of 4.4% from last year. Key drivers for Krungsri's core profits were attributed to higher net interest income resulting from strong loan growth, robust fees and service income growth, and an improved cost-to-income ratio. Net fees and service income grew 14.3% year-on-year, driven by the continued focus of Krungsri Group in growing fees as well as our wealth and fund management franchises.

As of December 31, 2013, our total provision stood at THB 39,185 million, with an excess provision over Bank of Thailand's reserving requirements of THB 14,767 million, or 160.5%. The loan loss coverage ratio was 145.1%.

Earnings per share (EPS) decreased to THB 1.95 in 2013.

Deposits grew by 11.2%, representing a steady increase of THB 76,891 million from December 2012, mirroring the continuing robust demand by customers of our Big Bang products -- "Mee Tae Dai" and "Jad Hai" -- and the successful launch of time deposit products -- "9-month Step Up Time Deposit" on 28 March 2013 and "15-month Time Deposit" on 1 August 2013. "Mee Tae Dai" balances exceeded THB 165,000 million, while "Jad Hai" accounts outstanding increased more than 450,000 accounts from 2012.

2013 was a year that began a new chapter in Krungsri's story of growth and opportunities, with a new strategic shareholder, the Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU). The Voluntary Tender Offer (VTO) conducted by BTMU in the latter part of 2013 resulted in BTMU acquiring a majority stake of 72% in Krungsri, which will leverage the synergies of Krungsri's best-in-class SME and retail banking business and BTMU's outstanding corporate business and impressive global network.

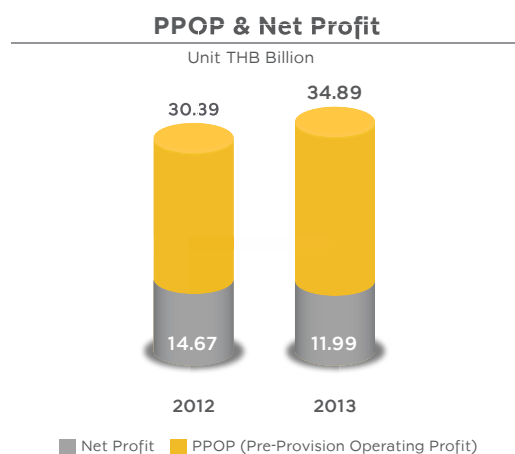
Following the successful completion of the VTO, Moody's Investors Service and Standard & Poor's upgraded Krungsri ratings from "Baa2" to "Baa1" and from "BBB-" to "BBB+", respectively. Similarly, TRIS Ratings also took a positive action by upgrading the bank's rating from "AA-" to "AAA".

For 2014, the Thai operating environment remains uncertain as we continue to face politico-economic and market challenges. Yet, we expect economic growth to recover from 2013, driven by stronger exports and domestic demand recovery in the second half of the year. Accordingly, the outlook for loan growth for the year remains moderately positive, and we project loan growth of 9% in 2014.

Summary of Financial Performance and Status:

Key 2013 deliverables:

- **Loan Growth:**
Increased 13.7%, or THB 113,494 million, compared to December 2012.
- **Net Profit:**
Excluding the countercyclical resource of THB 2,552 million recorded in June 2013, core profit was THB 14,027 million, or a decrease of 4.4% from last year. After this conservative provision, net profit was THB 11,985 million, a decrease of 18.3%, when compared to 2012.
- **Net Interest Margin (NIM):**
Improved to 4.37%, despite a highly competitive environment for deposit mobilization.
- **Cost to Income Ratio:**
Improved to 49.1% in 2013, improving from 50.3% in 2012.
- **Coverage:**
Strong at 145.1%.
- **Net fees and Service Income:**
Grew strongly at 14.3%.
- **Deposit Growth:**
Increased significantly by 11.2%, or THB 76,891 million.
- **Capital Adequacy Ratio:**
Stood at 14.7%, amid strong loan growth recorded in 2013.



In 2013, the operating profit was THB 34,886 million, representing an increase of THB 4,495 million, or 14.8%, resulting from strong growth in net interest income and fees and service income.

Before the one-time impact of prudential surplus reserve at THB 2,552 million recorded in June, the core profit was THB 14,207 million, representing a decrease of 4.4% from 2012. Following the prudential provision, net profit was THB 11,985 million, a decrease of 18.3%, when compared to 2012.

Statements of Comprehensive Income

Consolidated	Change YoY			
	2013	2012	THB mn	%
Interest income	71,381	64,640	6,741	10.4
Interest expense	26,442	24,687	1,755	7.1
Interest income, net	44,939	39,953	4,986	12.5
Fees and service income	18,766	16,434	2,332	14.2
Fees and service expense	4,214	3,699	515	13.9
Fees and service income, net	14,552	12,735	1,817	14.3
Non-interest and non-fees income	9,009	8,501	508	6.0
Other operating expenses	33,614	30,798	2,816	9.1
Pre-Provision Operating Profit (PPOP)	34,886	30,391	4,495	14.8
Impairment loss of loan and debt securities	18,959	11,385	7,574	66.5
Income tax expense	3,942	4,337	(395)	(9.1)
Net Profit	11,985	14,669	(2,684)	(18.3)
Other comprehensive income	1,040	759	281	37.0
Total comprehensive income	13,025	15,428	(2,403)	(15.6)
Net profit attributable to				
Owners of the Bank	11,866	14,626	(2,760)	(18.9)
Non-controlling interest	119	43	76	176.7
Net profit	11,985	14,669	(2,684)	(18.3)
Total comprehensive income attributable to				
Owners of the Bank	12,906	15,385	(2,479)	(16.1)
Non-controlling interest	119	43	76	176.7
Total comprehensive income	13,025	15,428	(2,403)	(15.6)
Earning per share (THB)	1.95	2.41	(0.46)	(19.1)

Financial Performance

Net Interest Income

Consolidated	Change YoY			
	2013	2012	THB mn	%
INTEREST INCOME				
Interest on loans	46,751	42,563	4,188	9.8
Interest on interbank and money market items	2,709	2,481	228	9.2
Hire purchase and financial lease income	19,561	16,895	2,666	15.8
Investments and trading transactions	157	206	(49)	(23.8)
Investments in debt securities	2,203	2,495	(292)	(11.7)
Total interest income	71,381	64,640	6,741	10.4
INTEREST EXPENSE				
Interest on deposits	15,701	13,450	2,251	16.7
Interest on interbank and money market items	1,469	1,183	286	24.2
Interest on borrowings	5,583	6,767	(1,184)	(17.5)
Contributions to Financial Institution Development Fund and Deposit Protection Agency	3,665	3,206	459	14.3
Borrowing fee expenses	5	69	(64)	(92.8)
Other interest expenses	19	12	7	58.3
Total interest expenses	26,442	24,687	1,755	7.1
Interest income, net	44,939	39,953	4,986	12.5
Net interest margin	4.37%	4.33%		
Yield on earning assets	6.93%	7.01%		
Cost of funds	2.82%	2.94%		

For 2013, net interest income reached THB 44,939 million, an increase of THB 4,986 million, or 12.5% compared to 2012, as interest income grew by a larger magnitude than interest expense resulting primarily from robust loan growth and an improvement in funding costs.

As a result of the improvement in funding costs, net interest margin increased to 4.37%, in line with the Bank's full year guidance of 4.4%. Our ability to improve NIM was notable in light of two reductions in the policy rate and a highly competitive environment for deposit mobilization throughout 2013.

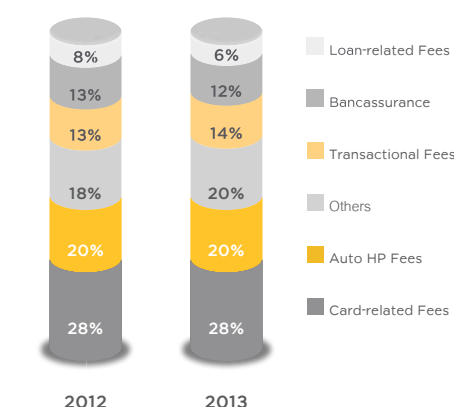
Net Interest Margin (NIM)



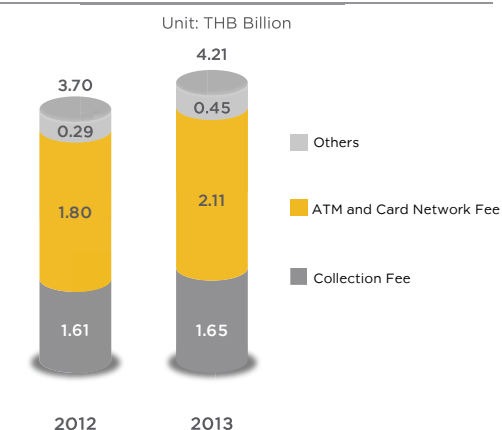
Net Fees and Service Income

Consolidated	Change YoY			
	2013	2012	THB mn	%
Acceptances, aval and guarantees	505	518	(13)	(2.5)
Other fees and service income	18,261	15,916	2,345	14.7
Fees and service income	18,766	16,434	2,332	14.2
Fees and service expense	4,214	3,699	515	13.9
Fees and service Income, net	14,552	12,735	1,817	14.3

Fees & Service Income Breakdown



Fees & Service Expense



Compared with the year 2012, net fees and service income grew strongly by THB 1,817 million, or 14.3%, driven by the continued focus of the Krungsri Group in growing fees and our wealth and fund management franchises. Wealth and fund management and security fees recorded a solid growth of 64.4%, in part, attributed to the robust growth in assets under management

and capital market conditions, particularly in the 1H/13. Fees from the card business improved markedly at 17.3%, while the bancassurance and auto hire purchase fees also grew 16.3% and 15.5%, respectively, in 2013. Fees and service expense increased 13.9%, mainly due to an increase in variable expenses relating to the fee growth in the card business and wealth and fund management.

Non-interest and Non-fees Income

Consolidated	Change YoY			
	2013	2012	THB mn	%
Gains (losses) on trading and foreign exchange transactions	1,564	1,542	22	1.4
Gains (losses) on investments	633	800	(167)	(20.9)
Share of profit (loss) from investment for using equity method	112	177	(65)	(36.7)
Bad debt recoveries	3,879	3,178	701	22.1
Other operating income	2,822	2,804	18	0.6
Total non-interest and non-fees income	9,010	8,501	509	6.0

Non-interest and non-fees income increased by THB 509 million, or 6%, compared to 2012, driven mainly by an increase in bad debt recoveries income of THB 701 million, largely attributed to the income recovered from the Dubai World Group Finance Limited's account of THB 550 million recognized in 2Q/13.

Other Operating Expenses

Consolidated	Change YoY			
	2013	2012	THB mn	%
Employee's expenses	15,156	13,966	1,190	8.5
Premises and equipment expenses	5,809	5,514	295	5.4
Taxes and duties	2,221	2,057	164	8.0
Directors' remuneration	35	34	1	2.9
Other expenses	10,393	9,227	1,166	12.6
Total other operating expenses	33,614	30,798	2,816	9.1

Mirroring higher business volume and revenue, other operating expenses increased by THB 2,816 million, or 9.1% driven by an increase in employee expenses and other expenses. Employee expenses increased by THB 1,190 million, or 8.5%, mainly due to a higher number of employees and annual merit increases. At the end of 2013, Krungsri's workforce totaled 19,471, representing an increase of 1,181, or 6.5%, from 2012.

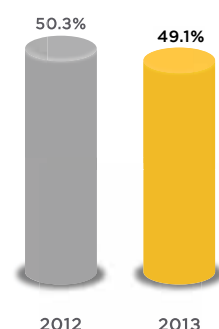
The notable increase in headcount reflected both our robust business expansion and commitment to customer service and customer relationship management (CRM) undertakings. This customer-centric focus yielded positive results, with the average number of products held per customer rising from 2.8 in 2012 to 3 as of October 2013. Furthermore, our customer satisfaction score -- Net Promoter Score (NPS) -- rose to 50 in November 2013.

The increase in premises and equipment expenses of THB 295 million, or 5.4%, was driven by an increase in depreciation expenses of fixed assets and IT service expenses. In particular, the installation of 452 ATM machines over the last 12 months enhanced our service channels and provided greater convenience to customers. Correspondingly, the volume of transactions for both financial transactions and electronic payments via ATMs and online channels for Krungsri Group expanded significantly.

The increase in other expenses of THB 1,166 million, or 12.6%, was mainly due to an increase in reserve for contingent liabilities of THB 961 million and reserve for impairment loss on other assets of THB 627 million, offset by a reversal of reserve on TAMC totaling THB 1,074 million in 2Q/13.

At the end of 2013, our domestic branches have grown to 610 and our ATM and EDC networks have increased to 4,730 and 28,117 machines, respectively.

Cost to Income Ratio



In 2013, the cost-to-income ratio stood at 49.1%, improving from 50.3% in 2012.

Impairment loss of loans and debt securities

Consolidated	Change YoY			
	2013	2012	THB mn	%
Impairment loss on debt instrument	(27)	41	(68)	(165.9)
Bad debt and doubtful accounts	17,407	10,355	7,052	68.1
Loss on debt restructuring	1,579	989	590	59.7
Total impairment loss of loan and debt securities	18,959	11,385	7,574	66.5

Krungsri undertook the prudent step of posting an additional provision of THB 2,552 million in June as countercyclical resource in the event of a potential deterioration in economic conditions. Following the provision of the prudential surplus reserve, loan loss provisions in 2013 amounted to THB 18,959 million, an increase of THB 7,574 million, or 66.5%, from the prior year.

Before the countercyclical resource recorded in June, loan loss provisions amounted to THB 16,407 million, representing an increase of 44.1% compared to 2012, corresponding to

the acceleration in loan growth experienced in 2013, the income from the restructuring of one corporate account for THB 517 million which was conservatively posted as a provision increase in 4Q/13, and an increase in NPLs by commercial accounts of our leasing subsidiary and the used car segment.

As of December 31, 2013, our total provision stood at THB 39,185 million, with an excess provision over Bank of Thailand's reserving requirements of THB 14,767 million, or 160.5%. The loan loss coverage ratio recorded at 145.1%.

FINANCIAL STATUS

Financial Position

Consolidated	Change			
	2013	2012	THB mn	%
ASSETS				
Cash	28,216	25,079	3,137	12.5
Interbank and money market items, net	87,027	79,390	7,637	9.6
Investments, net	73,274	78,302	(5,028)	(6.4)
Investments in subsidiaries and associates, net	1,059	947	112	11.8
Loans to customers	988,014	869,382	118,632	13.6
Accrued interest receivable	2,648	2,257	391	17.3
Deferred revenue	(44,511)	(39,374)	(5,137)	(13.0)
Allowance for doubtful accounts	(37,466)	(30,306)	(7,160)	(23.6)
Revaluation allowance for debt restructuring	(1,520)	(723)	(797)	(110.2)
Properties for sale, net	6,865	9,452	(2,587)	(27.4)
Others	75,976	77,560	(1,584)	(2.0)
TOTAL ASSETS	1,179,582	1,071,966	107,616	10.0
LIABILITIES AND SHAREHOLDERS' EQUITY				
Deposits	764,050	687,159	76,891	11.2
Interbank and money market items, net	55,497	48,821	6,676	13.7
Debt issued and borrowings	174,605	154,629	19,976	12.9
Others	63,782	67,870	(4,088)	(6.0)
TOTAL LIABILITIES	1,057,934	958,479	99,455	10.4
Issued and paid-up share capital	60,741	60,741	0	0.0
Retained earning	40,253	32,796	7,457	22.7
Others	20,654	19,950	704	3.5
TOTAL SHAREHOLDERS' EQUITY	121,648	113,487	8,161	7.2
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,179,582	1,071,966	107,616	10.0
Book value per share (THB)	20.03	18.68	1.35	7.2

As of December 31, 2013, assets stood at THB 1,179,582 million, representing an increase of THB 107,616 million, or 10.0%, from December 2012, largely attributed to a higher net loan volume of THB 113,494 million, or 13.7%, and an increase in interbank and money market items of THB 7,637 million, or 9.6%. Investments decreased 6.4%, or THB 5,028 million, mainly from a decrease in investment in government securities.

Liabilities grew 10.4%, or THB 99,455 million. The growth in liabilities was driven by an increase in deposits of THB 76,891 million, or 11.2%, mirroring the continuing robust demand by customers for our Big Bang products -- "Mee Tae Dai" and "Jad Hai" -- and the successful launch of time deposit products -- "9-month Step Up Time Deposit" on

28 March 2013 and "15-month Time Deposit" on 1 August 2013. Debt issued and borrowings increased 12.9%, or THB 19,976 million, driven by an increase in debentures, while bills of exchange continued to decrease from the prior year.

Total shareholders' equity rose to THB 121,648 million, an increase of THB 8,161 million, or 7.2%, from December 2012. The increase was mainly due to equity holders' net income of THB 11,985 million in 2013, offset by interim dividends paid of THB 4,859 million.

Book value per share as at December 31, 2013 increased 7.2% to THB 20.03 from THB 18.68 at the end of December 2012.

Loans to customers

Loans by segment

Consolidated	Change			
	2013	2012	THB mn	%
Corporate	243,593	211,914	31,679	14.9
SMEs	232,251	212,834	19,417	9.1
Retail	467,658	405,260	62,398	15.4
- Hire purchase	232,472	202,089	30,383	15.0
- Housing	120,571	103,080	17,491	17.0
- Credit cards and personal loans	114,615	100,091	14,524	14.5
Total *	943,502	830,008	113,494	13.7

* Loans to customers net of deferred income

In 2013, total outstanding loans stood at THB 943,502 million, an increase of THB 113,494 million, or 13.7%, from the prior year. The robust loan growth in 2013 was broad-based across all customer segments, reflecting the Bank's strategy to diversify risks across our portfolio. The retail segment was the key contributor with balanced growth in auto loans, mortgages, credit cards and personal loans of 15.4%, followed by the corporate and SME segments which grew 14.9% and 9.1%, respectively.

Under the retail segment, auto hire purchase loans grew 15% from last year. Growth was more pronounced in 1H/13 at 13.5% underpinned by the completion of the government's first car program.

Housing loans grew strongly at 17% in 2013. This notable growth in housing loans was fuelled

by robust homebuyer demand together with Krungsri's strategic shift in partnering with top developers and targeting a higher income segment of customers, which was adopted in early 2013.

Credit cards and personal loans expanded 14.5% in 2013, largely attributed to a strong growth of 8.5% recorded in 4Q/13. The growth in 4Q/13 was attributed to holiday spending together with the year-end purchases of life insurance, LTF and RMF supported by a robust growth in assets under management of our fund management subsidiary (Krungsri Asset Management – KSAM), particularly in the mutual fund segment.

Meanwhile, the 14.9% growth achieved in the corporate segment was largely driven by the 13.5% growth attained in 4Q/13, underpinned by seasonal demand for working capital and

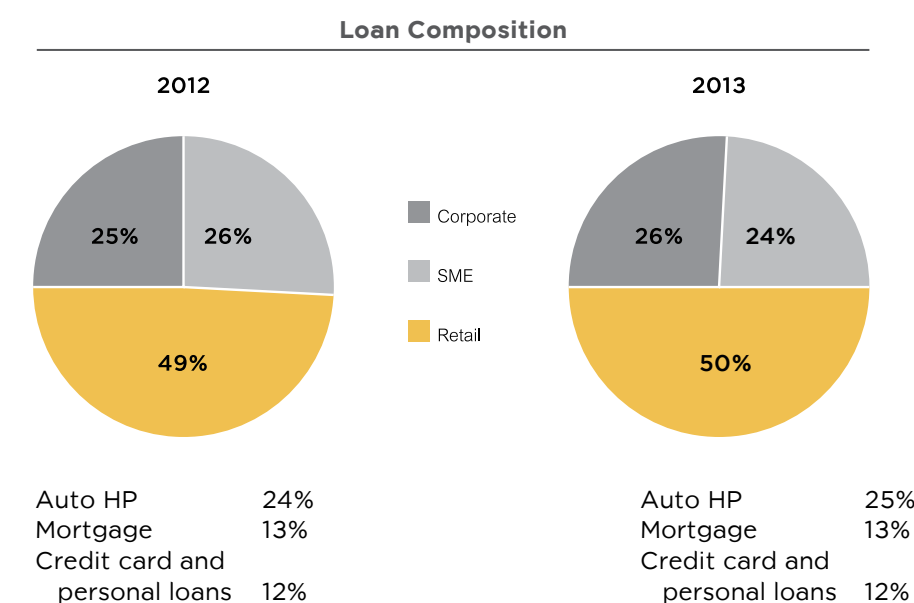
trade financing requirements supported by our corporate banking's key growth strategy adopted on total financial solutions.

The SME portfolio grew at 9.1% in 2013. The growth was broadly observed in all SME segments – SME-Medium, SME-Small, and SME-Retail – with the highest contribution from the SME-Medium segment.

In sum, Krungsri Group delivered a solid performance in 2013 against the backdrop of a slowing economy caused by an easing of

domestic demand, a weaker-than-expected global recovery, and delays in the government's planned infrastructure investments.

For 2014, the Thai operating environment will remain uncertain as we continue to face politico-economic and market challenges. Yet, we expect economic growth to recover from 2013, driven by stronger exports and domestic demand recovery in the second half of the year. Accordingly, the outlook for loan growth for the year remains moderately positive, and we project loan growth of 9% for 2014.



Loan classification and provision

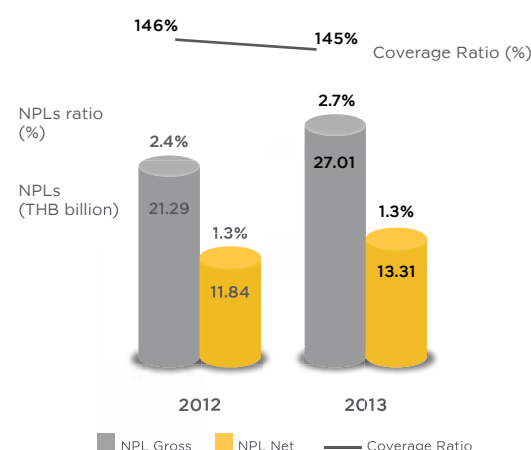
Unit : THB mn

Consolidated	2013		2012		Change	
	Loans and		Loans and		Loans and	
	Accrued Interest	Provision	Accrued Interest	Provision	Accrued Interest	Provision
	Receivable		Receivable		Receivable	
Normal	883,380	5,713	786,545	7,205	96,835	(1,492)
Special mention	35,748	3,664	24,414	1,651	11,334	2,013
Substandard	9,207	4,419	7,057	3,337	2,150	1,082
Doubtful	11,014	5,706	5,207	2,142	5,807	3,564
Doubtful of loss	6,801	3,197	9,042	3,685	(2,241)	(488)
Total	946,150	22,699	832,265	18,020	113,885	4,679
Surplus reserve		14,767		12,286		2,481
Total	946,150	37,466	832,265	30,306	113,885	7,160

Non-performing loans

Consolidated	Change			
	2013	2012	THB mn	%
Non-performing loans (Net)	13,308	11,835	1,473	12.4
Non-performing loans (Gross)	27,014	21,292	5,722	26.9
Loans loss reserves (LLR)	39,185	31,127	8,058	25.9
Coverage	145.1%	146.2%	(1.1%)	(0.8)
BOT requirement	24,418	18,841	5,577	29.6
Actual / required LLR	160.5%	165.2%	(4.7%)	(2.8)

NPLs and Coverage Ratio



As of December 31, 2013, gross NPLs increased to THB 27,014 million, driven largely by commercial accounts of our leasing subsidiary. The ratio of gross NPLs to total loans stood at 2.7%. Furthermore, Krungsri Group completed THB 4,200 million in NPL sales to a third party in 2013.

Total provisions stood at THB 39,185 million, with an excess provision over Bank of Thailand requirements of THB 14,767 million. Correspondingly, the actual provisioning ratio when compared to Bank of Thailand requirements stood at 160.5%; while the Group's coverage ratio was 145.1%.

Investment in Securities

As of December 31, 2013, Krungsri Group had investments in government securities with a book value of THB 50,411 million for the primary purpose of fulfilling Bank of Thailand requirements, including liquid assets and intraday holding of liquidity. In addition, private sector securities held by Krungsri Group had a total value of THB 22,863 million.

Funding Structure

Consolidated	Change			
	2013	2012	THB mn	%
Current	19,470	18,646	824	4.4
Savings	383,471	350,814	32,657	9.3
Time	361,109	317,699	43,410	13.7
< 6 Months	133,061	147,053	(13,992)	(9.5)
6 Months - 1 Year	127,010	120,927	6,083	5.0
> 1 Year	101,038	49,719	51,319	103.2
Total Deposit	764,050	687,159	76,891	11.2
B/E	38,649	48,523	(9,874)	(20.3)
Debenture	101,053	71,170	29,883	42.0
Total Funding	903,752	806,852	96,900	12.0

As of December 31, 2013, overall funding for the Bank including deposits, bills of exchange and debentures increased THB 96,900 million, or 12.0%, from December 2012.

Deposits totaled THB 764,050 million, an increase of THB 76,891 million, or 11.2%, from December 2012, mirroring the continued robust demand by customers for our Big Bang products -- "Mee Tae Dai" and "Jad Hai" -- and the successful launch of time deposit products -- "9-month Step Up Time Deposit" on 28 March 2013 and "15-month Time Deposit" on 1 August 2013. "Mee Tae Dai" balances exceeded THB 165,000 million, while "Jad Hai" increased more than 450,000 accounts since the end of 2012.

As a result, the proportion of current and savings deposits (CASA) as a percentage of total deposits decreased slightly to 52.7%, compared to 53.8% as of December 2012.

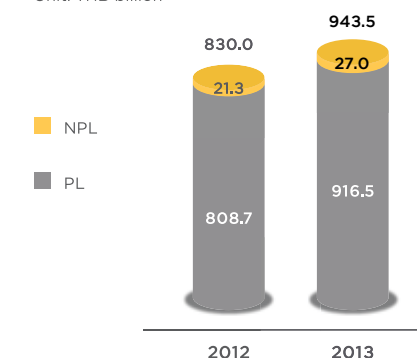
Bills of exchange totaled THB 38,649 million, representing a decrease of THB 9,874 million, or 20.3%, from December 2012.

Debentures stood at THB 101,053 million as of December 2013. The increase of THB 29,883 million, or 42.0%, from December 2012, was driven by issuances in support of our matched funding discipline.

Consequently, the loan to deposit ratio registered at 123%, and the loan to deposit plus bills of exchange and debentures ratio increased slightly to 104% from 103% at the end of last year.

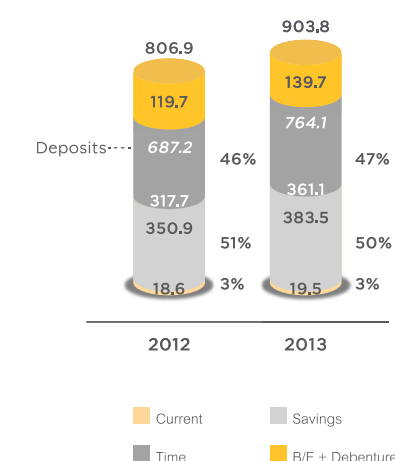
Loans

Unit: THB billion



Deposits + B/E + Debenture

Unit: THB billion



	2012	2013
L/D	121%	123%
L/D+B/E+Debenture	103%	104%

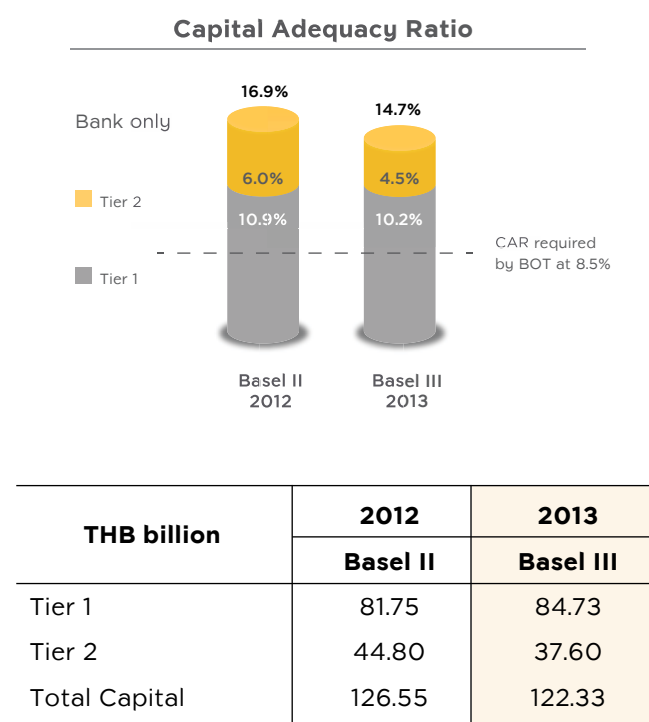
Contingencies

Consolidated	Change			
	2013	2012	THB mn	%
Avals to bills and guarantees of loans	1,315	1,067	248	23.2
Liability under unmatured import bills	1,559	1,548	11	0.7
Letters of credit	9,335	8,043	1,292	16.1
Other contingencies	102,337	94,727	7,610	8.0
Total	114,546	105,385	9,161	8.7

The Krungsri Group's contingencies as of December 31, 2013, totaled THB 114,546 million, an increase of THB 9,161 million, or 8.7%, from December 31, 2012. This increase was driven mainly by an increase in other contingencies and letters of credit of THB 7,610 million and THB 1,292 million, respectively.

Statutory Capital

Effective in January 2013, the BIS ratio is calculated under Basel III guidance as prescribed by the Bank of Thailand. As at December 31, 2013, the Bank's capital stood at THB 122,325 million, equivalent to 14.7% of risk-weighted assets, with 10.2% in Tier 1 capital.



CREDIT RATINGS

Following the successful completion of the Voluntary Tender Offer conducted by the Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU), resulting in a majority stake of 72% in Krungsri, Moody's Investors Service and Standard & Poor's upgraded Krungsri ratings from "Baa2" to "Baa1" and from "BBB-" to "BBB+", respectively. Similarly, TRIS Ratings also took a positive action by upgrading the Bank's rating from "AA-" to "AAA".

The Bank's credit ratings assigned by 1. Moody's Investors Service, 2. Standard & Poor's, 3. Fitch Ratings and 4. TRIS Rating as at December 31, 2013 are shown in the table below.

1. Moody's Investors Service	
Bank Deposits	
- Long Term	Baa1
- Short Term	Prime-2
Debt	
- Long Term - Senior Debt	Baa1
Debt and Deposit Rating Outlook	
Stable	
Bank Financial Strength Ratings	
D+	
Outlook	
Stable	
2. Standard and Poor's	
Issuer Credit Rating (ICR)	
- Long Term	BBB+
- Short Term	A-2
Foreign Currency	
- Long Term - Senior Debt	BBB+
- Short Term	A-2
Stand-alone Credit Profile (SACP)	
bb+	
Outlook	
Stable	
3. Fitch Ratings	
International Rating (Foreign Currency)	
- Long Term	BBB, placed on Rating Watch Positive
- Subordinated Debt	BBB-
- Short Term	F3
- Viability Rating	bbb
- Support	3
- Support Rating Floor	BB+
- Outlook	Stable
National Ratings	
- Long Term – Debenture	AA- (tha), placed on Rating Watch Positive
- Subordinated Debt	A+ (tha)
- Short Term	F1+ (tha)
- Outlook	Stable
4. TRIS Rating	
National Ratings	
- Company Rating	AAA
- Issue Rating	AA+
Outlook	
Stable	

2014 KEY PERFORMANCE TARGETS

Consolidated	2012	2013	2013 Targets	2014Targets
Loan growth (Net)	+110.5 bn +15.4%	+113.5 bn +13.7%	12%+	~9%
NPLs ratio	2.39%	2.67%	~ 2.5%	~2.5%
Deposit mix : Saving and Current	54%	53%	~50%	~50%
Loan Mix : Retail	49%	50%	50%	n.d.
L/D Ratio	121%	123%	n.d.	n.d.
L/Deposit+Debentures+B/E	103%	104%	95-96%	100%
NIM	4.33%	4.37%	4.4%	~4.2%
Fee Income Growth (YoY)	18.8%	14.2%	15%	12%+
Cost to Income Ratio	50.33%	49.07%	<48%	<49%
Provisions	137 bps	200 bps*	130 bps	~160 bps
Loan Loss Coverage	146%	145%	150%	~150%
CAR (Bank only)	16.9%	14.7%	n.d.	n.d.

* Include one-time prudential surplus reserves of THB 2,552 mn. booked in 2Q/13
n.d. : not disclosed

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 Thai Financial Reporting Standards. The Bank has chosen appropriate accounting policies applied on a conservative and consistent basis, using the best estimations where necessary and adequate disclosures have been made in the notes to the financial statements. These financial statements have been audited by independent auditors who have given their unqualified opinions. The financial statements reflect the actual financial standing and operating results of the Bank and its subsidiaries, thus being useful to all shareholders and investors.

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

In this regard, the Board of Directors has appointed an Audit Committee, consisting of three (3) independent members, to be responsible for reviewing the quality of financial reporting and internal control mechanisms appropriately and efficiently and reviewing the Bank's performance in accordance with the laws relevant to the business of the Bank including the related party transactions to ensure that the aforementioned transactions are reasonable and optimized to the Bank. The opinion of the Audit Committee with regard to these matters appears in the Report of the Audit Committee.

The Board of Directors is of the opinion that the Bank's internal controls are satisfactory and allow for reasonable confidence in the reliability of the Bank's financial statements, the consolidated financial statements of the Bank and its subsidiaries as of December 31, 2013.



Mr. Noriaki Goto
Chief Executive Officer



Mrs. Janice Rae Van Ekeren
Director

REPORT OF THE AUDIT COMMITTEE

To: Shareholders
Bank of Ayudhya Public Company Limited

The Audit Committee independently performs its tasks as per the scope and responsibilities specified in the Audit Committee Charter as assigned by the Board of Directors in accordance with the regulations of the Office of the Securities and Exchange Commission and notifications of the Stock Exchange of Thailand and the Bank of Thailand. The Audit Committee comprises 3 independent directors as follows:

- | | | |
|----|---------------------------|---------------------------------|
| 1. | Ms. Potjanee Thanavaranit | Chairman of the Audit Committee |
| 2. | Mr. Virat Phairatphiboon | Audit Committee Member |
| 3. | Mr. Phong-adul Kristnaraj | Audit Committee Member |

Ms. Puntipa Hannoraseth, Head of Audit, serves as the Secretary to the Audit Committee. In 2013, the Audit Committee held a total of 21 meetings including 2 special meetings with the external auditor without participation of the management, and reported the results of each meeting to the Board of Directors. The details of actions taken by the Audit Committee can be summarized as follows:

1. Financial reports

The Audit Committee reviewed the Bank's quarterly, semi-annual and annual financial statements as well as the consolidated financial statements of the Bank and its subsidiaries by holding meetings with the external auditor and executives of the accounting and finance division to consider financial statements to ensure that they present fairly the financial position in accordance with accounting standards and the Financial Institutions Business Act. The Audit Committee also held special meetings with the external auditor without participation of the management to enquire about independence of operations and cooperation obtained from the Bank as well as issues that may result in significant loss or fraud.

2. Internal control system and internal audit

The Audit Committee approved the revision of the Charter and the Audit Policy of the Audit Group to ensure currency and appropriateness. It also approved annual audit plans which focus primarily on conducting an audit based on relevant risks and the revised audit plans to respond to changes as well as monitored auditing activities to ensure that the specified goals are achieved. In addition, the Audit Committee reviewed and monitored internal audit results and findings identified by the external auditor in order to consider the adequacy, appropriateness and effectiveness of the Bank's internal control system.

Furthermore, the Audit Committee considered the 2012 special audit report regarding assessment of internal audit efficiency and assessment of commercial bank's transactions with extraordinary characteristics or conditions. It also reviewed the audit report on Internal Capital Adequacy Assessment Process (ICAAP). In addition, the Audit Committee acknowledged the results of the assessment of the Business Continuity Management (BCM), the Business Continuity Plan (BCP) and the IT Disaster Recovery Plan (DRP) as well as reviewed reports on Self-Evaluation Tool for Countering Bribery of the Bank before submission to the Board of Directors and certain subsidiaries which did not establish audit committees.

3. Risk management

The Audit Committee considered reports of the Risk Management Committee regarding control, supervision, assessment, monitoring and management of the overall risk of the Bank including summary of operational losses, causes and preventive measures to prevent the recurrence of such events in the future. In addition, the Audit Committee considered reports submitted by the Credit Review Department, Risk Management Group (On 1 October 2013, re-organized function to Credit Audit Department, Audit Group) in relation to review results and a follow-up on corrective actions undertaken by credit departments and other departments concerned. In this regard, the Audit Committee also enquired about findings identified from the review and corrective actions taken to ensure that the Bank's credit granting processes are appropriate.

4. Compliance and Corporate governance

The Audit Committee reviewed the Bank's compliance with laws and regulatory requirements, notifications of the Stock Exchange of Thailand as well as regulations and requirements of the Bank of Thailand by considering results of regulatory compliance supervision as per the reports of the Compliance Review Committee and audit results reported by the Audit Group. Moreover, the Audit Committee served as another complaint channel to ensure that complaints from all groups of stakeholders are heard. The Audit Committee also acknowledged the results of complaint resolutions to ensure that complaints are handled in an appropriate and transparent manner.

5. Related party transactions or transactions that may create conflicts of interest

The Audit Committee considered related party transactions or transactions that may create conflicts of interest as reported by various functional units before submission of those transactions to the Board of Directors or relevant authorized persons for approval, to ensure that they are conducted on an arm's length basis and that relevant information is transparently disclosed based on the principle of prudence, integrity, transparency, adequate disclosure and the Bank's optimized benefits.

6. External auditor

The Audit Committee considered, selected and nominated the Bank's external auditor by taking into consideration the qualifications specified by the Bank of Thailand and the Office of the Securities and Exchange Commission whereby such auditor does not have any relationships with or interest in the Bank, its management, major shareholders or related parties in a manner that may affect the independent operations, and does not hold positions such as director, employee, contractual staff or any positions in the Bank. The Audit Committee also considered audit fee as deemed appropriate. In this regard, the shareholders' meeting has already granted approval on auditor and the audit fee.

The Audit Committee is of the opinion that the Bank has made an appropriate and adequate financial report in accordance with rules prescribed by the Office of the Securities and Exchange Commission, requirements of the Stock Exchange of Thailand and regulations of the Bank of Thailand. The Bank is confident that, with its current internal control system, the financial information is complete, correct and reliable, and adequately disclosed; and that internal control and internal audit process currently in place are appropriate and effective as well as cover operating procedures posing high risk. The Bank has operated its business based on the policy and guideline on countering of corruption and exercised strict supervision over regulatory compliance, and the external auditor performs duties in an independent manner. Related party transactions or transactions that may create conflicts of interest are fair and reasonable, and the risk management system is efficient and in accordance with the objectives specified by the Board of Directors.



Ms. Potjanee Thanavaranit
Chairman of the Audit Committee

REPORT OF NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee consists of three Bank directors, namely Mr. Karun Kittisataporn (independent director) as Chairman, Mr. Virat Phairatphiboon (independent director) and Ms. Nopporn Tirawattanagool (non-executive director) as members. The duties and responsibilities of the Nomination and Remuneration Committee shall be as per the Regulations of the Nomination and Remuneration Committee in areas related to policy, criteria, and the selection and the policy for determination of the rates of remuneration and other benefits as well as the amount of remuneration and other benefits for directors of the Bank, members of the sub-committees and senior executives including directors, managing directors or persons holding equivalent positions regardless of title of entitles in which the Bank holds 50% or more of shares.

In 2013, the Nomination and Remuneration Committee held a total of 21 meetings. In supporting the achievement of the Bank's key mission, in addition to the supervision of implementation of policies and strategies related to nomination and remuneration as well as human resources management, the Nomination and Remuneration Committee also played important role in supporting the successful business integration with BTMU Group through consideration of matters related to the group of foreign executives who would work at the Bank including those in the positions of directors and senior executives and the acceptance of the transfer of foreign executives from GE Group as Bank employees. In addition, the Nomination and Remuneration Committee considered the revision of the Regulations of the Nomination and Remuneration Committee with a view to ensuring uniform management and framework of operations of entities in Krungsri Group. As regards selection of executives to fill vacant positions, the Nomination and Remuneration Committee screened/selected executives possessing appropriate qualifications and supported the use of succession plan to allow executives from within the organization to have career advancement opportunities.

As regards determination of remuneration for directors and senior executives, the appropriateness with roles and responsibilities, performances, operating results and overall economic conditions as well as remuneration rates competitive in the market were taken into consideration.

The Nomination and Remuneration Committee also regularly provided opinions and recommendations which were beneficial to the human resources management of Krungsri Group as well as offered guidelines for organization restructuring in order to drive business growth. The Nomination and Remuneration Committee undertook duties based on principles and justice and for the utmost benefits of all shareholders and employees.



Karun Kittisataporn
Chairman of the Nomination and Remuneration

REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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

We have audited the consolidated financial statements of Bank of Ayudhya Public Company Limited and its subsidiaries and the Bank's financial statements of Bank of Ayudhya Public Company Limited, which comprise the consolidated and Bank's statements of financial position as at December 31, 2013, and the related consolidated and Bank's statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Thai Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the aforementioned consolidated and Bank's financial statements present fairly, in all material respects, the financial position of Bank of Ayudhya Public Company Limited and its subsidiaries and of Bank of Ayudhya Public Company Limited as at December 31, 2013, and financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.



Permsak Wongpatcharakorn
Certified Public Accountant (Thailand)
Registration No. 3427

BANGKOK
February 26, 2014

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

FINANCIAL STATEMENTS

Financial Position

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2013

THB: '000

ASSETS	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2013	2012	2013	2012
CASH	28,216,333	25,078,920	28,167,503	25,060,003
INTERBANK AND MONEY MARKET ITEMS, NET (Note 8.2)	87,027,241	79,389,674	84,980,814	78,155,680
CLAIMS ON SECURITY	13,104,938	13,592,478	13,104,938	13,592,478
DERIVATIVES ASSETS (Note 8.3)	4,879,633	3,414,492	4,879,633	3,414,492
INVESTMENTS, NET (Note 8.4)	73,274,123	78,302,398	73,240,687	77,829,013
INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES, NET (Note 8.5)	1,058,908	946,637	29,831,169	32,482,962
LOANS TO CUSTOMERS AND ACCRUED INTEREST RECEIVABLES, NET (Note 8.6)				
Loans to customers	988,013,869	869,382,125	822,204,678	733,870,285
Accrued interest receivables	2,647,891	2,256,924	1,741,605	1,417,982
Total loans to customers and accrued interest receivables	990,661,760	871,639,049	823,946,283	735,288,267
Less Deferred revenue	(44,511,467)	(39,374,222)	(74,674)	(38,868)
Less Allowance for doubtful accounts (Note 8.7)	(37,465,593)	(30,305,602)	(19,919,182)	(19,409,266)
Less Revaluation allowance for debt restructuring (Note 8.8)	(1,520,460)	(723,410)	(659,124)	(17,364)
Net loans and accrued interest receivables	907,164,240	801,235,815	803,293,303	715,822,769
CUSTOMERS' LIABILITY UNDER ACCEPTANCE	879,171	682,147	879,171	682,147
PROPERTIES FOR SALE, NET (Note 8.9)	6,864,672	9,451,647	3,022,568	4,704,803
PREMISES AND EQUIPMENT, NET (Note 8.10)	20,138,759	18,299,724	18,533,326	16,893,475
GOODWILL AND OTHER INTANGIBLE ASSETS, NET (Note 8.11)	14,861,026	15,435,423	3,128,757	3,068,498
DEFERRED TAX ASSETS (Note 8.12)	6,982,036	6,060,689	2,277,318	2,637,131
ACCOUNTS RECEIVABLE FOR INVESTMENTS	1,621,205	7,777,647	1,621,205	7,777,647
OTHER ASSETS, NET (Note 8.13)	13,509,666	12,297,804	6,458,908	4,345,637
TOTAL ASSETS	1,179,581,951	1,071,965,495	1,073,419,300	986,466,735

Notes to the consolidated and the Bank's financial statements form an integral part of these statements

FINANCIAL REPORTING AND FINANCIAL STATEMENTS

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS AT DECEMBER 31, 2013

THB: '000

LIABILITIES AND EQUITY	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2013	2012	2013	2012
DEPOSITS (Note 8.14)	764,049,887	687,159,328	768,390,228	692,994,007
INTERBANK AND MONEY MARKET ITEMS, NET (Note 8.15)	55,496,687	48,821,459	56,703,612	48,366,000
LIABILITY PAYABLE ON DEMAND	2,545,378	2,776,041	2,545,378	2,776,041
LIABILITY TO DELIVER SECURITY	13,104,938	13,592,478	13,104,938	13,592,478
DERIVATIVES LIABILITIES (Note 8.3)	5,139,845	3,508,210	5,139,845	3,508,210
DEBT ISSUED AND BORROWINGS (Note 8.16)	174,604,804	154,628,639	107,336,654	103,738,778
BANK'S LIABILITY UNDER ACCEPTANCE	879,171	682,147	879,171	682,147
PROVISIONS (Note 8.17)	6,422,076	7,334,404	4,108,822	5,175,737
DEFERRED TAX LIABILITIES (Note 8.18)	2,602,640	2,505,437	1,824,126	1,617,322
ACCOUNTS PAYABLE FOR INVESTMENTS	27,367	5,694,321	27,367	5,694,321
OTHER LIABILITIES (Note 8.20)	33,061,202	31,776,917	13,972,311	13,064,908
TOTAL LIABILITIES	1,057,933,995	958,479,381	974,032,452	891,209,949
EQUITY				
SHARE CAPITAL (Note 8.21)				
Authorized share capital				
7,574,143,747 ordinary shares of Baht 10 each	75,741,437		75,741,437	
7,089,392,755 ordinary shares of Baht 10 each		70,893,928		70,893,928
Issued and paid-up share capital				
6,074,143,747 ordinary shares of Baht 10 each	60,741,437	60,741,437	60,741,437	60,741,437
PREMIUM ON ORDINARY SHARES	13,802,216	13,802,216	13,802,216	13,802,216
OTHER RESERVES	6,572,436	5,983,000	6,531,881	5,985,325
RETAINED EARNINGS				
Appropriated				
Legal reserve	2,042,700	1,641,500	2,042,700	1,641,500
Unappropriated	38,210,268	31,154,242	16,268,614	13,086,308
TOTAL BANK'S EQUITY	121,369,057	113,322,395	99,386,848	95,256,786
NON-CONTROLLING INTEREST	278,899	163,719	-	-
TOTAL EQUITY	121,647,956	113,486,114	99,386,848	95,256,786
TOTAL LIABILITIES AND EQUITY	1,179,581,951	1,071,965,495	1,073,419,300	986,466,735

Notes to the consolidated and the Bank's financial statements form an integral part of these statements


Mr. Noriaki Goto
Chief Executive Officer


Mrs. Janice Rae Van Ekeren
Director

Comprehensive Income

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2013

THB: '000

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2013	2012	2013	2012
INTEREST INCOME (Note 8.29)	71,381,405	64,639,507	46,550,790	43,482,807
INTEREST EXPENSES (Note 8.30)	26,442,276	24,686,848	24,266,806	23,214,975
INTEREST INCOME, NET	44,939,129	39,952,659	22,283,984	20,267,832
FEES AND SERVICE INCOME	18,766,093	16,433,510	7,883,530	7,233,900
FEES AND SERVICE EXPENSES	4,214,561	3,698,528	1,851,342	1,518,129
FEES AND SERVICE INCOME, NET (Note 8.31)	14,551,532	12,734,982	6,032,188	5,715,771
GAINS ON TRADING AND FOREIGN EXCHANGE TRANSACTIONS, NET (Note 8.32)	1,563,611	1,541,505	1,513,832	1,509,395
GAINS ON INVESTMENTS, NET (Note 8.33)	633,036	800,330	55,783	801,803
SHARE OF PROFIT FROM INVESTMENT FOR USING EQUITY METHOD	112,302	177,223	-	-
DIVIDEND INCOME	550,897	504,141	1,452,472	1,764,978
BAD DEBTS RECOVERIES	3,879,040	3,178,033	638,382	185,963
GAINS ON SALE PROPERTIES FOR SALE	1,243,622	785,522	1,120,934	442,834
OTHER OPERATING INCOME	1,027,325	1,513,894	406,299	527,445
TOTAL OPERATING INCOME	68,500,494	61,188,289	33,503,874	31,216,021
OTHER OPERATING EXPENSES				
Employee's expenses	15,156,040	13,965,449	9,827,885	9,280,154
Directors' remuneration	35,375	34,373	31,903	31,903
Premises and equipment expenses	5,809,177	5,514,363	4,266,001	4,013,111
Taxes and duties	2,220,629	2,057,318	1,593,917	1,470,865
Loss on impairment of assets transferred to the Thai Asset Management Corporation (reversal)	(1,073,610)	-	(1,056,070)	-
Provision for contingent liabilities (reversal)	961,380	(49,089)	961,380	(49,089)
Others	10,505,026	9,275,536	3,875,714	3,924,091
Total other operating expenses	33,614,017	30,797,950	19,500,730	18,671,035
IMPAIRMENT LOSS OF LOANS AND DEBT SECURITIES (Note 8.34)	18,958,656	11,384,755	3,964,886	4,475,012
PROFIT FROM OPERATING BEFORE INCOME TAX EXPENSES	15,927,821	19,005,584	10,038,258	8,069,974
INCOME TAX EXPENSES (Note 8.35)	3,942,311	4,336,945	2,015,486	1,573,667
NET PROFIT	11,985,510	14,668,639	8,022,772	6,496,307
OTHER COMPREHENSIVE INCOME				
Changes in assets revaluation surplus	2,284,549	-	2,249,418	-
Gains (losses) on remeasuring available-for-sale investment	(1,306,165)	861,814	(1,325,655)	860,863
Actuarial gains on defined benefit plans	321,039	75,459	284,493	83,470
Income tax relating to components of other comprehensive income (8.36)	(259,860)	(177,572)	(241,651)	(179,756)
Total other comprehensive income, net	1,039,563	759,701	966,605	764,577
TOTAL COMPREHENSIVE INCOME	13,025,073	15,428,340	8,989,377	7,260,884

Notes to the consolidated and the Bank's financial statements form an integral part of these statements

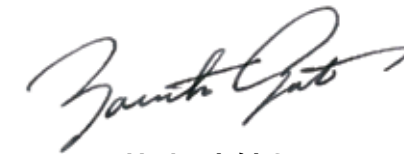
FINANCIAL REPORTING AND FINANCIAL STATEMENTS

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2013

THB: '000

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2013	2012	2013	2012
NET PROFIT ATTRIBUTABLE				
Owners of the Bank	11,866,654	14,625,331	8,022,772	6,496,307
Non-controlling interest	118,856	43,308	-	-
	11,985,510	14,668,639	8,022,772	6,496,307
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE				
Owners of the Bank	12,906,217	15,385,032	8,989,377	7,260,884
Non-controlling interest	118,856	43,308	-	-
	13,025,073	15,428,340	8,989,377	7,260,884
EARNINGS PER SHARE OF OWNERS OF THE BANK				
BASIC EARNINGS PER SHARE THB	1.95	2.41	1.32	1.07
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES SHARES	6,074,143,747	6,074,143,747	6,074,143,747	6,074,143,747

Notes to the consolidated and the Bank's financial statements form an integral part of these statements



Mr. Noriaki Goto
Chief Executive Officer



Mrs. Janice Rae Van Ekeren
Director

Changes in Equity

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2013

THB : '000

	CONSOLIDATED FINANCIAL STATEMENTS								Total
	Owners of the Bank						Non-Controlling Interest		
	Issued and Paid-up Share Capital	Premium on Share Capital	Other reserves		Retained Earnings			Total Bank's Equity	
			Asset Appraisal Surplus	Revaluation Surplus on Investments	Appropriated Legal Reserve	Unappropriated			
Balance as of January 1, 2012	60,741,437	13,802,216	5,252,637	250,322	1,316,500	21,125,871	102,488,983	206,612	102,695,595
Change in revaluation surplus	-	-	(214,127)	-	-	214,127	-	-	-
Dividend payment (Note 8.21.3)	-	-	-	-	-	(4,555,607)	(4,555,607)	(191)	(4,555,798)
Increase in legal reserve	-	-	-	-	325,000	(325,000)	-	-	-
Total comprehensive income	-	-	-	694,168	-	14,690,864	15,385,032	43,308	15,428,340
Change in shareholding in subsidiary company	-	-	-	-	-	3,987	3,987	(86,010)	(82,023)
Balance as of December 31, 2012	60,741,437	13,802,216	5,038,510	944,490	1,641,500	31,154,242	113,322,395	163,719	113,486,114
Balance as of January 1, 2013	60,741,437	13,802,216	5,038,510	944,490	1,641,500	31,154,242	113,322,395	163,719	113,486,114
Change in revaluation surplus	-	-	(193,271)	-	-	193,271	-	-	-
Dividend payment (Note 8.21.3)	-	-	-	-	-	(4,859,315)	(4,859,315)	(5)	(4,859,320)
Increase in legal reserve	-	-	-	-	401,200	(401,200)	-	-	-
Total comprehensive income	-	-	1,827,639	(1,044,932)	-	12,123,510	12,906,217	118,856	13,025,073
Change in shareholding in subsidiary company	-	-	-	-	-	(240)	(240)	(3,671)	(3,911)
Balance as of December 31, 2013	60,741,437	13,802,216	6,672,878	(100,442)	2,042,700	38,210,268	121,369,057	278,899	121,647,956

Notes to the consolidated and the Bank's financial statements form an integral part of these statements

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2013

THB : '000

THE BANK'S FINANCIAL STATEMENTS							
	Issued and Paid-up Share Capital	Premium on Share Capital	Other reserves		Retained Earnings		Total
			Asset Appraisal Surplus	Revaluation Surplus on Investments	Appropriated Legal Reserve	Unappropriated	
Balance as of January 1, 2012	60,741,437	13,802,216	5,252,637	254,179	1,316,500	11,184,540	92,551,509
Change in revaluation surplus	-	-	(214,127)	-	-	214,127	-
Dividend payment (Note 8.21.3)	-	-	-	-	-	(4,555,607)	(4,555,607)
Increase in legal reserve	-	-	-	-	325,000	(325,000)	-
Total comprehensive income	-	-	-	692,636	-	6,568,248	7,260,884
Balance as of December 31, 2012	60,741,437	13,802,216	5,038,510	946,815	1,641,500	13,086,308	95,256,786
Balance as of January 1, 2013	60,741,437	13,802,216	5,038,510	946,815	1,641,500	13,086,308	95,256,786
Change in revaluation surplus	-	-	(192,454)	-	-	192,454	-
Dividend payment (Note 8.21.3)	-	-	-	-	-	(4,859,315)	(4,859,315)
Increase in legal reserve	-	-	-	-	401,200	(401,200)	-
Total comprehensive income	-	-	1,799,534	(1,060,524)	-	8,250,367	8,989,377
Balance as of December 31, 2013	60,741,437	13,802,216	6,645,590	(113,709)	2,042,700	16,268,614	99,386,848

Notes to the consolidated and the Bank's financial statements form an integral part of these statements


Mr. Noriaki Goto
Chief Executive Officer


Mrs. Janice Rae Van Ekeren
Director

Cash Flows

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2013

THB: '000

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2013	2012	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES				
Income from operating before income tax expenses	15,927,821	19,005,584	10,038,258	8,069,974
Adjustments to reconcile income to cash received (paid) from operating activities:				
Depreciation and amortization	2,985,496	2,697,652	1,794,990	1,728,054
Deferred interest expenses	3,293	2,629	3,293	2,629
Bad debt and doubtful accounts	17,380,006	10,395,553	3,310,462	4,313,187
Losses on debt restructuring	1,578,651	989,201	654,424	161,825
(Gains) Losses on translation in foreign currencies	(991,609)	683,707	(991,609)	683,707
Share of profit from investment for using equity method	(112,302)	(177,223)	-	-
Gains on investments	(633,036)	(800,330)	(55,783)	(801,803)
Increase (decrease) in discount on investments	(65,039)	353,626	(89,427)	(340,215)
Gains on sales of properties for sale	(1,243,622)	(785,522)	(1,120,934)	(442,834)
(Gains) losses on sales of premises and equipment	10,026	(13,882)	71,895	22,490
Loss on impairment of properties for sale	501,814	611,617	108,507	465,333
Reversal on impairment of premises and equipment	(14,169)	(3,667)	(12,255)	(5,462)
Loss on impairment of goodwill	19,689	-	-	-
Loss on impairment of other asset (reversal)	822,755	(54,025)	(13,826)	(4,966)
Reversal loss on impairment of assets transferred to the Thai Asset Management Corporation	(1,073,610)	-	(1,056,070)	-
Provision for contingent liabilities	961,380	(49,089)	961,380	(49,089)
(Increase) decrease in other reserves	(800,099)	487,100	(687,732)	138,573
Interest income, net	(44,939,129)	(39,952,659)	(22,283,984)	(20,267,832)
Interest received	71,005,291	64,244,730	46,314,120	43,228,129
Interest paid	(26,456,177)	(25,212,681)	(23,947,435)	(23,005,434)
Dividend income	(550,897)	(504,141)	(1,452,472)	(1,764,978)
Dividend received	526,842	498,212	548,892	502,554
Increase in other accrued expenses	408,638	770,391	410,980	647,634
Income tax paid	(4,719,738)	(4,961,872)	(1,413,320)	(1,899,510)
Income from operations before changes in operating assets and liabilities	30,532,275	28,224,911	11,092,354	11,381,966
(Increase) decrease in operating assets				
Interbank and money market items	(7,381,716)	2,376,044	(6,608,939)	2,379,054
Derivatives assets	(1,465,006)	1,418,216	(1,465,006)	1,418,216
Current investments - securities for trading	2,084,084	(4,417,682)	2,079,079	(4,417,682)
Loans to customers	(123,818,766)	(110,026,393)	(90,291,750)	(92,818,120)
Properties for sale	3,576,174	2,659,702	2,833,784	1,437,881
Other assets	(2,285,769)	(5,979,280)	(2,038,451)	(1,565,199)
Increase (decrease) in operating liabilities				
Deposits	76,661,334	124,424,314	75,166,995	126,620,194
Interbank and money market items	6,100,325	17,781,698	7,762,709	17,420,514
Liability payable on demand	(230,662)	1,125,301	(230,662)	1,125,301
Derivatives liabilities	1,631,595	(1,885,052)	1,631,595	(1,888,080)
Other liabilities	1,769,697	6,939,287	406,096	2,528,142
Net cash from operating activities	(12,826,435)	62,641,066	337,804	63,622,187

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2013

THB: '000

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2013	2012	2013	2012
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sales of investments in securities	604,056,241	929,269,810	603,483,985	929,094,642
Cash paid for purchases of investments in securities	(600,992,391)	(922,229,051)	(600,962,436)	(922,102,159)
Proceeds from repatriation of subsidiaries	-	-	2,074,494	692,478
Dividend received from subsidiaries	-	-	902,075	1,262,770
Cash paid for non-controlling interest from repatriation of subsidiary	(3,881)	-	-	-
Cash paid for purchase of shares in subsidiaries	-	(80,392)	-	(80,392)
Proceeds from sales of premises and equipment	181,026	69,901	99,718	72,281
Cash paid for purchases of premises and equipment	(1,757,574)	(3,403,065)	(1,098,261)	(2,821,703)
Proceeds from sales of other assets	-	-	-	15,576
Cash paid for purchases of other assets	(742,741)	(964,996)	(612,983)	(485,084)
Cash received (paid) for purchases business acquisition	-	(7,439,219)	-	3,534,877
Net cash from investing activities	740,680	(4,777,012)	3,886,592	9,183,286
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from debts issued and borrowings	244,740,262	287,336,361	139,959,100	272,364,409
Cash paid for repayment of debts issued and borrowings	(224,764,097)	(340,970,433)	(136,361,224)	(340,670,433)
Cash paid for repayment of liabilities under finance lease agreements	(20,288)	(13,346)	(20,288)	(13,346)
Dividend payment	(4,859,315)	(4,555,608)	(4,859,315)	(4,555,608)
Net cash from financing activities	15,096,562	(58,203,026)	(1,281,727)	(72,874,978)
Total	3,010,807	(338,972)	2,942,669	(69,505)
Effect of exchange rate change on cash	164,831	(10,887)	164,831	(10,887)
Net increase (decrease) in cash and cash equivalents	3,175,638	(349,859)	3,107,500	(80,392)
Cash and cash equivalents as at January 1,	25,753,004	26,102,863	25,060,003	25,140,395
Cash and cash equivalents as at December 31,	28,928,642	25,753,004	28,167,503	25,060,003

Notes to the consolidated and the Bank's financial statements form an integral part of these statements



Mr. Noriaki Goto
Chief Executive Officer



Mrs. Janice Rae Van Ekeren
Director

NOTES TO THE CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

1. GENERAL INFORMATION

Bank of Ayudhya Public Company Limited ("the Bank") is a public company registered in the Kingdom of Thailand with its head office located at 1222 Rama III Road, Bang Phongphang Subdistrict, Yannawa District, Bangkok. The Bank's main business is commercial banking and the Bank conducts its business through a network of branches throughout Thailand and other countries. The immediate and ultimate parent company of the Bank are the Bank of Tokyo-Mitsubishi UFJ, Ltd. and Mitsubishi UFJ Financial Group, Inc., respectively, both companies are registered in Japan. The Ministry of Commerce granted approval, in principle, for the Bank and its subsidiaries to operate businesses under Foreign Business Act B.E. 2542 in September 2013. Currently, the Bank and its subsidiaries are in the process of obtaining the license from the Director General Department of Business Development, Ministry of Commerce. As at December 31, 2013 and 2012, the Bank has 16 subsidiaries, as follows: :

- 1.1 Ayudhya Development Leasing Company Limited, was incorporated in Thailand on July 25, 1991 and is located at 65/182-185, 22nd Floor, Chamnan Phenjati Business Center, Rama IX Road, Huey Khuang Subdistrict, Huey Khuang District, Bangkok. The subsidiary's main business includes leasing and hire-purchase.
- 1.2 Ayudhya Capital Auto Lease Public Company Limited, was incorporated in Thailand on November 27, 1995 and is located at 87/1, 3rd Floor, Capital Tower, and 87/2, 30th Floor, 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 individual and corporate customers.
- 1.3 Ayudhya Total Solutions Public Company Limited, was incorporated in Thailand on May 9, 1994 and is located at 550, 7th Floor, Bank of Ayudhya Building Ploenchit Office, Ploenchit Road, Lumpini Subdistrict, Patumwan District, Bangkok. The subsidiary's main business is hire-purchase.

On April 21, 2012, Ayudhya Total Solutions Public Company Limited (AYTS) completed the transfer of its entire business to Ayudhya Capital Auto Lease Public Company Limited (AYCAL) at net book value of THB 721 million, comprising total assets and total liabilities of THB 858 million and THB 137 million, respectively on the transfer date, as approved by AYTS's Extraordinary General Meeting of Shareholders No. 1/2011, AYTS's Annual General Meeting of Shareholders No. 51 and AYCAL's Extraordinary General Meeting of Shareholders No. 1/2011.

On June 22, 2012, AYTS's Extraordinary General Meeting of Shareholders No. 1/2012 approved a resolution to liquidate the subsidiary with an effective date of June 29, 2012 and to make the payment of capital repatriation to its shareholders on September 18, 2013. Currently, the subsidiary is in the process of liquidation.

- 1.4 CFG Services Company Limited, was incorporated in Thailand on October 24, 2006, and is located at 89/170, 4th, 5th, 9th and 10th Floor Moo 3, Juthamard Building, Viphavadi Rangsit Road, Talad Bangkhen Subdistrict, Laksi District, Bangkok. The subsidiary's main business is hire-purchase loan and secured personal loan for vehicles and motorcycles.
- 1.5 Ayudhya Card Services Company Limited, was incorporated in Thailand on December 4, 1997, and is located at 550, 7th Floor, Bank of Ayudhya Building Ploenchit office, Ploenchit Road, Lumpini Subdistrict, Patumwan District, Bangkok. The subsidiary's main business is credit cards and personal loans.

On July 24, 2013, Ayudhya Card Services Company Limited (AYCS) completed the transfer of its entire business to Krungsriayudhya Card Company Limited (KCC) at fair value of THB 270 million for an exchange of new ordinary shares of KCC totaling 10,552,000 shares as payment in lieu for AYCS entire business comprising total assets and total liabilities of THB 4,256 million and THB 4,054 million, respectively. The entire business transfer under share swap scheme was approved by AYCS's 2013 Annual General Meeting of Shareholders held on April 26, 2013 and, KCC's Extraordinary General Meeting of Shareholders No. 1/2013 held on July 24, 2013.

On July 24, 2013, AYCS's Extraordinary General Meeting of Shareholders No. 2/2013 resolved to approve the dissolution of AYCS on July 24, 2013, and make the payment of capital repatriation to its shareholders. Currently, the subsidiary is in process of liquidation.

- 1.6 Ayudhya Capital Services Company Limited, was incorporated in Thailand on November 9, 1994 and is located at 87/1, 1st-6th and 8th-10th Floor, Capital Tower, All Seasons Place, Wireless Road, Lumpini Subdistrict, Pathumwan District, Bangkok. The subsidiary's main business is credit cards and personal loans.
- 1.7 General Card Services Limited, was incorporated in Thailand on January 24, 1995 and is located at 87/1, 1st-6th and 8th Floor, Capital Tower, All Seasons Place, Wireless Road, Lumpini Subdistrict, Pathumwan District, Bangkok. The subsidiary's main business is credit cards and personal loans.
- 1.8 Krungsriayudhya Card Company Limited, was incorporated in Thailand on August 29, 1996 and is located at 87/1, 1st-6th Floor, Capital Tower, All Seasons Place, Wireless Road, Lumpini Subdistrict, Pathumwan District, Bangkok. The subsidiary's main business is credit cards and personal loans.
- 1.9 Siam Realty and Services Company Limited, was incorporated in Thailand on June 20, 1988, and is located at 1222 Rama III Road, Bang Pongphang Subdistrict, Yannawa District, Bangkok. The subsidiary's main business is car leasing and personnel services.
- 1.10 Total Services Solutions Public Company Limited, was incorporated as a public company limited in Thailand on May 19, 1997 and is located at 2/3 Moo 14, Bangna Towers B, Bang Na-Trat Km 6.5 Road, Bang Kaeo Subdistrict, Bang Phli District, Samutprakan. The subsidiary's main business is collection services.
- 1.11 Krungsri Asset Management Company Limited, was incorporated in Thailand on December 19, 1996 and is located at 898, 1st-2nd zone A, and 12th Floor, Ploenchit Tower Building, Ploenchit Road, Lumpini Subdistrict, Patumwan District, Bangkok. The subsidiary's main business is mutual funds and private fund management.
- 1.12 Krungsri Ayudhya AMC Limited, was incorporated in Thailand on August 18, 2000 and is 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 financial institutions.
- 1.13 Krungsri Securities Public Company Limited, was incorporated in Thailand on April 16, 2004, and is located at 550, 5th Floor, Bank of Ayudhya Building Ploenchit Office, Ploenchit Road, Lumpini Subdistrict, Patumwan District, Bangkok. The subsidiary's main business is a securities businesses.
- 1.14 Krungsri Factoring Company Limited, was incorporated in Thailand on February 1, 2007 and is located at 1222 Rama III Road, Bang Pongphang Subdistrict, Yannawa District, Bangkok. The subsidiary's main business is factoring.
- 1.15 Krungsri Life Assurance Broker Company Limited, which is 99.99% owned by Ayudhya Capital Services Company Limited, the Bank's subsidiary, was incorporated in Thailand on March 2, 2007 and located at 87/1, Capital Tower, All Seasons Place, Wireless Road, Lumpini Subdistrict, Pathumwan District, Bangkok. The subsidiary's main business is as a life insurance broker.
- 1.16 Krungsri General Insurance Broker Company Limited, which is 99.99% owned by Ayudhya Capital Services Company Limited, the Bank's subsidiary, was incorporated in Thailand on March 2, 2007 and is located at 87/1, Capital Tower, All Seasons Place, Wireless Road, Lumpini Subdistrict, Pathumwan District, Bangkok. The subsidiary's main business is as a general insurance broker.

2. BASIS FOR PREPARATION OF THE CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS

- 2.1 The consolidated and the Bank's financial statements have been prepared in accordance with the regulation of the Stock Exchange of Thailand dated January 22, 2001, regarding the Preparation and Filing of Financial Statements and Reports on Financial Status and Results of Operations of Listed Companies, B.E. 2544, where the form of financial statements is based on Thai Accounting Standard No. 1 (Revised 2009) "Presentation of Financial Statements", including the Procedures, Policies and Presentation in accordance with the Bank of Thailand ("BOT") Notification Sor.Nor.Sor. 11/2553 regarding the Preparation and Announcement of Financial Statements of Commercial Banks and Holding Companies of Financial Industry dated December 3, 2010.

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

The financial statements are presented in Thai Baht, which is the Bank's functional currency. All financial information presented in Thai Baht has been rounded in the financial statements to the nearest thousand and in the notes to financial statements to the nearest million unless otherwise stated.

The Bank prepares its financial statements in the Thai language in conformity with Thai Financial Reporting Standards and the Notifications noted above. However, for the convenience of readers, the Bank also prepares its financial statements in English language, by translating from the Thai version.

Thai Financial Reporting Standards announced but not effective in 2013

The Federation of Accounting Professions has issued Notifications regarding Thai Financial Reporting Standards, which are effective for the accounting period beginning on or after January 1, 2014. Thai Financial Reporting Standards which are related to the Bank and subsidiaries are as follows:

Thai Accounting Standards (TAS)

TAS 1 (Revised 2012)	Presentation of Financial Statements
TAS 7 (Revised 2012)	Statement of Cash Flows
TAS 12 (Revised 2012)	Income Taxes
TAS 17 (Revised 2012)	Leases
TAS 18 (Revised 2012)	Revenue
TAS 19 (Revised 2012)	Employee Benefits
TAS 21 (Revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (Revised 2012)	Related Party Disclosures
TAS 28 (Revised 2012)	Investments in Associates
TAS 31 (Revised 2012)	Interests in Joint Ventures
TAS 34 (Revised 2012)	Interim Financial Reporting
TAS 38 (Revised 2012)	Intangible Assets

Thai Financial Reporting Standards (TFRS)

TFRS 3 (Revised 2012)	Business Combinations
TFRS 5 (Revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (Revised 2012)	Operating Segments

Thai Standards Interpretations (TSI)

TSI 15	Operating Leases - Incentives
TSI 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSI 32	Intangible Assets – Web Site Costs

Thai Financial Reporting Interpretations (TFRI)

TFRI 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRI 4	Determining Whether an Arrangement Contains a Lease
TFRI 7	Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies
TFRI 10	Interim Financial Reporting and Impairment
TFRI 13	Customer Loyalty Programmes
TFRI 17	Distributions of Non-cash Assets to Owners
TFRI 18	Transfers of Assets from Customers

The Bank and its subsidiaries anticipate that the above Thai Financial Reporting Standards will be adopted in the Bank and its subsidiaries' financial statements when they become effective. The adoption of those standards will have no material impact on the financial statements of the Bank and its subsidiaries.

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

		Percentage of Holdings	
Business Type		As at December 31	
		2013	2012
Subsidiaries			
Ayudhya Development Leasing Company Limited	Leasing and hire-purchase	99.99	99.99
Ayudhya Capital Auto Lease Public Company Limited	Hire-purchase and auto leasing	99.99	99.99
Ayudhya Total Solutions Public Company Limited ⁽¹⁾	Hire-purchase	99.81	99.81
CFG Services Company Limited	Hire-purchase and motorcycle loans	99.99	99.99
Ayudhya Card Services Company Limited ⁽¹⁾	Credit cards and personal loans	99.99	99.99
Ayudhya Capital Services Company Limited	Credit cards and personal loans	99.99	99.99
General Card Services Limited	Credit cards and personal loans	99.99	99.99
Krungsriayudhya Card Company Limited	Credit cards and personal loans	99.99	99.99
Siam Realty and Services Company Limited	Human resource services and vehicle rental	99.99	99.99
Total Service Solutions Public Company Limited	Collection services	99.99	99.99
Krungsri Asset Management Company Limited	Fund management	76.59	76.59
Krungsri Ayudhya AMC Limited	Asset management	99.99	99.99
Krungsri Securities Public Company Limited	Securities	98.71	98.71
Krungsri Factoring Company Limited	Factoring	99.99	99.99
Krungsri Life Assurance Broker Limited ⁽²⁾	Life assurance broker	99.99	99.99
Krungsri General Insurance Broker Limited ⁽²⁾	General insurance broker	99.99	99.99

⁽¹⁾ Subsidiary is in the process of liquidation

⁽²⁾ Indirectly holding via Ayudhya Capital Services Company Limited of 99.99%

All material intercompany transactions and balances have been eliminated.

2.3 The consolidated financial statements for the years ended December 31, 2013 and 2012, included financial statements of certain subsidiaries, prepared by subsidiaries' managements, which have not been audited by the auditors as follows:

Unit: THB million		
	Net profit	
	2013	2012
Ayudhya Card Services Company Limited ⁽¹⁾	105	-
Ayudhya Total Solutions Public Company Limited ⁽¹⁾	21	80
Ayudhya Auto Lease Public Company Limited ⁽²⁾	-	1

⁽¹⁾ Subsidiary is in the process of liquidation

⁽²⁾ Subsidiary registered the completion of liquidation in 2012

3. ADOPTION OF NEW AND REVISED THAI FINANCIAL REPORTING STANDARDS

Since January 1, 2013, the Bank and its subsidiaries have adopted the new and revised Thai Financial Reporting Standards (TFRSs) issued by the Federation of Accounting Professions, which are effective for the financial statements for the accounting periods beginning on or after January 1, 2013, in the preparation of the financial statements. The above mentioned TFRSs consist of the Thai Accounting Standard No. 21 (Revised 2009) "The Effects of Changes in Foreign Exchange Rates" which has no impact on the financial statements and the Thai Financial Reporting Standard No. 8 "Operating Segments", which affects the disclosure regarding operating segments as disclosed in note 8.27.

4. CHANGES IN ACCOUNTING ESTIMATES

In 2013, The Bank changed fair value calculation method for restructured debts, from "calculating the present value of expected cash flows to be received with the market interest rate" to "calculating the present value of expected cash flows to be received with the original contractual interest rate" for commercial loans. The effect of this change on the consolidated and the Bank's financial Statements as at December 31, 2013 are as follows :

	Unit: THB million
CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION AS AT DECEMBER 31, 2013	
Increase in revaluation allowance for debt restructuring	57
STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2013	
Increase in impairment loss of loans and debt securities	57

5. SIGNIFICANT ACCOUNTING POLICIES

5.1 Cash and cash equivalents

In the Bank's statement of cash flows, cash and cash equivalents consist of cash on hand and cash on collection of the Bank, in accordance with the BOT's Notification regarding the Preparation and Announcement of Financial Statements of Commercial Banks and Holding Companies of Financial Industry dated December 3, 2010.

In the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents of the Bank and cash on hand, deposits at banks, except for fixed deposits whose terms are greater than 3 months and deposits at banks used as collaterals, and investments of subsidiaries with maturities of 3 months or less.

5.2 Investments

The Bank and its subsidiaries' investments which consist of debt securities and equity securities are classified as trading securities, available-for-sale securities, held-to-maturity securities or general investments.

In addition, the Bank complies with the BOT's Notification dated December 3, 2010 regarding the Preparation and Announcement of Financial Statements of Commercial Banks and Holding Companies of Financial Industry, requiring commercial banks to present the investments as investments, net and investments in subsidiaries and associates companies, net.

Investments are initially recognized on the trade date.

Trading securities represent securities acquired with the intention to hold short-term to benefit from the anticipated changes in market values. Trading securities are carried at fair value. Realized gains or losses from the sales of trading securities and unrealized gains or losses on the changes in fair value are recognized as gains (losses) on trading and foreign exchange transactions in the statements of comprehensive income. Interest earned and dividends received from trading securities are recognized using the accrual basis of accounting as interest income and other operating income, respectively.

Debt securities which the Bank and subsidiaries have the intention and ability to hold until maturity are classified as held-to-maturity and carried at the amortized cost, net of valuation allowances for impairment, if any. Valuation allowances are established to recognize an unrealized loss in the statement of comprehensive income when impairment is determined by management. In addition, the Bank classifies the rights of the Bank over the non-negotiable promissory notes, which are availed by the Financial Institutions Development Fund (FIDF) issued by the Thai Asset Management Corporation (TAMC) under the Asset Transfer Agreement for transfer of sub-quality assets, as investment in the category of debt securities held-to-maturity.

Debt and equity securities with readily determinable market values that are not classified as either trading securities or held-to-maturity securities are classified as available-for-sale securities and carried at fair value. The unrealized gains or losses related to available-for-sale securities are reported as other comprehensive income in equity until realized upon the sale, disposition or a permanent decline in value occurs on such securities. Gain or loss on disposal or loss on impairment is recognized in the statements of comprehensive income.

Non-marketable equity securities and marketable equity securities acquired from troubled debt restructuring are classified as general investments and carried at cost, net of valuation allowances for impairment, if any. Valuation allowances are established to recognize an unrealized loss in the statements of comprehensive income when impairment is determined by management.

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

In the consolidated financial statements, investments in associated companies are accounted for by the equity method. In the Bank's financial statements, investments in subsidiaries and associated companies are accounted for by the cost method.

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

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

1. For Government bonds and state enterprise bonds, the fair values of these securities are estimated by using the BOT's formula, based on The Thai Bond Market Association's Yield Curve at the reporting date.
2. For private sector debt and equity securities which are listed securities and securities registered in The Thai Bond Market Association, market values are estimated using the last bidding prices at The Stock Exchange of Thailand and The Thai Bond Market Association or the reporting date.
3. For private sector debt securities which are non-listed securities, the last closing prices of The Thai Bond Market Association are used to estimate fair value. In the absence of such prices, fair value is estimated by applying the risk adjusted yield curve, in accordance with the criteria established by the BOT.
4. The fair value of unit trusts is estimated based on the net asset value at the reporting date.

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

Cost of securities sold during the year is computed by using the weighted average method. Realized gains or losses from sales of debt and equity securities are included in the statements of comprehensive income.

5.3 Loans to customers

Overdrafts are stated at the drawn amounts including interest.

Hire-purchase receivable and finance lease receivable are carried at contract amount plus prepaid commission expense.

Other loans are stated at the principal amounts.

Unearned discount from notes, unearned interest income and deferred subsidy income are presented in deferred revenue.

5.4 Allowance for doubtful accounts

Allowance for doubtful accounts is determined through methods in accordance with the BOT's regulations. The Bank and its subsidiaries categorize their loan portfolio into six categories and

determine allowance for doubtful accounts subject to different levels of provisioning. Allowance for doubtful accounts for loans classified as normal and special mention are calculated based on the minimum percentage in accordance with the BOT's guidelines by using the value of collateral for calculation of reserve. For loans classified as substandard, doubtful and doubtful of loss, the allowance rate is 100 percent of the difference between the outstanding loan value and present value of expected cash flow from proceeds from disposal of the collateralized assets which excludes collateral in the form of machinery. With the exception of a subsidiary that carries out a leasing business, the reserve calculation is determined by including the value of machinery as collateral. In addition, the Bank and its subsidiaries estimate an additional allowance for doubtful debts over the minimum percentage as specified in the BOT's guidelines.

Subsidiaries involved in hire-purchase businesses, with qualified portfolios under the BOT regulations, calculate allowance for doubtful accounts by using the collective approach which classifies a group of loans having similar credit risk characteristics based on the historical loss experience of each loan category.

Loans to customers are written-off in the year that they are determined to be irrecoverable. Bad debts written-off during the year are recorded as a deduction from the allowance for doubtful accounts. Bad debt and doubtful accounts are shown as expenses in the statements of comprehensive income.

Bad debt recovery is recorded as income in the statements of comprehensive income when received.

5.5 Troubled debt restructuring

Losses on troubled debt restructurings resulting from the reduction of principal and accrued interest and other form such as modifications of terms, asset transfers, equity securities transfers, and etc. are recognized as expenses in the statements of comprehensive income.

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

Prior to 2013, the Bank recalculated the fair value of restructured debts based on the discounted market interest rate as of the date of the financial statements. In 2013, the Bank has recalculated the fair value of restructured debts based on the discounted market interest rate as of the date of the financial statements, except for commercial loan, the recalculation base on the discounted interest rate at contractual rate, The Bank adjusted the valuation on debt restructured for any change on monthly basis, in accordance with the BOT's criteria. The valuation adjustment on restructured debt shall not cause the book value of restructured debt to exceed the investment value on restructured debt.

Restructured debt with assets or equity securities transferred for debt repayment either in whole or in part are recorded at the fair value, net of estimated selling expenses, not to exceed the investment value on such debt and the right-to-claim interest income.

For investments in receivables incurred prior January 1, 2013, that are subsequently restructured, the Bank has calculated the fair value of restructured debt as of the restructuring date and recognized the difference between book value and fair value in the statements of comprehensive income for the period and classified investments in receivables as loans in accordance with the BOT's criteria.

5.6 Properties for sale

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

The Bank and its subsidiaries provided the allowance for impairment of properties for sale as disclosed in note 7.3. Losses on impairment of properties for sale are shown as an expense in the statements of comprehensive income.

Gains or losses on the disposal of such properties are realized upon disposition of the underlying asset and are included in other operating income in the statements of comprehensive income.

5.7 Property, premises and equipment

Land is stated at the appraised value. Premises are stated at the appraised value less accumulated depreciation. Equipment is stated at cost less accumulated depreciation.

Revaluation of assets

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

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

During the Bank's usages of the revalued assets, the revaluation surplus will be gradually transferred directly to retained earnings equal to the difference between the depreciation calculated from book value of the revalued assets and the depreciation calculated from the original cost of such assets. All balances of the outstanding revaluation surplus will be transferred to retained earnings when the Bank writes off such assets from the financial statements.

Leased assets

Leases under which the Bank and its subsidiaries assume substantially all the risk and rewards of ownership are classified as finance leases. Equipment acquired by way of finance leases is capitalized at the lower of its fair value or the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the statements of comprehensive income.

Depreciation

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

Premises and building improvement	10 - 50	years
Equipment, furniture, fixtures, office equipment and vehicle	3 - 10	years

Gains or losses on the disposal of property, premises and equipment are recognized in other operating income or other expense in the statements of comprehensive income.

5.8 Goodwill in a business combination

Goodwill in a business combination represents the excess of the cost of acquisition over the Bank's interest in the fair value of the identifiable net assets acquired as at the date of acquisition.

Negative goodwill arising on business acquisition represents the excess of the acquirer's interest in the fair value of the identifiable net asset acquired over the cost of acquisition.

Other costs directly attributable to the business combination are recorded as acquisition costs. Since January 1, 2011, other cost is recognized as expense in the statements of comprehensive income.

Goodwill in a business combination is recognized as an asset recorded as of the acquisition date. Negative goodwill is recognized as income in the statements of comprehensive income.

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

5.9 Intangible assets

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

Amortization

Software amortization is calculated by the straight-line method over the expected future economic benefit period between 5 - 10 years.

Amortization of other intangible assets received from business combinations such as information of customer relationship, dealer relationship and the distribution network, are calculated by the projected cash flow over the expected future economic benefit period between 8 - 20 years.

Amortization incurred is recognized as other operating expense in the statements of comprehensive income.

5.10 Recognition of income

Interest income from loans to customers and other income are recognized on an accrual basis.

Interest income from investment in debt securities and investment in loans are recognized by the effective interest rate method.

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

The asset management subsidiary recognizes interest income from investment in receivable and loans by using the market interest rate plus a risk premium that represents the discounted rate in calculating present value of future cash flows expected to be collected from receivables, except for certain receivables being doubtful of collection where the subsidiary recognizes interest income from such investments in receivable and loans on a cash basis.

The hire-purchase business subsidiaries recognize income for new finance leases and hire-purchase contracts since January 1, 2008, by the effective interest rate method whereas, for contracts originated before January 1, 2008, income is recognized on the sum-of-the-digits method, except for some subsidiaries where income has been recognized by the effective interest rate method from its inception.

5.11 Recognition of expenses

Expenses, including interest expenses are recognized on an accrual basis.

5.12 Employee benefits

The Bank and subsidiaries have 3 types of employee benefits as follows:

5.12.1 Provident funds

The Bank and its subsidiaries established a provident fund under the Provident Fund Act (B.E. 2530). The fund is managed by a financial institution which is an authorized fund manager.

Every employee is required to make contribution at the rate of not less than 3% of salary but not more than the Bank and subsidiaries' contribution.

The Bank and its subsidiaries will contribute as follows:

Service periods	Contribution rate (%)
Less than 5 years	5 - 10
5 years but less than 10 years	6 - 12
10 years but less than 20 years	8 - 12
Over 20 years	10 - 12.5

The contributions to the provident fund made by the Bank and its subsidiaries are recorded as employee's expenses in the statements of comprehensive income.

5.12.2 Post-employment benefit obligations

- Pension plan

The employees who were hired prior to January 1, 1998 and have completed at least 10 continuous service years are eligible to receive a pension payment when they leave the bank. On January 1, 1998, the Bank established the provident fund for its employees to replace the pension plan. After the establishment of the provident fund, the amount due to a departing employee shall first be disbursed from the provident fund. If the estimated contributions made by the Bank and interest thereon are less than the pension receivable under the pension plan, the Bank will pay such difference by disbursing from the pension fund.

- Legal severance payment plan

All employees will receive severance payment upon retirement in accordance with the Labor Protection Act.

The obligations of these plans are considered as unfunded defined benefit obligations and are separately measured by an actuary using the projected unit credit cost method to determine the present value of cash flows of employee benefit to be paid in the future. Under this method, the obligation is based on an actuarial calculation including the employee's expected salary, business turnover rate, salary increase rate, mortality rate, discount rate, years of services and other factors.

The expenses for the defined benefit plan are recognized as employee's expenses in the statement of comprehensive income.

Actuarial gains (losses) are recognized in other comprehensive income.

5.12.3 Benefit from carry forward leave

The benefit from cumulative carry forward leave is recognized as a liability in the statement of financial position and employee's expenses in the statement of comprehensive income when the employees render the service.

5.13 Contributions to the Financial Institution and Development Fund and the Deposit Protection Agency

Contributions to the Financial Institutions Development Fund and the Deposit Protection Agency are recognized on an accrual basis as expenses in the statements of comprehensive income.

5.14 Taxation

Income tax expenses (income) represent the sum of the tax currently payable and deferred tax.

5.14.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statements of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Bank's current tax is calculated using tax rates that have been enacted or substantively enacted at the reporting date.

5.14.2 Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit (tax base). Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for temporary differences to the extent that it is probable that taxable profits will be available against which those temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at the reporting date. Deferred tax asset shall be reduced to the extent that utilized taxable profits are decreased. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available to allow total or part of the asset to be recovered. The Bank and its subsidiaries do not recognize deferred tax assets and liabilities for goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted on the end of the reporting period.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off the recognized amounts and the Bank and its subsidiaries intend to settle on a net basis or to realize the asset and settle the liability simultaneously and when they relate to income taxes levied by the same taxation authority.

Income tax expenses or income related to profit or loss are presented in the statement of comprehensive income. For current income taxes and deferred taxes related to items recognized directly in other comprehensive income in equity in the same or different period, they will be recognized directly in other comprehensive income.

5.15 Earnings per share

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

5.16 Foreign currency transactions

Transactions during the period denominated in foreign currencies are translated into the currency of primary economic environment at the rates of exchange on the transaction dates. Monetary assets and liabilities at the reporting date denominated in foreign currencies are translated into the functional currency at the exchange rates announced by the BOT on that date. Non-monetary assets and liabilities that are measured at historical cost in a foreign currency are translated into the functional currency at the rate of initial transaction.

All foreign exchange gains or losses are recognized as income or expenses in gains (losses) on trading and foreign exchange transactions, net in the statements of comprehensive income.

5.17 Translation of the financial statements of the foreign branches

The financial statements of foreign branches are translated into the functional currency using the reference exchange rates established by the BOT at the reporting date for the translation of foreign monetary items, using the historical exchange rates for the translation of foreign non-monetary items and using the average exchange rates for the translation of transactions in the statements of comprehensive income. Differences in exchange rates from the translation of the financial statements of foreign branches into the functional currency are recognized as gains or losses on foreign exchange in the statements of comprehensive income.

5.18 Derivatives

The Bank and its subsidiaries have recognized derivatives transactions as follows:

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

6. RISK MANAGEMENT

6.1 Information of risk of the Bank

The Bank focuses on the proper market risk management, in response to changing in economic circumstances both domestic and abroad, as well as high volatility in the exchange rate & Stock Exchange of Thailand Index and interest rate direction in the money market as per the policy rate of BOT.

Through financial instruments both on-statement of financial position and off-statement of financial position, the Bank conducts its normal course of business to meet the financing needs of its customers, as well as for its investment purposes and to reduce exposure due to the fluctuations in foreign exchange rates and interest rates. The off-statement of financial position's financial instruments include commitments to extend credit, standby letters of credit, financial guarantees, interest rate swap and forward foreign exchange contracts. These instruments involve, to varying degrees, elements of credit, interest rate and foreign exchange risk in excess of the amount recognized in the financial statements. The contract or notional amounts of these instruments reflect the extent of the Bank's involvement in particular classes of financial instruments.

The introduction of new derivative products require an approval from the Board of Directors. Operating processes, including the breach of prescribed limits, and risk control are governed under the Derivatives Product Program and BOT's notification regarding guidelines on risk management for derivatives transactions.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Bank. The Bank reviews the policy on a regular basis and the Bank has adopted the policy in dealing with counterparties and obtaining sufficient collateral or other security where appropriate, as a mean of mitigating the risk of financial losses from defaults.

In the case of recognized financial assets, the carrying amount of the assets recorded in the statement of financial position, net of allowance for doubtful accounts (see Note 8.7), represents the Bank's maximum exposure to credit risk.

The Bank considers that there is no significant concentration of credit risk due to a large number of customers and counterparties in different industries.

Credit risk also arises from the possibility that the counterparty to off-statement of financial position financial instruments will not adhere to the terms of the contract with the Bank when settlement becomes due.

The Bank's exposure to credit loss in the event of non-performance by the other party to the off-statement of financial position's 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 the on-financial-statement financial instruments. For interest rate swap and forward foreign exchange contracts, the contract or notional amounts do not represent exposure to credit loss. The Bank controls the credit risk of its financial instruments through prudent credit approvals, limits, and strict monitoring procedures.

Interest rate risk

Interest rate risk refers to the risk arising from changes in interest rates that have an adverse effect on the net interest earnings and shareholders' equity. Interest rate risk arises from the structure and characteristics of the Bank's assets, liabilities and contingencies, and from mismatch in repricing rates of its assets, liabilities and contingencies.

Market risk management is carried out by the Risk Management Committee and the Asset and Liability Management Committee (ALCO), which have been empowered by the Board of Directors with the authority to manage and control market risk in a manner consistent with the Bank's policy. Asset and Liability Management Committee (ALCO) is responsible for managing assets and liabilities, together with monitoring and controlling interest rate risk to ensure that it is at an appropriate level and in line with the market risk management policy as approved by the Board of Directors. Bank will review such policy on a regular basis to commensurate with operating environments and changes in business.

The Bank employs various tools and method for its interest rate risk management. Net interest income simulation is conducted to assess the impact on banking book position and Value-at-Risk tool is employed for the trading book position to predict the Bank's potential maximum loss.

Foreign exchange rate risk

Foreign exchange risk refers to the loss affecting income and/or shareholders' equity from exchange rate fluctuations that affect foreign currency transactions and foreign currency assets and liabilities.

The Bank has a policy to cap its net foreign currency position. Most foreign currency transactions are mainly from services provided to the Bank's customers. In addition, the Bank enters into forward foreign exchange contracts as part of its risk management strategy of the foreign exchange risk arising from the Bank underlying assets and liabilities and hedges that risk from customers' transactions. The utilization of forward foreign exchange contracts for these purposes is governed by policies and guidelines approved by the Bank's Board of Directors and controlling procedures set by the relevant departments and Committees.

The Bank's Board of Directors is in charge of setting the limits for each specific currency under an acceptable risk level and regularly reviews to be in line with business strategy and change in market circumstance, meanwhile the ALCO ensures that the limits remain within the specified amount. The Bank monitors the risk level under the specified limits using the Value-at-Risk Method as the tool to manage the exchange rate risk and prepares a daily report for the Bank's top management in the relevant departments.

Equity price risk

Price risk refers to the loss affecting income and/or shareholders' equity from a movement in equity price.

The Bank assesses the potential of securities issuer companies and has a policy to buy/sell equity securities mainly for medium-term and long-term purposed. In managing equity position risk which is held, according to initial intention, as long-term, the Bank monitors and reports the equity price risk and ensure that the level of capital fund is appropriate and sufficient to absorb losses arising from the positions.

The Bank's Board of Directors sets the total limit at an acceptable risk level and reviews it annually. The Bank monitors the level of risk under the specified risk limits using the Value-at-Risk Method to manage the equity price risk and prepares a daily report for the Bank's management in relevant departments.

Liquidity risk

Liquidity risk means risk resulting from the Bank's failure to pay its debts and obligations when due because of its inability to convert assets into cash, or its failure to procure enough fund, or, if it can, that the fund comes with an exceptionally high cost that may affect incomes and capital fund now and in the future.

The Bank has established the liquidity risk management policy and the daily liquidity management policy. In addition, contingency plans are formulated and conducted a plan testing to ensure readiness to deal with crisis situations. All of these are aimed at ensuring the efficiency of the Bank's liquidity risk management.

The Bank maintains an excess liquidity cushion at a level commensurate with the economic situation. The Bank seeks to ensure that there is adequate cash for its business and its subsidiaries' business operations. Liquidity management utilizes qualitative and quantitative methods to ensure appropriate risk diversification. The structure and behavior of customers' deposits/withdrawals and competitive situation are considered in order to ensure efficient alignment with the cash flow demand for each time period and at an appropriate cost level.

Liquidity risk management of Bank is under the supervision of the Asset and Liability Management Committee (ALCO). ALCO also monitors and manages liquidity risk to ensure that it is at an appropriate level and in line with the liquidity risk management policy as approved by the Board of Directors. The Bank reviews such policy on a regular basis to commensurate with business strategy and market circumstance that may be changed.

The Bank uses tools to manage liquidity risk such as the liquidity gap analysis including behavioral adjustment, and liquidity ratio analysis. This task is done in addition to the maintenanc of liquid assets in accordance to the BOT's requirements.

The Bank has adjusted the strategies and prepared for the reduction in the amount of deposit insured by the Deposit Protection Agency Act and Basel III in regard to the framework for liquidity risk measurements and standards. In addition, amid high competition for in savings and investment products among financial institutions, the Bank continues to pursue a strategy of increase new deposit products and further with diversify the customer base. This strategy is to enlarge the main sources of funding and to support appropriate lending growth as well as to accommodate the conversion of bills of exchange into deposits.

6.2 Assets and liabilities classified by maturity of interest repricing

The Bank and its subsidiaries' financial assets and liabilities classified by maturity of interest repricing periods as at December 31, 2013 and 2012 are summarized as follows :

Unit: THB million

CONSOLIDATED FINANCIAL STATEMENTS							
	2013						Total
	Not over 3 Months	Greater than 3-12 Months	Greater than 1-5 Years	Greater than 5 Years	Non-Performing Loans	Non-Interest Bearing	
Financial assets							
Interbank and money market items, net	69,250	-	-	-	-	17,777	87,027
Investments, net	9,180	14,296	32,561	11,176	-	6,061	73,274
Loans to customers	550,531	109,377	184,017	6,509	27,014	110,566	988,014
Financial liabilities							
Deposits	530,982	166,960	46,638	-	-	19,470	764,050
Interbank and money market Items, net	31,118	5,014	16,056	13	-	3,296	55,497
Debt issued and borrowings	66,332	34,929	38,500	34,844	-	-	174,605

Unit: THB million

CONSOLIDATED FINANCIAL STATEMENTS							
	2012						Total
	Not over 3 Months	Greater than 3-12 Months	Greater than 1-5 Years	Greater than 5 Years	Non-Performing Loans	Non-Interest Bearing	
Financial assets							
Interbank and money market items, net	64,586	-	-	-	-	14,804	79,390
Investments, net	13,051	20,215	32,037	4,903	-	8,096	78,302
Loans to customers	474,525	96,457	167,278	9,626	21,292	100,204	869,382
Financial liabilities							
Deposits	500,734	160,122	7,657	-	-	18,646	687,159
Interbank and money market Items, net	34,593	2,355	8,773	13	-	3,087	48,821
Debt issued and borrowings	60,487	13,586	45,711	34,844	-	1	154,629

Unit: THB million

THE BANK'S FINANCIAL STATEMENTS							
	2013						Total
	Not over 3 Months	Greater than 3-12 Months	Greater than 1-5 Years	Greater than 5 Years	Non-Performing Loans	Non-Interest Bearing	
Financial assets							
Interbank and money market items, net	68,034	-	-	-	-	16,947	84,981
Investments, net	9,180	14,296	32,561	11,175	-	6,029	73,241
Loans to customers	595,419	83,187	117,812	10,742	14,970	75	822,205
Financial liabilities							
Deposits	534,597	166,962	46,638	-	-	20,193	768,390
Interbank and money market Items, net	32,313	5,014	16,056	13	-	3,308	56,704
Debt issued and borrowings	45,564	13,646	13,283	34,844	-	-	107,337

Unit: THB million

THE BANK'S FINANCIAL STATEMENTS							
	2012						Total
	Not over 3 Months	Greater than 3-12 Months	Greater than 1-5 Years	Greater than 5 Years	Non-Performing Loans	Non-Interest Bearing	
Financial assets							
Interbank and money market items, net	64,026	-	-	-	-	14,130	78,156
Investments, net	12,610	20,201	32,037	4,903	-	8,078	77,829
Loans to customers	520,675	74,520	115,758	8,439	14,478	-	733,870
Financial liabilities							
Deposits	505,586	160,122	7,660	-	-	19,626	692,994
Interbank and money market Items, net	34,113	2,355	8,773	13	-	3,112	48,366
Debt issued and borrowings	37,249	9,435	22,210	34,844	-	1	103,739

6.3 Interest bearing financial instruments

The following table presents the Bank's average outstanding balances and interest amounts of interest bearing financial instruments for the years ended December 31, 2013 and 2012.

Unit: THB million

CONSOLIDATED FINANCIAL STATEMENTS						
	2013			2012		
	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	107,562	2,709	2.5	89,425	2,481	2.8
Investments	73,536	2,360	3.2	81,450	2,701	3.3
Loans to customers	914,708	66,312	7.2	800,424	59,458	7.4
Total	1,095,806	71,381		971,299	64,640	
Interest bearing financial liabilities						
Deposits	731,723	19,171	2.6	623,249	16,668	2.7
Interbank and money market items	65,674	1,469	2.2	43,841	1,183	2.7
Debt issued and borrowings	154,732	5,802	3.7	180,460	6,836	3.8
Total	952,129	26,442		847,550	24,687	

Unit: THB million

THE BANK'S FINANCIAL STATEMENTS						
	2013			2012		
	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	106,420	2,689	2.5	88,237	2,470	2.8
Investments	72,997	2,352	3.2	81,011	2,685	3.3
Loans to customers	755,187	41,510	5.5	678,563	38,328	5.7
Total	934,604	46,551		847,811	43,483	
Interest bearing financial liabilities						
Deposits	736,398	19,205	2.6	627,708	16,702	2.7
Interbank and money market items	65,639	1,448	2.2	43,598	1,157	2.7
Debt issued and borrowings	90,760	3,614	4.0	139,049	5,356	3.8
Total	892,797	24,267		810,355	23,215	

6.4 Maturities of financial assets and liabilities

The following table presents the Bank and its subsidiaries' maturities of financial assets and liabilities as at December 31, 2013 and 2012.

Unit: THB million

CONSOLIDATED FINANCIAL STATEMENTS								
	2013							
	Call	Not Over 3 Months	Greater than 3 - 12 Months	Greater than 1 - 5 Years	Greater than 5 Years	Non-Performing Loans	No Maturity	Total
Financial assets								
Interbank and money								
market items, net	18,899	67,518	210	167	-	-	233	87,027
Investments, net	-	7,915	14,535	33,495	11,238	-	6,091	73,274
Loans to customers	25,494	201,626	162,335	338,122	233,423	27,014	-	988,014
Financial liabilities								
Deposits	402,941	147,511	166,951	46,647	-	-	-	764,050
Interbank and money								
market items, net	5,944	37,656	2,391	9,493	13	-	-	55,497
Debt issued and borrowings	-	66,469	34,978	38,500	34,658	-	-	174,605

Unit: THB million

CONSOLIDATED FINANCIAL STATEMENTS								
	2012							
	Call	Not Over 3 Months	Greater than 3 - 12 Months	Greater than 1 - 5 Years	Greater than 5 Years	Non-Performing Loans	No Maturity	Total
Financial assets								
Interbank and money								
market items, net	15,046	63,705	200	120	-	-	319	79,390
Investments, net	90	9,990	20,429	34,762	9,079	-	3,952	78,302
Loans to customers	17,941	178,953	180,224	303,509	167,463	21,292	-	869,382
Financial liabilities								
Deposits	369,460	149,920	160,116	7,663	-	-	-	687,159
Interbank and money								
market items, net	8,722	30,674	640	8,773	12	-	-	48,821
Debt issued and borrowings	-	60,559	13,598	45,711	34,761	-	-	154,629

Unit: THB million

THE BANK'S FINANCIAL STATEMENTS								
	2013							
	Call	Not Over 3 Months	Greater than 3 - 12 Months	Greater than 1 - 5 Years	Greater than 5 Years	Non-Performing Loans	No Maturity	Total
Financial assets								
Interbank and money								
market items, net	16,962	67,409	210	167	-	-	233	84,981
Investments, net	-	7,915	14,535	33,495	11,242	-	6,054	73,241
Loans to customers	82,046	173,306	141,960	227,795	182,128	14,970	-	822,205
Financial liabilities								
Deposits	407,276	147,514	166,953	46,647	-	-	-	768,390
Interbank and money								
market items, net	7,150	37,656	2,391	9,494	13	-	-	56,704
Debt issued and borrowings	-	45,564	13,646	13,283	34,844	-	-	107,337

Unit: THB million

THE BANK'S FINANCIAL STATEMENTS								
	2012							
	Call	Not Over 3 Months	Greater than 3 - 12 Months	Greater than 1 - 5 Years	Greater than 5 Years	Non-Performing Loans	No Maturity	Total
Financial assets								
Interbank and money								
market items, net	13,812	63,705	200	120	-	-	319	78,156
Investments, net	-	9,639	20,415	34,762	9,079	-	3,934	77,829
Loans to customers	80,637	144,434	121,680	211,081	161,560	14,478	-	733,870
Financial liabilities								
Deposits	375,290	149,922	160,119	7,663	-	-	-	692,994
Interbank and money								
market items, net	9,677	29,412	491	8,773	13	-	-	48,366
Debt issued and borrowings	-	37,249	9,435	22,211	34,844	-	-	103,739

6.5 Estimated fair value of financial instruments

The fair value of financial instruments has been estimated by using available market information and appropriate valuation methodologies for each type of financial instruments. A summary of carrying amounts and fair values of financial instruments as at December 31, 2013 and 2012 are as follows:

Unit: THB million

CONSOLIDATED FINANCIAL STATEMENTS				
	2013		2012	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets:				
Cash	28,216	28,216	25,079	25,079
Interbank and money market items, net	87,027	87,027	79,390	79,390
Derivatives assets	4,880	4,880	3,414	3,471
Investments, net	73,274	73,426	78,302	78,434
Loans to customers and accrued interest receivables, net	907,164	907,164	801,236	801,236
Total	1,101,561	1,100,713	987,421	987,610
Financial liabilities:				
Deposits	764,050	764,360	687,159	687,315
Interbank and money market items, net	55,497	55,497	48,821	48,821
Liability payable on demand	2,545	2,545	2,776	2,776
Derivatives liabilities	5,140	5,140	3,508	3,541
Debt issued and borrowings	174,605	174,834	154,629	154,206
Total	1,001,837	1,002,376	896,893	896,659

Unit: THB million

THE BANK'S FINANCIAL STATEMENTS				
	2013		2012	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets:				
Cash	28,168	28,168	25,060	25,060
Interbank and money market items, net	84,981	84,981	78,156	78,156
Derivatives assets	4,880	4,880	3,414	3,471
Investments, net	73,241	73,392	77,829	77,961
Loans to customers and accrued interest receivables, net	803,293	803,293	715,823	715,823
Total	994,563	994,714	900,282	900,471
Financial liabilities:				
Deposits	768,390	768,701	692,994	693,149
Interbank and money market items, net	56,704	56,704	48,366	48,366
Liability payable on demand	2,545	2,545	2,776	2,776
Derivatives liabilities	5,140	5,140	3,508	3,541
Debt issued and borrowings	107,337	107,342	103,739	103,949
Total	940,116	940,432	851,383	851,781

The following methods and assumptions are used in estimating fair value of financial instruments as disclosed herein:

Cash and interbank and money market items (assets)

The carrying amounts of cash and interbank and money market items (assets) presented in the statement of financial position are the approximated fair value.

Investments, net

The determination of fair value for investments, net, is as disclosed in note 5.2 to the financial statements except for non-listed equity securities which are presented at net book value and listed equity securities acquired from troubled debt restructurings and having an obligation to hold such securities according to debt restructuring agreements which are presented at cost.

Loans to customers and accrued interest receivables, net

Loans to customers and accrued interest receivables include variable interest rate loans, fixed rate loans with relatively short maturities and non-performing loans. Most loans carry a floating interest rate. The fair value is approximated by the outstanding balance of loans to customers and accrued interest receivables less allowance for doubtful accounts.

Deposits

The fair value of deposit is calculated based on discounted cash flows.

Interbank and money market items (Liabilities)

The carrying amount of interbank and money market items (liabilities) presented in the statement of financial position is the approximated fair value.

Liabilities payable on demand

The carrying amount of liabilities payable on demand presented in the statement of financial position is the approximated fair value.

Debt issued and borrowings

The carrying amount of debt issued and borrowings presented in the statement of financial position is the approximated fair value, except for subordinated and long-term senior securities which fair values are based on the actual market prices.

Derivative assets and liabilities

Derivative assets and liabilities mainly comprise of forward foreign exchange contracts which derive their value from underlying interest rates and foreign exchange rates. The fair values of derivatives are determined by using quoted market prices and exchange rate for instruments with similar characteristics and maturities. The Bank estimates the fair value by applying the mark to market model policy which is required to determine the validated rate for revaluation in accordance with the criteria established by the Bank and accounting standards.

6.6 Capital funds

As a result of the revision on supervisory guideline on capital fund of commercial bank on November 8, 2012, the BOT issued a new supervisory guideline on capital funds for the commercial banks to comply with the BASEL III, a global regulatory framework of Basel Committee on Banking Supervision (BCBS) which is effective in phases starting on January 1, 2013 up to January 1, 2019. During the period from January 1, 2013 to December 31, 2015, the minimum capital requirement ratio is 8.5% of total risk assets with the condition that Tier 1 capital shall not be less than 6.0% of total risk assets and common equity Tier 1 capital shall not be less than 4.5% of total risk assets.

Under the Basel II regulation, the minimum capital requirement ratio is 8.5% of total risk assets with the condition that the Tier 1 capital shall not be less than 4.25% of total risk assets.

The Bank thus conducts the internal capital adequacy assessment process in accordance with the supervisory review process of the Bank of Thailand and monitors on a regular basis to ensure that the current and future capital requirements are aligned with the risk appetite of the Bank.

The Bank maintains its capital funds in accordance with the criteria, methodologies and conditions prescribed by the BOT. As at December 31, 2013 and 2012, the Bank's total capital funds can be categorized as follows:

Unit: THB million

	2013 Basel III	2012 Basel II
Common Equity Tier 1 capital		
Issued and paid-up share capital	60,741	60,741
Premium on share capital	13,802	13,802
Statutory reserve	2,043	1,642
Unappropriated retained earning	12,011	9,260
Other comprehensive income	6,515	-
<u>Less</u> Deduction items from Common Equity Tier 1	(10,387)	(3,691)
Total Common Equity Tier 1 capital	84,725	
Additional Tier 1	-	-
Total Tier 1 capital	84,725	81,754
Tier 2 capital	37,600	44,799
Total capital fund	122,325	126,553

	Percentage	
	2013 Basel III	2012 Basel II
Total Common Equity Tier 1 capital / Total risk assets	10.17	-
Total Tier 1 capital / Total risk assets	10.17	10.94
Total capital / Total risk assets	14.68	16.94

The Bank discloses the capital maintenance information under the Notification of the Bank of Thailand Re : Public Disclosure of Capital Maintenance for Commercial Bank with details as follows.

Location of disclosure	www.krungsri.com
Date of disclosure	With in April 2014
Information as at	December 31, 2013

7. ESTIMATES AND ASSUMPTIONS

Preparation of financial statements in conformity with Thai Financial Reporting Standards principles requires management to make estimates and assumptions under certain circumstances. Such estimates and assumption affect reported amounts of revenues, expenses, assets and liabilities and require the disclosure of contingent assets and liabilities at the date of the financial statements that are differed estimates. The significant areas requiring management to make judgments and estimates that affect reported amounts and disclosures are as follows:

7.1 Fair value

For a business acquisition, the Bank's management estimates the fair value of assets, liabilities and other contingent liabilities of the acquiree's identifiable assets and liabilities at the acquisition date. In addition, any adjustments of the initial provision are finalized within 12 months after the acquisition date.

7.2 Allowance for doubtful accounts

The Bank and its subsidiaries estimate the minimum allowance for doubtful accounts in accordance with the BOT's guidelines. In addition, the Bank and its subsidiaries estimate an additional allowance which the management has considered based on the uncollectible loss from past experience, current economic conditions, and the ability to repay loans and accrued interest receivable. The Bank and its subsidiaries consider the value of collateral when deemed the primary source of repayment comes from the sales of the collateral.

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

7.3 Allowance for properties for sale

The Bank and its subsidiaries estimate the allowance for impairment of properties for sale when there is a decline in net realizable value. In consideration of net realizable value, the Bank and its subsidiaries consider the appraised value together with other factors which can affect the realizable value such as related selling expenses, holding costs and discounted future expenses.

7.4 Goodwill

Goodwill is tested for impairment using a fair value method of discounted cash flows on a semi-annual basis.

7.5 Impairment of assets

The carrying amounts of the Bank and its subsidiaries' assets are reviewed at each financial statement date to determine whether there are any indications of impairment. If any such indication exists, the assets' recoverable amounts are estimated by discounting expected cash flows.

7.6 Provisions

Provisions are recognized as liabilities in the statement of financial position when it is probable that an obligation has been incurred as a result of a past event, and result in the certain likelihood of an outflow of economic benefits to settle the obligation and the amount of such obligation can be reasonably estimated.

7.7 Loss from the impaired assets transferred to the Thai Asset Management Corporation (TAMC)

The probable loss arising from the impaired assets transferred to the Thai Asset Management Corporation (TAMC) is estimated from expected loss based on the maximum loss sharing scheme that the Bank and subsidiaries will absorb.

7.8 Provision for contingent liabilities

The Bank provides a provision for contingent liabilities with high credit risk such as loan guarantees, avals or non cancellable contingent liabilities at the same provision rate as that provided for the same debtor on the statement of financial position.

8. ADDITIONAL INFORMATION

8.1 Additional information of cash flows

8.1.1 Non-cash transactions of premises and equipment for the years ended December 31, 2013 and 2012 are as follows:

Unit: THB million

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Premises and equipment payable at the beginning of the years	404	1,255	345	1,303
Purchases of premises and equipment	1,645	2,552	979	1,864
Less Cash payment	(1,758)	(3,403)	(1,098)	(2,822)
Premises and equipment payable at the end of the years	291	404	226	345

8.1.2 Non-cash transactions of computer software for the years ended December 31, 2013 and 2012 are as follows:

Unit: THB million

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Computer software payable at the beginning of the years	243	30	205	30
Purchases of computer software	582	947	462	658
Less Cash payment	(728)	(734)	(598)	(483)
Computer software payable at the end of the years	97	243	69	205

8.1.3 Others non-cash transactions for the years ended December 31, 2013 and 2012 are as follows:

Unit: THB million

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Increase (decrease) in revaluation surplus on investments	(1,306)	862	(1,326)	861
Accumulated depreciation of premises appraisal deducted from premises revaluation surplus	(242)	(274)	(241)	(274)
Increase in Changes assets revaluation surplus	2,285	-	2,249	-
Properties for sale acquired from debt repayment	115	200	6	200
Properties and premises transferred to be properties foreclosed	83	25	83	25

8.1.4 The Extraordinary Meeting of Shareholders No. 1/2012 held on March 20, 2012 approved the Bank and/or its subsidiaries' acquisition of the retail banking business in Thailand from the Hong Kong and Shanghai Banking Corporation Limited, Bangkok Branch ("HSBC"), which operates credit card, personal loan and mortgage businesses and raising deposits and bills of exchange funding, under a foreign bank branch license and the Bank of Thailand's supervision. This acquisition was successfully completed on March 31, 2012.

Consolidated financial statements

Fair value of assets and liabilities of HSBC's retail banking business and book value of each item are as follows:

Unit: THB million

	Book Value	Fair Value
Assets		
Receivable and loans	13,042	13,889
Others	454	1,314
	13,496	15,203
Liabilities		
Deposit and borrowings	9,557	9,557
Others	233	633
	9,790	10,190
Net assets	3,706	5,013
Goodwill		2,426
Purchase price		7,439

As at December 31, 2012, the final fair values for assets and liabilities of acquired HSBC's retail banking business were determined, and there were retrospective adjustments to those provisional values as of the acquisition date.

8.1.5 Realized and unrealized gains (losses) on foreign exchange

In the preparation of cash flows statements, realized gains (losses) on foreign exchange are based on a cash basis. Unrealized gains (losses) on foreign exchange are based on the translation difference of assets and liabilities in foreign currencies as described in the accounting policies. It is presented as an adjustment to reconcile income before tax to cash received (paid) from operating activities.

8.2 Interbank and money market items, net (Asset)

Interbank and money market items, net (Asset) as at December 31, 2013 and 2012 are as follows:

Unit: THB million

CONSOLIDATED FINANCIAL STATEMENTS						
	2013			2012		
	At Call	Time	Total	At Call	Time	Total
Domestic items						
Bank of Thailand and Financial Institution Development Fund	8,114	29,300	37,414	8,865	24,900	33,765
Commercial banks	1,831	17,840	19,671	1,710	30,283	31,993
Other financial institutions	248	20,537	20,785	4,215	8,834	13,049
Total	10,193	67,677	77,870	14,790	64,017	78,807
Add Accrued interest receivables	2	56	58	-	106	106
Less Allowance for doubtful accounts	-	(199)	(199)	-	(98)	(98)
Total domestic items	10,195	67,534	77,729	14,790	64,025	78,815
Foreign items						
US Dollar	6,745	385	7,130	125	22	147
Yen	276	-	276	-	-	-
Euro	267	-	267	-	-	-
Other currencies	1,416	209	1,625	131	297	428
Total foreign items	8,704	594	9,298	256	319	575
Total domestic and foreign items	18,899	68,128	87,027	15,046	64,344	79,390

Unit: THB million

THE BANK'S FINANCIAL STATEMENTS						
	2013			2012		
	At Call	Time	Total	At Call	Time	Total
Domestic items						
Bank of Thailand and Financial Institution Development Fund	8,114	29,300	37,414	8,864	24,900	33,764
Commercial banks	-	17,730	17,730	477	30,283	30,760
Other financial institutions	248	20,537	20,785	4,215	8,834	13,049
Total	8,362	67,567	75,929	13,556	64,017	77,573
Add Accrued interest receivables	-	57	57	-	106	106
Less Allowance for doubtful accounts	-	(199)	(199)	-	(98)	(98)
Total domestic items	8,362	67,425	75,787	13,556	64,025	77,581
Foreign items						
US Dollar	6,641	385	7,026	125	22	147
Yen	276	-	276	-	-	-
Euro	267	-	267	-	-	-
Other currencies	1,416	209	1,625	131	297	428
Total foreign items	8,600	594	9,194	256	319	575
Total domestic and foreign items	16,962	68,019	84,981	13,812	64,344	78,156

8.3 Derivatives

8.3.1 Fair value and the notional amount classified by type of risk as at December 31, 2013 and 2012 are as follows:

Unit: THB million

CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS						
Risk type	2013			2012		
	Fair value /			Fair value /		
	Readjustment based on			Readjustment based on		
	an accrual basis	Notional		an accrual basis	Notional	
	Asset	Liabilities	Amount	Asset	Liabilities	Amount
Exchange rate	4,449	4,691	258,673	3,002	3,063	301,138
Interest rate	431	449	62,215	412	445	86,054
Total	4,880	5,140	320,888	3,414	3,508	387,192

8.3.2 Proportion of derivatives transactions classified by type of counterparty on the basis of notional amount as at December 31, 2013 and 2012 are as follows:

CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS		
Counterparty	2013	2012
	Proportion (%)	Proportion (%)
Financial institution	82.05	84.86
Related Company	4.51	-
Third party	13.44	15.14
Total	100.00	100.00

8.4 Investments, net

Investments, net as at December 31, 2013 and 2012, consisted of the following:

Unit: THB million

CONSOLIDATED FINANCIAL STATEMENTS								
	2013				2012			
	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	974	2	-	976	2,527	2	-	2,529
Private sector's debt securities	21	-	-	21	61	-	-	61
	995	2	-	997	2,588	2	-	2,590
<u>Add</u> Revaluation allowance	2			-	2			-
Total	997			997	2,590			2,590
Securities Available-for-Sale								
Government and state enterprise securities	49,352	176	(93)	49,435	49,890	154	(25)	50,019
Private sector's debt securities	15,616	41	(103)	15,554	14,352	107	(6)	14,453
Domestic marketable equity Securities	5,746	300	(447)	5,599	6,677	1,020	(70)	7,627
	70,714	517	(643)	70,588	70,919	1,281	(101)	72,099
<u>Add</u> Revaluation allowance	(126)			-	1,180			-
<u>Less</u> Allowance for impairment	(92)			(92)	(373)			(373)
Total	70,496			70,496	71,726			71,726
Securities Held-to-Maturity								
Government and state enterprise securities	-				336			
Private sector's debt securities	50				250			
Investment in accounts receivable	1,279				2,964			
	1,329				3,550			
<u>Less</u> Allowance for impairment	(64)				(91)			
Total	1,265				3,459			
Securities for General Investments								
Domestic non-marketable equity securities	705				715			
Foreign non-marketable equity securities	29				28			
	734				743			
<u>Less</u> Allowance for impairment	(218)				(216)			
Total	516				527			
Total Investments, net	73,274				78,302			

Unit: THB million

THE BANK'S FINANCIAL STATEMENTS								
	2013				2012			
	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	974	2	-	976	2,527	2	-	2,529
Private sector's debt securities	26	-	-	26	61	-	-	61
	1,000	2	-	1,002	2,588	2	-	2,590
<u>Add</u> Revaluation allowance	2			-	2			-
Total	1,002			1,002	2,590			2,590
Securities Available-for-Sale								
Government and state enterprise securities	49,352	176	(93)	49,435	49,890	154	(25)	50,019
Private sector's debt securities	15,548	41	(103)	15,486	13,775	107	(6)	13,876
Domestic marketable equity Securities	5,741	283	(447)	5,577	6,671	1,020	(66)	7,625
	70,641	500	(643)	70,498	70,336	1,281	(97)	71,520
<u>Add</u> Revaluation allowance	(143)			-	1,184			-
<u>Less</u> Allowance for impairment	(24)			(24)	(26)			(26)
Total	70,474			70,474	71,494			71,494
Securities Held-to-Maturity								
Government and state enterprise securities	-				336			
Private sector's debt securities	50				50			
Investment in accounts receivable	1,279				2,940			
	1,329				3,326			
<u>Less</u> Allowance for impairment	(64)				(91)			
Total	1,265				3,235			
Securities for General Investments								
Domestic non-marketable equity securities	673				682			
Foreign non-marketable equity securities	29				28			
	702				710			
<u>Less</u> Allowance for impairment	(202)				(200)			
Total	500				510			
Total Investments, net	73,241				77,829			

As at December 31, 2012, the investments classified as held-to-maturity debt securities (government and state enterprise securities) included the 10 year non-negotiable promissory notes availed by the Financial Institution Development Fund in the consolidated financial statements and the Bank's financial statements of THB 336 million, issued by the Thai Asset Management Corporation (TAMC) for assets transferred to TAMC. During the years ended December 31, 2013 and 2012, TAMC redeemed promissory notes of the Bank of THB 333 million and THB 697 million, respectively.

For the year ended December 31, 2012, the Bank sold held-to-maturity investment in loans to the third party in the amount of THB 1,855 million for portfolio risk realignment.

For the years ended December 31, 2013 and 2012, revaluation surplus (deficit) on investments presented in the equity consists of the following:

Unit: THB million

	CONSOLIDATED		THE BANK'S	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Beginning balance	1,181	319	1,184	323
Increase (decrease) during the year	(1,306)	862	(1,326)	861
Ending balance	(125)	1,181	(142)	1,184

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

Unit: THB million

	CONSOLIDATED AND THE BANK'S	
	2013	2012
Manufacturing	-	3
Total	-	3

In the consolidated and the Bank's financial statements as at December 31, 2013, the Bank and its subsidiaries had investments in available-for-sale securities and general investments of 3 and 1 companies, respectively, subject to being delisted from the SET, with cost of THB 12 million and market price of THB 0.

In the consolidated and the Bank's financial statements as at December 31, 2012, the Bank and its subsidiaries had investments in available-for-sale securities and general investments of 2 companies subject to being delisted from the SET, with cost of THB 13 million and market price of THB 0.

8.5 Investments in subsidiaries and associates, net

The Bank's investments in companies in which the Bank holds more than 20% of the paid-up capital, with the percentage of beneficial ownership and amount of investments as at December 31, 2013 and 2012 are as follows:

Unit: THB million

Company Name					CONSOLIDATED FINANCIAL STATEMENTS					
					2013			2012		
					Investment (Cost)	Investment (Equity Method)	Dividend	Investment (Cost)	Investment (Equity Method)	Dividend
Business Type	Securities Investment Type	Registered Share Capital	Ownership %							
Associates										
Tesco Card Services Limited ⁽¹⁾	Credit cards and personal loans	Common stock	780	50.00	390	966	-	390	886	-
Tesco Life Assurance Broker Limited ⁽²⁾	Life assurance Broker	Common stock	2	50.00	-	34	-	-	20	-
Tesco General Insurance Broker Limited ⁽²⁾	General insurance broker	Common stock	77	50.00	-	59	-	-	41	-
Metro Designee Company Limited ⁽³⁾	Special Purpose vehicle	Common stock	-	21.90	-	-	-	-	-	-
Investments in associates, net					390	1,059	-	390	947	-

(1) Indirect holding via Ayudhya Capital Services Company Limited.

(2) Indirect holding via Tesco Card Services Limited.

(3) The company which was established for the transfer of the throughout rights as per the concession agreement between Mass Rapid Transit Authority of Thailand (MRT) and Bangkok Metro Public Company Limited (BMCL) in case of BMCL breaches agreement with MRT or BMCL breaches the loan agreement with the creditor group.

Unit: THB million

THE BANK'S FINANCIAL STATEMENTS						
Company Name	Business Type	Securities Investment Type	Registered Share Capital	2013		
				Ownership %	Investment (Cost)	Dividend
Subsidiaries						
Ayudhya Development Leasing Company Limited	Leasing and hire- purchase	Common stock	705	99.99	929	35
Ayudhya Capital Auto Lease Public Company Limited	Hire-purchase and auto leasing	Common stock	1,045	99.99	16,281	-
Ayudhya Total Solutions Public Company Limited ⁽¹⁾	Hire-purchase	Common stock	299	99.81	-	-
CFG Services Company Limited	Hire-purchase and motorcycle loans	Common stock	190	99.99	26	-
		Preferred stock			1	-
Ayudhya Card Services Company Limited ⁽¹⁾	Credit cards and personal loans	Common stock	180	99.99	-	237
Ayudhya Capital Services Company Limited	Credit cards and personal loans	Common stock	125	99.99	6,141	600
General Card Services Limited	Credit cards and personal loans	Common stock	758	99.99	881	-
Krungsriayudhya Card Company Limited	Credit cards and personal loans	Common stock	1,206	99.99	1,575	-
Siam Realty and Services Company Limited	Car leasing and personnel services	Common stock	100	99.99	100	30
Total Services Solutions Public Company Limited	Collection services	Common stock	331	99.99	1,614	-
Krungsri Asset Management Company Limited	Fund management	Common stock	350	76.59	204	-
Krungsri Ayudhya AMC Limited	Asset management	Common stock	6,000	99.99	6,000	-
Krungsri Securities Public Company Limited	Securities	Common stock	600	98.71	731	-
Krungsri Factoring Company Limited	Factoring	Common stock	300	99.99	300	-
Associated Company						
Metro Designee Company Limited ⁽²⁾	Special purpose vehicle	Common stock	-	21.90	-	-
Investments in subsidiaries and associated company					34,783	902
Less Allowance for impairment					(4,952)	-
Investments in subsidiaries and associated company, net					29,831	902

⁽¹⁾ Subsidiary is in the process of liquidation⁽²⁾ The company which was established for the transfer of the throughout rights as per the concession agreement between MRT and BMCL in case of BMCL breaches agreement with MRT or BMCL breaches the loan agreement with the creditor group

Unit: THB million

THE BANK'S FINANCIAL STATEMENTS						
Company Name	Business Type	Securities	Registered	Ownership	Investment	Dividend
		Investment	Share	%	(Cost)	
		Type	Capital			
Subsidiaries						
Ayudhya Development Leasing Company Limited	Leasing and hire- purchase	Common stock	705	99.99	929	35
Ayudhya Capital Auto Lease Public Company Limited	Hire-purchase and auto leasing	Common stock	1,045	99.99	16,281	-
Ayudhya Total Solutions Public Company Limited ⁽¹⁾	Hire-purchase	Common stock	299	99.81	634	98
CFG Services Company Limited	Hire-purchase and motorcycle loans	Common stock	190	99.99	26	-
		Preferred stock			1	-
Ayudhya Card Services Company Limited	Credit cards and personal loans	Common stock	180	99.99	4	-
Ayudhya Capital Services Company Limited	Credit cards and personal loans	Common stock	125	99.99	6,141	1,000
General Card Services Limited	Credit cards and personal loans	Common stock	758	99.99	881	-
Krungsriayudhya Card Company Limited	Credit cards and personal loans	Common stock	1,100	99.99	1,304	-
Siam Realty and Services Company Limited	Car leasing and personnel services	Common stock	100	99.99	100	50
Total Services Solutions Public Company Limited	Collection services	Common stock	331	99.99	1,614	80
Krungsri Asset Management Company Limited	Fund management	Common stock	350	76.59	204	-
Krungsri Ayudhya AMC Limited	Asset management	Common stock	6,000	99.99	6,000	-
Krungsri Securities Public Company Limited	Securities	Common stock	600	98.71	731	-
Krungsri Factoring Company Limited	Factoring	Common stock	300	99.99	300	-
Associated Company						
Metro Designee Company Limited ⁽²⁾	Special purpose vehicle	Common stock	-	21.90	-	-
Investments in subsidiaries and associated company					35,150	1,263
Less Allowance for impairment					(2,667)	-
Investments in subsidiaries and associated company, net					32,483	1,263

⁽¹⁾ Subsidiary is in the process of liquidation⁽²⁾ The company which was established for the transfer of the throughout rights as per the concession agreement between MRT and BMCL in case of BMCL breaches agreement with MRT or BMCL breaches the loan agreement with the creditor group

DISCLOSURE OF THE STATEMENTS OF CASH FLOWS OF ASSET MANAGEMENT COMPANY ("AMC")

KRUNGSRI AYUDHYA AMC LIMITED
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2013

Unit: THB million

	2013	2012
Cash flows from operating activities		
Income before income tax	420	481
Adjustments to reconcile income to cash provided (paid) from operating activities		
Bad debt and doubtful accounts (reversal)	(3)	211
Loss on impairment of properties for sale	105	80
Depreciation and amortization	2	2
Gain on sales of properties for sale	(241)	(235)
Employment benefits expenses	4	4
Interest income, net	(109)	(38)
Dividend income	-	(2)
Dividend received	-	2
Interest received	162	209
Interest paid	(54)	(172)
Income tax paid	(124)	(79)
Income from operations before changes in operating assets and liabilities	162	463
(Increase) decrease in operating assets		
Investment in receivables	319	1,783
Loans to customers	125	254
Properties for sale	1,091	1,344
Other assets	107	(442)
Increase in operating liabilities		
Other liabilities	9	132
Net cash from operating activities	1,813	3,534
Cash flows from investing activities		
Cash paid for purchase of equipment	(2)	(4)
Net cash from investing activities	(2)	(4)
Cash flows from financing activities		
Proceeds from bill of exchange issued	45	42,540
Cash paid for repayment of bill of exchange	(1,848)	(46,150)
Net cash from financing activities	(1,803)	(3,610)
Net increase (decrease) in cash and cash equivalents	8	(80)
Cash and cash equivalents as at January 1,	13	93
Cash and cash equivalents as at December 31,	21	13

8.6 Loans to customers and accrued interest receivables, net

Loans to customers and accrued interest receivables, net as at December 31, 2013 and 2012 are as follows:

(1) Classified by products

Unit: THB million

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Overdrafts	52,359	46,547	52,095	46,111
Loan against contract	421,067	366,030	603,574	542,882
Trade bill	166,373	144,923	166,259	144,742
Hire-purchase receivable	269,453	234,404	-	-
Lease contract receivable	22,837	24,069	-	-
Credit card receivable	51,439	45,985	-	-
Others	4,486	7,424	277	135
Total	988,014	869,382	822,205	733,870
<u>Less</u> Deferred revenue	(44,512)	(39,374)	(75)	(39)
Loans to customers after deferred revenue, net	943,502	830,008	822,130	733,831
<u>Add</u> Accrued interest receivables	2,648	2,257	1,741	1,418
Loans to customers and accrued interest receivable after deferred revenue, net	946,150	832,265	823,871	735,249
<u>Less</u> Allowance for doubtful accounts				
1) BOT requirement :				
Individual approach	(18,200)	(14,591)	(13,677)	(13,780)
Collective approach	(4,499)	(3,429)	-	-
2) Surplus reserve	(14,767)	(12,286)	(6,242)	(5,629)
<u>Less</u> Revaluation allowance for debt restructuring	(1,520)	(723)	(659)	(17)
Total loans to customers, net	907,164	801,236	803,293	715,823

(2) Classified by currency and residence of debtors

Unit: THB million

	CONSOLIDATED FINANCIAL STATEMENTS					
	2013			2012		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	925,134	505	925,639	814,414	817	815,231
US Dollar	13,356	2,935	16,291	13,231	984	14,215
Other currencies	585	987	1,572	562	-	562
Total	939,075	4,427	943,502	828,207	1,801	830,008

Unit: THB million

	THE BANK'S FINANCIAL STATEMENTS					
	2013			2012		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	803,761	505	804,266	718,237	817	719,054
US Dollar	13,356	2,936	16,292	13,231	984	14,215
Other currencies	585	987	1,572	562	-	562
Total	817,702	4,428	822,130	732,030	1,801	733,831

(3) Classified by business type and classification

Unit: THB million

	CONSOLIDATED FINANCIAL STATEMENTS					
	2013					
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	7,474	159	27	946	343	8,949
Manufacturing and trading	223,558	5,871	1,249	1,314	1,943	233,935
Real estate and construction	67,324	3,638	644	2,194	542	74,342
Public utilities and services	77,636	4,766	811	2,804	899	86,916
Housing loans	115,813	1,807	846	893	1,212	120,571
Others	389,106	19,336	5,630	2,863	1,854	418,789
Total	880,911	35,577	9,207	11,014	6,793	943,502

Unit: THB million

	CONSOLIDATED FINANCIAL STATEMENTS					
	2012					
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	6,834	187	42	102	249	7,414
Manufacturing and trading	199,280	2,979	1,979	1,064	5,001	210,303
Real estate and construction	45,834	1,463	181	387	748	48,613
Public utilities and services	98,152	5,328	1,236	1,100	1,093	106,909
Housing loans	100,072	1,587	979	956	1,109	104,703
Others	334,252	12,748	2,640	1,598	828	352,066
Total	784,424	24,292	7,057	5,207	9,028	830,008

Unit: THB million

	THE BANK'S FINANCIAL STATEMENTS					
	2013					
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	7,453	159	27	62	126	7,827
Manufacturing and trading	222,100	5,854	1,061	910	1,079	231,004
Real estate and construction	66,717	3,601	644	2,190	359	73,511
Public utilities and services	77,632	4,766	809	2,786	653	86,646
Housing loans	115,813	1,808	846	893	1,001	120,361
Others	300,188	1,069	747	574	203	302,781
Total	789,903	17,257	4,134	7,415	3,421	822,130

Unit: THB million

	THE BANK'S FINANCIAL STATEMENTS					
	2012					
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	5,899	187	30	102	140	6,358
Manufacturing and trading	196,321	2,751	1,946	950	3,589	205,557
Real estate and construction	44,978	1,417	177	348	315	47,235
Public utilities and services	97,873	5,277	1,188	1,009	820	106,167
Housing loans	100,072	1,587	979	956	833	104,427
Others	262,393	598	398	525	173	264,087
Total	707,536	11,817	4,718	3,890	5,870	733,831

(4) Classified by type of classification

Unit: THB million

	CONSOLIDATED FINANCIAL STATEMENTS			
	2013			
	Loans to Customers and Accrued Interest Receivables	Outstanding Balance Use for Calculation Allowance	% Use for Calculation Allowance ⁽³⁾	Allowance for Doubtful Accounts ⁽⁴⁾
1. Minimum allowance per BOT guideline				
Normal	883,380	544,189	1	5,713
Special mention	35,747	17,944	2 , 11	3,664
Substandard	9,207	4,904	42, 100	4,419
Doubtful	11,014	5,612	42, 100	5,706
Doubtful of loss	6,802	1,701	100	3,197
Total	946,150	574,350		22,699 ⁽¹⁾
2. Surplus Reserve				14,767 ⁽²⁾
Total				37,466

Unit: THB million

	CONSOLIDATED FINANCIAL STATEMENTS			
	2012			
	Loans to Customers and Accrued Interest Receivables	Outstanding Balance Use for Calculation Allowance	% Use for Calculation Allowance ⁽³⁾	Allowance for Doubtful Accounts ⁽⁴⁾
1. Minimum allowance per BOT guideline				
Normal	786,545	462,438	1	7,205
Special mention	24,414	11,758	2 , 11	1,651
Substandard	7,057	3,778	38, 100	3,337
Doubtful	5,207	2,243	38, 100	2,142
Doubtful of loss	9,042	3,259	100	3,685
Total	832,265	483,476		18,020 ⁽¹⁾
2. Surplus Reserve				12,286 ⁽²⁾
Total				30,306

⁽¹⁾ Including allowance for doubtful accounts on a collective approach for hire-purchase loans as at December 31, 2013 and 2012, of THB 4,499 million and THB 3,429 million, respectively

⁽²⁾ Including allowance for doubtful accounts of loans granted to subsidiaries as at December 31, 2013 and 2012, at the rate of 1% of THB 218,354 million and THB 208,851 million equal to THB 2,183 million and THB 2,089 million, respectively, which are not eliminated but treated as surplus reserve in the consolidated financial statements

⁽³⁾ % set up are the minimum rates required by the Bank of Thailand for loans to customers and the rates used for the collective approach valuation

⁽⁴⁾ Excluding revaluation allowance for debt restructuring as at December 31, 2013 and 2012, of THB 1,520 million and THB 723 million, respectively, and excluding allowance for doubtful accounts for interbank and money market items as at December 31, 2013 and 2012, of THB 199 million and THB 98 million, respectively

Unit: THB million

THE BANK'S FINANCIAL STATEMENTS				
2013				
	Loans to Customers and Accrued Interest Receivables	Outstanding Balance Use for Calculation Allowance	% Use for Calculation Allowance	Allowance for Doubtful Accounts ⁽²⁾
1. Minimum allowance per BOT guideline				
Normal	791,563	463,460	1	4,957
Special mention	17,338	1,891	2	1,654
Substandard	4,134	1,282	100	1,718
Doubtful	7,415	3,668	100	4,167
Doubtful of loss	3,421	745	100	1,181
Total	823,871	471,046		13,677
2. Surplus Reserve				6,242 ⁽¹⁾
Total				19,919

Unit: THB million

THE BANK'S FINANCIAL STATEMENTS				
2012				
	Loans to Customers and Accrued Interest Receivables	Outstanding Balance Use for Calculation Allowance	% Use for Calculation Allowance	Allowance for Doubtful Accounts ⁽²⁾
1. Minimum allowance per BOT guideline				
Normal	708,892	402,105	1	6,829
Special mention	11,879	925	2	601
Substandard	4,718	1,470	100	1,945
Doubtful	3,890	933	100	1,491
Doubtful of loss	5,870	2,489	100	2,914
Total	735,249	407,922		13,780
2. Surplus Reserve				5,629 ⁽¹⁾
Total				19,409

⁽¹⁾ Including allowance for doubtful accounts of loan granted to subsidiaries as at December 31, 2013 and 2012, at the rate of 1% of THB 218,354 million and THB 208,851 million, equal to THB 2,183 million and THB 2,089 million, respectively

⁽²⁾ Excluding revaluation allowance for debt restructuring as at December 31, 2013 and 2012, of THB 659 million and THB 17 million, respectively and excluding allowance for doubtful accounts for interbank and money market items as at December 31, 2013 and 2012, of THB 199 million and THB 98 million, respectively

For the years ended December 31, 2013 and 2012, the Bank and a subsidiary entered into agreements to sell non-performing loans (NPLs) to the third parties and a related company as follows:

Unit: THB million

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Book value	4,158	6,761	4,656	5,688
Net book value	2,549	4,578	2,314	3,496
Sale price	2,670	4,781	2,314	3,496

As at December 31, 2013 and 2012, the Bank and Krungsri Ayudhya AMC Limited ("AMC") had non-performing loans which included interbank and money market items as follows:

Unit: THB million

	2013		
	The Bank	AMC	The Bank and AMC
Non-performing loans	14,970	1,288	16,258
Percentage of total loans	1.68	100.00	1.82
Non-performing loans, net	7,835	969	8,804
Percentage of total loans, net	0.89	100.00	1.00

Unit: THB million

	2012		
	The Bank	AMC	The Bank and AMC
Non-performing loans	14,478	2,086	16,564
Percentage of total loans	1.82	100.00	2.08
Non-performing loans, net	8,128	1,583	9,711
Percentage of total loans, net	1.03	100.00	1.23

As at December 31, 2013 and 2012, the Bank and its subsidiaries' non-performing loans are THB 27,014 million and THB 21,292 million, respectively.

(5) Troubled debt restructuring

For the years ended December 31, 2013 and 2012, the Bank and its subsidiaries had restructured the following debts:

Unit: THB million

CONSOLIDATED FINANCIAL STATEMENTS								
Form of Restructuring	2013				2012			
	Number of Debtors	Amount of Debt Before Restructuring	Type of Assets Acquired	Fair Value	Number of Debtors	Amount of Debt Before Restructuring	Type of Assets Acquired	Fair Value
Modification of terms	15,035	7,622	-	-	15,056	3,700	-	-
Reduction of principal and interest	5,615	1,107	-	-	4,656	2,714	-	-
Various forms of restructuring	248	3,455	-	-	281	1,310	-	-
Total	20,898	12,184		-	19,993	7,724		-

Unit: THB million

THE BANK'S FINANCIAL STATEMENTS								
Form of Restructuring	2013				2012			
	Number of Debtors	Amount of Debt Before Restructuring	Type of Assets Acquired	Fair Value	Number of Debtors	Amount of Debt Before Restructuring	Type of Assets Acquired	Fair Value
Modification of terms	965	4,924	-	-	1,055	2,912	-	-
Reduction of principal and interest	408	858	-	-	521	2,515	-	-
Various forms of restructuring	248	3,455	-	-	281	1,310	-	-
Total	1,621	9,237	-	-	1,857	6,737	-	-

For the years ended December 31, 2013 and 2012, the Bank and its subsidiaries calculated the net realizable value for the trouble debt restructured by the modification of terms using the present value of future cash flows under the restructured loan agreement, discounted by the market rate, together with the fair value of collateral as follows:

Unit: THB million

CONSOLIDATED FINANCIAL STATEMENTS								
Method	2013				2012			
	Average Aging (Year)	Number of Debtor	Amount of Debt Before Restructuring	Amount of Debt After Restructuring	Average Aging (Year)	Number of Debtor	Amount of Debt Before Restructuring	Amount of Debt After Restructuring
Present value of future cash flows	4.25	13,993	5,441	5,471	3.98	13,878	1,218	1,218
Fair value of collateral	6.44	1,042	2,181	2,181	6.17	1,178	2,482	2,351

Unit: THB million

THE BANK'S FINANCIAL STATEMENTS								
Method	2013				2012			
	Average Aging (Year)	Number of Debtor	Amount of Debt Before Restructuring	Amount of Debt After Restructuring	Average Aging (Year)	Number of Debtor	Amount of Debt Before Restructuring	Amount of Debt After Restructuring
Present value of future cash flows	5.44	37	2,795	2,795	6.67	27	561	561
Fair value of collateral	7.23	928	2,129	2,129	7.05	1,028	2,351	2,351

For the years ended December 31, 2013 and 2012, the Bank and its subsidiaries recognized losses on debt restructured and interest received from debt restructured in the statements of comprehensive income as follows:

Unit: THB million

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Losses on debt restructured	1,579	989	654	162
Interest received from debt restructured	3,034	1,221	1,263	1,062

As at December 31, 2013 and 2012, the Bank and its subsidiaries recorded balances of total debt restructured and debt restructured during the years ended December 31, 2013 and 2012, in the statements of financial position as follows:

Unit: THB million

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Balances of total debt restructured	18,755	13,168	15,335	11,582
Balances of debt restructured during the years	11,063	4,475	8,168	3,619

(6) Lease receivables (Included hire-purchase receivables and finance lease)

Unit: THB million

	CONSOLIDATED FINANCIAL STATEMENTS			
	2013			
	Amount due per agreements			
	Within 1 Year	Greater than 1-5 Years	Greater than 5 Years	Total
Minimum lease payments	93,290	187,604	11,396	292,290
Less Unearned interest income				(44,127)
Present value of the minimum lease payments				248,163
Less Allowance for doubtful accounts				(10,454)
Total lease receivables, net				237,709

Unit: THB million

	CONSOLIDATED FINANCIAL STATEMENTS			
	2012			
	Amount due per agreements			
	Within 1 Year	Greater than 1-5 Years	Greater than 5 Years	Total
Minimum lease payments	80,232	166,379	11,862	258,473
Less Unearned interest income				(39,200)
Present value of the minimum lease payments				219,273
Less Allowance for doubtful accounts				(5,404)
Total lease receivables, net				213,869

8.7 Allowance for doubtful accounts

Allowance for doubtful accounts as at December 31, 2013 and 2012 are as follows:

Unit: THB million

CONSOLIDATED FINANCIAL STATEMENTS							
	2013						
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Surplus Reserve	Total
Beginning balance	7,205	1,651	3,337	2,142	3,685	12,286	30,306
Doubtful accounts (reversal)	(1,490)	(2,041)	4,033	5,053	5,191	2,478	17,306
Bad debts written off	-	(28)	(2,917)	(274)	(4,580)	-	(7,799)
Bad debts written off from sales of NPLs	(2)	-	(34)	(1,215)	(1,099)	-	(2,350)
Other	-	-	-	-	-	3	3
Ending balance	5,713	3,664	4,419	5,706	3,197	14,767	37,466

Unit: THB million

CONSOLIDATED FINANCIAL STATEMENTS							
	2012						
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Surplus Reserve	Total
Beginning balance	5,031	2,603	2,923	3,089	4,663	12,467	30,776
Doubtful accounts (reversal)	2,175	(948)	3,480	(431)	6,365	(180)	10,461
Bad debts written off	-	-	(3,038)	(3)	(5,613)	-	(8,654)
Bad debts written off from sales of NPLs	(1)	(4)	(28)	(513)	(1,730)	-	(2,276)
Other	-	-	-	-	-	(1)	(1)
Ending balance	7,205	1,651	3,337	2,142	3,685	12,286	30,306

As at December 31, 2013 and 2012, the consolidated financial statements included the allowance for doubtful account of hire-purchase loans applying a collective approach basis in the amounts of THB 4,499 million and THB 3,429 million, respectively.

Unit: THB million

THE BANK'S FINANCIAL STATEMENTS							
	2013						
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Surplus Reserve	Total
Beginning balance	6,829	601	1,945	1,491	2,914	5,629	19,409
Doubtful accounts (reversal)	(1,870)	1,054	(193)	4,092	(456)	610	3,237
Bad debts written off	-	(1)	-	(201)	(178)	-	(380)
Bad debts written off from sales of NPLs	(2)	-	(34)	(1,215)	(1,099)	-	(2,350)
Other	-	-	-	-	-	3	3
Ending balance	4,957	1,654	1,718	4,167	1,181	6,242	19,919

Unit: THB million

THE BANK'S FINANCIAL STATEMENTS							
	2012						
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Surplus Reserve	Total
Beginning balance	4,489	1,509	1,364	2,503	3,259	6,102	19,226
Doubtful accounts (reversal)	2,341	(904)	1,482	(496)	2,428	(472)	4,379
Bad debts written off	-	-	(873)	(3)	(1,043)	-	(1,919)
Bad debts written off from sales of NPLs	(1)	(4)	(28)	(513)	(1,730)	-	(2,276)
Other	-	-	-	-	-	(1)	(1)
Ending balance	6,829	601	1,945	1,491	2,914	5,629	19,409

As at December 31, 2013 and 2012, the Bank estimated the minimum total allowance* under the BOT Guidelines of THB 24,418 million and THB 18,841 million, respectively for the consolidated financial statements and THB 14,536 million and THB 13,895 million, respectively for the Bank's financial statements.

* Such allowance for doubtful accounts consists of allowance for doubtful accounts for loans to customers and accrued interest receivables, allowance for doubtful accounts for interbank and money market items and revaluation allowance for debt restructuring

The Bank and its subsidiaries recorded allowance for doubtful accounts in the financial statements as follows:

Unit: THB million

	2013	2012
Consolidated financial statements	39,185	31,127
The Bank and Krungsri Ayudhya AMC Limited	21,403	20,512
The Bank's financial statements	20,777	19,525

As at December 31, 2013 and 2012, the Bank and its subsidiaries had loans to customers and accrued interest receivables to companies which have certain problems in financial position and result of operations as defined in the Guideline of the SET dated July 8, 1998 regarding the Quality of Assets and Transactions with Related Parties and the allowance for doubtful accounts for such loans as follows:

Unit: THB million

CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS				
	2013			
	Number	Outstanding Balance	Collateral	Allowance for Doubtful Accounts
Companies subject to be delisted by SET	3	2,612	991	1,417
Total	3	2,612	991	1,417

Unit: THB million

CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS				
	2012			
	Number	Outstanding Balance	Collateral	Allowance for Doubtful Accounts
Companies subject to be delisted by SET	4	2,629	655	2,070
Total	4	2,629	655	2,070

8.8 Revaluation allowance for debt restructuring

Revaluation allowance for debt restructuring as at December 31, 2013 and 2012 are as follows:

Unit: THB million

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Beginning balance	723	503	17	27
Increase during the year	1,579	989	654	162
Amount written off	(781)	(769)	(12)	(172)
Ending balance	1,521	723	659	17

8.9 Properties for sale, net

Properties for sale, net as at December 31, 2013 and 2012 are as follows:

Unit: THB million

Type of Properties For Sale	CONSOLIDATED FINANCIAL STATEMENTS			
	Balance as at January 1, 2013	Acquisition	Disposition	Balance as at December 31, 2013
1. Assets acquired from debt repayment				
1.1 Immovable	11,504	195	(3,625)	8,074
1.2 Movable	539	5,371	(5,089)	821
Total	12,043	5,566	(8,714)	8,895
2. Others	74	70	(45)	99
Total properties for sale	12,117	5,636	(8,759)	8,994
Less Provision for impairment	(2,665)	(2,167)	2,703	(2,129)
Total properties for sale	9,452	3,469	(6,056)	6,865

Unit: THB million

Type of Properties For Sale	CONSOLIDATED FINANCIAL STATEMENTS			
	Balance as at January 1, 2012	Acquisition	Disposition	Balance as at December 31, 2012
1. Assets acquired from debt repayment				
1.1 Immovable	13,808	235	(2,539)	11,504
1.2 Movable	373	3,744	(3,578)	539
Total	14,181	3,979	(6,117)	12,043
2. Others	85	31	(42)	74
Total properties for sale	14,266	4,010	(6,159)	12,117
Less Provision for impairment	(2,529)	(1,405)	1,269	(2,665)
Total properties for sale	11,737	2,605	(4,890)	9,452

Unit: THB million

Type of Properties For Sale	THE BANK'S FINANCIAL STATEMENTS			
	Balance as at January 1, 2013	Acquisition	Disposition	Balance as at December 31, 2013
1. Assets acquired from debt repayment				
1.1 Immovable	6,896	150	(2,677)	4,369
1.2 Movable	12	-	(12)	-
Total	6,908	150	(2,689)	4,369
2. Others	71	70	(45)	96
Total properties for sale	6,979	220	(2,734)	4,465
Less Provision for impairment	(2,274)	(109)	941	(1,442)
Total properties for sale	4,705	111	(1,793)	3,023

Unit: THB million

Type of Properties For Sale	THE BANK'S FINANCIAL STATEMENTS			
	Balance as at January 1, 2012	Acquisition	Disposition	Balance as at December 31, 2012
1. Assets acquired from debt repayment				
1.1 Immovable	8,011	210	(1,325)	6,896
1.2 Movable	12	-	-	12
Total	8,023	210	(1,325)	6,908
2. Others	79	31	(39)	71
Total properties for sale	8,102	241	(1,364)	6,979
Less Provision for impairment	(2,165)	(466)	357	(2,274)
Total properties for sale	5,937	(225)	(1,007)	4,705

Immovable assets for sale classified by external and internal appraisers as at December 31, 2013 and 2012 consist of the following:

Unit: THB million

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Immovable assets-Foreclosed assets				
Appraised by external appraisers	2,343	3,805	1,921	3,382
Appraised by internal appraisers	5,731	7,699	2,448	3,514
Total	8,074	11,504	4,369	6,896

8.10 Premises and equipment, net

Premises and equipment, net as at December 31, 2013 and 2012 are as follows:

Unit: THB million

CONSOLIDATED FINANCIAL STATEMENTS				
	Balance as at January 1, 2013	Increase	Decrease	Balance as at December 31, 2013
Land				
Cost	3,731	-	(100)	3,631
Appraisal increase (Year 2013)	3,740	1,481	(42)	5,179
Appraisal decrease (Year 2013)	(178)	(10)	109	(79)
Premises				
Cost	6,801	111	(86)	6,826
Appraisal increase (Year 2013)	6,074	3,043	(683)	8,434
Appraisal decrease (Year 2013)	(68)	(98)	32	(134)
Equipment	13,389	1,193	(1,115)	13,467
Leasehold improvement	2,085	318	(250)	2,153
Total	35,574	6,038	(2,135)	39,477
Less Accumulated depreciation				
Premises				
- Cost	(3,106)	(249)	8	(3,347)
- Appraisal increase (Year 2013)	(3,516)	(2,064)	308	(5,272)
Equipment	(9,430)	(1,218)	1,045	(9,603)
Leasehold improvement	(1,352)	(190)	203	(1,339)
Total	(17,404)	(3,721)	1,564	(19,561)
Construction in progress	130	215	(122)	223
Premises and equipment, net	18,300			20,139

Unit: THB million

CONSOLIDATED FINANCIAL STATEMENTS				
	Balance as at January 1, 2012	Increase	Decrease	Balance as at December 31, 2012
Land				
Cost	3,775	-	(44)	3,731
Appraisal increase (Year 2009)	3,759	-	(19)	3,740
Appraisal decrease (Year 2009)	(190)	-	12	(178)
Premises				
Cost	6,332	525	(56)	6,801
Appraisal increase (Year 2009)	6,105	-	(31)	6,074
Appraisal decrease (Year 2009)	(70)	-	2	(68)
Equipment	12,860	1,923	(1,394)	13,389
Leasehold improvement	1,721	485	(121)	2,085
Total	34,292	2,933	(1,651)	35,574
Less Accumulated depreciation				
Premises				
- Cost	(2,877)	(259)	30	(3,106)
- Appraisal increase (Year 2009)	(3,291)	(242)	17	(3,516)
Equipment	(9,657)	(1,135)	1,362	(9,430)
Leasehold improvement	(1,305)	(145)	98	(1,352)
Total	(17,130)	(1,781)	1,507	(17,404)
Construction in progress	406	464	(740)	130
Premises and equipment, net	17,568			18,300

Unit: THB million

	2013	2012
Depreciation for the years	1,838	1,778

As at December 31, 2013 and 2012, the Bank and its subsidiaries had premises and equipment which were fully depreciated but still in use, with the original costs amounting to THB 7,971 million and THB 7,749 million, respectively.

The equipment at cost of THB 92 million and THB 100 million, respectively, are under finance leases as at December 31, 2013 and 2012.

Unit: THB million

THE BANK'S FINANCIAL STATEMENTS				
	Balance as at January 1, 2013	Increase	Decrease	Balance as at December 31, 2013
Land				
Cost	3,724	-	(94)	3,630
Appraisal increase (Year 2013)	3,740	1,477	(42)	5,175
Appraisal decrease (Year 2013)	(178)	(10)	109	(79)
Premises				
Cost	6,752	103	(86)	6,769
Appraisal increase (Year 2013)	6,074	2,907	(683)	8,298
Appraisal decrease (Year 2013)	(68)	(98)	32	(134)
Equipment	10,474	613	(545)	10,542
Leasehold improvement	1,010	181	(31)	1,160
Total	31,528	5,173	(1,340)	35,361
Less Accumulated depreciation				
Premises				
- Cost	(3,080)	(248)	8	(3,320)
- Appraisal increase (Year 2013)	(3,516)	(1,959)	308	(5,167)
Equipment	(7,642)	(880)	525	(7,997)
Leasehold improvement	(513)	(75)	24	(564)
Total	(14,751)	(3,162)	865	(17,048)
Construction in progress	116	208	(104)	220
Premises and equipment, net	16,893			18,533

Unit: THB million

THE BANK'S FINANCIAL STATEMENTS				
	Balance as at January 1, 2012	Increase	Decrease	Balance as at December 31, 2012
Land				
Cost	3,767	-	(43)	3,724
Appraisal increase (Year 2009)	3,759	-	(19)	3,740
Appraisal decrease (Year 2009)	(190)	-	12	(178)
Premises				
Cost	6,298	509	(55)	6,752
Appraisal increase (Year 2009)	6,105	-	31	6,074
Appraisal decrease (Year 2009)	(70)	-	2	(68)
Equipment	9,937	1,421	(884)	10,474
Leasehold improvement	718	324	(32)	1,010
Total	30,324	2,254	(1,050)	31,528
Less Accumulated depreciation				
Premises				
- Cost	(2,853)	(257)	30	(3,080)
- Appraisal increase (Year 2009)	(3,290)	(243)	17	(3,516)
Equipment	(7,665)	(842)	865	(7,642)
Leasehold improvement	(463)	(70)	20	(513)
Total	(14,271)	(1,412)	932	(14,751)
Construction in progress	407	450	(741)	116
Premises and equipment, net	16,460			16,893

Unit: THB million

	2013	2012
Depreciation for the years	1,383	1,412

As at December 31, 2013 and 2012, the Bank had premises and equipment which were fully depreciated but still in use, with the original costs amounting to THB 6,200 million and THB 5,942 million, respectively.

8.11 Goodwill and other intangible assets, net

Goodwill and other intangible assets, net as at December 31, 2013 and 2012 are as follows:

Unit: THB million

CONSOLIDATED FINANCIAL STATEMENTS				
	Balance as at January 1, 2013	Increase	Decrease	Balance as at December 31, 2013
Cost				
Goodwill	9,947	-	-	9,947
Software	4,770	582	(59)	5,293
Other intangible assets	5,588	17	-	5,605
Total	20,305	599	(59)	20,845
Accumulated amortization				
Software	(2,428)	(491)	54	(2,865)
Other intangible assets	(2,442)	(657)	-	(3,089)
Total	(4,870)	(1,148)	54	(5,964)
Allowance for impairment	-	(20)	-	(20)
Goodwill and other intangible assets, net	15,435			14,861

Unit: THB million

CONSOLIDATED FINANCIAL STATEMENTS				
	Balance as at January 1, 2012	Increase	Decrease	Balance as at December 31, 2012
Cost				
Goodwill	7,521	2,426	-	9,947
Software	3,938	947	(115)	4,770
Other intangible assets	4,494	1,119	(25)	5,588
Total	15,953	4,492	(140)	20,305
Accumulated amortization				
Software	(2,135)	(388)	95	(2,428)
Other intangible assets	(1,764)	(678)	-	(2,442)
Total	(3,899)	(1,066)	95	(4,870)
Goodwill and other intangible assets, net	12,054			15,435

Unit: THB Million

	2013	2012
Amortization for the years	1,148	1,066

As at December 31, 2013 and 2012, the Bank and its subsidiaries had intangible assets which were fully amortized but still in use, with the original costs amounting to THB 1,419 million and THB 1,199 million, respectively.

Unit: THB million

THE BANK'S FINANCIAL STATEMENTS				
	Balance as at January 1, 2013	Increase	Decrease	Balance as at December 31, 2013
Cost				
Goodwill	1,054	-	-	1,054
Software	3,942	462	(5)	4,399
Other intangible assets	51	15	-	66
Total	5,047	477	(5)	5,519
Accumulated amortization				
Software	(1,973)	(404)	-	(2,377)
Other intangible assets	(6)	(7)	-	(13)
Total	(1,979)	(411)	-	(2,390)
Goodwill and other intangible assets, net	3,068			3,129

Unit: THB million

	THE BANK'S FINANCIAL STATEMENTS			
	Balance as at January 1, 2012	Increase	Decrease	Balance as at December 31, 2012
Cost				
Goodwill	-	1,054	-	1,054
Software	3,308	658	(24)	3,942
Other intangible assets	13	38	-	51
Total	3,321	1,750	(24)	5,047
Accumulated amortization				
Software	(1,667)	(313)	7	(1,973)
Other intangible assets	(6)	-	-	(6)
Total	(1,673)	(313)	7	(1,979)
Goodwill and other intangible assets, net	1,648			3,068

Unit: THB million

	2013	2012
Amortization for the years	411	311

As at December 31, 2013 and 2012, the Bank had intangible assets which were fully amortized but still in use, with the original costs amounting to THB 1,089 million and THB 940 million, respectively.

8.12 Deferred tax assets

Deferred tax assets as at December 31, 2013 and 2012 are as follows:

Unit: THB million

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Deferred tax assets	6,982	6,061	2,277	2,637

Movements of deferred tax assets during the years are as follows:

Unit: THB million

	CONSOLIDATED FINANCIAL STATEMENTS			
	Balance at January 1, 2013	Items as recognized into Profit and Loss	Items as recognized into other comprehensive income	Balance at December 31, 2013
Temporary differences				
Impairment of assets	663	(174)	-	489
Loans and accrued interest receivables, net	3,724	1,092	-	4,816
Provisions	1,586	(127)	(64)	1,395
Others	88	(29)	223	282
Total	6,061	762	159	6,982

Unit: THB million

	CONSOLIDATED FINANCIAL STATEMENTS				
	Balance at January 1, 2012	Items arising from business combination	Items as recognized into Profit and Loss	Items as recognized into Other Comprehensive Income	Balance at December 31, 2012
Temporary differences					
Impairment of assets	764	-	(101)	-	663
Loans and accrued interest receivables, net	3,243	-	481	-	3,724
Provisions	1,453	-	148	(15)	1,586
Others	171	(118)	35	-	88
Total	5,631	(118)	563	(15)	6,061

Unit: THB million

	THE BANK'S FINANCIAL STATEMENTS			
	Balance at January 1, 2013	Items as recognized into Profit and Loss	Items as recognized into other comprehensive income	Balance at December 31, 2013
Temporary differences				
Impairment of assets	551	(182)	-	369
Loans and accrued interest receivables, net	836	(113)	-	723
Provisions	1,123	(155)	(57)	911
Others	127	(76)	223	274
Total	2,637	(526)	166	2,277

Unit: THB million

	THE BANK'S FINANCIAL STATEMENTS				
	Balance at January 1, 2012	Items arising from business combination	Items as recognized into Profit and Loss	Items as recognized into Other Comprehensive Income	Balance at December 31, 2012
Temporary differences					
Impairment of assets	604	-	(53)	-	551
Loans and accrued interest receivables, net	490	-	346	-	836
Provisions	1,104	-	36	(17)	1,123
Others	158	12	(43)	-	127
Total	2,356	12	286	(17)	2,637

8.13 Other assets, net

Other assets, net as at December 31, 2013 and 2012 are as follows:

Unit: THB million

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Accrued income	2,753	2,206	376	344
Prepayment	345	404	106	182
Other receivables	9,476	8,420	4,563	2,943
Others	936	1,268	1,414	877
Total	13,510	12,298	6,459	4,346

8.14 Deposits

Deposits as at December 31, 2013 and 2012 are as follows:

(1) Classified by product

Unit: THB million

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Current deposit	19,470	18,646	20,193	19,626
Savings deposit	383,471	350,814	387,083	355,664
Time deposit				
- Less than 6 months	133,061	147,053	133,065	147,055
- 6 months to 1 year	127,010	120,927	127,009	120,927
- over 1 year	101,038	49,719	101,040	49,722
Total	764,050	687,159	768,390	692,994

(2) Classified by currency and residence of depositors

Unit: THB million

	CONSOLIDATED FINANCIAL STATEMENTS					
	2013			2012		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	758,552	551	759,103	682,292	553	682,845
US Dollar	1,329	1,585	2,914	1,002	1,415	2,417
Other currencies	616	1,417	2,033	633	1,264	1,897
Total	760,497	3,553	764,050	683,927	3,232	687,159

Unit: THB million

	THE BANK'S FINANCIAL STATEMENTS					
	2013			2012		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	762,893	551	763,444	688,127	553	688,680
US Dollar	1,329	1,585	2,914	1,002	1,415	2,417
Other currencies	615	1,417	2,032	633	1,264	1,897
Total	764,837	3,553	768,390	689,762	3,232	692,994

8.15 Interbank and money market items, net (Liability)

Interbank and money market items, net (liability) as at December 31, 2013 and 2012 are as follows:

Unit: THB million

	CONSOLIDATED FINANCIAL STATEMENTS			2012		
	At Call	Time	Total	At Call	Time	Total
Domestic items						
Bank of Thailand and Financial Institution						
Development Fund	-	9,397	9,397	-	9,265	9,265
Commercial banks	576	23,610	24,186	1,358	24,120	25,478
Specialized financial institutions	31	4,564	4,595	181	6,026	6,207
Other financial institutions	5,289	5,419	10,708	5,558	688	6,246
Total domestic items	5,896	42,990	48,886	7,097	40,099	47,196
Foreign items						
US Dollar	22	6,563	6,585	56	1,532	1,588
Other currencies	26	-	26	37	-	37
Total foreign items	48	6,563	6,611	93	1,532	1,625
Total domestic and foreign items	5,944	49,553	55,497	7,190	41,631	48,821

Unit: THB million

	THE BANK'S FINANCIAL STATEMENTS					
	2013			2012		
	At Call	Time	Total	At Call	Time	Total
Domestic items						
Bank of Thailand and Financial Institution						
Development Fund	-	9,397	9,397	-	9,265	9,265
Commercial banks	576	23,610	24,186	1,358	22,710	24,068
Specialized financial institutions	31	4,564	4,595	181	6,026	6,207
Other financial institutions	6,495	5,420	11,915	6,513	688	7,201
Total domestic items	7,102	42,991	50,093	8,052	38,689	46,741
Foreign items						
US Dollar	22	6,563	6,585	56	1,532	1,588
Other currencies	26	-	26	37	-	37
Total foreign items	48	6,563	6,611	93	1,532	1,625
Total domestic and foreign items	7,150	49,554	56,704	8,145	40,221	48,366

Additional information on interbank and money market items, net (liability) is as follows:

- As at December 31, 2013 and 2012, the outstanding balance of borrowing from the Bank of Thailand is THB 9,397 million and THB 9,265 million, respectively bearing an interest rate at 0.01% per annum. The loan is restricted to a soft loan program for flood relief in year 2011 provided to small and medium enterprises (SME) and individuals at a rate not over 3% per annum. The soft loan program duration is 5 years and will ended on December 31, 2018.
- On October 25, 2012, the Bank entered into a loan agreement facility of USD 200 million with International Finance Corporation, a member of the World Bank, which was composed of a 36-month term loan of USD 100 million, a 48-month term loan of USD 50 million and a 60-month term loan of USD 50 million at the interest rate of 3-month LIBOR plus applicable spreads. The purpose of this facility is to provide the Bank funding to finance small or medium enterprises directly and indirectly impacted by flooding in Thailand.

8.16 Debt issued and borrowings

Debt issued and borrowings as at December 31, 2013 and 2012 are as follows:

Unit: THB million

CONSOLIDATED FINANCIAL STATEMENTS									
	Currency	Interest rate (%)	Maturity	2013			2012		
				Domestic	Foreign	Total	Domestic	Foreign	Total
Subordinated Debentures	THB	4.70-5.50	2020-2022	34,844	-	34,844	34,844	-	34,844
Senior securities	THB	2.72-4.50	2014-2018	101,053	-	101,053	71,170	-	71,170
Bill of exchange	THB	1.85-3.80	2014	38,649	-	38,649	48,523	-	48,523
Other borrowings	THB	0.00-0.50	2014-2017	59	-	59	92	-	92
				174,605	-	174,605	154,629	-	154,629

Unit: THB million

THE BANK'S FINANCIAL STATEMENTS									
	Currency	Interest rate (%)	Maturity	2013			2012		
				Domestic	Foreign	Total	Domestic	Foreign	Total
Subordinated Debentures	THB	4.70-5.50	2020-2022	34,844	-	34,844	34,844	-	34,844
Senior securities	THB	2.72-4.50	2014-2016	62,230	-	62,230	39,112	-	39,112
Bill of exchange	THB	1.85-3.80	2014	10,204	-	10,204	29,691	-	29,691
Other borrowings	THB	0.00-0.50	2014-2017	59	-	59	92	-	92
				107,337	-	107,337	103,739	-	103,739

Additional information on debts issued and borrowings is as follows:

- On June 23, 2010, the Bank issued subordinated debentures No. 1/2010 in the amount of THB 20,000 million with maturity on June 23, 2020 at the fixed interest rates of 4.35% per annum for the years 1-3, 4.75% per annum for the years 4-6 and 5.50% per annum for the years 7-10, payable quarterly on the 23rd of March, June, September and December of each year. The Bank has the right to redeem debentures No. 1/2010 before the maturity date subject to the approval of the BOT. The Bank may redeem the debentures prior to the fifth anniversary of the issued date if the Bank is notified by the BOT that the debentures shall not be treated as tier 2 capital or the debentures shall be treated as tier 2 capital less than 50% of tier 1 capital of the Bank.
- On November 7, 2012, the Bank issued subordinated debentures No. 1/2012 in the amount of THB 14,844 million for a 10-year tenor at the fixed interest rate of 4.70% per annum, payable quarterly in February, May, August and November of each year. The Bank has the right to redeem debentures on the fifth anniversary of the issued date or on any interest payment date after the fifth anniversary.

8.17 Provisions

Provisions for the years ended December 31, 2013 and 2012 are as follows:

Unit: THB million

CONSOLIDATED FINANCIAL STATEMENTS					
	Balance at January 1, 2012	Increase (Decrease)	Balance at December 31, 2012	Increase (Decrease)	Balance at December 31, 2013
Provision for post-employment benefits obligation	2,792	150	2,942	(50)	2,892
Provision for loss on impairment of assets transferred to the Thai Asset Management Corporation	2,106	25	2,131	(2,131)	-
Provision for customer loyalty program	1,244	373	1,617	222	1,839
Others	754	(110)	644	1,047	1,691
Total	6,896	438	7,334	(912)	6,422

Unit: THB million

THE BANK'S FINANCIAL STATEMENTS					
	Balance at January 1, 2012	Increase (Decrease)	Balance at December 31, 2012	Increase (Decrease)	Balance at December 31, 2013
Provision for post-employment benefits obligation	2,358	75	2,433	(68)	2,365
Provision for loss on impairment of assets transferred to the Thai Asset Management Corporation	2,070	-	2,070	(2,070)	-
Provision for customer loyalty program	21	8	29	27	56
Others	721	(77)	644	1,044	1,688
Total	5,170	6	5,176	(1,067)	4,109

Post-employment benefits obligation

The Bank and its subsidiaries operate post-employment benefits plans under the Thai Labor Protection Act, which are considered as unfunded defined benefit plans. These plans are recognized as provision in the statement of financial position.

Movements in the present value of the defined benefits obligation for the years ended December 31, 2013 and 2012 are as follows:

Unit: THB million

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Opening defined benefits obligation	2,942	2,792	2,433	2,358
Current service cost	261	238	193	179
Interest cost	115	106	95	90
Actuarial (gains) losses	(321)	(75)	(284)	(83)
Benefit paid	(107)	(119)	(73)	(111)
Transfer employee from subsidiaries	-	-	1	-
Curtailment/Settlement Loss/(Gain)	2	-	-	-
Closing defined benefit obligation	2,892	2,942	2,365	2,433

For the year ended December 31, 2013, the actuarial gains are recognized in the consolidated and the Bank's statements of comprehensive income in the amounts of THB 321 million and THB 284 million, respectively.

For the year ended December 31, 2013, the accumulated actuarial gains are recognized in the consolidated and the Bank's statements in the amounts of THB 410 million and THB 403 million, respectively

Amounts recognized in the statements of comprehensive income in respect of the defined benefit plans for the years ended December 31, 2013 and 2012 are as follows:

Unit: THB million

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Current service cost	261	238	193	179
Interest on obligation	115	106	95	90
	376	344	288	269

The principal actuarial assumptions used to calculate the obligation under the defined benefit plans as at December 31, 2013 and 2012 are as follows:

	CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS	
	2013	2012
Financial assumptions		
Discount rate	4.5%	3.9%
Salary increase rate	6.0%	6.0%
Turnover rate	9.9%	9.4%
Retirement age	55 and 60 years	55 and 60 years

Transfer of sub-quality assets to Thai Asset Management Corporation

On October 12, 2001, the Bank and a subsidiary entered into Assets Transfer Agreements with the Thai Asset Management Corporation (TAMC) in order to transfer sub-quality assets including rights over the collateral as specified in the agreements. The sub-quality assets to be transferred were those which had outstanding balances as at December 31, 2000 and possessed certain characteristics as specified in the Emergency Decree on TAMC B.E. 2544 (TAMC Decree). The price of the sub-quality assets should equal the value of the collateral and not exceed the loan value less

allowance for doubtful accounts, as determined by BOT guidelines. The Bank and its subsidiary received non-negotiable promissory notes upon TAMC's confirmations on the price. The notes matured in 10 years and bear the interest rate calculated based on the average rate of deposits, payable annually. The notes were availed by the Financial Institutions Development Fund.

The Bank, its subsidiary and TAMC agreed to allocate any profits or losses from managing the sub-quality assets at the end of the fifth and the tenth year starting from July 1, 2001. In addition, pursuant to the TAMC Decree, in case when profits were realized, the first portion of the profits, not exceeding 20% of the transfer price of the sub-quality assets transferred to TAMC, would be allocated equally between TAMC and the Bank/subsidiary. The second portion of the profits would be allocated in full to the Bank/subsidiary. The two portions of the profits combined together should not exceed the difference between the book value and the transfer price of the sub-quality assets transferred to TAMC. The residual amount of the profits after allocation of the second portion was given to TAMC. In case when losses were realized, it would be shared between TAMC and the Bank/subsidiary. The Bank and its subsidiary would 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 was the residual amount of the first portion, an amount not exceeding 20% of the transfer price of the sub-quality assets transferred to TAMC would be shared equally between the Bank and its subsidiary. The residual amount of the losses after allocation of the second portion will be absorbed by TAMC. The calculation of such profits and losses by TAMC was based on the fully repaid assets or the completed process of assets transfer in case of transfer of assets for repayment purposes.

As at December 31, 2012, the provisions for possible losses were set up in the amounts of THB 2,131 million, for the consolidated financial statements, and THB 2,070 million for the Bank's financial statements which were presented as a part of provisions in the statement of financial position.

On June 9, 2011, TAMC was liquidated and consequently the Bank and its subsidiary have confirmed the profit and loss calculation report received from TAMC on September 11, 2013. As a result, during the year ended December 31, 2013, the Bank and its subsidiary recorded reversal on provision for possible losses in the consolidated and the Bank's financial statements of THB 1,074 million and THB 1,056 million, respectively, which presented negative amount in other operating expenses. The completion of payment was conducted in October 2013.

8.18 Deferred tax liabilities

Deferred tax liabilities as at December 31, 2013 and 2012 are as follows:

Unit: THB million

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Deferred tax liabilities	2,603	2,505	1,824	1,617

Movements of deferred tax liabilities during the years are as follows:

Unit: THB million

	CONSOLIDATED FINANCIAL STATEMENTS			
	Balance at January 1, 2013	Items as recognized into Profit and Loss	Items as recognized into other comprehensive income	Balance at December 31, 2013
Temporary differences				
Asset appraisal surplus	1,260	(48)	457	1,669
Investments	585	(538)	(38)	9
Others	660	265	-	925
Total	2,505	(321)	419	2,603

Unit: THB million

CONSOLIDATED FINANCIAL STATEMENTS					
	Balance at January 1, 2012	Items arising from business combination	Items as recognized into Profit and Loss	Items as recognized into Other Comprehensive Income	Balance at December 31, 2012
Temporary differences					
Asset appraisal surplus	1,323	-	(58)	(5)	1,260
Investments	554	-	(137)	168	585
Others	399	282	(21)	-	660
Total	2,276	282	(216)	163	2,505

Unit: THB million

THE BANK'S FINANCIAL STATEMENTS				
	Balance at January 1, 2013	Items as recognized into Profit and Loss	Items as recognized into other comprehensive income	Balance at December 31, 2013
Temporary differences				
Asset appraisal surplus	1,259	(48)	450	1,661
Investments	237	(191)	(42)	4
Others	121	38	-	159
Total	1,617	(201)	408	1,824

Unit: THB million

THE BANK'S FINANCIAL STATEMENTS					
	Balance at January 1, 2012	Items arising from business combination	Items as recognized into Profit and Loss	Items as recognized into Other Comprehensive Income	Balance at December 31, 2012
Temporary differences					
Asset appraisal surplus	1,322	-	(58)	(5)	1,259
Investments	69	-	-	168	237
Others	61	62	(2)	-	121
Total	1,452	62	(60)	163	1,617

8.19 Finance lease liabilities

Finance lease liabilities as at December 31, 2013 and 2012 are as follows:

Unit: THB million

CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS						
	2013			2012		
	Principal	Interest	Payment	Principal	Interest	Payment
Within one year	28	3	31	17	4	21
One year to five years	57	4	61	73	6	79
Total	85	7	92	90	10	100

8.20 Other liabilities

Other liabilities as at December 31, 2013 and 2012 are as follows:

Unit: THB million

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Accrued expenses	9,630	9,041	7,050	6,577
Tax payable	3,938	2,959	1,526	1,200
Deposit	7,376	8,001	101	183
Other payable	3,971	3,322	2,158	1,638
Others	8,146	8,454	3,137	3,467
Total	33,061	31,777	13,972	13,065

8.21 Share capital

8.21.1 Authorized share capital

The Extraordinary General Meeting of shareholders No. 1/2013 of the Bank, held on October 31, 2013, approved the reduction of the Bank's registered capital from THB 70,893,927,550 to THB 60,741,437,470 and approved the increase of the Bank's registered capital from THB 60,741,437,470 to THB 75,741,437,470, by issuing not more than 1,500,000,000 new ordinary shares at par value of THB 10. These new shares will be issued as a private placement to BTMU as follows:
Tranche 1: In case the aggregate amount of ordinary shares which BTMU acquires through Voluntary Tender Offer and from other kind of acquisition, combined with capital-increased shares that BTMU will receive as consideration for the business transfer of BTMU's Bangkok Branch is less than 50 percent of all issued shares of the Bank.
Tranche 2: In case there is no private placement of Tranche 1 or there are remaining shares from Tranche 1, the allotment shall be made as consideration and/or exchange for the transfer of the business of BTMU's Bangkok Branch.

The Bank registered the reduction and the increase of the Bank's registered capital with Ministry of Commerce on November 1, 2013.

8.21.2 Legal reserve

Pursuant to the Public Limited Companies Act, the Bank must allocate to a reserve fund from the annual net profit, not less than five percent of the annual net profit deducted by the total accumulated loss brought forward (if any) until the reserve fund reaches an amount not less than ten percent of the registered capital. The reserve fund is not available for dividend distribution.

8.21.3 Dividend payment

The Annual General Meeting of Shareholders No.100 held on April 24, 2012, approved the dividend payment for the second half year ended December 31, 2011 to the shareholders of 6,074,143,747 ordinary shares at THB 0.35 per share totaling THB 2,126 million with payment date on May 22, 2012.

The Board of Directors' Meeting No.8/2012 held on August 22, 2012, approved the interim dividend payment for the first half year ended June 30, 2012 to the shareholders of 6,074,143,747 ordinary shares at THB 0.40 per share totaling THB 2,430 million with payment date on September 20, 2012.

The Annual General Meeting of Shareholders No.101 held on April 10, 2013, approved the dividend payment for the second half year ended December 31, 2012 to the shareholders of 6,074,143,747 ordinary shares at THB 0.40 per share totaling THB 2,430 million with payment date on May 7, 2013.

The Board of Directors' Meeting No.8/2013 held on August 28, 2013, approved the interim dividend payment for the first half year ended June 30, 2013 to the shareholders of 6,074,143,747 ordinary

shares at THB 0.40 per share totaling THB 2,430 million with payment date on September 26, 2013.

8.22 Assets with obligations and restrictions

As at December 31, 2013 and 2012, government and state enterprise securities with book value of THB 5,857 million and THB 4,412 million, respectively, are used as collateral for other commitments with government departments and state enterprises.

8.23 Contingencies

Contingencies as at December 31, 2013 and 2012 are as follows:

Unit: THB million

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Avals to bills	1,270	977	1,270	977
Guarantees of loans	45	90	45	90
Liability under unmatured import bills	1,559	1,548	1,559	1,548
Letters of credit	9,335	8,043	9,335	8,043
Other contingencies				
- Unused overdraft limit	57,884	59,049	58,014	59,181
- Other guarantees	44,200	35,172	44,200	35,172
- Others	253	506	253	506
Total	114,546	105,385	114,676	105,517

The Bank and its subsidiaries have entered into a long-term information technology service agreement, which will be expired in 2019 with a local company. As at December 31, 2013 and 2012, the Bank and its subsidiaries have a commitment to pay in the amounts of THB 3,726 million and THB 4,386 million, respectively.

As at December 31, 2013 and 2012, the Bank has commitments to pay regarding the information technology services the amounts of THB 14 million and THB 86 million, respectively.

8.24 Related party transactions

The Bank has business transactions with subsidiaries, associates and related companies. These transactions are with companies that have shareholding and/or major shareholders and/or joint directors with the Bank and with related persons. Such loans to related party have the allowance for doubtful accounts policy which comply with the same BOT regulations as those granted to other debtors.

According to the Bank of Thailand's Notification and Sor.Nor.Sor. 19/2555 regarding the guideline on Consolidated Supervision (No.2) dated December 17, 2012, and Sor.Nor.Sor. 6/2553 regarding the Guideline on Consolidated Supervision dated June 28, 2010, the Bank is required to disclose the Inter-Group Transactions in the Financial Business Group Policy and the Risk Management for Inter-Group Transactions in the Financial Business Group Policy as follows:

1. The Inter-Group Transactions in the Financial Business Group Policy

The inter-group transactions shall be the same conditions or criteria, including interest rate or service fee charged, as applied when the Bank conducts the transactions with general customers with the same risk level and the Bank does not allow the companies in the financial business group borrow from or lend to each other.

2. The Risk Management for Inter-Group Transactions in the Financial Business Group Policy

The Bank manages risk for all inter-group transactions based on the Credit Risk Management for the Financial Business Policy which covers the key credit risk management process, namely

credit risk control, credit risk measurement, and credit risk monitoring, in accordance with the Bank's policy and the Bank of Thailand's requirements.

Related party transactions are as follows:

8.24.1 Loans to, deposits, borrowing and contingencies with certain officers from the levels of Bank's Directors, Executive Vice Presidents and higher, and Vice Presidents/equivalent positions and higher in the Finance and Accounting Functions and the companies in which they and/or the Bank directors and/or their related parties and/or the Bank owned and the companies in which the directors and/or shareholders of the Bank have significant voting right either directly and indirectly, as at December 31, 2013 and 2012 are as follows:

Unit: THB million

	CONSOLIDATED FINANCIAL STATEMENTS							
	2013				2012			
	Loans	Deposits	Borrowings	Others*	Loans	Deposits	Borrowings	Others*
Parent companies								
The Bank of Tokyo-Mitsubishi								
UFJ Ltd, Bangkok Branch	-	1	-	12,844	-	-	-	-
The Bank of Tokyo-Mitsubishi								
UFJ Ltd, Singapore Branch	-	-	-	1,559	-	-	-	-
	-	1	-	14,403	-	-	-	-
Associates								
Tesco Card Services Limited	11,520	398	-	-	10,073	397	-	-
Tesco Life Assurance Broker								
Limited	-	75	-	-	-	47	-	-
Tesco General Insurance Broker								
Limited	-	308	-	-	-	231	-	-
<u>Less</u> Allowance for doubtful								
accounts	(115)	-	-	-	(101)	-	-	-
Total	11,405	781	-	-	9,972	675	-	-
Related companies having joint								
major shareholders or directors	3,605	3,559	-	2,742	1,335	4,099	1,700	418
<u>Less</u> Allowance for doubtful								
accounts	(31)	-	-	-	(13)	-	-	-
Total	3,574	3,559	-	2,742	1,322	4,099	1,700	418
Individual and related parties	268	637	-	-	244	547	21	-
<u>Less</u> Allowance for doubtful								
accounts	(1)	-	-	-	(1)	-	-	-
Total	267	637	-	-	243	547	21	-
Total	15,246	4,978	-	17,145	11,537	5,321	1,721	418

* Others contain investment, derivatives (notional amount) and contingencies

Unit: THB million

	THE BANK'S FINANCIAL STATEMENTS							
	2013				2012			
	Loans	Deposits	Borrowings	Others*	Loans	Deposits	Borrowings	Others*
Parent companies								
The Bank of Tokyo-Mitsubishi UFJ Ltd, Bangkok Branch	-	1	-	12,844	-	-	-	-
The Bank of Tokyo-Mitsubishi UFJ Ltd, Singapore Branch	-	-	-	1,559	-	-	-	-
	-	1	-	14,403	-	-	-	-
Subsidiaries								
Ayudhya Development Leasing Company Limited	10,371	20	-	44	10,013	45	-	161
Ayudhya Capital Auto Lease Public Company Limited	130,012	601	-	5	125,441	693	-	-
Ayudhya Total Solutions Public Company Limited	-	10	-	-	-	2,070	-	-
CFG Services Company Limited	8,391	29	-	2	5,273	17	-	-
Ayudhya Card Services Company Limited	-	-	-	-	4,600	247	-	-
Ayudhya Capital Services Company Limited	24,774	801	-	3	21,109	738	-	3
General Card Services Limited	11,492	335	-	-	11,658	268	-	-
Krungsriayudhya Card Company Limited	32,180	1,142	-	1	26,471	885	-	1
Siam Realty and Services Company Limited	580	43	-	-	496	71	-	-
Total Services Solutions Public Company Limited	-	193	700	-	-	246	400	-
Krungsri Asset Management Company Limited	-	218	150	656	-	104	300	613
Krungsri Ayudhya AMC Limited	554	17	-	38	2,357	15	-	38
Krungsri Securities Public Company Limited	-	991	-	-	-	853	-	-
Krungsri Factoring Company Limited	-	92	-	-	1,433	177	-	-
Krungsri Life Assurance Broker Company Limited	-	434	-	-	-	137	-	-
Krungsri General Insurance Broker Company Limited	-	621	-	-	-	224	-	-
Total	218,354	5,547	850	749	208,851	6,790	700	816
<u>Less</u> Allowance for doubtful accounts	(2,184)	-	-	-	(2,088)	-	-	-
Total	216,170	5,547	850	749	206,763	6,790	700	816

Unit: THB million

	THE BANK'S FINANCIAL STATEMENTS							
	2013				2012			
	Loans	Deposits	Borrowings	Others*	Loans	Deposits	Borrowings	Others*
Associates								
Tesco Card Services Limited	11,520	398	-	-	10,073	397	-	-
Tesco Life Assurance Broker Limited	-	75	-	-	-	47	-	-
Tesco General Insurance Broker Limited	-	308	-	-	-	231	-	-
<u>Less</u> Allowance for doubtful accounts	(115)	-	-	-	(101)	-	-	-
Total	11,405	781	-	-	9,972	675	-	-
Related companies having joint major shareholders or directors	3,605	3,559	-	2,742	1,335	4,099	1,700	418
<u>Less</u> Allowance for doubtful accounts	(31)	-	-	-	(13)	-	-	-
Total	3,574	3,559	-	2,742	1,322	4,099	1,700	418
Individual and related parties	221	637	-	-	196	547	21	-
Total	231,370	10,525	850	17,894	218,253	12,111	2,421	1,234

* Others contain investment, derivatives (notional amount) and contingencies

As at December 31, 2013 and 2012, the Bank charges interest rates to the officer or related parties at 1.00% - 15.99% p.a. and 1.00% - 18.99%, respectively.

As at December 31, 2013 and 2012, the allowance for doubtful accounts of loans granted to subsidiaries of THB 2,184 million and THB 2,088 million, respectively, are not eliminated but treated as surplus reserve in the consolidated financial statements.

As at December 31, 2013 and 2012, the Bank granted loans to Krungsri Ayudhya AMC Limited in the from of promissory notes of THB 554 million at the interest rates of 3.10% per annum and short-term promissory notes of THB 2,357 million at the interest rates of 3.57% - 4.00% per annum, respectively.

8.24.2 The Bank has investments in subsidiaries and associates as disclosed in note 8.5 to the financial statements and has investments in related companies as follows:

Unit: THB million

	CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS							
	Business Type	Registered Share Capital	2013			2012		
			Ownership (%)	Investment Cost	Dividend Amount	Ownership (%)	Investment Cost	Dividend Amount
Related companies								
Sriayudhya Capital Insurance Public Company Limited	Investment holding company	250	9.72	373	27	10.92	419	14
<u>Less</u> Allowance for impairment				(6)	-		(7)	-
Investment in related companies, net				367	27		412	14

8.24.3 Income and expenses between the Bank and its subsidiaries, associates and related companies for the years ended December 31, 2013 and 2012 are as follows:

Unit: THB million

	CONSOLIDATED FINANCIAL STATEMENTS							
	2013				2012			
	Income		Expenses		Income		Expenses	
	Interest income	Non-interest income	Interest expenses	Non-Interest expenses	Interest income	Non-Interest income	Interest expenses	Non-Interest expenses
Associates								
Tesco Card Services Limited	407	375	2	-	354	150	2	-
Tesco General Insurance Broker Limited	-	20	3	-	-	13	3	-
Total	407	395	5	-	354	163	5	-
Related companies having joint major shareholders or directors								
Total	96	35	76	296	41	60	131	332
Individual and related parties								
Total	7	8	12	-	6	4	13	-
	510	438	93	296	401	227	149	332

Unit: THB million

	THE BANK'S FINANCIAL STATEMENTS							
	2013				2012			
	Income		Expenses		Income		Expenses	
	Interest income	Non-interest income	Interest expenses	Non-Interest expenses	Interest income	Non-Interest income	Interest expenses	Non-Interest expenses
Subsidiaries								
Ayudhya Development Leasing Company Limited	378	3	-	-	404	3	-	-
Ayudhya Auto Lease Public Company Limited	-	-	-	-	-	-	5	-
Ayudhya Capital Auto Lease Public Company Limited	5,107	114	5	2	4,320	62	4	1
Ayudhya Total Solutions Public Company Limited	-	-	31	-	-	2	42	-
CFG Services Company Limited	324	27	-	-	223	25	1	-
Ayudhya Card Services Company Limited	72	59	-	-	133	74	-	-
Ayudhya Capital Services Company Limited	886	221	2	14	791	161	2	11
General Card Services Limited	424	9	2	-	445	8	2	1
Krungsriayudhya Card Company Limited	976	88	3	1	868	92	3	1
Siam Realty and Services Company Limited	17	2	-	443	17	1	-	435
Total Services Solutions Public Company Limited	-	2	15	62	-	3	11	70

Unit: THB million

	THE BANK'S FINANCIAL STATEMENTS							
	2013				2012			
	Income		Expenses		Income		Expenses	
	Interest income	Non-interest income	Interest expenses	Non-Interest expenses	Interest income	Non-Interest income	Interest expenses	Non-Interest expenses
Subsidiaries (Con't)								
Krungsri Asset Management Company Limited	-	266	6	8	-	125	9	6
Krungsri Ayudhya AMC Limited	53	18	-	-	171	31	-	-
Krungsri Securities Public Company Limited	-	23	24	6	-	21	19	3
Krungsri Factoring Company Limited	22	6	-	-	88	5	1	-
Krungsri Life Assurance Broker Company Limited	-	1	1	-	-	1	1	-
Krungsri General Insurance Broker Company Limited	-	1	2	-	-	-	1	-
Total	8,259	840	91	536	7,460	614	101	528
Associates								
Tesco Card Services Limited	407	21	2	-	354	12	2	-
Tesco General Insurance Broker Limited	-	11	3	-	-	13	3	-
Total	407	32	5	-	354	25	5	-
Related companies having joint major shareholders or directors								
Total	96	35	76	296	41	60	131	332
Individual and related parties								
Total	7	8	12	-	6	4	13	-
	8,769	915	184	832	7,861	703	250	860

8.24.4 For the year ended December 31, 2012, the Bank and a subsidiary entered into an agreement to sell non-performing loans (NPLs) to a related company totalling THB 1,698 million with a book value of THB 2,353 million and a net book value of THB 1,566 million. The sale amount has been received.

For the year ended December 31, 2012, the Bank entered into the agreements to sell non-performing loans (NPLs) to a subsidiary totalling THB 33 million with book values of THB 825 million and net book values of THB 33 million. The sale amounts have been received.

8.24.5 For the years ended December 31, 2013 and 2012, related party transactions among subsidiaries included collection services and other services of THB 887 million and THB 826 million, respectively, and office and vehicle rental and facilities service of THB 61 million and THB 51 million, respectively.

8.24.6 For the years ended December 31, 2013 and 2012, subsidiaries had related party transactions from the licenses relevant to technology and software for THB 72 million and THB 59 million, respectively.

8.24.7 For the years ended December 31, 2013 and 2012, related party transactions among subsidiaries from other services were THB 1,273 million and THB 1,053 million, respectively.

8.24.8 The Extraordinary General Meeting of Shareholders No. 1/2013, held on October 31, 2013, approved the integration of the Bank and the Bank of Tokyo-Mitsubishi UFJ, Ltd., Bangkok

Branch (BTMU's Bangkok Branch) by acquisition of the business of BTMU's Bangkok Branch and the entering into a Conditional Branch Purchase Agreement between the Bank as transferee and the Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU) as transferor and other related agreements which are asset acquisition and connected transactions.

From the date of the business transfer of BTMU's Bangkok Branch under the Conditional Branch Purchase Agreement, BTMU shall provide various services to the Bank as agreed between the Bank and BTMU prior to the transfer. Such services shall include existing services provided by BTMU to BTMU's Bangkok Branch and other services as necessary and appropriate to ensure continued service of BTMU's Bangkok Branch's customers after the transfer of the assets. The Bank and BTMU will also enter into a Master Service Agreement to provide various services to the Bank which will include but not be limited to (a) General Services Agreement (b) Trademark License Agreement (c) Software License Agreement (d) Other ancillary agreements as may be agreed between the parties under the Master Service Agreement.

From the date of the business transfer of BTMU's Bangkok Branch under the Conditional Branch Purchase Agreement until (1) the lapse of 10 years from the date of the transfer or (2) the date BTMU holds shares in the Bank less than 50 percent of all issued shares (whichever occurs later). The Bank may request for BTMU to provide funding assistance to the Bank and BTMU shall use its best efforts to provide such funding assistance after confirming that: (a) the price and condition for the Funding assistance is on an Arm's Length Basis and is beneficial to both parties; (b) Such funding assistance is aligned with the Bank's Asset and Liability Policy and Funding Policy; (c) Such funding assistance complies with the legal requirements. If BTMU agrees to provide funding assistance as requested by the Bank, the parties shall further agree on the type, amount, tenure and interest rate of such assistance.

8.24.9 The Extraordinary General Meeting of the Shareholders No. 2/2009 held on August 27, 2009, approved the Bank to accept the entire business transfer of Ayudhya Card Services Company Limited, which operated credit card and personal loan business and the Bank held 100% of total shares sold.

The Board of Directors Meeting No. 6/2012 held on June 27, 2012, resolved to adjust its operating plan whereby the Bank would not accept the entire business transfer of Ayudhya Card Services Company Limited as previously approved by the EGM referred above. However, Krungsriayudhya Card Company Limited, which operates credit card and personal loan businesses and the Bank currently holds 100% of the total shares sold, would consider accepting the entire business transfer of Ayudhya Card Services Company Limited. The adjusted business transfer plan was reported to the Annual General Meeting of Shareholders No. 101 held on April 10, 2013 for acknowledgement.

On July 24, 2013, Ayudhya Card Services Company Limited (AYCS) has already completed the transfer of its entire business to Krungsriayudhya Card Company Limited (KCC) at fair value of THB 270 million for an exchange of new ordinary share of KCC totaling 10,552,000 shares as payment in lieu for AYCS entire business with total assets and total liabilities of THB 4,256 million and THB 4,054 million, respectively. The entire business transfer under share swap scheme was approved by AYCS's 2013 Annual General Meeting of Shareholders, held on April 26, 2013 and KCC's Extraordinary General Meeting of Shareholders No. 1/2013, held on July 24, 2013.

8.24.10 On April 21, 2012, Ayudhya Total Solutions Public Company Limited (AYTS) completed the transfer of its entire business to Ayudhya Capital Auto Lease Public Company Limited (AYCAL) at a net book value of THB 721 million, comprising total assets and total liabilities of THB 858 million and THB 137 million, respectively on the transfer date, as approved by AYTS's Extraordinary Meeting of Shareholders No. 1/2011 as well as AYTS's Annual General Meeting of Shareholders No. 51 and AYCAL's Extraordinary Meeting of Shareholders No. 1/2011.

8.25 Management compensation

The Bank has no special benefits given to the directors and executive officers beyond the general benefits made as usual, including contingency benefits from employment compensation agreements and other benefits from those persons.

The Bank did not sell, give or lease any properties to directors, executive officers, or their related parties. The Bank has not purchased or leased any assets from those persons.

For the years ended December 31, 2013 and 2012, compensations paid to key management personnel under TAS 24 (Revised 2009) "Related Party Disclosures" are as follows:

Unit: THB million

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Short-term employee benefits	1,321	1,211	856	809
Post-employment benefits	37	31	21	19
Total	1,358	1,242	877	828

8.26 Long-term leases

The Bank and its subsidiaries have entered into land and/or buildings and equipment lease agreements for branch offices and operation. The Bank and its subsidiaries are committed to pay future rental as at December 31, 2013 and 2012 which are summarized as follows:

Unit: THB million

TYPE OF LEASE	PERIOD	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
		2013	2012	2013	2012
Land and/or premises and equipment	Within 1 year	741	460	703	489
	Greater than 1-5 years	782	581	831	537
	Greater than 5 years	81	85	81	85
		1,604	1,126	1,615	1,111

8.27 Operating Segments

The business segment results are prepared based on the Bank and its subsidiaries' internal management reporting which reflects the organizational management structure. The operating results by business segment provided to Chief Operating Decision Maker to make decision about resources allocations, and assess the performance of, operating segments. The operating segment results are measured in accordance with Thai Financial Reporting Standards, which are also adjusted in accordance with internal management accounting rules and practices. Amounts for each business segment are shown after the allocation of certain centralized costs, income from investment, and the application of transfer pricing, where appropriate. Transactions between segments are recorded on the same basis as the transaction conducted with the third party transactions. Transactions between segments are eliminated on consolidation.

The business segments are described below:

Retail: provides individual customers with a diverse range of banking and related financial services. The products and services available to customers include current and savings accounts, fixed deposits, bill of exchange, housing loan, credit cards, personal loans and sale finance loans, hire-purchase and leasing, wealth management and Bancassurance products.

Commercial: provides financial services and products to institutional clients including corporate, small and medium-sized businesses and financial institutions. Products and services comprise the full range of credit facilities from short term working capital, cash management, trade finance, treasury and money markets products; corporate finance, transactional banking and advisory services.

Others: encompasses other income and expenses generating activities that are not attributed to the business segments described above and eliminated transaction for preparation of consolidated financial statements.

During the years ended December 31, 2013 and 2012, no revenue from transactions with a single external customer or counter party amounted to 10% or more of the Bank's total revenue.

Operating segment by business for the years ended December 31, 2013 and 2012 are as follows:

Unit: THB million

CONSOLIDATED FINANCIAL STATEMENTS				
2013				
	Retail	Commercial	Others	Total
Interest income, net	29,394	15,540	5	44,939
Other operating income	17,299	7,106	(843)	23,562
Total operating income	46,693	22,646	(838)	68,501
Operating expenses	25,022	7,974	618	33,614
Impairment loss of loans and debt securities	13,057	5,809	93	18,959
Profit (loss) before tax	8,614	8,863	(1,549)	15,928
Taxation	1,790	2,435	(283)	3,942
Net Profit (loss)	6,824	6,428	(1,266)	11,986
Total assets	505,064	928,009	(253,491)	1,179,582

Unit: THB million

CONSOLIDATED FINANCIAL STATEMENTS				
2012				
	Retail	Commercial	Others	Total
Interest income, net	26,280	13,669	3	39,952
Other operating income	14,933	7,954	(1,651)	21,236
Total operating income	41,213	21,623	(1,648)	61,188
Operating expenses	23,971	6,594	233	30,798
Impairment loss of loans and debt securities	7,404	4,439	(458)	11,385
Profit (loss) before tax	9,838	10,590	(1,423)	19,005
Taxation	2,325	2,159	(147)	4,337
Net Profit (loss)	7,513	8,431	(1,276)	14,668
Total assets	438,834	880,469	(247,338)	1,071,965

8.28 Position and results of operations classified by domestic and foreign business

(1) Position classified by type of business

Position classified by domestic and foreign business as at December 31, 2013 and 2012 are as follows:

Unit: THB million

CONSOLIDATED FINANCIAL STATEMENTS				
2013				
	Domestic	Foreign	Elimination	Total
Total assets	1,181,074	11,336	(12,828)	1,179,582
Interbank and money market items, net (Assets)	85,811	1,216	-	87,027
Investments, net	73,008	266	-	73,274
Loans to customers and accrued interest receivable, net	902,778	4,386	-	907,164
Deposits	763,342	708	-	764,050
Interbank and money market items, net (Liabilities)	55,496	1	-	55,497
Debt issued and borrowings	174,605	-	-	174,605

Unit: THB million

CONSOLIDATED FINANCIAL STATEMENTS				
2012				
	Domestic	Foreign	Elimination	Total
Total assets	1,073,071	4,037	(5,143)	1,071,965
Interbank and money market items, net (Assets)	78,815	575	-	79,390
Investments, net	77,765	537	-	78,302
Loans to customers and accrued interest receivable, net	799,456	1,780	-	801,236
Deposits	686,675	484	-	687,159
Interbank and money market items, net (Liabilities)	48,811	10	-	48,821
Debt issued and borrowings	154,629	-	-	154,629

Unit: THB million

THE BANK'S FINANCIAL STATEMENTS				
2013				
	Domestic	Foreign	Elimination	Total
Total assets	1,074,911	11,336	(12,828)	1,073,419
Interbank and money market items, net (Assets)	83,765	1,216	-	84,981
Investments, net	72,975	266	-	73,241
Loans to customers and accrued interest receivable, net	798,907	4,386	-	803,293
Deposits	767,682	708	-	768,390
Interbank and money market items, net (Liabilities)	56,703	1	-	56,704
Debt issued and borrowings	107,337	-	-	107,337

Unit: THB million

THE BANK'S FINANCIAL STATEMENTS				
2012				
	Domestic	Foreign	Elimination	Total
Total assets	987,573	4,037	(5,143)	986,467
Interbank and money market items, net (Assets)	77,581	575	-	78,156
Investments, net	77,292	537	-	77,829
Loans to customers and accrued interest receivable, net	714,043	1,780	-	715,823
Deposits	692,510	484	-	692,994
Interbank and money market items, net (Liabilities)	48,356	10	-	48,366
Debt issued and borrowings	103,739	-	-	103,739

(2) Results of operations classified by business

Results of operations classified by domestic and foreign business for the years ended December 31, 2013 and 2012 are as follows:

Unit: THB million

	CONSOLIDATED FINANCIAL STATEMENTS			
	2013			
	Domestic	Foreign	Elimination	Total
Interest income	71,255	126	-	71,381
Interest expenses	26,438	4	-	26,442
Net interest income	44,817	122	-	44,939
Fees and service income, net	14,526	26	-	14,552
Other operating income	12,990	(32)	(3,948)	9,010
Other operating expenses	56,403	118	(3,948)	52,573
Profit (loss) from operating before tax	15,930	(2)	-	15,928

Unit: THB million

	CONSOLIDATED FINANCIAL STATEMENTS			
	2012			
	Domestic	Foreign	Elimination	Total
Interest income	64,534	106	-	64,640
Interest expenses	24,684	3	-	24,687
Net interest income	39,850	103	-	39,953
Fees and service income, net	12,716	19	-	12,735
Other operating income	11,213	(41)	(2,671)	8,501
Other operating expenses	44,765	89	(2,671)	42,183
Profit (loss) from operating before tax	19,014	(8)	-	19,006

Unit: THB million

	THE BANK'S FINANCIAL STATEMENTS			
	2013			
	Domestic	Foreign	Elimination	Total
Interest income	46,425	126	-	46,551
Interest expenses	24,263	4	-	24,267
Net interest income	22,162	122	-	22,284
Fees and service income, net	6,006	26	-	6,032
Other operating income	9,167	(32)	(3,948)	5,187
Other operating expenses	27,295	118	(3,948)	23,465
Profit (loss) from operating before tax	10,040	(2)	-	10,038

Unit: THB million

	THE BANK'S FINANCIAL STATEMENTS			
	2012			
	Domestic	Foreign	Elimination	Total
Interest income	43,377	106	-	43,483
Interest expenses	23,212	3	-	23,215
Net interest income	20,165	103	-	20,268
Fees and service income, net	5,697	19	-	5,716
Other operating income	7,944	(41)	(2,671)	5,232
Other operating expenses	25,728	89	(2,671)	23,146
Profit (loss) from operating before tax	8,078	(8)	-	8,070

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.

8.29 Interest income

Interest income for the years ended December 31, 2013 and 2012 are as follows:

Unit: THB million

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2013		2012	
	2013	2012	2013	2012
Interbank and money market items	2,709	2,481	2,689	2,470
Investment and trading transactions	157	206	159	206
Investment in debt securities	2,203	2,495	2,193	2,479
Loans to customers	46,751	42,563	41,510	38,328
Hire purchase and financial lease	19,561	16,895	-	-
Total interest income	71,381	64,640	46,551	43,483

8.30 Interest expenses

Interest expenses for the years ended December 31, 2013 and 2012 are as follows:

Unit: THB million

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2013		2012	
	2013	2012	2013	2012
Deposits	15,701	13,450	15,751	13,496
Interbank and money market items	1,469	1,183	1,448	1,157
Contributions to Financial Institution Development Fund and Deposit Protection Agency	3,665	3,206	3,665	3,206
Debt issued and borrowing				
- Subordinated debenture	1,602	1,021	1,602	1,021
- Other	3,981	5,746	1,793	4,266
Borrowing fee expense	5	69	5	69
Other	19	12	3	-
Total interest expenses	26,442	24,687	24,267	23,215

8.31 Fees and service income, net

Fees and service income, net for the years ended December 31, 2013 and 2012 are as follows:

Unit: THB million

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2013		2012	
	2013	2012	2013	2012
Fees and service income				
- Acceptances, aval and guarantees	505	518	505	518
- Other	18,261	15,916	7,378	6,716
Total fees and service income	18,766	16,434	7,883	7,234
Fees and service expenses	4,214	3,699	1,851	1,518
Total fees and service income, net	14,552	12,735	6,032	5,716

8.32 Gains from trading and foreign exchange transactions, net

Gains from trading and foreign exchange transactions, net for the years ended December 31, 2013 and 2012 are as follows:

Unit: THB million

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Gains (losses) from trading and foreign exchange transactions				
- Foreign currency and derivative of currency	1,507	1,471	1,506	1,473
- Derivative of interest rates	(5)	(9)	(5)	(9)
- Debt securities	23	55	23	55
- Equity securities	42	25	(10)	(10)
- Other	(3)	-	-	-
Total	1,564	1,542	1,514	1,509

8.33 Gains on investments, net

Gains on investments, net for the years ended December 31, 2013 and 2012 are as follows:

Unit: THB million

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Gains (losses) on sales of investments				
- Available-for-sale	644	436	644	436
- General investments	10	382	10	385
- Subsidiaries and associates	-	-	1,707	(1)
	654	818	2,361	820
Loss on impairment				
- Available-for-sale	(18)	-	(18)	-
- General investments	(3)	(18)	(3)	(18)
- Subsidiaries and associates	-	-	(2,284)	-
Total	633	800	56	802

8.34 Impairment loss of loans and debt securities

Impairment loss of loans and debt securities for the years ended December 31, 2013 and 2012 are as follows:

Unit: THB million

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Interbank and money market items	101	11	101	11
Securities held-to-maturity	(27)	41	(27)	41
Loans to customers	17,306	10,344	3,237	4,261
Loss on troubled debt restructuring	1,579	989	654	162
Total	18,959	11,385	3,965	4,475

8.35 Income tax

Income tax for the years ended December 31, 2013 and 2012 are as follows:

Unit: THB million

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Current tax for the period	5,026	5,114	1,690	1,919
Deferred tax	(1,084)	(777)	325	(345)
Total income tax expense	3,942	4,337	2,015	1,574

Reconciliation of effective tax rate

	CONSOLIDATED FINANCIAL STATEMENTS				THE BANK'S FINANCIAL STATEMENTS			
	2013		2012		2013		2012	
	(in THB million)	Rate (%)	(in THB million)	Rate (%)	(in THB million)	Rate (%)	(in THB million)	Rate (%)
Profit before tax	15,928		19,006		10,038		8,070	
Income tax at the domestic tax rate	3,186	20.00	4,371	23.00	2,008	20.00	1,856	23.00
Add Tax effect of income and expense that are not exempt for tax purposes	1,394	8.75	492	2.59	617	6.15	155	1.92
Less Tax effect of income and expense that are not exempt for tax purposes	(638)	(4.00)	(526)	(2.77)	(610)	(6.08)	(437)	(5.42)
Income tax as per statements of comprehensive income	3,942	24.75	4,337	22.82	2,015	20.07	1,574	19.50

According to the Royal Decree No. 555 B.E. 2555 issued under the Revenue Code regarding the corporate income tax rate reduction effective on December 27, 2012, the corporate income tax rates were reduced from 30% to 23% for an accounting period beginning on or after January 1, 2012 and 20% for accounting periods beginning on or after January 1, 2013 but not later than December 31, 2014.

Therefore, the Bank and its subsidiaries used tax rate of 23% for the corporate income tax calculation for the year ended December 31, 2012 and used a tax rate of 20% for the corporate income tax calculation for the year ended December 31, 2013 to conform to such tax rate changes.

The Bank and its subsidiaries used the tax rates of 23% and 20% for the calculation of deferred tax for the year ended December 31, 2012 and 20% for the calculation of deferred tax for the year ended December 31, 2013.

8.36 Income tax related to other comprehensive income

Income tax related to other comprehensive income for the years ended December 31, 2013 and 2012 are as follows:

Unit: THB million

	CONSOLIDATED FINANCIAL STATEMENTS					
	2013			2012		
	Amount before tax	Tax income (expenses)	Net amount After tax	Amount before tax	Tax income (expenses)	Net amount After tax
Changes in assets revaluation surplus	2,285	(457)	1,828	-	-	-
Gains (losses) on remeasuring available-for-sale investment	(1,306)	261	(1,045)	862	(162)	700
Actuarial gains (losses) on defined benefit plans	321	(64)	257	75	(15)	60
Other comprehensive income	1,300	(260)	1,040	937	(177)	760

Unit: THB million

	THE BANK'S FINANCIAL STATEMENTS					
	2013			2012		
	Amount before tax	Tax income (expenses)	Net amount After tax	Amount before tax	Tax income (expenses)	Net amount After tax
Changes in assets revaluation surplus	2,249	(449)	1,800	-	-	-
Gains (losses) on remeasuring available-for-sale investment	(1,326)	265	(1,061)	861	(163)	698
Actuarial gains (losses) on defined benefit plans	285	(57)	228	84	(17)	67
Other comprehensive income	1,208	(241)	967	945	(180)	765

8.37 Event after the reporting period

The Board of Directors' meeting No. 2/2014 held on February 26, 2014, approved the dividend payment for the second half year ended December 31, 2013 to the shareholders of 6,074,143,747 ordinary shares, at THB 0.40 per share totaling THB 2,430 million with payment date on May 7, 2014.

8.38 Approval of financial statements

These financial statements have been approved for issue by the Bank's authorized directors and the Board of Directors on February 26, 2014.

AUDITOR'S FEE

Audit fees*

The Bank and its subsidiaries paid audit fees as the following:

- To the Bank and its subsidiaries' auditors: THB 24,141,400.
- To auditing firms, individuals or businesses whom the Bank's auditors employed: THB 1,579,456.

Non-audit fees

The Bank and its subsidiaries paid non-audit fees for services consisting of preparation of special reporting as required by Bank of Thailand, special audit etc., to:

The Bank and its subsidiaries' auditors

- In the past year, sum of THB 923,000, and in the future, an additional sum of THB 1,175,000 will be paid for services previously agreed upon but not yet fully provided.

Auditing firms, individuals, or businesses whom the Bank's auditors employed

- In the past year, sum of THB 2,168,750, and in the future, an additional sum of THB 186,188 will be paid for services agreed upon in the previous year but not yet fully provided.

* Audit fees do not include other actual expenses, such as transportation and per diem payments.

GENERAL INFORMATION

COMPANY INFORMATION

Name of company: Bank of Ayudhya Public Company Limited
 Registration number: 0107536001079
 Business type: Commercial bank
 Head office address: 1222 Rama III Road, Bang Phongphang, Yan Nawa, Bangkok 10120
 Telephone: 0-2296-2000
 Facsimile: 0-2683-1304
 Krungsri Call Center: 1572
 Website: www.krungsri.com

Investors can study more about Krungsri from Annual Registration Statement (Form 56-1), disclosed in www.sec.or.th or company website www.krungsri.com

Nature of Business

The Bank engages in business as defined by the Commercial Banking Act, the Securities Act, the Securities and Exchange Commission's regulations, the Stock Exchange of Thailand, and related notices. The Bank's services are classified into three core categories:

- Deposit services** – The Bank accepts deposits from ordinary persons and business organizations, which are divided into four types:
 - Current accounts
 - Savings accounts
 - Time deposits
 - Foreign currency deposits
- Loan services** – The Bank provides loan services as follows:
 - Overdrafts (O/D)
 - Loans, including promissory notes and term loans to business customers
 - Housing loans and personal loans to retail customers
 - Foreign currency loans
 - Trade finance credit
 - Other loan services, such as aval/acceptance, letter of guarantee/ Bank guarantee, letter of credit and financial status certification issuance, etc.
- Other services**
 - Banking services through e-channels
 - Domestic money transfer services
 - International money transfer services
 - Electronic banking services to facilitate international trade via Krungsri Trade Link
 - Automatic account debit and credit (auto payments), life insurance and non-life insurance brokerage services
 - Investment banking services
 - Securities business services
 - Cash management services
 - Transaction banking services
 - Foreign currency purchase/sale in advance and financial tools for risk management, exchange rates and interest rates
 - Trade finance services
 - Government bonds, treasury bills and state enterprise bonds

THE BANK'S SECURITIES

(a) Ordinary shares

Registered capital As of December 31, 2013: THB 75,741,437,470.00
 Number of shares: 7,574,143,747 Par value: THB 10.00

Issued and paid-up capital As of December 31, 2013: THB 60,741,437,470.00
 Number of shares: 6,074,143,747 Par value: THB 10.00

(b) Debt Instruments or Convertible Securities

(Unit: THB million)

Type of debentures	Interest rates (p.a.)	Maturity date	Conditions	Unredeemed amount and value as of December 31, 2013
Long Term Bonds (Non – Collaterals)				
1. Subordinated Debenture No. 1/2010 (BAY206A) Amount: 20,000.00 Issue date: June 23, 2010 Debenture Rating (Fitch / TRIS): A+ / A+ Agent: TMB Bank PCL	1-3 years : 4.35% 4-6 years : 4.75% 7-10 years : 5.50%	June 23, 2020 (10 years)	The Bank has the right to call option on 5 th year maturity counting from the issue date or from the date of interest payment after the 5 th year maturity, with prior approval from the Bank of Thailand	20,000.00
2. Debenture No.1/2012 Series 1 (BAY142A) Amount: 3,000.00 Issue date: February 24, 2012 Debenture Rating (Fitch): AA- Agent: Thanachart Bank PCL	1-6 months : 3.20% 7-12 months : 3.44% 13-18 months: 4.00% 19-24 months: 4.20%	February 24, 2014 (2 years)	-	3,000.00
3. Debenture No.1/2012 Series 2 (BAY152A) Amount: 4,340.00 Issue date: February 24, 2012 Debenture Rating (Fitch): AA- Agent: Thanachart Bank PCL	1 year : 3.30% 2 years : 3.65% 3 years : 4.50%	February 24, 2015 (3 years)	-	4,340.00
4. Debenture No.1/2012 Series 3 (BAY142B) Amount: 8,600.00 Issue date: February 24, 2012 Debenture Rating (Fitch): AA- Agent: Thanachart Bank PCL	3.70%	February 24, 2014 (2 years)	-	8,600.00
5. Debenture No.1/2012 Series 4 (BAY152B) Amount: 1,900.00 Issue date: February 24, 2012 Debenture Rating (Fitch): AA- Agent: Thanachart Bank PCL	3.80%	February 24, 2015 (3 years)	-	1,900.00
6. Subordinated Debenture No. 1/2012 (BAY22NA) Amount: 14,843.60 Issue date: November 7, 2012 Debenture Rating (Fitch): A+ Agent: TMB Bank PCL	4.70%	November 7, 2022 (10 years)	-	14,843.60

(Unit: THB million)

Type of debentures	Interest rates (p.a.)	Maturity date	Conditions	Unredeemed amount and value as of December 31, 2013
7. Debenture No.1/2013 Series 1 (BAY156A) Amount: 6,000.00 Issue date: June 28, 2013 Debenture Rating (Fitch): AA- Agent: None	3.48%	June 28, 2015 (2 years)	-	6,000.00
8. Debenture No.1/2013 Series 2 (BAY166A) Amount: 1,000.00 Issue date: June 28, 2013 Debenture Rating (Fitch): AA- Agent: None	3.59%	June 28, 2016 (3 years)	-	1,000.00
Other Debt Instruments (Non – Collaterals) (Issued in 2013)				
1. Short term Debenture Public offering and institution investor Amount: 85,742.10 Issue date: January 4 - December 31, 2013 Debenture Rating (Fitch): AA Agent: None	2.15% - 3.20%	Depending on the date of purchase (not over 270 days)	-	37,390.00
2. Bills of exchange Major investment, Amount: 112,141.00 Issue date: January 4 - December 31, 2013 Debenture Rating (Fitch / TRIS): None Agent: None	1.82% - 3.22%	Depending on the date of purchase (7 – 60 days)	- Non-negotiable Bearer B/E - Early Redemption is not allowed	3,706.00
3. Bills of exchange Institution investor, Amount: 27,897.20 Issue date: January 4 - December 31, 2013 Debenture Rating (Fitch / TRIS): None Agent: None	2.25% - 3.50%	Depending on the date of purchase (7 days – 1 month)	- Non-negotiable Bearer B/E - Early Redemption is not allowed	4,553.00
4. Bills of exchange Investor through the Bank branch Amount: None (due to there were no issuance in 2013) Debenture Rating (Fitch / TRIS): None Agent: None	3.30% - 3.80%	Depending on the date of purchase	- Negotiable Bearer B/E	466.21

Remarks:

1. Thailand Securities Depository Co., Ltd. is the Registrar for the Bank's ordinary shares.
2. Treasury and Capital Market Operations Department is the Registrar for the Bank's Debenture and Bills of exchange.

Debentures redeemed during 2013
- None -

(c) Binding obligations for future share issuance

The Extraordinary General Meeting of Shareholders No. 1/2013 on October 31, 2013 resolved to issue and allocate a private placement of not more than 1,500,000,000 ordinary shares with the par value of THB 10 per share to Bank of Tokyo-Mitsubishi UFJ Limited. However, such remaining portion has yet not been allocated.

DIVIDEND PAYOUT POLICY

1. OUR DIVIDEND PAYOUT POLICY

The Bank shall consider the dividends payment to the shareholders at a rate not less than 30% of consolidated net profit, except in cases where the Board of Directors determines that highly unusual circumstances warrant an adjusted dividend payment.

The dividend payment shall be in compliance with Article 41 of the Bank's Articles of Association, that states "Dividends shall not be paid from other sources than profits. The company shall allocate as reserves a portion of its net annual profit not less than the proportion specified by the Laws. The profits remaining thereafter may be allocated as reserves of various kinds, as the Board of Directors may deem proper, and after approval by the shareholders' at the AGM.

The Bank may from time to time pay shareholders interim dividends if the Board of Directors considers it appropriate given the Bank's consolidated profitability levels. The payment of interim dividends shall be reported to the shareholders at the next general meeting of shareholders.

Dividends shall be paid within the period prescribed by the Law, beginning from the date that the dividend resolution is passed by the general meeting of the shareholders or by the Board of Directors. A written notice shall also be sent to shareholders and dividend payment announcements shall be published in a newspaper."

The Bank's dividend payments are subject to regulatory requirements and the notification of the Bank of Thailand no. SorNorSor. 21/2555 Re: Guidelines on Accounting of Financial Institutions section 8 on Dividend Policy dated December 17, 2012 which stipulate that financial institutions should not pay dividends from unrealized gains, no real cash inflow, and profit from non-true sales transactions.

2. OUR SUBSIDIARIES' DIVIDEND PAYOUT POLICY

All dividend payments by the Bank's subsidiaries must be approved by a resolution of the shareholders at a general shareholder meeting and must be in compliance with relevant rules and regulations.

The subsidiaries may from time to time pay shareholders interim dividends if their Board of Directors considers it appropriate given profitability levels.

In each case, the company must allocate not less than one-twentieth of its net profits as reserves until the total amount allocated is equal to or more than one-tenth of the company's capital.

REFERRAL PARTIES

Name, office, telephone and facsimile of referral parties:

Registrar		
• Ordinary shares	:	Thailand Securities Depository Co., Ltd. 62 The Stock Exchange of Thailand Building, Rachadapisek Road, Klongtoey, Bangkok 10110 Tel : 0-2229-2800 Fax : 0-2359-1259
• Subordinated Debenture No. 1/2010 • Subordinated Debenture No. 1/2012 • Long Term Debenture No. 1/2012 (4 tranches) • Long Term Debenture No. 1/2013 (2 tranches)	:	Bank of Ayudhya PCL 1222 Rama III Road, Bang Phongphang, Yan Nawa, Bangkok 10120 Tel : 0-2296-5689-90 and 0-2296-5695-6 Fax : 0-2683-1581-2 and 0-2683-1293
Agent		
• Subordinated Debenture No. 1/2010 • Subordinated Debenture No. 1/2012	:	TMB Bank PCL 393 Silom Road, Soi 7, Silom, Bangrak, Bangkok 10500 Tel : 0-2230-6320 and 0-2230-5706 Fax : 0-2266-9779
• Long Term Debenture No. 1/2012 (4 tranches)	:	Thanachart Bank PCL Petchburi Building, 2 nd Floor, 1101 Phetchaburi Road, Makkasan, Ratchathewi, Bangkok 10400 Tel : 0-2208-5000 ext. 4503 and 0-2208-5016 Fax : 0-2651-7899 and 0-2651-7915
• Long Term Debenture No. 1/2013 (2 tranches)	:	None
Auditors		
	:	Mr. Permsak Wongphatcharapakorn Certified Public Accountant Registered No. 3427 Mr. Niti Jungnitnirundr Certified Public Accountant Registered No. 3809 Mr. Chawala Tienprasertkit Certified Public Accountant Registered No. 4301
	:	Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. 183 Rajanakarn Building, 25 th floor, South Sathon Road, Yan Nawa, Sathon, Bangkok 10120 Tel : 0-2676-5700 Fax : 0-2676-5757
Legal Advisors		
	:	Mr. Kanok Indrambarya Mr. Chotechuong Thapvongse Pol. Gen. Ajiravid Subarnbhesaj
	:	Bank of Ayudhya PCL 1222 Rama III Road, Bang Phongphang, Yan Nawa, Bangkok 10120 Tel : 0-2296-3872 and 0-2296-3882 Fax : 0-2683-1436

GROUP OF COMPANIES

SUBSIDIARIES AND ASSOCIATED COMPANIES

Krungsri AMC Krungsri Ayudhya AMC Ltd. Bank of Ayudhya PCL Head Office, Floor 11 1222 Rama III Road, Bang Phongphang, Yan Nawa, Bangkok 10120 Telephone : 0-2296-4100 Facsimile : 0-2683-1400	Krungsri Factoring Krungsri Factoring Co., Ltd. Bank of Ayudhya PCL Head Office, Floor 19 1222 Rama III Road, Bang Phongphang, Yan Nawa, Bangkok 10120 Telephone : 0-2208-2888 Facsimile : 0-2208-2858	Krungsri Leasing Ayudhya Development Leasing Co., Ltd. 65/182-185 Chamnan-Phenjati Business Center, Floor 22, Rama IX Road, Huay Kwang, Bangkok 10320 Telephone : 0-2643-1980 Facsimile : 0-2643-1059-60	Krungsri Auto Ayudhya Capital Auto Lease PCL 87/1 Capital Tower, Floor 3 and 87/2 CRC Tower, Floor 30 All Seasons Place, Wireless Road, Lumpini, Pathumwan, Bangkok 10330 Telephone : 0-2627-6010, 0-2740-7400 Facsimile : 0-2627-8211	Krungsri Microfinance CFG Services Co., Ltd. Juthamard Building, Floor 4, 5, 9 and 10 89/170 Moo 3, Vibhavadi Rangsit Road, Talad Bangkhen, Laksi, Bangkok 10210 Telephone : 0-2792-1888 Facsimile : 0-2792-1949	Krungsri Consumer Ayudhya Capital Services Co., Ltd. 87/1 Capital Tower, All Seasons Place, Floor 1-6, 8-11, Wireless Road, Lumpini, Pathumwan, Bangkok 10330 Telephone : 0-2627-8000	General Card Services Limited 87/1 Capital Tower, All Seasons Place, Floor 1-6 & 8, Wireless Road, Lumpini, Pathumwan, Bangkok 10330 Telephone : 0-2627-8111 Facsimile : 0-2627-8381
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Krungsriayudhya Card Co., Ltd. 87/1 Capital Tower, All Seasons Place, Floor 1-6, 8-11, Wireless Road, Lumpini, Bangkok 10330 Telephone : 0-2646-3000 Facsimile : 0-2646-3001	Krungsri Life Assurance Broker Limited 87/1 Capital Tower, All Seasons Place, Wireless Road, Lumpini, Pathumwan, Bangkok 10330 Telephone : 0-2627-8029 Facsimile : 0-2627-4117	Krungsri General Insurance Broker Limited 87/1 Capital Tower, All Seasons Place, Wireless Road, Lumpini, Pathumwan, Bangkok 10330 Telephone : 0-2627-8029 Facsimile : 0-2627-4117	Tesco Card Services Limited 87/1 Capital Tower, All Seasons Place, Floor 1-6, Wireless Road, Lumpini, Pathumwan, Bangkok 10330 Telephone : 0-2627-4130 Facsimile : 0-2627-4774	Tesco Life Assurance Broker Limited 87/1 Capital Tower, All Seasons Place, Floor 10, Wireless Road, Lumpini, Pathumwan, Bangkok 10330 Telephone : 0-2627-8156 Facsimile : 0-2627-8611	Tesco General Insurance Broker Limited 87/1 Capital Tower, All Seasons Place, Floor 10, Wireless Road, Lumpini, Pathumwan, Bangkok 10330 Telephone : 0-2627-8156 Facsimile : 0-2627-8611	Krungsri Securities Krungsri Securities PCL Bank of Ayudhya Building, Ploenchit Office, Floor 5, 550 Ploenchit Road, Pathumwan, Bangkok 10330 Telephone : 0-2659-7000 Facsimile : 0-2646-1111	Krungsri Asset Management Krungsri Asset Management Co., Ltd. 898 Ploenchit Tower Floor 1-2 Zone A, and Floor 12 Ploenchit Road, Pathumwan, Bangkok 10330 Telephone : 0-2657-5757 Facsimile : 0-2657-5777
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Krungsri Services

Siam Realty and Services Co., Ltd.
Bank of Ayudhya PCL Head Office
(Tower C Floor 5A) 1222 Rama III Road,
Bang Phongphang, Yan Nawa, Bangkok 10120
Telephone : 0-2296-3435, 0-2296-2364
Facsimile : 0-2296-2369

Total Services Solutions PCL

2/3 Moo 14, Bangna Tower B
Bangna-Trad Road, K.M.6.5, Bangplee,
Samutprakarn
Telephone : 0-2714-5199
Facsimile : 0-2777-0009

Metro Designee Co., Ltd.

189 Rama IX Road, Huaykwang, Bangkok 10320

**COMPANIES UNDER
DISSOLUTION AND
LIQUIDATION**

Ayudhya Card Services Co., Ltd.

Bank of Ayudhya Building, Ploenchit Office,
Floor 7, 550 Ploenchit Road, Pathumwan,
Bangkok 10330
Telephone : 0-2296-5513, 0-2296-4870
Facsimile : 0-2683-1460

Ayudhya Total Solutions PCL

Bank of Ayudhya Building, Ploenchit Office,
Floor 7, 550 Ploenchit Road, Pathumwan,
Bangkok 10330
Telephone : 0-2296-5513, 0-2296-4435
Facsimile : 0-2683-1460

Siam Bangkok Port Limited

51/1 Moo 3 Poochao Samingphrai Road,
Bang Ya Phraek, Phra Pradaeng,
Samutprakan 10130

**COMPANIES THAT THE BANK
HOLD SHARES OF 10% BUT
LESS THAN 20% OF ITS
PAID-UP CAPITAL**

P.P. Parawood Co., Ltd.

111/1 Moo 1 Tambonbanchang, Phanatnikom,
Chonburi 20140
Telephone : (038) 460-888

Asian Trade and Leasing Co., Ltd.

Goldenland Building, Floor 5
153/3 Soi Mahardlekluang 1, Rajdamri Road,
Lumpini, Pathumwan, Bangkok 10330
Telephone : 0-2652-1199
Facsimile : 0-2652-1577-8

**COMPANIES WITH SHARES
ACQUIRED THROUGH DEBT
RESTRUCTURING**

Lenso Phonecard Co., Ltd.

292 Srinakarin Road, Huamark, Bangkokpi,
Bangkok 10240
Telephone : 0-2351-8116
Facsimile : 0-2351-8009

UMC Metals Limited

32/40 Sino-Thai Tower, Floor 16,
Sukhumvit 21 Road (Asok) North Klongteoy,
Wattana, Bangkok 10110
Telephone : 0-2259-2942-5
Facsimile : 0-2259-2946

DISTRIBUTION NETWORK

BANK OF AYUDHYA PUBLIC COMPANY LIMITED

(as of December 31, 2013)

HEAD OFFICE

1222 Rama III Road, Bang Phongphang,

Yan Nawa, Bangkok 10120

Telephone:

0-2296-2000

Krungsri Call Center:

1572

Fax:

0-2683-1304

Website:

www.krungsri.com

BRANCH AND FINANCIAL SERVICES CENTERS

Number of branches in Thailand	610
Greater Bangkok and vicinity	272
Upcountry	338
Number of overseas branches outside Thailand	4
Foreign Currency Exchange Booths	81
Exclusive Banking Zones	19

No	Branch	Telephone
1	RAMA III OFFICE	0 2296 2000
2	PLOENCHIT OFFICE BRANCH	0 2208 2170 0 2208 2111, 0 2208 2172, 0 2208 2196, 0 2208 2197
3	RAJWONGSE BRANCH	0 2224 5510, 0 2224 5626
4	PHAHURAD BRANCH	0 2221 1604, 0 2221 7740
5	PRATUNAM BRANCH	0 2251 3277, 0 2253 8963
6	VORACHAK BRANCH	0 2221 7678, 0 2223 7118
7	BANGRAK BRANCH OFFICE	0 2237 7177, 0 2237 7148
8	BANGKRABUE BRANCH	0 2243 3256, 0 2243 3262
9	PAKKLONG-TALAD BRANCH	0 2223 0530, 0 2222 9637
10	WONGWIEN 22 KARAKADA BRANCH	0 2222 7585, 0 2223 0760
11	BANGLAMPOO BRANCH	0 2282 8253-4
12	KLONGTEOI BRANCH	0 2249 8012-4
13	SAPAN-KWAI BRANCH	0 2272 2993-4
14	EKAMAI BRANCH	0 2714 0082-5
15	WONGWIEN-YAI BRANCH	0 2437 0173-4
16	BANGKHAE BRANCH	0 2454 2947-50
17	CHOL BURI BRANCH	0 3827 7740-2, 0 3879 2318-20
18	SUPHAN BURI BRANCH	0 3552 3961-3

No	Branch	Telephone
19	NAKORN RAJSIMA BRANCH	0 4425 1340-2
20	BANPHAI BRANCH	0 4327 2108, 0 4327 2681
21	UDORNDHANI BRANCH	0 4222 1523, 0 4224 4738
22	UBOLRAJDHANI BRANCH	0 4524 4885, 0 4525 4065
23	CHAIYAPHOOM BRANCH	0 4482 1339-41
24	LAMPANG BRANCH	0 5432 3269-72, 0 5422 7077
25	CHIENGMAI BRANCH	0 5325 1811-2, 0 5325 1130-1
26	PETCHABOON BRANCH	0 5672 2572-3
27	CHANTABURI BRANCH	0 3934 6385-8
28	HAADYAI BRANCH	0 7423 9065-6, 0 7424 3051
29	TUNGSONG BRANCH	0 7541 2684-5
30	TRANG BRANCH	0 7522 2416-7, 0 7521 8338
31	PATTANI BRANCH	0 7333 2772-3
32	NARADHIWAAS BRANCH	0 7351 1202-3
33	PAKCHONG BRANCH	0 4431 3908-9
34	PETCHBURI NEW EXT. RD. BRANCH	0 2308 0041-5
35	BANGKAPI BRANCH	0 2377 1724, 0 2377 5352, 0 2377 1212
36	SAO-CHINGCHA BRANCH	0 2222 5206, 0 2224 8805
37	PHRA-PRADAENG BRANCH	0 2463 5230, 0 2463 1012

No	Branch	Telephone
38	DAO-KHANONG BRANCH	0 2476 0036, 0 2476 5369
39	SUAN-PHLU BRANCH	0 2287 3011-3
40	KHON-KAEN BRANCH	0 4322 0856-7
41	PRANBURI BRANCH	0 3254 4105-6
42	NONG-PHAI BRANCH	0 5678 1411-5
43	RATCHATHEVI BRANCH	0 2653 6720-2
44	FUTURE MART RAMA III BRANCH	0 2292 0673-4, 0 2289 1141
45	SAMYAEK BRANCH OFFICE	0 2221 1520-9
46	BANG-KHEN BRANCH	0 2561 3017-8
47	TRAD BRANCH	0 3952 1151-3
48	HIN-KONG BRANCH	0 3637 9013-4
49	PHRABUDHABATH BRANCH	0 3626 8022-4
50	KLONGSARN BRANCH	0 2437 1377, 0 2437 2646
51	DIN-DAENG BRANCH	0 2642 8838-40
52	KLONG PRAPA BRANCH	0 2270 0829, 0 2271 3171
53	CHAKRAPHAT PHONG BRANCH	0 2280 1757-8
54	MUAKLEK BRANCH	0 3634 1076-7 , 0 3634 1048-9
55	WANG NOI BRANCH	0 3527 1882-3
56	TIWANON (KHAERAI) BRANCH	0 2588 3986, 0 2588 4638
57	SONGPHINONG BRANCH	0 3553 1491-2
58	AYUDHYA BRANCH	0 3524 5718-20
59	PHITSANULOK BRANCH	0 5522 1721-3, 0 5530 2519
60	CHACHOENGSAO BRANCH	0 3851 4272-3, 0 3851 1220
61	RANGSIT BRANCH	0 2958 0245-9
62	SAMRONG BRANCH	0 2384 3623-4
63	THANON NANG LINCIBRANCH	0 2678 3016-8
64	TAPHAN-HIN BRANCH	0 5662 2313-4
65	PHUNPHIN BRANCH	0 7731 1523, 0 7731 1967
66	DONMUANG(NEW BRIDGE) BRANCH	0 2972 5644-7
67	UTTARADIT BRANCH	0 5541 1357, 0 5541 1457
68	OCEAN CHUMPHON BRANCH	0 7751 1491, 0 7751 1493
69	SRI CHIENGMAI BRANCH	0 4245 1336-8
70	SIYAEK WISUTKASAT BRANCH	0 2282 4688-9
71	SIYAEK SAPAN KRUNGDHON BRANCH	0 2424 0125, 0 2424 5023
72	YALA BRANCH	0 7321 1688-9
73	HUA-HIN BRANCH	0 3251 1120, 0 3251 1442
74	THA MUANG BRANCH	0 3461 1412-3
75	PRAISANEKLANG BRANCH	0 2233 4372-3
76	U THONG BRANCH	0 3552 3022-3, 0 3555 1081

No	Branch	Telephone
77	DET-UDOM BRANCH	0 4536 1001-2
78	BAN PONG BRANCH	0 3220 1949-50, 0 3222 1869
79	PHIBUN MANGSAHAN BRANCH	0 4544 1400-1
80	CHAINAT BRANCH	0 5641 2696-9
81	PHON THONG BRANCH	0 4357 1035-7
82	KRATHUMBAEN BRANCH	0 3447 2580-1
83	BANG PAKONG BRANCH	0 3853 1250-1
84	SI RACHA BRANCH	0 3832 5605-6
85	BAN BUNG BRANCH	0 3844 4019-20
86	CHUM PHAE BRANCH	0 4331 1309-10
87	PHAN BRANCH	0 5372 1251-2
88	SAM PHRAN BRANCH	0 3432 2796-9
89	LUK KAE BRANCH	0 3456 6423-4
90	TAKHLI BRANCH	0 5626 1249, 0 5626 1530
91	RAJAVAT BRANCH	0 2241 3978, 0 2241 4143
92	SUAN MALI BRANCH	0 2223 5413, 0 2223 7305
93	THA RUA BRANCH	0 3534 1969-70
94	SONGKHLA BRANCH	0 7432 1077-9
95	CHARU MUANG BRANCH	0 2214 2352-3
96	TAK BRANCH	0 5551 3511-3
97	SAMUT PRAKAN BRANCH	0 2387 1814-5
98	MAHA SARAKHAM BRANCH	0 4372 2227-8
99	ROI ED BRANCH	0 4351 1615-6
100	SING BURI BRANCH	0 3652 0697-8
101	KALASIN BRANCH	0 4381 1556-7
102	UNION MALL LAT PHRAO BRANCH	0 2511 3149, 0 2511 1698
103	TALAT PHLU BRANCH	0 2466 9766, 0 2466 9672
104	NAKHON NAYOK BRANCH	0 3731 2644-5
105	SIYAEK ASOK BRANCH	0 2261 8119-21
106	CHIANG RAI BRANCH	0 5374 4641-3
107	LOP BURI BRANCH	0 3641 1599-600
108	THA DIN DAENG BRANCH	0 2437 2509, 0 2437 3359
109	SAMRAY BRANCH	0 2438 6811-2
110	TAO PUN BRANCH	0 2585 4217, 0 2585 6799
111	BANGKOK NOI BRANCH	0 2424 0599-600
112	SUKHUMWIT 35 BRANCH	0 2259 0020-3
113	YAOWARAT BRANCH	0 2223 5336-7
114	PHRAE BRANCH	0 5451 1595-6
115	RATCHABURI BRANCH	0 3232 5650-2
116	SIYAEK SUAPA BRANCH	0 2223 5334-5
117	SAMUT SAKHON BRANCH	0 3441 1986-7
118	NAKHON SAWAN BRANCH	0 5622 8017-8
119	SIAM SQUARE BRANCH	0 2255 1116-7
120	PHETCHABURI BRANCH	0 3242 8611-2
121	SURAWONG BRANCH	0 2631 4050-9

No	Branch	Telephone
122	SURAT THANI BRANCH	0 7728 3116-9, 0 7727 3007-8
123	BANG SU BRANCH	0 2587 0635-6
124	SAM YOD BRANCH	0 2223 7855-7
125	BURI RAM BRANCH	0 4461 4128-30
126	URUPHONG BRANCH	0 2215 7000-1
127	SAPHANLUANG BRANCH	0 2215 4593-4
128	SURIN BRANCH	0 4451 5061-2
129	THANON CHAN BRANCH	0 2287 4384-8
130	PHANAT NIKHOM BRANCH	0 3846 1378-9
131	SIKHU BRANCH	0 4441 2465-6
132	KLAENG BRANCH	0 3867 4427-8
133	PAK KRET BRANCH	0 2960 7961-2
134	NAM PHONG BRANCH	0 4343 1341-2
135	PHUKET BRANCH	0 7621 1110, 0 7621 1592
136	PRATU CHANG PHUAK BRANCH	0 5321 1700-1
137	NAKHON SI THAMMARAT BRANCH	0 7534 2789, 0 7534 6125
138	THA PHRA BRANCH	0 2457 0067, 0 2457 0534
139	HUAMARK BRANCH	0 2314 6746-7, 0 2314 5841, 0 2318 1136
140	THANON MITTRAPHAP BRANCH	0 4425 6866, 0 4425 6900
141	CHAKKRAWAT BRANCH	0 2222 1677, 0 2222 1848
142	SANAM POA BRANCH	0 2615 0198-9
143	NONTHABURI BRANCH	0 2967 2000-1
144	NAKHON PATHOM BRANCH	0 3425 1155-7
145	SARABURI BRANCH	0 3622 2277-9
146	RAYONG BRANCH	0 3861 6072-3 , 0 38612846
147	RATCHADAPHISEK (HUAIKHWANG) BRANCH	0 2275 4906-10
148	KANCHANABURI BRANCH	0 3451 5058-9
149	SAPHAN PHRACHAO TAKSIN BRANCH	0 2437 0230, 0 2438 7726
150	SUTTHISAN BRANCH	0 2270 0164-5
151	SAPHAN PRA PINKLAO BRANCH	0 2433 0085-8
152	SI SAKET BRANCH	0 4561 2293-4
153	ARUN-AMARIN BRANCH	0 2412 6186-8
154	THANON PHET KASEMHAT YAI BRANCH	0 7423 0557-8
155	PHUTTHAISONG BRANCH	0 4468 9114-5
156	BANG PLA MA BRANCH	0 3558 7623-4
157	RANONG BRANCH	0 7781 1777, 0 7782 1205
158	PHU WIANG BRANCH	0 4329 1290-2
159	NON SUNG BRANCH	0 4437 9111-3
160	WIANG SA BRANCH	0 7736 1958-60
161	SAMUT SONGKHRAM BRANCH	0 3471 3039-40

No	Branch	Telephone
162	YASOTHON BRANCH	0 4571 2954-6
163	SUKHOTHAI BRANCH	0 5561 2671-2
164	THANON PHATTHANAKAN BRANCH	0 2318 3289, 0 2314 7700
165	LAT PHRAO 102 BRANCH	0 2539 4508-11
166	KAMPHAENG PHET BRANCH	0 5571 3013-4
167	SAKON NAKHON BRANCH	0 4271 3001-2
168	NAN BRANCH	0 5477 2584-6
169	THANON MALIWAN BRANCH	0 4323 7952, 0 4324 2566, 0 4333 3941-3
170	PATTAYA BRANCH	0 3842 6907-8, 0 3842 4440
171	NA KLANG BRANCH	0 4235 9023-4
172	PHANOM PHRAI BRANCH	0 4359 1141-2
173	SIYAEK KHAO RAI YA BRANCH	0 3933 5398-9
174	BANG SAI BRANCH	0 3537 1444-5, 0 3574 1111-5
175	RAT BURANA BRANCH	0 2464 1445-6
176	WANON-NIWAT BRANCH	0 4279 1165-6
177	HUAI KRA BOK BRANCH	0 3220 1949-50, 0 3229 1091-3
178	BANG-O BRANCH	0 2424 0948, 0 2435 2257
179	BAN TAK BRANCH	0 5559 1249-50
180	SUKHUMVIT 101/1 BRANCH	0 2730 5549-51
181	KHAO YOI BRANCH	0 3249 9057-8, 0 3243 9811-3
182	KHAI BANG RACHAN BRANCH	0 3659 7050-2
183	SRINAKARIND-ON NUT BRANCH	0 2321 1584, 0 2321 8838
184	CHAENG WATTHANA 14 BRANCH	0 2574 6174-6
185	THANON PHRRAM THI 4 (KLONGTEOI)	0 2260 9506-10
186	BO PHLOI BRANCH	0 3458 1055-6
187	BAN RONG PO BRANCH	0 3824 1031-4
188	THUNG YAI BRANCH	0 7548 9004-5
189	BIG C WONGSAWANG BRANCH	0 2913 9708-11
190	PRACHIN BURI BRANCH	0 3721 3217-8
191	NONG KHAI BRANCH	0 4242 0743-4
192	MUANG SAMSIP BRANCH	0 4548 9004-5
193	SUKHUMWIT 23 BRANCH	0 2229 4433, 0 2229 4435, 0 2261 1914-7
194	PHATTHALUNG BRANCH	0 7461 1365-6
195	RATCHADAPHISEK (THAPHRA-TAKSIN) BRANCH	0 2477 9692-4
196	KO SAMUI BRANCH	0 7742 0176-9
197	KANCHANADIT BRANCH	0 7737 9028-30
198	PATONG BRANCH	0 7634 0809-10
199	THANON CHAYANGKUN UBONRATCHATHANI BRANCH	0 4524 4594-5
201	KAMPHAENG SAEN BRANCH	0 3435 1705-6
202	SIYAEK WANG HIN BRANCH	0 2570 5584-7

No	Branch	Telephone
203	NONGBUA UDONTHANI BRANCH	0 4224 3434
204	THAP PUT BRANCH	0 7644 2228-30
205	BANGBON BRANCH	0 2416 8366, 0 2416 8367
206	PHAYAO BRANCH	0 5448 1863-4
207	THANON CHANG KHLAN CHIANG MAI BRANCH	0 5327 0431-4
208	NONG PRATHIP CHIANG MAI BRANCH	0 5324 0240-3
209	LOM SAK BRANCH	0 5670 2009-11
210	BANG MUN NAK BRANCH	0 5663 1844-7
211	BIG C SRINAKARIND BRANCH	0 2383 4763-7
212	THANON SI PHUWANAT HAT YAI BRANCH	0 7422 1003-5
213	UTHAI THANI BRANCH	0 5651 2561-4
214	MAP TA PHUT BRANCH	0 3860 8891-4
215	PATHUM THANI BRANCH	0 2581 3908-10
216	SATTAHIP BRANCH	0 3843 7781-3
217	PURE PLACE RAMKHAMHANG 110 BRANCH	0 2373 4740-2
218	WONG WIEN SA KAE0 LOP BURI BRANCH	0 3642 2601-2
219	THANON SAWANWITHI NAKHON SAWAN BRANCH	0 5622 7866-7 0 5622 7493-4
220	SUNGAI KOLOK BRANCH	0 7361 5741-3
221	MIN BURI BRANCH	0 2517 9897-9
222	LAT BUA LUANG BRANCH	0 3537 9350-2
223	THANON TIWANON (KHLONG BANG TALAT) BRANCH	0 2580 6611, 0 2580 6622
224	KRABI BRANCH	0 7562 1258-61, 0 7566 4002-3
225	PRACHUAP KHIRI KHAN BRANCH	0 3261 1980-1
226	THA YANG BRANCH	0 3246 1826-7, 0 3277 1067-9
227	THANON SUKHUMWIT CHOLBURI BRANCH	0 3827 4520-1
228	MAE HONG SON BRANCH	0 5361 1868-9, 0 5361 2334-5
229	PHANGNGA BRANCH	0 7641 1989, 0 7641 2444
230	BANG MOT BRANCH	0 2428 4389-90
231	LOEI BRANCH	0 4281 2619-20
232	ROJANA INDUSTRIAL PARK BRANCH	0 3533 0515, 0 3533 0525
233	THANON RAT BURANA (BANGPAKOK) BRANCH	0 2428 4534-7
234	THANON CHAROEN NAKHON SOI 4 BRANCH	0 2439 1104, 0 2439 6448, 0 2438 9424,
235	FORTUNE TOWN BRANCH	0 2248 3380-3
236	AO UDOM BRANCH	0 3835 2466-9, 0 3835 2904-5
237	SOI THONG LO BRANCH	0 2392 2838-9
238	LUMPINI BRANCH	0 2285 6696-9

No	Branch	Telephone
239	PHOTHARAM BRANCH	0 3235 4317-8
240	NAVANAKORN BRANCH	0 2529 2076-8
241	SAM LIAM DIN DAENG BRANCH	0 2642 4020-1
242	KACHET BRANCH	0 3864 8295-6
243	NONG DON BRANCH	0 3639 7225-8
244	THANON RAMKHAMHAENG 19 BRANCH	0 2718 9302-3
245	BANG BUA THONG BRANCH	0 2571 3530-4
246	LAT KRABANG BRANCH	0 2326 8815-8
247	THANON SUKHAPHIBAN 1 BRANCH	0 2375 5801-2
248	BANG YAI BRANCH	0 2594 0608-9, 0 2594 0605
249	SATUN BRANCH	0 7472 2500-2
250	ON NUJ 23 BRANCH	0 2332 2737, 0 2332 2837
251	PHICHIT BRANCH	0 5661 2510-4
252	CHA-AM BRANCH	0 3247 2047-51
253	NAKHON PHANOM BRANCH	0 4251 3082-5
254	THANON RAM INDRA KM.8 BRANCH	0 2509 5880-3
255	PHANOM SAKHAM BRANCH	0 3855 1840-3
256	THANON SURASAK1 SIRACHA BRANCH	0 3832 4272-6
257	THANON ROT FAI RATCHABURI BRANCH	0 3232 5650-2, 0 3232 2388-91
258	PRACHA NIWET 1 BRANCH	0 2954 3880-2
259	SA KAE0 BRANCH	0 3724 1810-3
260	MAKHAMTIA BRANCH	0 7728 8750-3
261	TALAT SI MUM MUANG BRANCH	0 2536 8154-6
262	THANON RATCHADAPHISEK (OLYMPIA THAI TOWER)	0 2513 8731-5
263	PLOENCHIT TOWER BRANCH	0 2263 0667-9
264	NAKHON CHAIS1 BRANCH	0 3433 3640-4
265	HANG DONG BRANCH	0 5344 1986-7
266	SEACON BANGKAE BRANCH	0 2454 8700-7
267	CENTRAL PLAZA LAMPANG BRANCH	0 5488 1690-5
268	THANON RANGSIT-NAKHON NAYOK (KHLONG 2) BRANCH	0 2966 0916-8
269	ANG THONG BRANCH	0 3562 5150-1
270	MUKDAHAN BRANCH	0 4261 3035-6
271	THANON SUKHAPHIBAN 2 BRANCH	0 2374 1935-8
272	THANON POON PHOL PHUKET BRANCH	0 7622 1284-6, 0 7622 1009
273	SENA BRANCH	0 3520 2009, 0 3520 2280
274	THANON BANG NA-TRAT (CENTRAL CITY) BRANCH	0 2361 0625-6, 0 2361 0562-5
275	THANON PHET KASEM 55 BRANCH	0 2454 6969, 0 2454 9966
276	THANON THIAM RUAM MIT BRANCH	0 2274 4008-10
277	MAE SOT BRANCH	0 5553 3781-3

No	Branch	Telephone
278	HA YAEK PHOKHUN MENGRAI BRANCH	0 5371 1292, 0 5371 1793, 0 5371 1292
279	THANON CHOM THONG BRANCH	0 2468 5740, 0 2468 8096
280	SOI CHARAN SANITWONG 13 BRANCH	0 2864 0977-9
281	THANON SRINAKARIND-KRUNG THEP KRITHA BRANCH	0 2375 1249, 0 2375 3917, 0 5371 1292
282	NONGKHAEM BRANCH	0 2444 2958-9
283	CHUMPHON BRANCH	0 7750 5032, 0 7750 5069
284	PARADISE PARK BRANCH	0 2746 0194-9
285	THANON NGAM WONG WAN BRANCH	0 2951 8403-4
286	THANON SRINAKARIND- SUKHUMWIT BRANCH	0 2389 1443, 0 2389 1465
287	LANG SUAN BRANCH	0 7758 2513-5
288	SAPHAN PRA NANGKLAO BRANCH	0 2527 0241-4
289	THANON HAI SOKE ROI ET BRANCH	0 4351 1830, 0 4351 3307, 0 4351 5002
290	LAMPHUN BRANCH	0 5351 0246-50
291	THE HABOUR (HUAI KAE0) CHIANG MAI BRANCH	0 5321 9804-6
292	THANON SUKHUMWIT 71 BRANCH	0 2390 1936, 0 2381 2171
293	LAM NARAI BRANCH	0 3646 1994-5
294	THANON RAM INDRA KM.2	0 2971 6678-82
295	SAPHAN CHOM KLAO PHETCHABURI BRANCH	0 3241 3185-7
296	THANON WAT KINGKAE0 BRANCH	0 2316 9495-6
297	THANON SATHU PRADIT BRANCH	0 2295 1104-5
298	THANON CHAENG WATTHANA (SOFTWARE PARK) BRANCH	0 2962 3104-8
299	THANON PRACHA UTHIT BRANCH	0 2427 1041, 0 2427 1415
300	MAE SAI BRANCH	0 5364 0769-71
301	THANON SONG PRAPHA BRANCH	0 2566 4291-3
302	THANON BANG NA TRAT (TCIF TOWER) BRANCH	0 2751 4036-9
303	THANON PATTAYA TAI BRANCH	0 3842 5524-5
304	OM NOI BRANCH	0 2431 0131-6
305	THANON SUEKSA CHAROEN PHETCHABOON BRANCH	0 5672 2247-8
306	THA PHRA KHON KAEN BRANCH	0 4326 1661-5
307	THANON RAMA II BRANCH	0 2451 4094-8
308	BANG PA-IN BRANCH	0 3522 1071-4
309	PHRAN NOK BRANCH	0 2411 4543, 0 2418 2515, 0 2412 5615-6
310	THANON BANG KHUN THIAN BRANCH	0 2416 3481-2

No	Branch	Telephone
311	NARESUAN UNIVERSITY BRANCH	0 5526 1125-6
312	PROMENADA RESORT MALL CHIANG MAI BRANCH	0 5314 2746-50
313	THANON VIBHAVADIRANGSIT (SUNTOWERS) BRANCH	0 2617 6486-90
314	KAENG KHOI BRANCH	0 3624 5320-3
315	NONG KHAE BRANCH	0 3632 6400-3
316	SUKHUMWIT 103 (UDOM SUK) BRANCH	0 2383 8793-7
317	PHRA PRATHON BRANCH	0 3424 2826-7
318	BANG SAPHAN BRANCH	0 3254 8404-7
319	RAMA IX-SRINAKARIND BRANCH	0 2300 1642, 0 2300 1645
320	KABIN BURI BRANCH	0 3720 3015-9
321	THANON THEP KRASATTRI PHUKET BRANCH	0 7623 6337-8, 0 7622 2892, 0 7622 2183
322	THANON MITTRAPHAP-YAER PAKTHONGCHAI BRANCH	0 4427 7324-5
323	SAN KAMPHAENS BRANCH	0 5339 2592-6
324	THANON SUKHUMWIT 63 BRANCH	0 2711 4600-6
325	BANG PU BRANCH	0 2324 3581-5
326	WARIN CHAMRAP BRANCH	0 4526 9470-4
327	NONG BUA LAM PHU BRANCH	0 4231 2536-40
328	THANON KANCHANAWANIT SONGKHLA BRANCH	0 7432 5806-10
329	MAE RIM BRANCH	0 5329 9916-9
330	THANON SUKHUMWIT TRAD BRANCH	0 3952 0969, 0 3952 0994-7
331	THANON PHRAEKSA SAMUTPRAKAN BRANCH	0 2387 0081-2
332	HUA THALE NAKHON RATCHASIMA BRANCH	0 4426 6042-6
333	AMNAT CHAROEN BRANCH	0 4551 1731-4
334	THANON WAT KINGKAE0 (RACHA TEWA) BRANCH	0 2312 4795-7
335	KASETSART UNIVERSITY BRANCH	0 2561 366-1, 0 2561 3490-1
336	PHON SAWAN BRANCH	0 4259 5119, 0 4259 5091
337	PRATUNAM PHRA-IN BRANCH	0 3521 9851-4
338	BANG BO BRANCH	0 2708 5393, 0 2708 5419
339	DON PHUT BRANCH	0 3638 5112-4
340	THANON RAM INDRA- VACHARAPHOL BRANCH	0 2509 4993, 0 2509 5095
341	THANON CHAROEN NAKHON SOI 35 BRANCH	0 2439 1104, 0 2439 6448, 0 2439 0615,25
342	SI BANPHOT BRANCH	0 7468 9164-7
343	THANON BOROMARA BRANCH JAJONANI(TALING CHAN)	0 2880 9908-9
344	THANON THEPHARAK BRANCH	0 2385 0975-9

No	Branch	Telephone
345	THANON SUKSAWAT 53 BRANCH	O 2463 2510, O 2463 2920, O 2463 2560
346	THANON PHATTHANAKAN KHUKHWANG BRANCH	O 7531 7841-5
347	THANON MITTRAPHAP KHONKAEN BRANCH	O 4332 5411-5
348	THANON CHOTANA CHIANGMAI BRANCH	O 5340 9420-4
349	BIG C SUPHANBURI BRANCH	O 3549 4956-9, O 3549 4960
350	THANON BOROMARAJAJONANI (PINKLAO) BRANCH	O 2433 1468, O 2433 4985
351	THANON PHAHONYOTHIN 26 (ELEPHANT TOWER) BRANCH	O 2937 4983-92
352	THANON SATHON NUA (A.I.-CENTER) BRANCH	O 2637 7276-85
353	THANON AKATOSAROT PHITSANULOK BRANCH	O 5522 5173-7
354	CHOKCHAI 4 BRANCH	O 2530 1696, O 2530 3790
355	THANON PRACHARAT SAI 1 BRANCH	O 2585 2610 O 2586 8897
356	NANG RONG BRANCH	O 4462 4318-22
357	ON NUJ 69 BRANCH	O 2726 0475-8
358	THANON RATCHADAPHISEK (CENTRAL RAMA III) BRANCH	O 2673 6309-14
359	BETONG BRANCH	O 7324 5861-4
360	THANON PHAHON YOTHIN SARABURI BRANCH	O 3631 8401-4
361	FANG BRANCH	O 5338 2813-7
362	NOENTENG CHOLBURI BRANCH	O 3826 1101-3
363	THANON KANCHANAWANIT HAT YAI BRANCH	O 7421 7111-3
364	SIYAEK SANAMBIN CHIANGMAI BRANCH	O 5328 0525-7
365	ONG KHARAK BRANCH	O 3732 2268-9
366	THANON RAT BANCHOP SAMUT SAKHON BRANCH	O 3442 8126-7
367	THANON PHOSI UDONTHANI BRANCH	O 4224 9736-7
368	THANON LAMLUKKA (KHLONG 2) BRANCH	O 2523 3933-5
369	ASSUMPTION UNIVERSITY (THANON BANGNA-TRAD KM.26) BRANCH	O 2707 0350-4
370	NAKHON RATCHASIMA RAJABHAT UNIVERSITY BRANCH	O 4424 8405-6
371	SUAN DUSIT RAJABHAT UNIVERSITY BRANCH	O 2241 8325-7
372	SAKON NAKNON RAJABHAT UNIVERSITY BRANCH	O 4271 4303, O 4271 6887, O 4297 0101-3
373	CHIANGRAI RAJABHAT UNIVERSITY BRANCH	O 5377 6038, O 5377 6066

No	Branch	Telephone
374	CHAWENG BEACH BRANCH	O 7741 3736-8
375	CENTRAL LAT PHRAO BRANCH	O 2541 1176-7
376	ASSUMPTION UNIVERSITY (HUA MARK) BRANCH	O 2300 4452-4
377	BURI RAM' RAJABHAT UNIVERSITY BRANCH	O 4460 1519, O 4461 4159
378	MAE FAH LUANG UNIVERSITY BRANCH	O 5378 7121, O 5378 7185, O 5391 2121 - 2
379	MAE NAM BRANCH	O 7742 7787-9
380	AO NANG KRABI BRANCH	O 7569 5429-31
381	IRPC RAYONG BRANCH	O 3862 3939-41,
382	STAR IT CENTER RAYONG BRANCH	O 3862 3842-4
383	CENTRAL RAMA II BRANCH	O 2872 1478-80
384	KHAO LAK PHANG-NGA BRANCH	O 7642 3425-7 O 7648 5425-7
385	KHONKAEN UNIVERSITY BRANCH	O 4320 2260, O 4334 2388
386	LAMPANG RAJABHAT UNIVERSITY BRANCH	O 5431 7950-2
387	CHULALONGKORN 42 BRANCH	O 2219 1624-6
388	UBON RATCHATHANI RAJABHAT UNIVERSITY BRANCH	O 4525 5416, O 4525 5537
389	NIKHOM PHATTHANA RAYONG BRANCH	O 3863 7585-6, O 3889 7504
390	EASTERN SEABOARD INDUSTRIAL ESTATE BRANCH	O 3865 6256-7, O 3895 4704
391	BIG C UDON THANI BRANCH	O 4221 2733-4, O 4220 4920
392	LAMAI BEACH BRANCH	O 7741 9017-8, O 7723 0821
393	TESCO LOTUS AMATA NAKORN CHONBURI BRANCH	O 3845 7462-5
394	HA YAEK CHALONG PHUKET BRANCH	O 7638 4034-6
395	THE MALL BANG KAPI BRANCH	O 2374 6177-8, O 2374 6294
396	THE MALL BANG KHAE BRANCH	O 2455 3930-1, O 2455 3921
397	QUEEN SURIKIT NATIONAL CONVENTION CENTER BRANCH	O 2229 5592-4
398	304 INDUSTRIAL PARK PRACHIN BURI BRANCH	O 3727 4300-1, O 3720 8314
399	RAJAMANGALA UNIVERSITY OF TECHNOLOGY THANYABURI BRANCH	O 2577 4504-5, O 2927 4744
400	IMPACT MUANG THONG THANI BRANCH	O 2504 5162-4
401	KAMALA BEACH PHUKET BRANCH	O 7627 8113-4, O 7638 6125-6
402	THANON SAI ASIA NAKHONSAWAN BRANCH	O 5622 8188-90

No	Branch	Telephone
403	HI-TECH INDUSTRIAL ESTATE BRANCH	O 3531 4337-9
404	SOCIAL SECURITY OFFICE BRANCH	O 2526 9610 - 2
405	WELLGROW INDUSTRIAL ESTATE BRANCH	O 3851 7820-1, O 3884 2253
406	THANON PHET KASEM HUA HIN BRANCH	O 3251 3927, O 3251 3932
407	THE MALL NGAM WONG WAN BRANCH	O 2550 0630-1 O 2550 0905
408	TESCO LOTUS PATTAYA (NORTH) BRANCH	O 3842 3399, O 3842 3044
409	CENTRAL FESTIVAL PHUKET BRANCH	O 7636 7005-7
410	THANON RATCHAWITHI NAKHON PATHOM BRANCH	O 3427 5020-1, O 3428 0282
411	FASHION ISLAND BRANCH	O 2947 5140-2
412	THANON BANG KHUN THIAN - CHAI THALE BRANCH	O 2894 6537-9
413	PHI PHI ISLAND BRANCH	O 7561 8109, O 7561 8033, O 7560 1010-2
414	KASEMRAD PRACHACHUEN HOSPITAL BRANCH	O 2587 4240-1, O 2587 5707
415	SOI NOEN PLUB WAN PATTAYA BRANCH	O 3840 2272-3
416	TESCO LOTUS PHUKET BRANCH	O 7621 2619, O 7621 2656, O 7652 4235-8
417	J-AVENUE THONG LO BRANCH	O 2185 3113-4
418	CHOENG THALE PHUKET BRANCH	O 7632 5062, O 7632 5139
419	THANON CHALOEM PHRA KIAT PHUKET BRANCH	O 7637 6001-2
420	BEACH ROAD (CHAWENG) BRANCH	O 7741 3464, O 7746 8413,
421	TALAT THANOMMIT VACHARAPHOL BRANCH	O 2347 0292-5
422	THANON KIJMANEE SAMUT SAKHON BRANCH	O 3442 5122, O 3445 5120
423	SI YAEK PAK RUAM BRANCH	O 3833 7245-6
424	KO CHANG BRANCH	O 3955 1431-3
425	EMPIRE TOWER BRANCH	O 2670 1648-50
426	GRAND CANAL BRANCH	O 2575 2163-4
427	KASEMRAD RATTANATIBETH HOSPITAL BRANCH	O 2594 0937-9
428	TALAT WONGSAKORN BRANCH	O 2563 5341-2, O 2563 5350
429	THANON CHOMSIN HUA HIN BRANCH	O 3251 5370-1, O 3251 5406
430	ROBINSON BANGRAK (TOPS) BRANCH	O 2291 1602, O 2291 1782, O 2291 1894, O 2235 5812-4

No	Branch	Telephone
431	LAEM CHABANG BRANCH	O 3849 3542-3, O 3849 3556
432	TALAT MIN BURI BRANCH	O 2517 1022-3, O 2517 1025
433	THAI SUMMIT TOWER BRANCH	O 2251 3114 - 6
434	CENTRAL PINKLAO BRANCH	O 2433 4830-1, O 2433 4836
435	THANON KHEHA ROMKLAO BRANCH	O 2557 1033-5
436	TESCO LOTUS PHATTHANAKAN BRANCH	O 2322 1278-80, O 2322 2416, O 2321 2537
437	THANON RATCHAPHRUEK BRANCH	O 2423 0181-3
438	THANON NA NAI PATONG BRANCH	O 7634 5161, O 7634 5163-4
439	CHOENG MON BEACH BRANCH	O 7748 4223
440	TALAAD THAI BRANCH	O 252 91121, O 2529 1960, O 2529 2508
441	TESCO LOTUS BOWIN BRANCH	O 3811 7120-3
442	ZUELLIG HOUSE BRANCH	O 2233 5134-6
443	THANON SUKHUMWIT PATTAYA BRANCH	O 3842 4376, O 3842 4722-3
444	KHLONG KHRU SAMUT SAKHON BRANCH	O 3442 8916-7, O 3442 8930
445	THANON MUEANGMAI BANCPLI 2 BRANCH	O 2315 1112-4
446	KING MONGKUT'S INSTITUTE OF TECHNOLOGY LADKRABANG BRANCH	O 2326 4715-7
447	KABINBURI INDUSTRIAL ZONE BRANCH	O 3745 5334, O 3745 5502-3
448	CENTRAL WORLD BRANCH	O 2251 7055-9
449	Q. HOUSE CONVENT BRANCH	O 2234 5475-7
450	NAVA NAKORN INDUSTRIAL PROMOTION ZONE BRANCH	O 2529 1295, O 2529 3266, O 2529 3974
451	NORTHERN REGION INDUSTRIAL ESTATE (LAMPHUN) BRANCH	O 5358 2112-4
452	SAHA GROUP INDUSTRIAL PARK SIRACHA BRANCH	O 3848 2325, O 3848 2334, O 3848 2366
453	HOME PRO RATCHAPHRUEK BRANCH	O 2423 3645-8
454	HOME PRO BANG NA BRANCH	O 2325 1167-9
455	EASTERN SEABOARD I NDUSTRIAL ESTATE 2 BRANCH	O 3865 6446-8
456	TOPS RAMA III BRANCH	O 2213 0796-7, O 2213 0713
457	BIG C CHAENG WATTHANA 2 BRANCH	O 2584 1411, O 2584 1432, O 2584 1561
458	CENTURY PLAZA BRANCH	O 2245 9517-9

No	Branch	Telephone
459	CENTRAL RATTANATHIBET BRANCH	O 2525 4546-8
460	CENTRAL AIRPORT CHIANG MAI BRANCH	O 5328 1660-2
461	SIAM PARAGON BRANCH	O 2129 4560-5
462	PTT THANON KANCHANAPHISEK BRANCH	O 2455 9316-7
463	PTT RATCHAPHRUEK BRANCH	O 2432 2223-5
464	KO PHA-NGAN BRANCH	O 7737 7276, O 7737 7672
465	BOPHUT BRANCH	O 7742 7540, O 7742 7541, O 7742 7542
466	BANG PHUN BRANCH	O 2581 8545, O 2581 8546, O 2581 8547
467	PTT THANON PHUTTHAMONTHON SAI 4 BRANCH	O 2429 2051, O 2429 2104, O 2429 2130
468	Q.HOUSE LUMPINI BTRANCH	O 2343 8791-3
469	PTT THANON CHALONG KRUNG BRANCH	O 2360 5213-5
470	BANGKOK PATTAYA HOSPITAL BRANCH	O 3842 2514, O 3842 2526, O 3842 2534
471	PINTHONG INDUSTRIAL ESTATE BRANCH	O 3834 8184-6
472	RAJAMANGALA UNIVERSITY OF TECHNOLOGY KRUNGTHEP BRANCH	O 2286 0324, O 2286 0341
473	TESCO LOTUS RANGSIT KLONG 7 BRANCH	O 2577 4636-8, O 2577 5833-4
474	THANON PATAK (KARON) BRANCH	O 7639 8249-51
475	PTT THANON LAT PLAKHAO BRANCH	O 2570 2169, O 2570 2172
476	SOI BOONSAMPAN PATTAYA BRANCH	O 3840 6683-5
477	SOI BUAKHAO PATTAYA BRANCH	O 3841 5873-5
478	PTT THANON KASET-NAWAMIN BRANCH	O 2553 2031-3
479	SOI NAKLUEA 16 PATTAYA BRANCH	O 3841 6617-9
480	DON HUALO (AMATA NAKHON CHON BURI) BRANCH	O 3845 3049-51
481	KO PHO CHON BURI BRANCH	O 3820 9787-9
482	PTT THANON EKKACHAI BRANCH	O 3441 8190-2, O 3486 7708-10
483	PTT THANON SURANARAI NAKHON RATCHASIMA BRANCH	O 4425 7061-3
484	THANON CHALOEM PHRA KIAT (PATTAYA SAI 3) BRANCH	O 3841 3485-7
485	TESCO LOTUS WARIN CHAMRAP BRANCH	O 4532 3770-3

No	Branch	Telephone
486	THANON BANKOK KHON KAEN BRANCH	O 4327 0455-7
487	SILPAKORN UNIVESITY (SANAM CHANDRA PALACE CAMPUS) BRANCH	O 3427 1133, O 3427 1484, O 3427 1598
488	THANON PHRAYASATCHA CHON BURI BRANCH	O 3827 2319-20, O 3827 2400
489	BAN SAI YUAN (RAWAI) BRANCH	O 7638 8804-6
490	PTT THANON TIWANON BRANCH	O 2584 5501-3
491	HOMEPRO KHON KAEN BRANCH	O 4327 1624-6
492	HOMEPRO UDON THANI BRANCH	O 4224 6000, O 2246 733-4
493	HUA HIN MARKET VILLAGE BRANCH	O 3252 6463-6
494	PAI BRANCH	O 5369 9062, O 5369 9097
495	ESPLANADE RATCHADA BRANCH	O 2660 9120-22
496	PETCHKASEM AVENUE BRANCH	O 2809 2961-2, O 2809 2403
497	J.J. MALL BRANCH	O 2265 9544-6
498	PHATTHANANIKHOM SOI 12 (LOPBURI) BRANCH	O 3643 6066, O 3643 6114, O 3643 6252, O 3643 6574-5
499	ALL SEASONS PLACE BRANCH	O 2250 1240-1, O 2250 1244, O 2685 3032-3
500	HUACHIEW CHALERMPrAKIET UNIVERSITY BRANCH	O 2312 6625, O 2312 6719, O 2312 6765
501	IMPERIAL WORLD SAMRONG BRANCH	O 2380 6214-6
502	ROBINSON SRIRACHA BRANCH	O 3832 2067, O 3832 2107
503	TALAT SAVE ONE NAKHON RATCHASIMA BRANCH	O 4422 2131, O 4422 2141, O 4422 2158
504	THANON PHUTTHANONTHON SAI 5 BRANCH	O 2420 7715, O 2420 7720, O 2420 7723
505	JUNGCEYLON PHUKET BRANCH	O 7636 6029, O 7636 6030, O 7636 6031
506	THE AVENUE CHAENGWATTHANA BRANCH	O 2573 8106, O 2573 8107, O 2573 8108
507	THE AVENEUE PATTAYA BRANCH	O 3805 2003-5
508	THANON PHRABARAMI PHUKET BRANCH	O 7632 2179, O 7632 2180, O 7632 2181
509	THANON THEPHARAK KM.22.5 (YES BANGPHLI) BRANCH	O 2315 2984-6
510	PA KHILOK PHUKET BRANCH	O 7637 9851-3

No	Branch	Telephone
511	THANON CHAO FA (EAST) PHUKET BRANCH	O 7652 5071-3
512	SAM KONG PHUKET BRANCH	O 7652 3200-2
513	TESCO LOTUS SALAYA BRANCH	O 2482 2100-1
514	PTT THANON SERI THAI BRANCH	O 2379 8910, O 2379 8914, O 2379 8916
515	SOI KHAO TA LO PATTAYA BRANCH	O 3833 3255-7
516	PTT RATCHAPHRUEK - RATTANATHIBET BRANCH	O 2191 9864-66
517	PTT THANON PRADIT MANUTHAM BRANCH	O 2538 3772, O 2538 3511, O 2538 3540
518	LAEMTHONG BANGSAEN BRANCH	O 3838 5353-7
519	THANON THAVEERATPHAKDEE (CHAWENG) BRANCH	O 7748 4451-3
520	BIG C AYUTTHAYA BRANCH	O 3574 7152-4
521	THANON ASSUMPTION SRIRACHA BRANCH	O 3833 8461-4, O 3833 8446
522	THE GOVERNMENT COMPLEX COMMEMORATING (BUILDING B) BRANCH	O 2143 9636-8
523	CENRAL CHAENG WATTHANA BRANCH	O 2193 8081-3
524	CENTRAL FESTIVAL PATTAYA BEACH BRANCH	O 3804 3250-2
525	HARBOR MALL LAEM CHABANG BRANCH	O 3849 3673-5
526	CENTRAL CHON BURI BRANCH	O 3805 3601-3
527	NICHADA THANI BRANCH	O 2582 2668-9, O 2582 3015
528	SUNEE TOWER UBONRATCHATHANI BRANCH	O 4531 6804-5, O 4531 6015
529	TALAT SURANAKHON NAKHONRATCHASIMA BRANCH	O 4434 2828-30
530	THANON KANCHANAVITHI SURATTHANI BRANCH	O 7791 0133-5
531	THANON VIBHAVADIRANGSIT (DONMUEANG) BRANCH	O 2533 4590-2
532	BAN CHANG BRANCH	O 3860 4771-3
533	LAT PHRAO 101 BRANCH	O 2375 5553, O 2375 5196, O 2375 5317
534	PTT THANON KANCHANAPHISEK 2 BRANCH	O 2447 9050-1
535	SOI MANGKORN SAMUT PRAKAN BRANCH	O 2334 3334-6
536	CENTRAL PLAZA KHONKAEN BRANCH	O 4328 8100-2
537	ENERGY COMPLEX BRANCH	O 2537 0130-1, O 2537 0156
538	JOMTIEN BEACH (KONGDONGTAN) BRANCH	O 3805 9572-4
539	ODEAN FASHION MALL HATYAI BRANCH	O 7422 3861-3

No	Branch	Telephone
540	SAHATHAI PLAZA THUNGSONG BRANCH	O 7541 1666, O 7541 1900, O 7541 1918
541	THANON BANGNA-TRAT BANGNA TOWER BRANCH	O 2312 0370-2
542	BIG C RAMA IV BRANCH	O 2259 3704-8
543	THE MALL NAKORN RATCHASIMA BRANCH	O 4439 3457-9
544	THANON EAKKACHAI PHOJAE BRANCH	O 3445 1636-8
545	TESCO LOTUS KAMTHIENG CHIENG MAI BRANCH	O 5322 2873-5
546	BO BAE BRANCH	O 2282 0524-25, O 2282 0538
547	TESCO LOTUS ARANYAPRATHET BRANCH	O 3754 1718-20
548	ROBINSON TRANG BRANCH	O 7582 0301-3
549	CHAMCHURI SQUARE BRANCH	O 2160 5240-2
550	THANON ROJANA (AYUDHYA) BRANCH	O 3532 3597-9
551	TESCO LOTUS CHUMPHON BRANCH	O 7765 9917-8, O 7765 9927
552	SEACON SQUARE BRANCH	O 2138 5711-3
553	CENTRAL PLAZA CHIANGRAI BRANCH	O 5317 9712-4
554	BIG C HATYAI BRANCH	O 7421 4570-2
555	SILOM BRANCH	O 2235 3950-2
556	PA PAYOM PHATTHALUNG BRANCH	O 7484 1144-6
557	THANON MAHARAT KRABI BRANCH	O 7562 4580-2
558	TESCO LOTUS HATYAI-NAI BRANCH	O 7425 5098, O 7425 5754-5
559	TESCO LOTUS THALANG PHUKET BRANCH	O 7631 1522-4
560	SUKHUMVIT 15 BRANCH	O 2255 1763-5
561	CENTRAL PLAZA PHITSANULOK BRANCH	O 5533 8662
562	CENTRAL PLAZA GRAND RAMA 9 BRANCH	O 2160 2912-4
563	BIC C CHANTABURI BRANCH	O 3943 6467-9
564	WANG WISET TRANG BRANCH	O 9629 6189-91
565	THE CRYSTAL BRANCH	O 2515 0980-2
566	TESCO LOTUS KHLONG THOM KRABI BRANCH	O 7569 9530-2
567	BUENG KAN BRANCH	O 4249 1692, O 4249 1961, O 4249 1965
568	KANTHARALAK BRANCH	O 4566 1282, O 4566 1812, O 4566 2594
569	TALAT-RANGSIT BRANCH	O 2567 2453-5
570	EXCHANGE TOWER BRANCH	O 2261 1686-8

SUMMARY OF SPECIFIED ITEMS PER FORM 56-2

No	Branch	Telephone
571	TESCO LOTUS LAMTHAP KRABI BRANCH	O 7570 2184-6
572	SATHORN SQUARE BRANCH	O 2163 2811-3
573	ROBINSON SUPHANBURI BRANCH	O 3545 4366-8
574	BIG C NAKHONPATHOM BRANCH	O 3427 2086-8
575	THAKHONYANG MAHASARAKHAM BRANCH	O 4397 0304-6
576	CENTRAL PLAZA UDONTANI BRANCH	O 4292 1433-5
577	THAI LIFE INSURANCE BUILDING (RATCHADAPISEK ROAD) BRANCH	O 2246 0091-3
578	TESCO LOTUS KLONG NGAE BRANCH	O 7454 1117, O 7454 1127, O 7454 1128
579	BIC C CHACHOENGSAO BRANCH	O 3851 2364, O 3851 2365, O 3851 2406
580	THONGLOR (VASU BUILDING) BRANCH	O 2713 8453, O 2714 7941, O 2714 9908, O 2713 8617
581	MEGA BANGNA BRANCH	O 2105 1530-2
582	PATPONG BRANCH	O 2233 6681-3
583	TESCO LOTUS CHAIYA BRANCH	O 7743 1502-3, O 7743 1753
584	PURE PLACE RATCHAPHRUEK BRANCH	O 2194 8476-8
585	ZEER RANGSIT BRANCH	O 2992 7271 - 3
586	AYUTTHAYA PARK SHOPPING COMPLEX BRANCH	O 3533 7122-4
587	ASAWANN SHOPPING COMPLEX NONG KHAI BRANCH	O 4241 4131, O 4241 4137, O 4241 4142
588	CENTRAL STATION TOWER BRANCH	O 2236 6037-40
589	BIG C BANG PHLI BRANCH	O 2312 2252-3, O 2312 2433-4
590	CENTRAL PLAZA SURATTHANI BRANCH	O 7748 9802, O 7748 9803, O 7748 9804, O 7748 9805

No	Branch	Telephone
591	TALAT NAKLUEA SOI 11 BRANCH	O 3841 3723-4, O 3841 3741-3
592	BIG C NAKHONSAWAN 2 BRANCH	O 5637 0746-50
593	PHANTHAINORASING BRANCH	O 3487 2052-6
594	THANON KASSIKORN THUNGSANG KHON KAEN BRANCH	O 4324 2641-43, O 4324 2820-21
595	ROBINSON KANCHANABURI BRANCH	O 3460 3410-14
596	TESCO LOTUS BANG PU BRANCH	O 2323 9254-58
597	CENTRAL PLAZA UBON RATCHATHANI BRANCH	O 4542 2451-5
598	SERMTHAI COMPLEX MAHASARAKHAM BRANCH	O 4397 0626-8, O 4397 0512, O 4397 0516
599	CENTRAL PLAZA BANG NA BRANCH	O 2399 5307-11
600	ROBINSON SAKON NAKHON BRANCH	O 4297 1744-8
601	TESCO LOTUS CHIANG KHONG BRANCH	O 5379 1185-6, O 5379 1203-5
602	NANA CHAROEN COMMUNITY BRANCH	O 2592 4145, O 2592 4149-50
603	SUEN HENG PLAZA SISAKET BRANCH	O 4564 4171-5
604	TESCO LOTUS WIANG SA BRANCH	O 7731 0745-8, O 7731 0750
605	TESCO LOTUS BUAYAI BRANCH	O 4491 3733-8
606	CENTRAL FESTIVAL CHIANGMAI BRANCH	O 5328 8755-9
607	ROBINSON SARABURI BRANCH	O 3635 1480-4
608	CENTRAL FESTIVAL HAT YAI BRANCH	O 7433 9913 - 7
609	ROBINSON SURIN BRANCH	O 4404 2766-70
610	TESCO LOTUS NAKHON SI THAMMARAT BRANCH	O 7535 7213-7

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