



"Make Life Simple
เรื่องเงิน เรื่องง่าย"

Management Discussion and Analysis
For the quarter ended March 31, 2013

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4.28% NIM

Net Interest Margin:
Maintaining Strong NIM

4.1 billion

Net Profit:
Increasing 18.3% YoY

Executive Summary:

Amid continuing global uncertainty paired with the rapid appreciation of the Thai Baht, the Krungsri Group still **delivered a loan growth of 0.9%, with a record quarterly net profit of Baht 4.1 billion for the first quarter of 2013.**

On a gross loan basis, total loans stood at Baht 837,237 million, an increase of Baht 7,229 million, or 0.9%, from December 2012. The loan growth in 1Q/13 was mainly driven by the retail segment, which recorded growth at 3.8%, while SME remained flat and corporate loans contracted due to repayment in working capital related loans.

The loan growth in 1Q/13 was significant given the slower growth often experienced in the first quarter due to seasonality, particularly in the retail segment. In addition, the 0.9% growth booked in the first quarter was on the back of the strong growth of 5.9% recorded in 4Q/12.

Notwithstanding the seasonality effect on loan growth in 1Q/13, net profit grew to Baht 4,072 million, representing an 8.4% increase on a quarter-on-quarter basis, and an 18.3% increase on a year-on-year basis. Key drivers to this strong delivery included higher net interest income resulting from lower interest expense and a healthy fee and service income growth, in particular in fees from Bancassurance and Wealth and Fund Management.

Earnings per share (EPS) rose to Baht 0.67 in 1Q/13 from Baht 0.62 in the prior quarter, an impressive 7.8% increase.

As of March 31, 2013, non-performing loans represented 2.38% of total loans, compared to 2.39% in December 2012.

Deposits totaled Baht 702,449 million, an increase of Baht 15,290 million, or 2.2%, from December 2012. The strong growth in deposits was the result of our Big Bang products – “Mee Tae Dai and Jad Hai” launched in 2012, and the progressive shift from higher cost borrowings to deposits. At the end of March 2013, “Mee Tai Dai” recorded more than Baht 163,000 million, an increase of Baht 13,000 million from December 2012; meanwhile, “Jad Hai” registered more than 300,000 accounts, an increase of 100,000 accounts, or 50%, from December 2012. As a result, the proportion of savings and current deposits (CASA) as a percentage of total deposits increased to 55.9%, compared to 53.8% in December 2012.

The outlook for the remainder of 2013 remains strong and is expected to be supported by an accommodative monetary policy, government investment projects and further stimulus spending. Investment from renewed capital expenditure cycles and healthy consumer demand will be the key drivers of growth. Krungsri should sustain the robust position and continue to grow strongly, with the projected loan growth of more than 12% for 2013.

Loan Growth

0.9% QoQ

12.8% YoY

Increased Baht **7.2 billion**
compared to December 2012

Non-Performing Loans

at **2.38%**

Coverage at **148%**

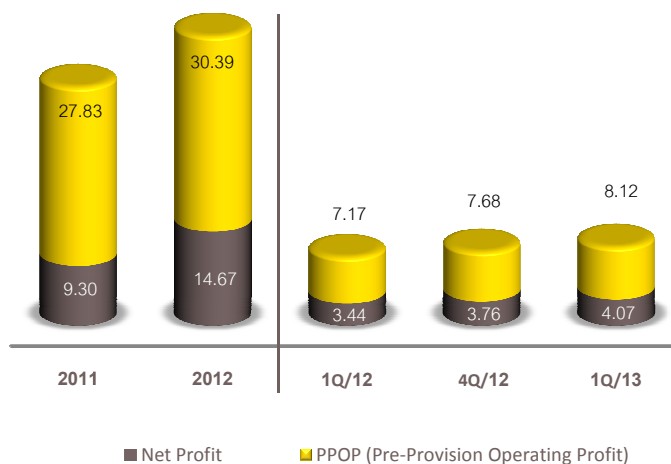
Summary of Financial Performance and Status:

1Q/13 key deliverables included:

- **Net Profit:**
Baht 4.1 billion, increasing 8.4% from 4Q/12 and 18.3% from 1Q/12
- **Net Interest Margin (NIM):**
Maintained NIM at 4.28%
- **Cost to Income Ratio:**
Improved to 50.6% from 52.3% in 4Q/12
- **Coverage:**
Improved to 148% from 146% in December 2012
- **Fees and Service Income:**
Grew robustly at 6.1% from 4Q/12 and 24.5% from 1Q/12
- **Deposit Growth:**
Increased 2.2%, or Baht 15.3 billion, compared to December 2012
- **Capital Adequacy Ratio (CAR):**
CAR moderated to 16.6% from 16.9% in December 2012, driven by the adoption of Basel III in Thailand.

PPOP & Net Profit

Unit: Baht Billion



In 1Q/13, net profit rose to Baht 4,072 million, representing an increase of Baht 630 million, or 18.3%, when compared to 1Q/12, driven by higher net interest income and fees and service income.

On a quarter-on-quarter basis, net profit increased by Baht 317 million, or 8.4%, predominantly driven by higher net interest income, higher fees and service income, and higher trading and foreign exchange income.

1. Statements of Comprehensive Income

Consolidated Statements of Comprehensive Income	1Q/13	4Q/12	1Q/12	Change QoQ		Change YoY	
				Baht mn	%	Baht mn	%
Interest Income	16,918	16,698	15,362	220	1.3	1,556	10.1
Interest Expenses	6,316	6,398	5,982	(82)	(1.3)	334	5.6
Interest Income, Net	10,602	10,300	9,380	302	2.9	1,222	13.0
Fees and Service Income	4,654	4,385	3,736	269	6.1	918	24.6
Fees and Service Expense	1,047	1,011	865	36	3.6	182	21.0
Fees and Service Income, Net	3,607	3,374	2,871	233	6.9	736	25.6
Non-interest and Non-fees Income	2,223	2,428	1,930	(205)	(8.4)	293	15.2
Other Operating Expenses	8,312	8,419	7,007	(107)	(1.3)	1,305	18.6
Pre-Provision Operating Profit (PPOP)	8,120	7,683	7,174	437	5.7	946	13.2
Impairment Loss of Loan and Debt Securities	3,081	2,898	2,712	183	6.3	369	13.6
Income Tax Expense	967	1,030	1,020	(63)	(6.1)	(53)	(5.2)
Net Profit	4,072	3,755	3,442	317	8.4	630	18.3
Other Comprehensive income	136	452	132	(316)	(69.9)	4	3.0
Total Comprehensive income	4,208	4,207	3,574	1	0.0	634	17.7
Net Profit Attributable To							
Owners of the Bank	4,046	3,754	3,430	292	7.8	616	18.0
Non-Controlling Interest	26	1	12	25	n.m.	14	116.7
Net Profit	4,072	3,755	3,442	317	8.4	630	18.3
Total Comprehensive Income Attributable To							
Owners of the Bank	4,182	4,206	3,562	(24)	(0.6)	620	17.4
Non-Controlling Interest	26	1	12	25	n.m.	14	116.7
Total Comprehensive income	4,208	4,207	3,574	1	0.0	634	17.7
Earning Per Share (Baht)	0.67	0.62	0.56	0.05	8.1	0.11	19.6

2. Financial Performance

2.1 Net Interest Income

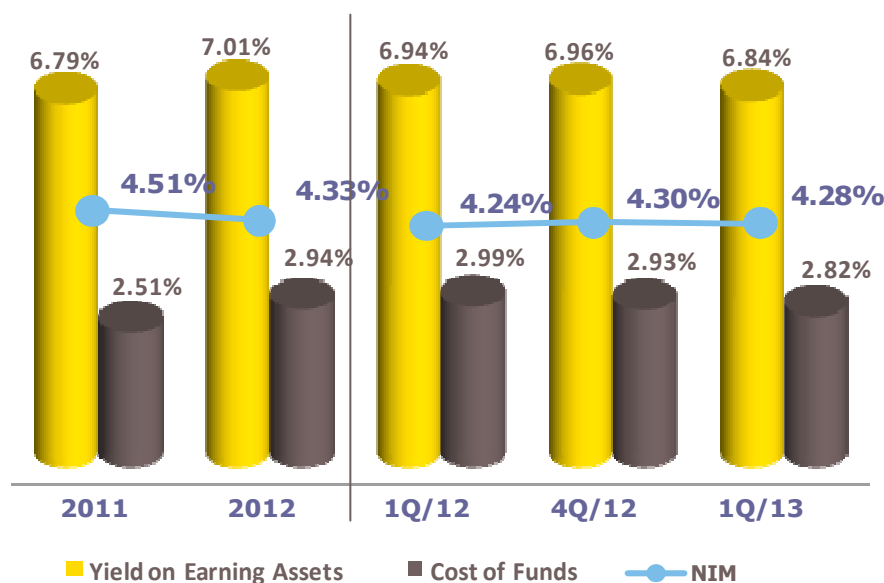
Consolidated	1Q/13	4Q/12	1Q/12	Change QoQ		Change YoY	
				Baht mn	%	Baht mn	%
INTEREST INCOME							
Interest on loans	11,012	11,033	9,975	(21)	(0.2)	1,037	10.4
Interest on interbank and money market items	641	583	712	58	9.9	(71)	(10.0)
Hire purchase and financial lease income	4,674	4,474	3,990	200	4.5	684	17.1
Investments and trading transactions	53	52	44	1	1.9	9	20.5
Investments in debt securities	538	556	641	(18)	(3.2)	(103)	(16.1)
Total Interest Income	16,918	16,698	15,362	220	1.3	1,556	10.1
INTEREST EXPENSE							
Interest on deposits	3,744	3,817	2,944	(73)	(1.9)	800	27.2
Interest on interbank and money market items	332	277	333	55	19.9	(1)	(0.3)
Interest on borrowings	1,353	1,366	2,014	(13)	(1.0)	(661)	(32.8)
Contribution to Financial Institution Development Fund and Deposit Protection Agency	880	866	688	14	1.6	192	27.9
Borrowing fee expenses	3	69	-	(66)	(95.7)	3	-
Other interest expenses	4	3	3	1	33.3	1	33.3
Total Interest Expenses	6,316	6,398	5,982	(82)	(1.3)	334	5.6
Interest Income, net	10,602	10,300	9,380	302	2.9	1,222	13.0
Net Interest Margin	4.28%	4.30%	4.24%				
Yield on Earning Assets	6.84%	6.96%	6.94%				
Cost of Funds	2.82%	2.93%	2.99%				

On a quarter-on-quarter basis, net interest income in 1Q/13 was Baht 10,602 million, representing an increase of Baht 302 million, or 2.9%, attributed to higher interest income and lower interest expense. An increase of interest income was underscored by robust loan growth in auto hire purchase. Notwithstanding the higher volume of deposits, interest expense decreased by Baht 82 million, or 1.3%, attributed to the improvement in funding costs driven by the progressive shift from higher cost borrowings to the special saving products (“Mee Tae Dai and Jad Hai”).

On a year-on-year basis, net interest income increased by Baht 1,222 million, or 13.0%, mainly due to performing loan growth of 14.2%. Interest expense increased mainly from the increase in deposit costs as a result of higher volume of deposits to support business growth, and the increase in fee contributions to FIDF.

In 1Q/13, NIM stood at 4.28%, slightly moderated from 4.30% in the prior quarter, reflecting the seasonality impact on our loan portfolio structure. Higher yield loans, in particular credit cards and personal loans, typically contract after the year-end holiday spending in the fourth quarter. As a result, Krungsri's overall yield moderated slightly to 6.84% in 1Q/13 from 6.96% recorded in 4Q/12. Yet, there was only a modest impact on NIM, underscored by the strong improvement in the cost of funds, which improved from 2.93% in 4Q/12 to 2.82% in 1Q/13.

Net Interest Margin (NIM)

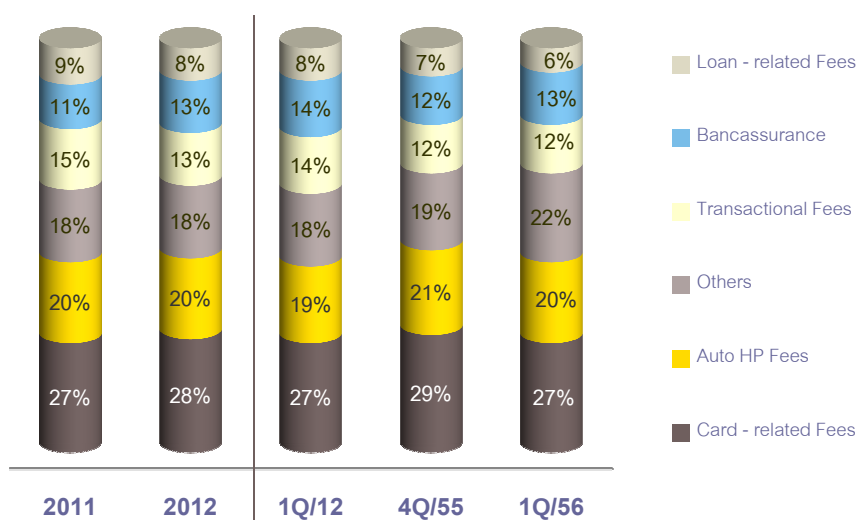


	Jan-12	Feb-12	Sep-12	Oct-12	Dec-12	Feb-13
Policy Rate	3.00%	3.00%	3.00%	2.75%	2.75%	2.75%
Krungsri Lending Rate	7.625%	7.50%	7.50%	7.375%	7.375%	7.375%
Saving Rate	0.87%	0.75-0.87%	0.75%	0.75%	0.70-0.75%	0.65%
3 - month deposits	2.05-2.25%	2.05-2.25%	2.05-2.25%	1.80-2.00%	1.70-2.00%	1.70-2.00%
6 - month deposits	2.35-2.50%	2.35-2.50%	2.35-2.50%	2.15-2.30%	2.00-2.25%	2.00-2.25%
12 - month deposits	2.75-3.00%	2.75-3.00%	2.75-3.00%	2.60-2.75%	2.35-2.70%	2.35-2.50%

2.2 Net Fees and Service Income

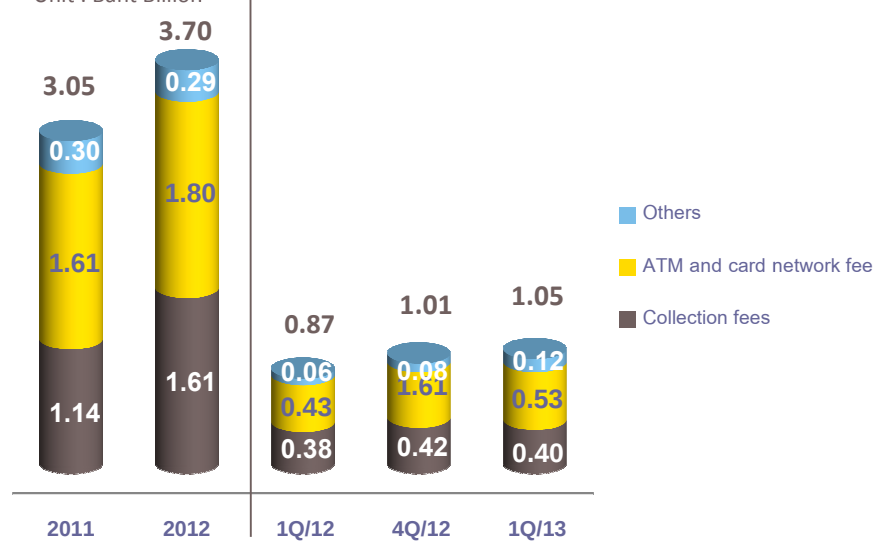
Consolidated	1Q/13	4Q/12	1Q/12	Change QoQ		Change YoY	
				Baht mn	%	Baht mn	%
Acceptances, aval and guarantees	120	129	131	(9)	(7.0)	(11)	(8.4)
Other fees and service income	4,533	4,256	3,605	277	6.5	928	25.7
Fees and service income	4,653	4,385	3,736	268	6.1	917	24.5
Fees and service expense	1,047	1,011	865	36	3.6	182	21.0
Fees and Service Income, net	3,606	3,374	2,871	232	6.9	735	25.6

Fee & Service Income Breakdown



Fees & Service Expense

Unit : Baht Billion



Net fees and service income increased 6.9%, quarter-on-quarter, driven by the continued focus of Krungsri Group in growing fees and wealth and fund management. Fees from Bancassurance grew strongly at 17.6% in the first quarter of 2013. Meanwhile, wealth, fund management and security fees improved 53.7%, in part attributed to the robust growth in asset under management and favorable capital market conditions. On a quarter-on-quarter basis, fees and service expense increased 3.6%, mainly due to an increase in variable expenses relating to the fees growth in Bancassurance and wealth and fund management. In particular, fees relating to wealth and fund management products grew 75.7%.

On a year-on-year basis, net fees and service income increased 25.6%, driven by the increase in fees from wealth, fund management and security fees (an increase of 53.7%), auto hire purchase (an increase of 31.6%), card businesses (an increase of 25.9%), and Bancassurance (an increase of 13.9%).

Corresponding to the robust fees growth recorded in 1Q/13, fees and service expense increased 21.1%, year-on-year, mainly due to the increase in wealth, fund management fees and card network fees.

2.3 Non-interest and Non-fees Income

Consolidated	1Q/13	4Q/12	1Q/12	Change QoQ		Change YoY	
				Baht mn	%	Baht mn	%
Gains (losses) on trading and foreign exchange transactions	463	369	395	94	25.5	68	17.2
Gains (losses) on investments	112	189	67	(77)	(40.7)	45	67.2
Share of profit (loss) from investment for using equity method	66	48	60	18	37.5	6	10.0
Bad debt recoveries	823	830	788	(7)	(0.8)	35	4.4
Other operating income	759	992	620	(233)	(23.5)	139	22.4
Total Non-interest and Non-fees Income	2,223	2,428	1,930	(205)	(8.4)	293	15.2

On a quarter-on-quarter basis, non-interest and non-fees income decreased by Baht 205 million, or 8.4%, driven primarily by income related to NPA sales booked in 4Q/12. However, a higher volume of trading and foreign exchange activities resulted in an improvement on gains from trading and foreign exchanges transactions of Baht 94 million, or 25.5% from the prior quarter.

Non-interest and non-fees income increased by Baht 293 million, or 15.2%, compared to 1Q/12, driven primarily by an increase in dividend income of Baht 230 million in 1Q/13.

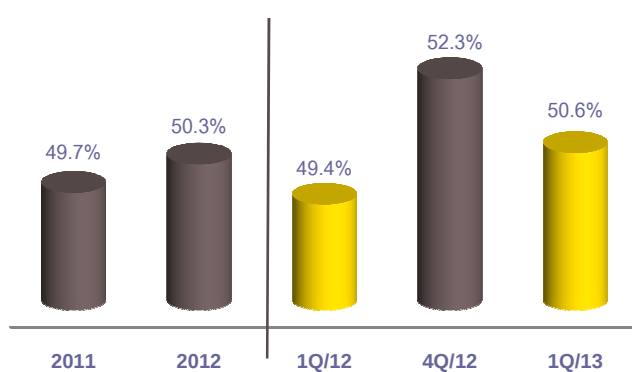
2.4 Other Operating Expenses

Consolidated	1Q/13	4Q/12	1Q/12	Change QoQ		Change YoY	
				Baht mn	%	Baht mn	%
Employee's expenses	3,882	3,880	3,207	2	0.1	675	21.0
Premises and equipment expenses	1,481	1,489	1,210	(8)	(0.5)	271	22.4
Taxes and duties	524	498	493	26	5.2	31	6.3
Directors' remuneration	8	9	8	(1)	(11.1)	0	0.0
Other expenses	2,417	2,543	2,089	(126)	(5.0)	328	15.7
Total Other Operating Expenses	8,312	8,419	7,007	(107)	(1.3)	1,305	18.6

On a quarter-on-quarter basis, operating expenses decreased by Baht 107 million, or 1.3%, driven by a decrease in other expenses of Baht 126 million, or 5.0%, mainly due to a decrease in marketing and promotion expenses.

Operating expenses increased by Baht 1,305 million, or 18.6%, compared to 1Q/12, driven by an increase in employee expenses of Baht 675 million, or 21.0%, mainly due to a higher number of employees as a result of the HSBC retail bank acquisition; annual merit increases and staff promotions; an increase in premises and equipment expenses of Baht 271 million, or 22.4%, mainly driven by the Bank's investments in operational excellence; and, an increase in marketing and promotion expenses.

Cost-to-Income Ratio



In 1Q/13, the cost-to-income ratio stood at 50.6%, decreasing from 52.3% in 4Q/12.

2.5 Impairment loss of loans and debt securities

Consolidated	1Q/13	4Q/12	1Q/12	Change QoQ		Change YoY	
				Baht mn	%	Baht mn	%
Bad Debt and Doubtful Accounts	2,903	2,729	2,591	174	6.4	312	12.0
Loss on Debt Restructuring	178	169	121	9	5.3	57	47.1
Total impairment loss of loan and debt securities	3,081	2,898	2,712	183	6.3	369	13.6

Loan loss provisions in the current period amounted to Baht 3,081 million, an increase of Baht 183 million from the prior quarter, reflecting our continued prudent policy in accumulating both coverage and excess reserve.

As at March 31, 2013, our total provision stood at Baht 32,378 million, with an excess provision over Bank of Thailand's reserve requirements of Baht 12,493 million, representing 162.8% of the Bank of Thailand's reserving requirements. The loan loss coverage ratio improved to 147.8% from 146.2% at the end of December 2012.

3. Financial Status

3.1 Financial Position

Consolidated	As at Mar. 31, 13	As at Dec. 31, 12	Change from Dec. 31, 12	
			Baht mn	%
ASSETS				
Cash	24,137	25,079	(942)	(3.8)
Interbank and money market items, net	99,337	79,390	19,947	25.1
Investments, net	81,380	78,302	3,078	3.9
Investments in subsidiaries and associates, net	1,013	947	66	7.0
Loans to customers	879,191	869,382	9,809	1.1
Accrued interest receivable	2,341	2,257	84	3.7
Deferred revenue	(41,954)	(39,374)	(2,580)	(6.6)
Allowance for doubtful accounts	(31,504)	(30,306)	(1,198)	(4.0)
Revaluation allowance for debt restructuring	(743)	(723)	(20)	(2.8)
Properties for sale, net	9,318	9,452	(134)	(1.4)
Others	80,261	77,560	2,701	3.5
TOTAL ASSETS	1,102,777	1,071,966	30,811	2.9
LIABILITIES AND SHAREHOLDERS' EQUITY				
Deposits	702,449	687,159	15,290	2.2
Interbank and money market items, net	62,193	48,821	13,372	27.4
Debt issued and borrowings	143,668	154,629	(10,961)	(7.1)
Others	76,773	67,870	8,903	13.1
TOTAL LIABILITIES	985,083	958,479	26,604	2.8
Issued and paid-up share capital	60,741	60,741	-	-
Retained earning	36,908	32,796	4,112	12.5
Others	20,045	19,950	95	0.5
TOTAL SHAREHOLDERS' EQUITY	117,694	113,487	4,207	3.7
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,102,777	1,071,966	30,811	2.9

As at March 31, 2013, assets reached Baht 1,102,777 million, representing an increase of Baht 30,811 million, or 2.9%, largely driven by interbank and money market item of Baht 19,947 million or 25.1%, and loan growth of Baht 7,229 million, or 0.9%. The notable increase in interbank and money market items was mainly driven by an increase in claims on securities from repurchase agreements of Baht 22,005 million for transactions under our active Primary Dealer role.

Compared to 4Q/12, liabilities grew 2.8%, or Baht 26,604 million. The growth in liabilities was predominantly driven by an increase in deposits of 2.2%, or Baht 15,290 million, and an increase in interbank and money market items of 27.4%, or Baht 13,372 million. Meanwhile, debt issues and borrowings decreased 7.1%, or Baht 10,961 million.

Total shareholders' equity rose to Baht 117,694 million, an increase of Baht 4,207 million, or 3.7%, from December 2012. The increase was mainly due to equity holders' net income of Baht 4,046 million in 1Q/13.

Book value per share as at March 31, 2013 increased 3.71% to Baht 19.38 from Baht 18.68 at the end of 2012.

3.2 Loans to customers

3.2.1 Loans by segment

Consolidated	Mar. 31, 13	Dec. 31, 12	Change from Dec. 31, 12	
			Baht mn	%
Corporate	203,416	211,914	(8,498)	(4.0)
SMEs	213,038	212,834	204	0.1
Retail	420,783	405,260	15,523	3.8
- Hire purchase	217,353	202,089	15,264	7.6
- Housing	105,988	103,080	2,908	2.8
- Credit cards and personal loans	97,442	100,091	(2,649)	(2.6)
Total *	837,237	830,008	7,229	0.9

* Loans to customers net of deferred income

As at March 31, 2013, total outstanding loans stood at Baht 837,237 million, an increase of Baht 7,229 million, or 0.9%.

The **retail segment** recorded favorable growth, with an increase of Baht 15,523 million, or 3.8%, attributed to a strong expansion in auto hire purchase loans and, in part, mortgage loans.

Auto hire purchase loans grew strongly at 7.6% in 1Q/13. The strong growth was underpinned by healthy demand and delivery of cars under the first time buyer program that was offered in 2012.

Housing loans grew 2.8% during the quarter, driven by both positive economic development and favorable developments in the residential market.

In line with the industry's current development¹, credit cards and personal loans contracted by 2.6% in 1Q/2013. The contraction in credit card and personal loans was a result of annual product seasonality.

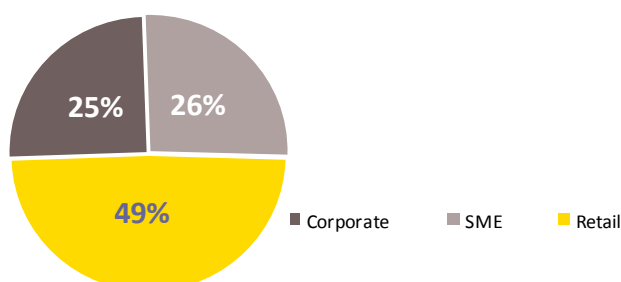
Driven largely by working capital repayments, corporate loans contracted by 4%, while SME loans remained flat in 1Q/13.

In sum, the loan growth in 1Q/13 was satisfactory, given the slower growth often observed in the first quarter due to business seasonality. In addition, the 0.9% growth booked in the first quarter was on the back of strong growth of 5.9% recorded in 4Q/12.

The outlook for the remainder of 2013 remains strong and is expected to be supported by an accommodative monetary policy, government investment projects and further stimulus spending. Investment from renewed capital expenditure cycles and healthy consumer demand will be the key drivers of growth. Krungsri should sustain the robust position and continue to grow strongly, with the projected loan growth of more than 12% in 2013.

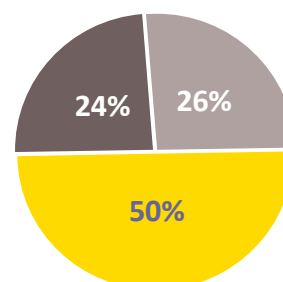
Loan Composition

Dec-12



Auto HP	24%
Mortgage	13%
Credit card and personal loans	12%

Mar-13



Auto HP	26%
Mortgage	13%
Credit card and personal loans	11%

¹ Based on the data from the Bank of Thailand, year-to-February, credit card and personal loans outstanding contracted by 4.2%.

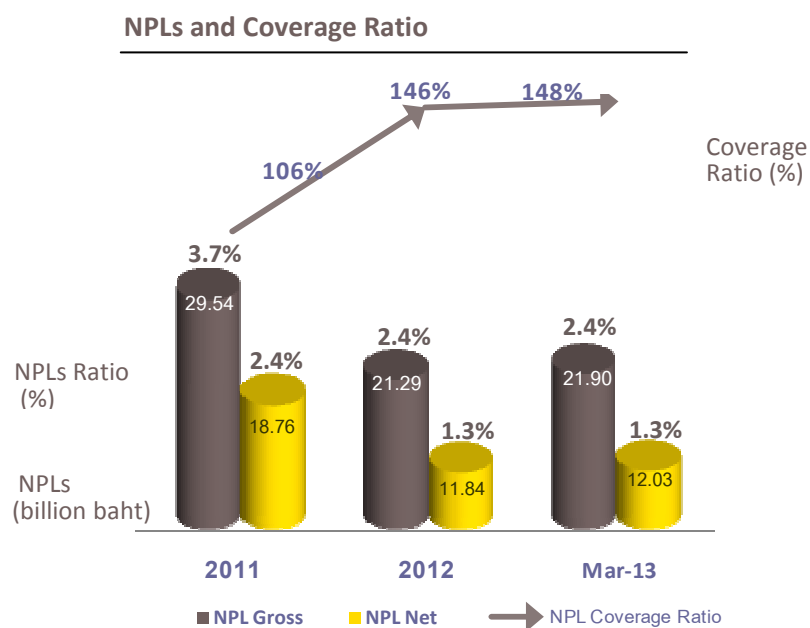
3.2.2 Loan classification and provision

Unit : Baht mn

Consolidated	Mar. 31, 2013		Dec. 31, 2012		Change	
	Loans and Accrued Interest Receivable	Provision	Loans and Accrued Interest Receivable	Provision	Loans and Accrued Interest Receivable	Provision
Normal	790,640	5,399	786,545	7,205	4,095	(1,806)
Special mention	27,022	4,028	24,414	1,651	2,608	2,377
Substandard	7,216	3,330	7,057	3,337	159	(7)
Doubtful	5,194	2,166	5,207	2,142	(13)	24
Doubtful of loss	9,506	4,088	9,042	3,685	464	403
Total	839,578	19,011	832,265	18,020	7,313	991
Surplus Reserve		12,493		12,286		207
Total	839,578	31,504	832,265	30,306	7,313	1,198

3.2.3 Non-performing loans

Consolidated	Mar 31, 13	Dec 31, 12	Change from Dec 31, 12	
			Baht mn	%
Non-Performing Loans (Net)	12,003	11,835	168	1.4
Non-Performing Loans (Gross)	21,903	21,292	611	2.9
Loans loss reserves (LLR)	32,378	31,127	1,251	4.0
Coverage	147.8%	146.2%	1.6%	1.1
BOT Requirement	19,885	18,841	1,044	5.5
Actual / Required LLR	162.8%	165.2%	(2.4%)	(1.5)



As of March 31, 2013, gross NPLs increased slightly from Baht 21,292 million in December 2012 to Baht 21,903 million, driven largely by a classification of one commercial customer to NPL status. Yet, the NPL ratio remained at 2.4% of total loans.

Total provision stood at Baht 32,378 million, with an excess provision over Bank of Thailand requirements of Baht 12,493 million. Correspondingly, the actual provisioning ratio when compared to Bank of Thailand requirements stood at 162.8%; while the Group's coverage ratio improved to 147.8% from 146.2% in the prior quarter.

3.3 Funding Structure

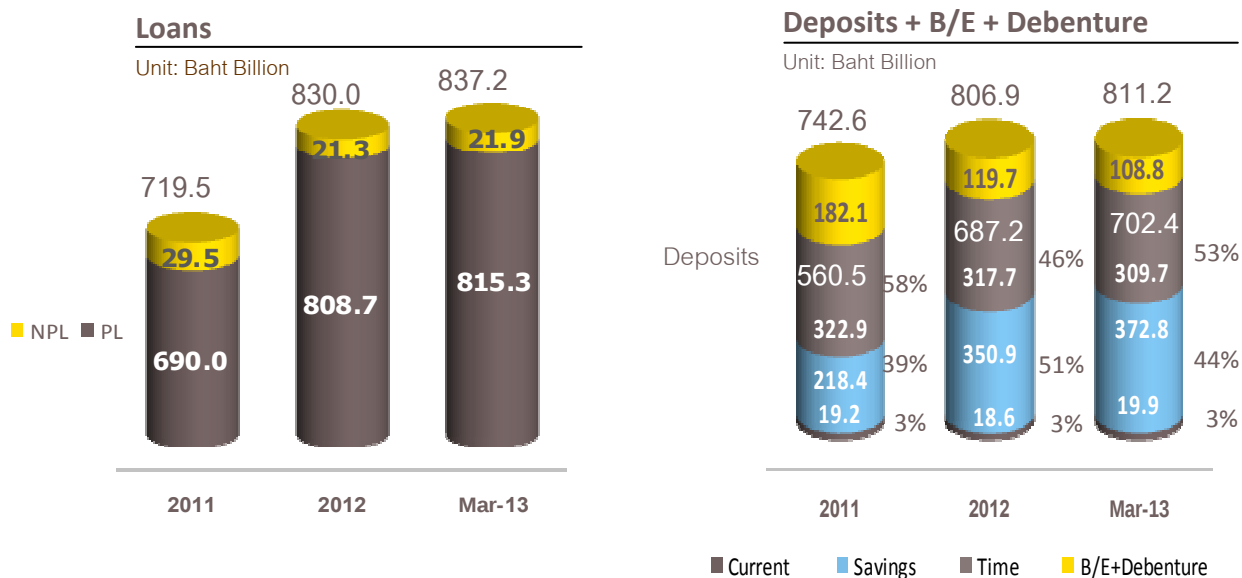
Consolidated	Mar. 31, 13	Dec. 31, 12	Change from	
			Dec. 31, 12	
			Baht mn	%
Current	19,865	18,646	1,219	6.5
Savings	372,798	350,814	21,984	6.3
Time	309,786	317,699	(7,913)	(2.5)
< 6 months	142,058	147,053	(4,995)	(3.4)
6M - 1 Year	121,036	120,927	109	0.1
> 1 Year	46,692	49,719	(3,027)	(6.1)
Total Deposit	702,449	687,159	15,290	2.2
B/E	51,670	48,523	3,147	6.5
Debenture	57,075	71,170	(14,095)	(19.8)
Total Funding	811,194	806,852	4,342	0.5

As at March 31, 2013, overall funding for the Bank including deposits, bills of exchange and debentures increased Baht 4,342 million, or 0.5%, from December 2012.

Deposits totaled Baht 702,449 million, an increase of Baht 15,290 million, or 2.2%, from December 2012. The strong growth in deposit was the result of our Big Bang products – “Mee Tae Dai and Jad Hai” launched in 2012, and the progressive shift from higher cost borrowings to deposit products. At the end of March 2013, “Mee Tae Dai” recorded more than Baht 163,000 million, an increase of Baht 13,000 million from December 2012; meanwhile, “Jad Hai” registered more than 300,000 accounts, an increase of 100,000 accounts, or 50%, from December 2012. As a result, the proportion of savings and current deposits (CASA) as a percentage of total deposits increased to 55.9%, compared to 53.8% as of December 2012.

Bills of exchange (B/E) totaled Baht 51,670 million, an increase of Baht 3,147 million, or 6.5% from December 2012, driven largely by the issuances of B/E by Krungsri’s subsidiary.

Consequently, the loan to deposit ratio improved slightly to 119% and the loan to deposit plus B/E and debentures ratio remained at 103%.



	2011	2012	Mar-13
L/D	128%	121%	119%
L/D+B/E+Debenture	97%	103%	103%

3.4 Contingencies

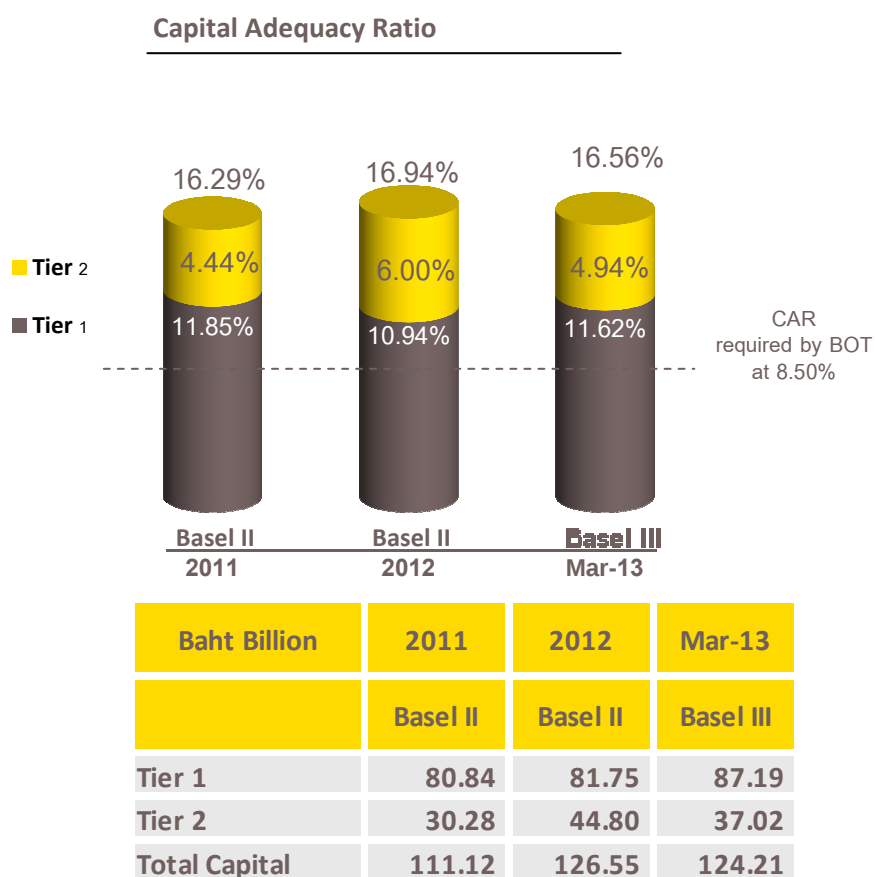
Consolidated	Mar. 31, 13	Dec. 31, 12	Change from Dec. 31, 12	
			Baht mn	%
Avals to bills and Guarantees of loans	1,152	1,067	85	8.0
Liability under unmatured import bills	1,578	1,548	30	1.9
Letters of credit	9,098	8,043	1,055	13.1
Other contingencies	95,036	94,727	309	0.3
Total	106,864	105,385	1,479	1.4

The Krungsri Group's contingencies as at March 31, 2013 totaled Baht 106,864 million, an increase of Baht 1,479 million, or 1.4%, from December 31, 2012. This increase was driven by letters of credit of Baht 1,055 million and other contingencies of Baht 309 million.

3.5 Statutory Capital

Effective in January 2013, the BIS ratio is calculated under Basel III guidance as prescribed by the Bank of Thailand. A modest impact was observed in the Tier 2 capital due to the rule governing the qualification of subordinate debentures, which will be gradually amortized over time.

As at March 31, 2013, the Bank's capital remained strong at Baht 124,212 million, equivalent to 16.56% of risk-weighted assets with 11.62% in Tier 1 capital.



4. Credit Ratings

The Bank's credit ratings assigned by Moody's Investors Service, Standard & Poor's and Fitch Ratings as at March 31, 2013 are shown in the table below.

<u>Moody's Investors Service</u>	
Bank Deposits	
- Long Term	Baa2
- Short Term	Prime-2
Debt	
- Long Term -Senior Debt	Baa2
- Long Term –Subordinated Debt	Ba2
- Short Term	Prime-3
Debt and Deposit Rating Outlook	Stable
Bank Financial Strength Ratings	D+
Outlook	Stable
<u>Standard and Poor's</u>	
Issuer Credit Rating (ICR)	
- Long Term	BBB-
- Short Term	A-3
Foreign Currency	
- Long Term - Senior Debt	BBB-
- Short Term	A-3
Stand-alone Credit Profile (SACP)	bb+
Outlook	Stable
<u>Fitch Ratings</u>	
International Rating (Foreign Currency)	
- Long Term	BBB
- Subordinated Debt	BBB-
- Short Term	F3
- Viability Rating	bbb
- Support	3
- Support Rating Floor	BB+
- Outlook	Stable
National Ratings	
- Long Term – Debenture	AA- (tha)
- Subordinated Debt	A+ (tha)
- Short Term	F1+ (tha)
- Outlook	Stable