2Q/2011 and 1H/2011 Financial Performance

20th July 2011

Agenda

- Key Developments in 1H/2011
- Krungsri Update
- 2011 Key Priorities
- Financial Performance for 2Q/2011 and 1H/2011

Key Developments in 1H2011

- **Record profit of THB 5.8 billion and maintained NIM at 4.5% in a highly competitive environment**
- **Pre-funded in preparation for accelerated growth and higher policy rate**
- **Continued robust leadership in consumer finance space (HP, credit card and personal loan)**
- **Improved asset quality with NPL reduced to 4.7%**
- **Solid capital position with CAR at 16.9%**
- **Improved cost to income ratio to 49%**

2011 Key Performance Targets and 1H11 Results

Consolidated	2010	1H/11	2011 Targets	
Performing Loan Growth	+61 bn (+11.0%)	+24.3 bn (+4.0)	11%	✓
NPLs	38.1 bn	35.9 bn	35 bn	✓
Deposit Mix: Savings and Current	41%	41%	45%	~
Loan Mix : Retail	43%	45%	44%	✓
L/Deposit+Debentures+B/E	99%	96%	97%	✓
NIM	4.7%	4.5%	4.38-4.44%	✓
Fee income growth	38%	11%	12%	✓
Cost to Income Ratio *	52.0%	49.4%	53%	✓
Provisions	191 bps	161 bps (174 bps)**	160 bps	✓
Loan Loss Coverage	89%	93%	95%+	✓
CAR ***	15.8%	16.9%	n.a	✓

* Cost to Income Ratio: Change in calculation methodology
** Including Dubai World
*** Bank only

Result Highlights

- Strong loan growth led by Retail and SME segments, with Performing Loan growth of 11.6% YoY, 4.0% YTD
- Asset quality continued to improve, NPLs reduced to 4.7%
- Net Profits of Baht 5.8 billion, an increase of 38% from the same period last year.
- NIM strong at 4.5%
- Robust capital position

1H2011 Economic and Financial Environment

Key Macro Indicators

	1Q11	4Q10
%yoy	3.0	3.8

	Jun11	May11
%yoy	4.06	4.19

	May11	Apr11
%	58.7	54.4

	May11	Apr11
Index	169.4	212.2

	May11	Apr11
Index	80.4	79.6

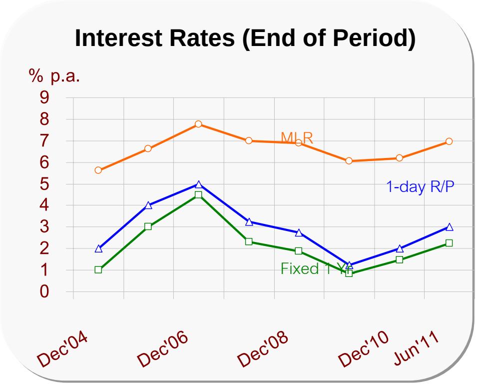
	May11	Apr11
Index	50.9	47.3

	Jun11	May11
$/barrel	107.4	108.1

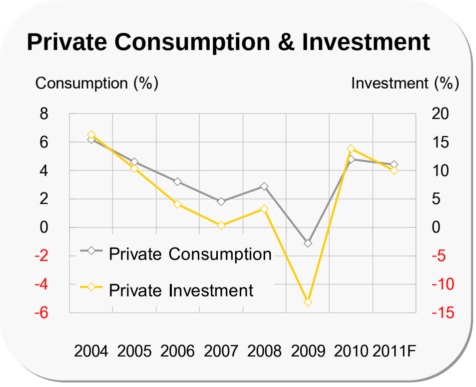
- Dangerous Zone
- Close Watch
- Promising Sign

Source: Krungsri Research

Interest Rate



Consumption & Investment



Economic and Financial Highlights

- Conducive economic and financial environment expected to continue through 2H/11
- Government policies and programs to drive private consumption and investment
- Interest rate up-cycle continues

Krungsri Update

Krungsri Group's Profile

Leadership Position

As of June 2011	Market Position	% Share
Consumer		
Personal Loan	1	15%
Credit Card	1	19%
Auto (HP)	2	17%
SME	5	8%
Corporate	5	7%

Extensive Franchise

As of June 2011	Number
Domestic Branches	587
Overseas Branches	4
ATMs	3,471
Exchange Booths	68
Exclusive Banking Zones	19

As of June 2011	Number
Krungsri Business Centres	55
First Choice Branches + Dealers	27 Branches + 6,120 Dealers
Micro Finance Branches	191
Auto Dealers	4,500

2011 Key Priorities

One krungsri 2011

1 People Transformation

2 Technology Transformation

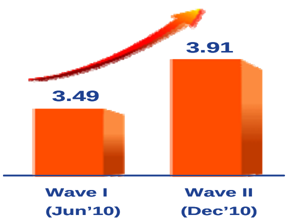
3 Brand Positioning & Alignment

4 Branch Transformation

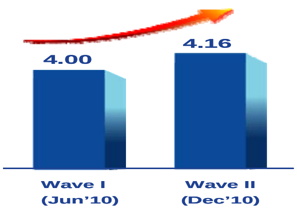
One krungsri

People transformation

Engagement



Satisfaction



Rebuild structure (ongoing)

Build One krungsri culture (Q2/11)

Re-start development (rolled out by Q3/11)

Build leadership & retain talent (ongoing)

Streamline & digitize process (ongoing)

Pay for performance (commenced Q1/11)

Technology transformation

Simplify: Customer Experience

- Accessibility
- Availability
- Standardize channel experience

Simplify: Process & Data

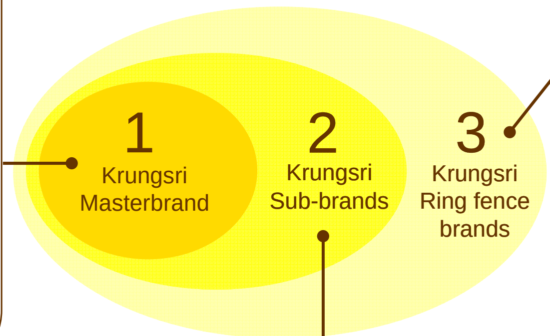
- Digitization
- Data Accuracy & Availability

Simplify: Systems

- Replace
- Reduce
- Re-use
- Optimize & simplify

One krungsri brand synergy

1 Krungsri



3 Ring-fenced brands

General Card Services | Tesco Card Services | Tesco Life Assurance Broker | CFG Services

2.1 Fully endorsed masterbrand

Asset Mgt | Securities | Factoring | Leasing | Auto | KCC | Development Leasing | Card Services | Capital Services

2.2 Endorsed product sub brand

First Choice

We make banking simple
Living the brand – developing total brand experience

Culture Cultivation

'…Employee engagement to simplify...”

Communication

“…Link entire group with one krungsri masterbrand…”

Easy and Simple Experience

Touch-points

“….Simple customer experience…”

Product & Service

“…Delivering simplicity…”

Just ID Card For Account Opening

4 Features in One Card

Debit Prompt (Debit Card & Insurance)

Mobile/SMS Banking

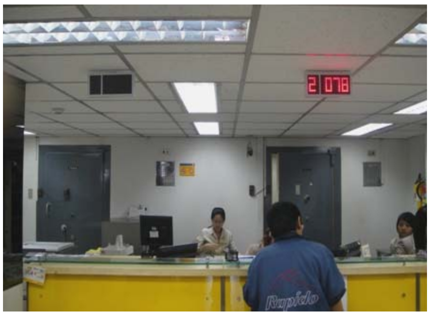
No Transaction Slip

Insurance Boxes

Simple Branch Experience

ธนาคารกรุงศรีอยุธยา BANK OF AYUDHYA Old & traditional

Pre Transformation



krungsri กรุงศรี **New interior & furniture more welcoming with layout to achieve positive customer experience**

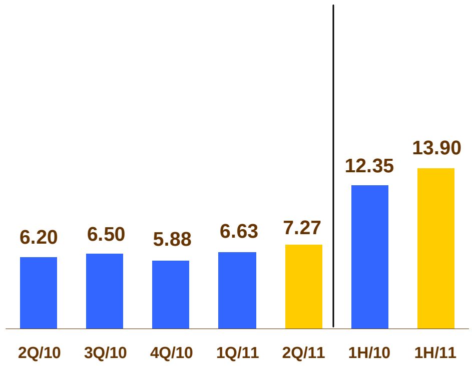
Post Transformation

Financial Performance for 2Q/2011 and 1H/2011

Profitability : New Record Profit

Consolidated
(Baht Billion)

Profit before Provision and Tax

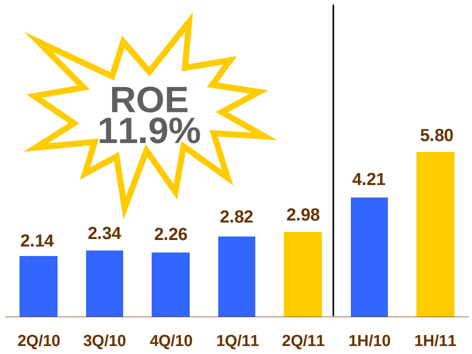


1H11 YoY: ***+13%***

2Q11 YoY: ***+17%***

Strong earnings momentum

Net Income



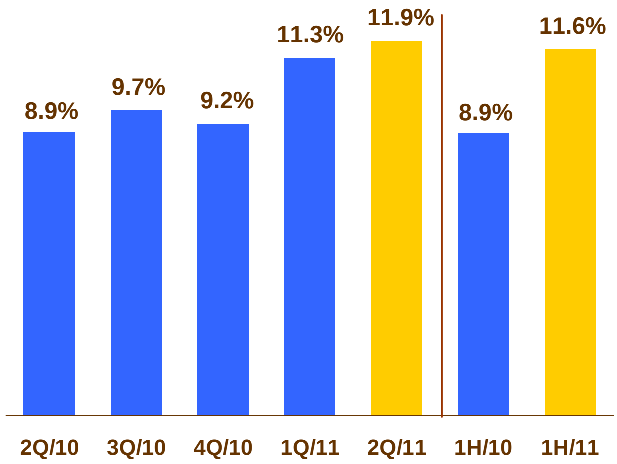
1H11 YoY: ***+38%***

2Q11 YoY: ***+39%***

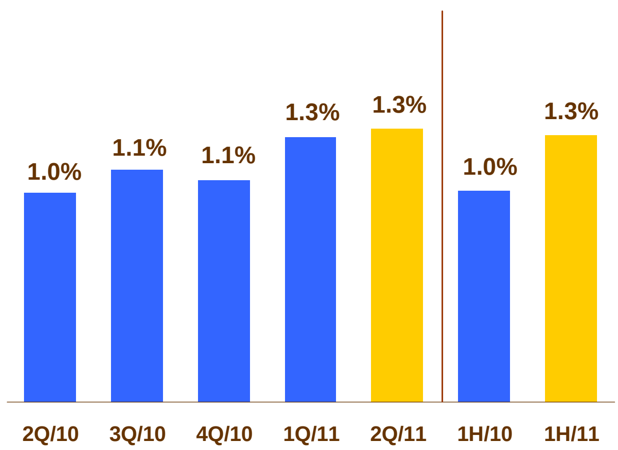
ROAE & ROAA

Consolidated

ROAE



ROAA

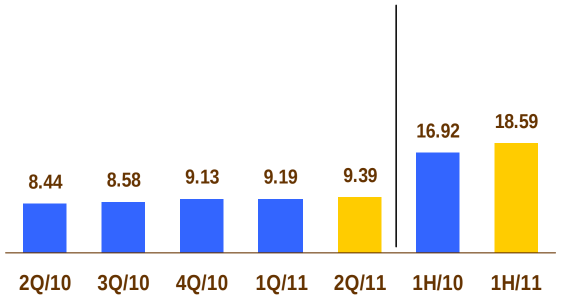


ROE continues to rise…

Profitability Measurement

Consolidated
(Baht Billion)

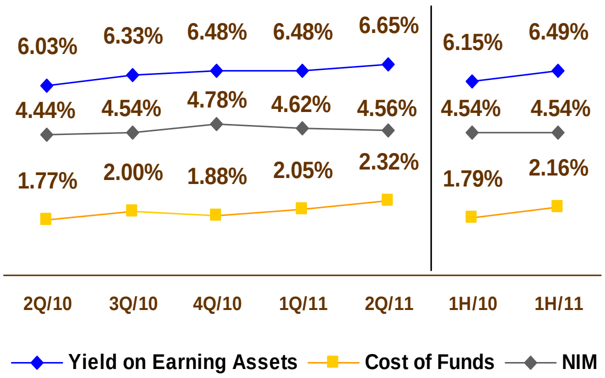
Net Interest Income



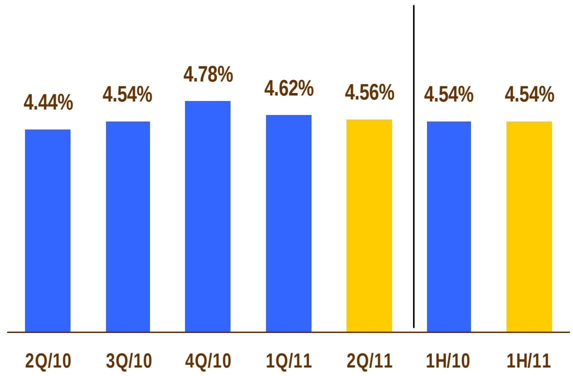
Maintained NIM in a highly competitive environment ……

4.6%

Yield & Cost of Funds



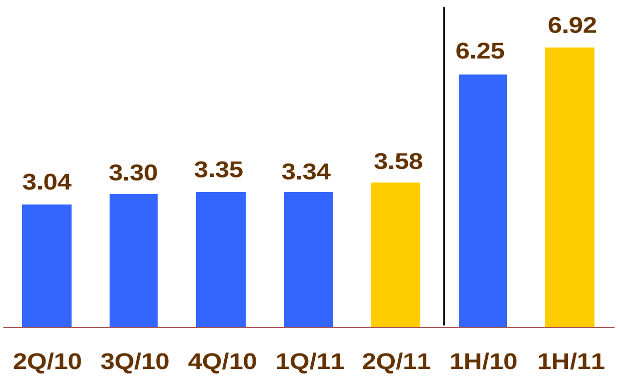
NIM



Fees and Service Income

Consolidated
(Baht Billion)

Fees & Service Income

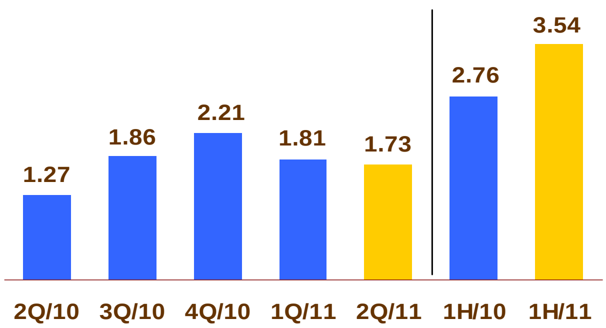


Bancassurance and card fees continue as key drivers

1H11 YoY: ***+11%***

2Q11 YoY: ***+18%***

Non Interest and Non Fee Income

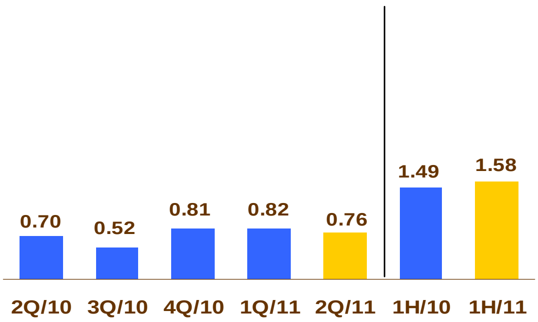


One-off increase of Baht 0.4 billion in Q2 due to Dubai World moving from investment to loan

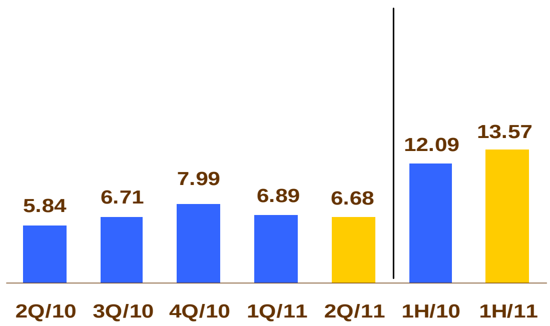
Improved Efficiency

Consolidated
(Baht Billion)

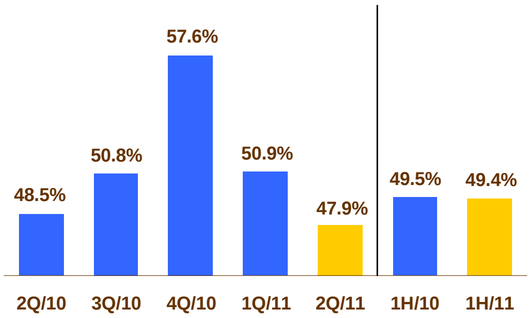
Fees and Service Expense



Other Operating Expenses



Cost to Income Ratio



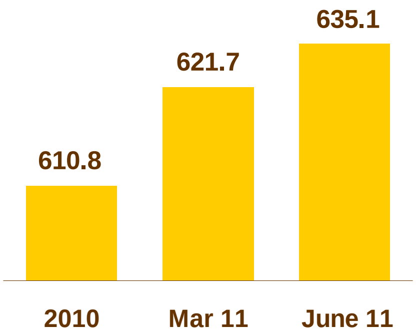
Continued push for efficiency...

Cost to income down to ***48%***

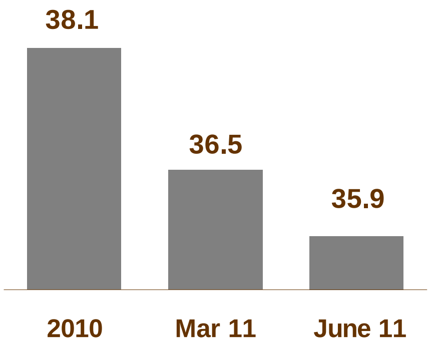
Loan Growth Momentum

Consolidated
(Baht Billion)

Performing Loans



Non-performing Loans



Performing Loans grew

4.0% **in 1H/11**

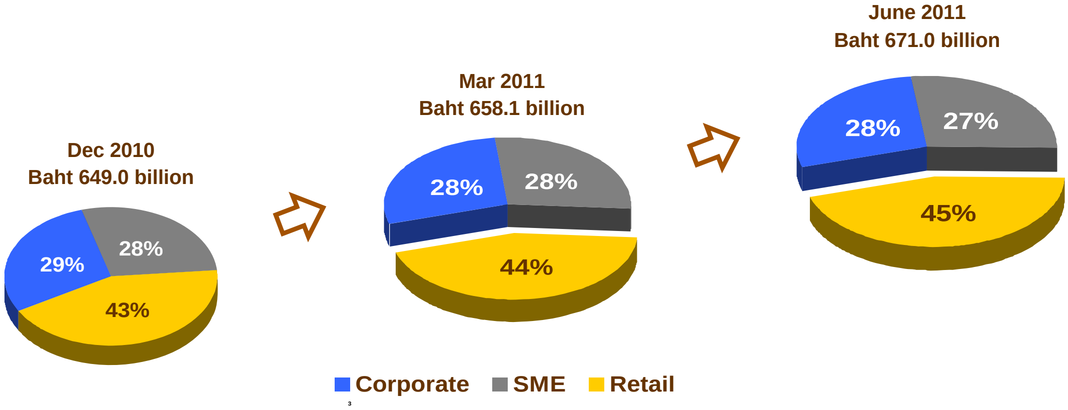
NPLs reduced ***1.6%***

Potential NPL sale of

up to Baht 5 billion in 3Q/11

Strong Loan Growth : Flexibility and Selectivity

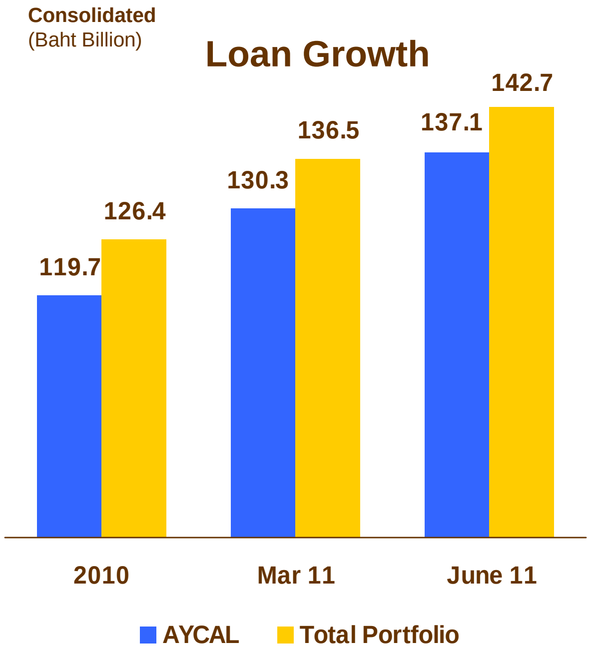
Diversified and Expanding Loan Portfolio

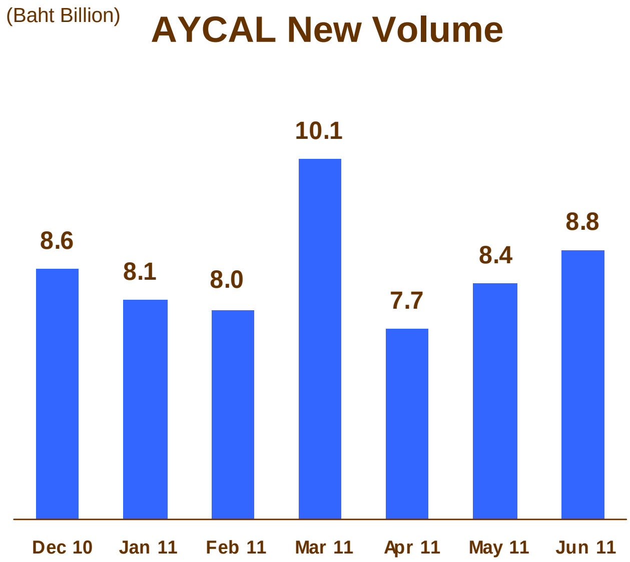


Growth in 2Q/11

Corporate	*-0.6%*	⇨	*Selective Approach*
SME	*+1.3%*	⇨	*Customer Segmentations : S+M*
Retail	*+4.0%*	⇨	*Key Growth Driver*

Retail Business Performance : Krungsri Auto





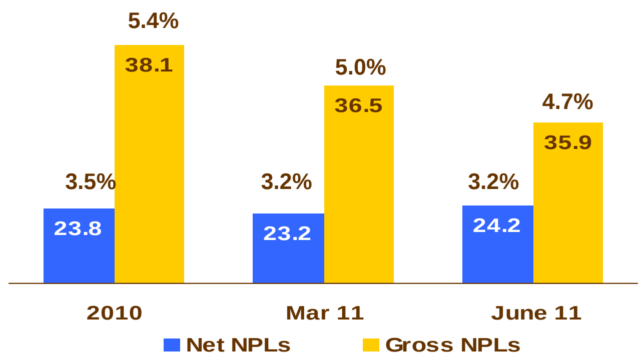
#1 **in Used Car and Refinancing**

#2 **in Overall Auto Hire Purchase**

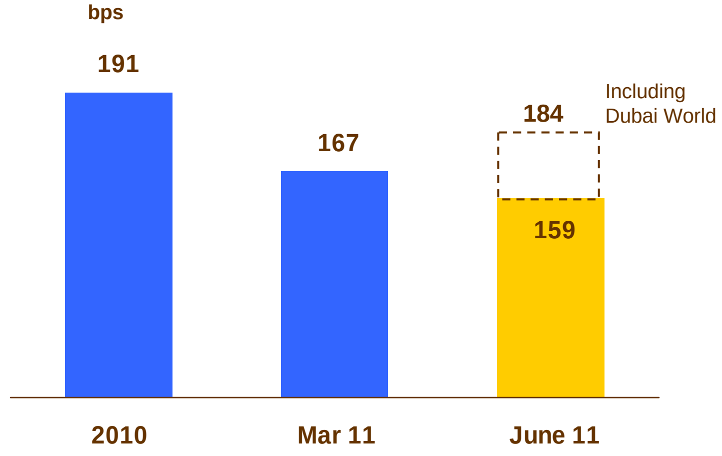
Asset Quality Continued to Strengthen

Consolidated
(Baht Billion)

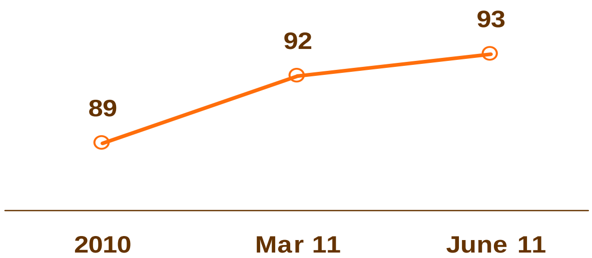
NPLs



Declining Provision Charges



Coverage Ratio (%)



NPLs continued to improve

Coverage up to ***93%***

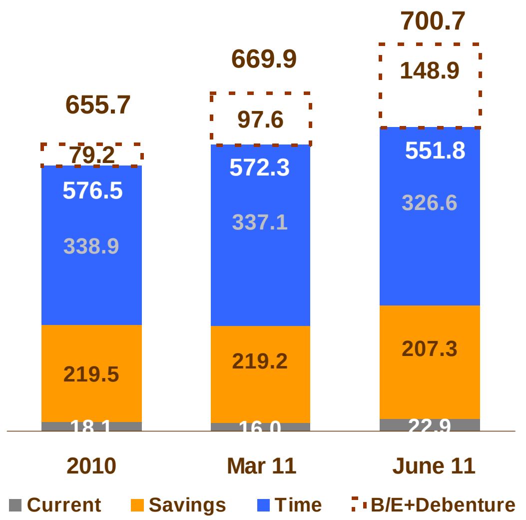
Provisions at ***176%***

of BOT requirements

Funding Improvement

Consolidated
(Baht Billion)

Deposits++



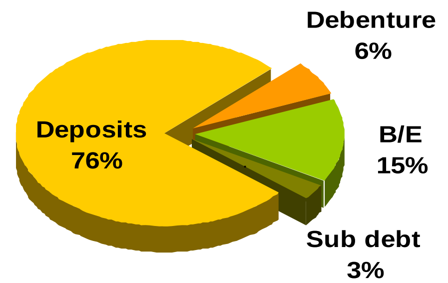
	2010	Mar 11	June 11
L/D	113%	115%	122%
L/D+B/E+Debenture	99%	98%	96%

Diversifying funding sources to improve cost effectiveness

CASA portion at ***41%***

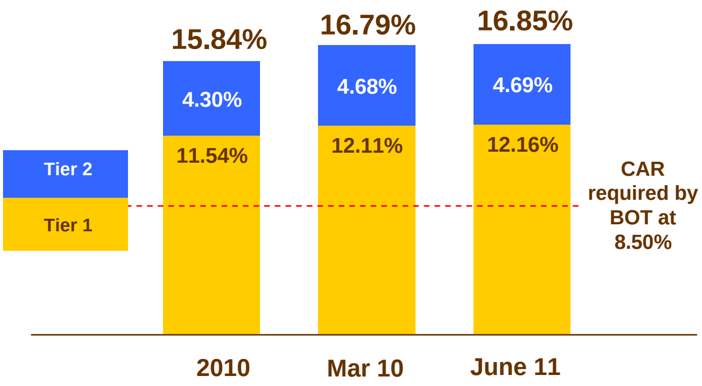
Funding Mix

As of June 2011



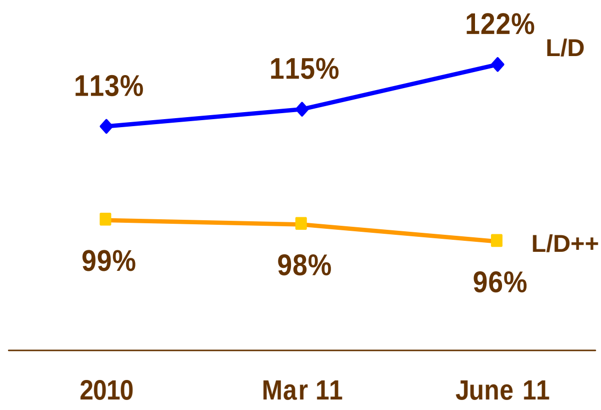
Capital and Liquidity

Strong Capital Base



Consolidated

Loan to Deposit



L/D++ : Loans to Deposits + Debentures + B/E

Baht Billion	2010	Mar 11	June 11
Tier 1	79.90	77.71	79.56
Tier 2	29.78	30.05	30.72
Total Capital	109.68	107.76	110.28

Maintenance of solid capital base and liquidity to support growth agenda

2011 Key Performance Targets

Consolidated	2010	1Q/11	2Q/11	1H/11	2011 Targets	
Loan Growth (Net)	+46.7 bn (+7.7%)	+9.2 bn (+1.4%)	+12.8 bn (+1.95%)	+22.0 bn (+3.39%)	n.a.	n.a.
Performing Loan Growth	+61 bn (+11.0%)	+10.9 bn (+1.8%)	+13.4 bn (+2.2%)	+24.3 bn (+4.0%)	11%	✓
NPLs	38.1 bn	36.5 bn	35.9 bn	35.9 bn	35 bn	✓
NPL Movement	-13.9 bn (-26.8%)	-1.7 bn (-4.4%)	- 0.6 bn (-1.6%)	-2.3 bn (-6.0%)	-3.1 bn	✓
Deposit Mix: Savings and Current	41%	41%	41%	41%	45%	~
Loan Mix : Retail	43%	44%	45%	45%	44%	✓
L/D Ratio	113%	115%	122%	122%	110%	~
L/Deposit+Debentures+B/E	99%	98%	96%	96%	97%	✓
NIM	4.7%	4.6%	4.6%	4.5%	4.38-4.44%	✓
Fee income growth	38%	4%	18%	11%	12%	✓
Cost to Income Ratio *	52.0%	50.9%	47.9%	49.4%	53%	✓
Provisions	191 bps	167 bps	159 bps (184 bps) **	161 bps (174 bps) **	160 bps	✓
Loan Loss Coverage	89%	92%	93%	93%	95%+	✓
CAR ***	15.8%	16.8%	16.9%	16.9%	n.a	n.a

* Cost to Income Ratio: Change in calculation methodology
** Including Dubai World
*** Bank only

Key Financial Performance : Profitability

Earnings and Profitability for 2Q/11

Profitability Improvement	• Net profit of Baht 3.0 billion; up 39.5% YoY and 5.7% QoQ
NIM Maintained	• NIM strong at 4.6%
Fees & Service Income	• Bancassurance and cards continued strong fee growth
Cost to Income	• Cost to Income pushed down to 48%
Provision Reduced	• Provision expenses moving down to 159 bps, (184 bps with Dubai World)

Key Financial Performance : Asset Growth & NPLs

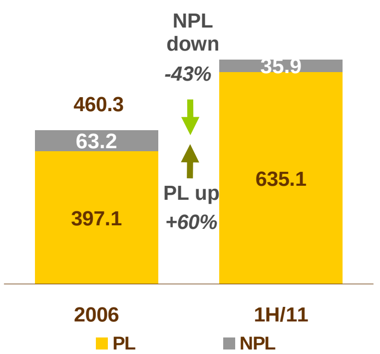
Improved Fundamentals

Loan Growth	• Performing loan growth of 4.0% YTD, better than operating plan
Retail Business Performance	• Accelerated Auto HP business growth • Personal loan and credit card growth better than seasonal norm
Asset Quality Remained Solid	• NPL reduced by 1.6% to Baht 35.9 billion • Coverage increased to 93%
Funding Growth and Liquidity	• Funding grew 6.7% YTD in anticipation of growth in 2H/11 • Liquidity well over BoT requirements

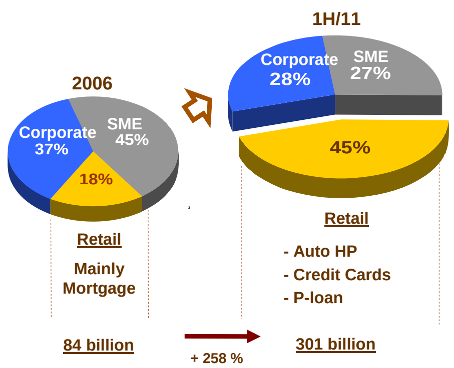
Appendix

Improvement in Fundamentals

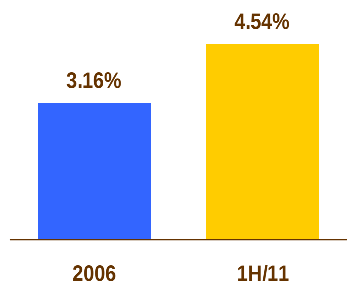
Strong Growth Rate



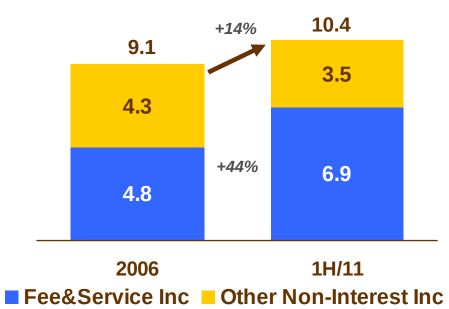
Better Loan Mix



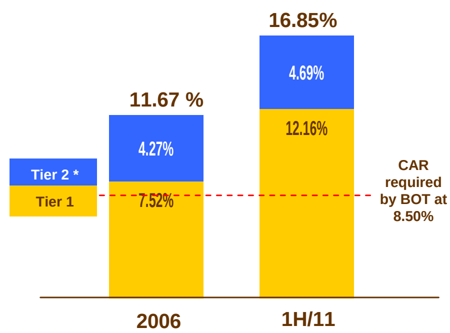
Improved NIM



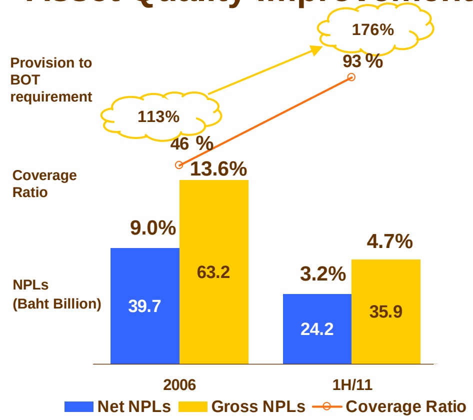
Non-Interest Income



Strong Capital Base



Asset Quality Improvement



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