KRUNGSRI GROUP

แถลงผลประกอบการ 2553

One KRUNGSRI

The Power to Grow

2010 Performance and 2011 Plan

21st January 2011

Important Notice

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Agenda

- Financial Performance
- Developments & Integration Progress
- Strategies & Plans for 2011

Financial Performance

Key Financial Performance : Profitability

Growing Earnings and Profitability

Profitability Improvement	- Net profit up to Baht 8.8 billion; 32% over last year
NIM Maintained	- NIM consistent at 5% throughout the year
Fees & Service Income	- Fees and Service Income grew 38%
Cost to Income	- Cost to Income in line with plan @ 57%
Investment	- Baht 1.8 billion of investments made to support Growth and Productivity

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Key Financial Performance : Asset Growth & NPL’s

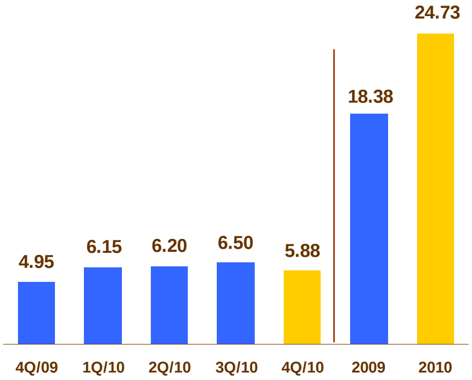
Improved Fundamentals

Loan Growth	- Performing loans growth of 11%
Retail Business Performance	- Strong growth of retail sector with auto and card business lines at record highs
Asset Quality Improvement	- NPL reduced by 27% to Baht 38 billion; 5.4% gross
Funding Improvement	- High cost debentures and sub debt replaced with lower cost funding instruments

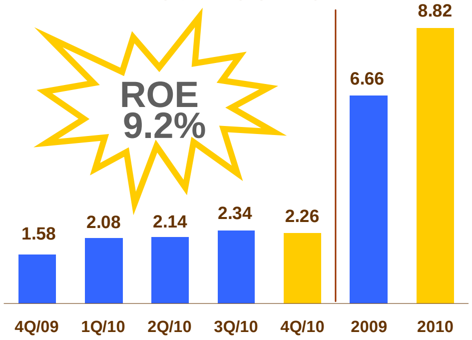
Profitability Improvement

Consolidated
(Baht Billion)

Profit before Provision and Tax



Net Income



Core earnings momentum building

2010 YoY: ***+32%***

4Q10 YoY: ***+43%***

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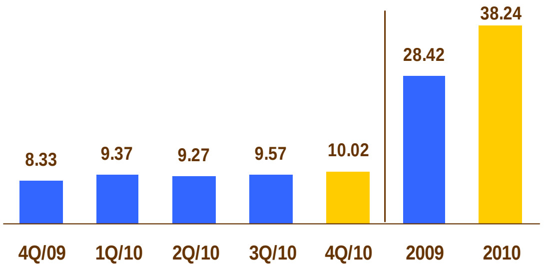
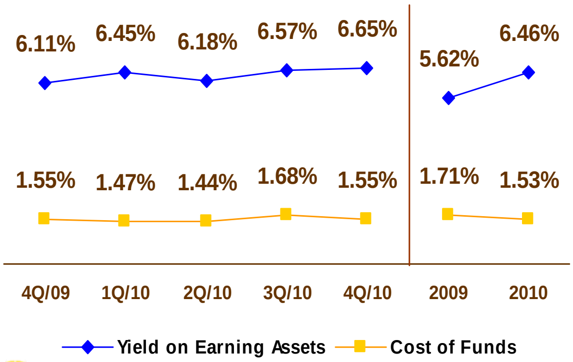
NIM Improvement

Consolidated
(Baht Billion)

Net Interest Income



Yield & Cost of Funds

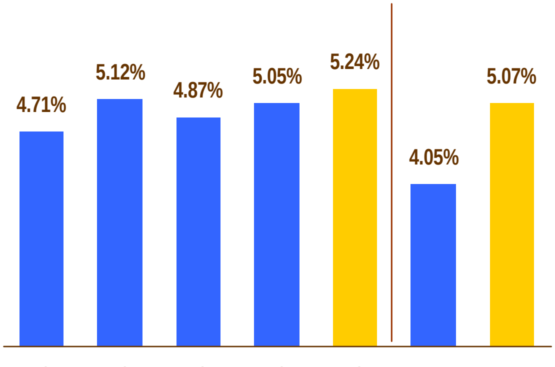


NIM maintained at

5%+

tightened focus on return and portfolio mix

NIM



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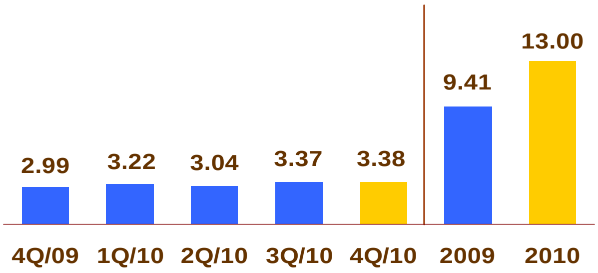
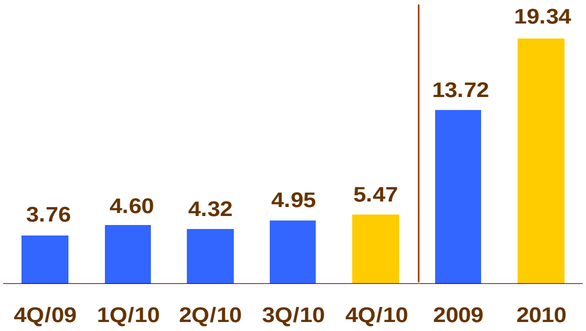
Fees and Service Income

Consolidated
(Baht Billion)

Fees & Service Income



Non Interest Income



2010 YoY: ***+38%***
4Q10 YoY: ***+13%***

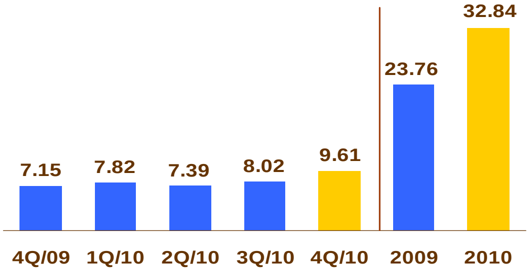
Fees & Service Income increase driven by higher insurance revenue and full year impact of 2009 acquisitions

2010 YoY: ***+41%***
4Q10 YoY: ***+45%***

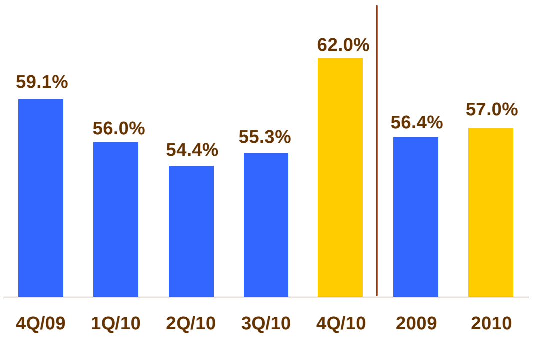
Cost to Income Under Control

Consolidated
(Baht Billion)

Non-Interest Expenses



Cost to Income Ratio



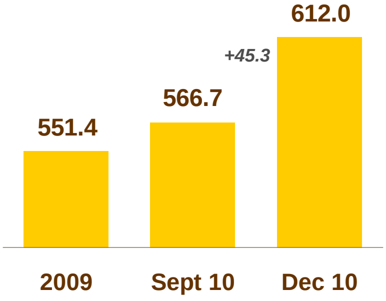
OPEX increase driven by increase in marketing promotions and refurbishing investments to accelerate 4Q and 2011 growth

Cost to Income in line with target at ***57%***

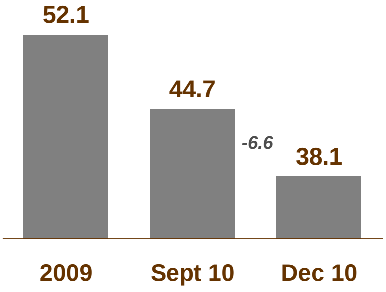
Strong Loan Growth

Consolidated
(Baht Billion)

Performing Loans



Non-performing Loans



Performing Loans grew

+11% in 2010

+8% in 4Q/10

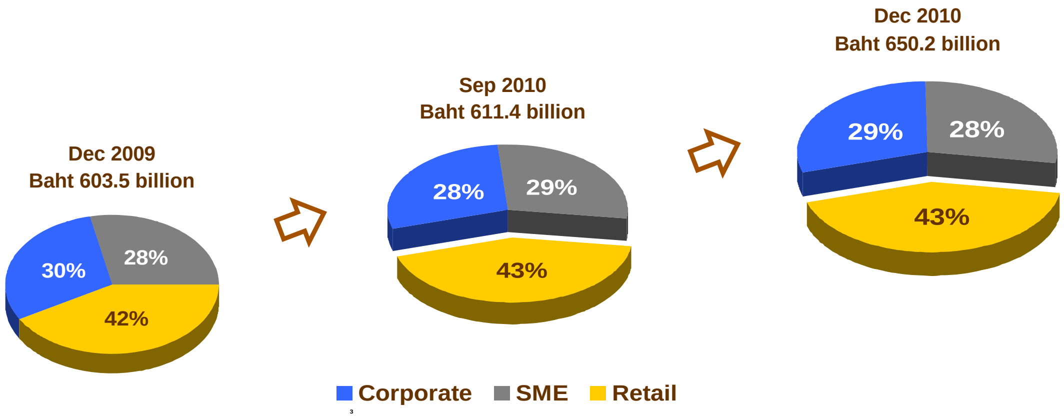
While…

NPLs reduced 27%

Strong Loan Growth

Consolidated
(Baht Billion)

Diversified and Expanding Loan Portfolio

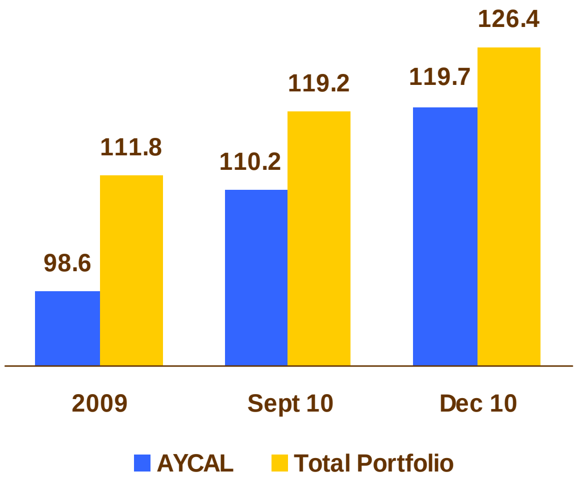


Corporate	**+5% in 2010**	**+10% in 4Q/10**
SME	**+6% in 2010**	**+3% in 4Q/10**
Retail	**+11% in 2010**	**+6% in 4Q/10**

Retail Business Performance : KRUNGSRI Auto

Consolidated
(Baht Billion)

Loan Growth



2010 Growth

Total Portfolio : 13% **AYCAL : 21%**

4Q/10 Growth

Total Portfolio : 6% **AYCAL : 9%**

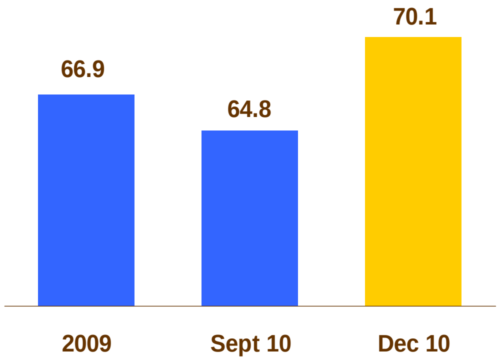
December 10 volume at historical high

#1 in Used Car and Refinancing **#2 in Overall Auto Hire Purchase**

Retail Business Performance : Personal Loan & Credit Card

Consolidated
(Baht Billion)

Krungsri Personal Loan & Credit Card* Loan Growth



** Personal Loan & Credit Card and Others*

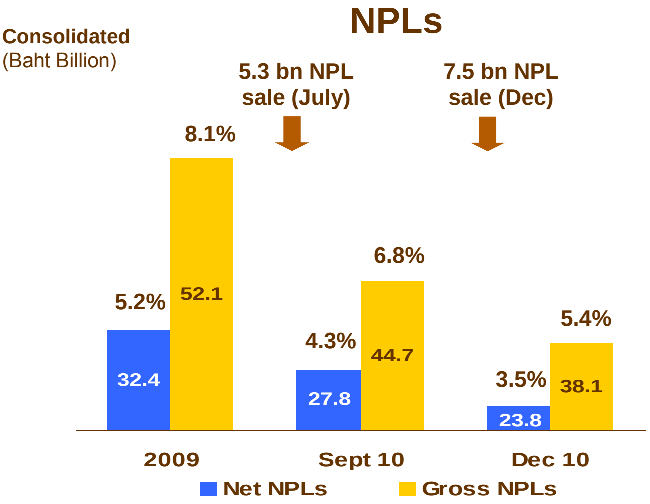
2010 Growth : +5%

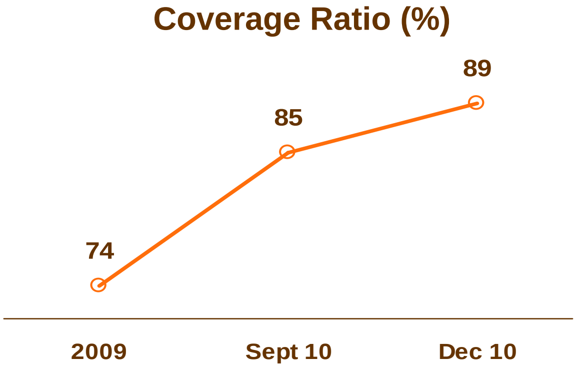
4Q/10 Growth : +8%

Key Highlights for Retail Business

- Accelerated promotions during 4Q high season
- Volumes hit historical highs in 4Q for Personal Loan, Credit Card and Micro finance

Asset Quality Improvement





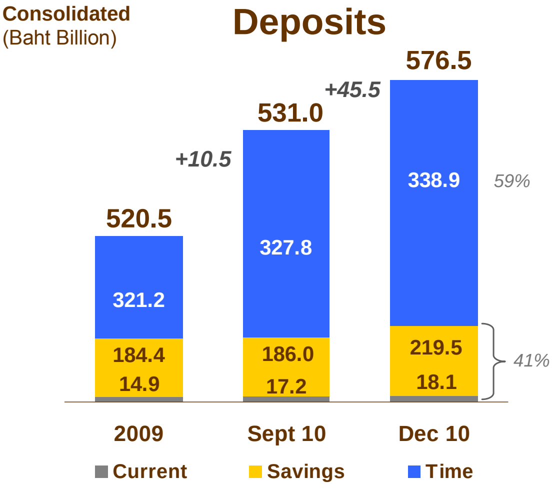
NPLs improved significantly

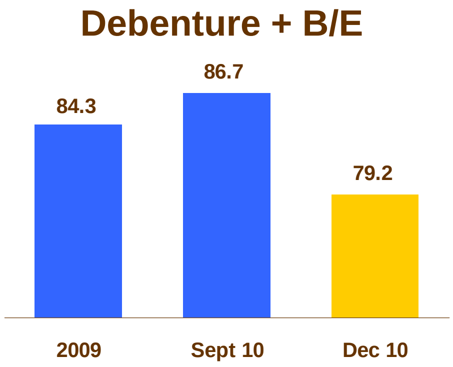
Coverage up to ***89%***

Provision at ***159%***

of BOT requirements

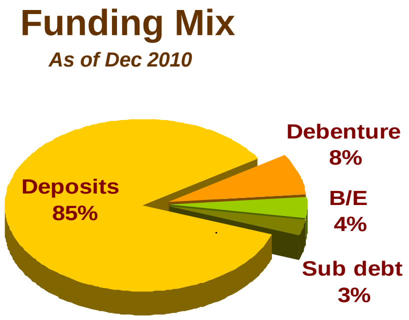
Funding Improvement





2010 Growth		**4Q/10 Growth**	
Total :	***+11%***	**Total :**	***+9%***
Saving :	***+19%***	**Saving :**	***+18%***

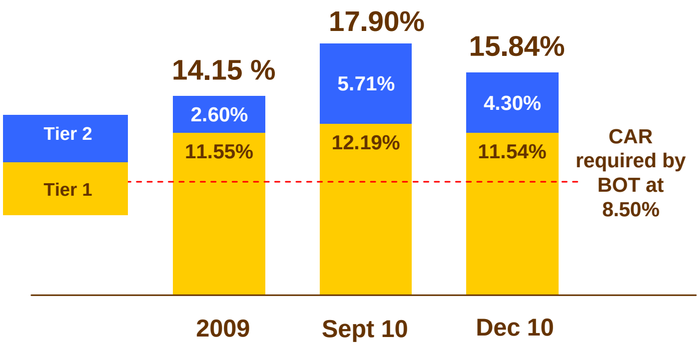
CASA portion increased to ***41%***



Higher cost debentures and sub debt replaced with lower cost issuances & deposits

Capital and Liquidity

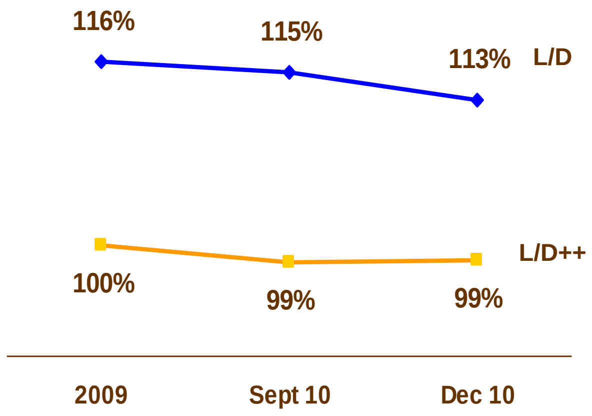
Strong Capital Base



Baht Billion	2009	Sept 10	Dec 10
Tier 1	76.47	80.30	79.90
Tier 2	17.27	37.56	29.78
Total Capital	93.74	117.86	109.68

Consolidated

Loan to Deposit



L/D++ : Loans to Deposits + Debentures + BE

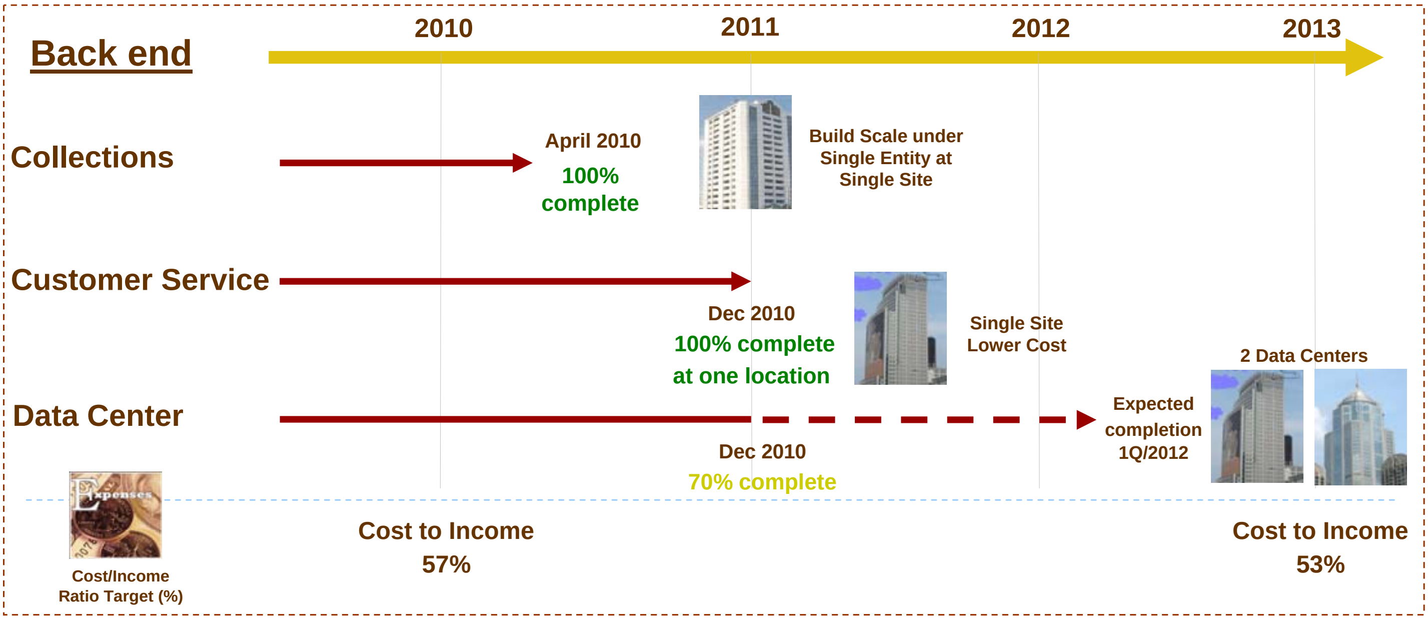
- **Improved liquidity position through attractive product campaigns**

Key Targets Achieved

	2010 Target	*2010 Actual*	
Loan Growth	8%	*11%*	Strong growth and momentum across all segments in 4Q/10
Deposit Mix - CASA	40%	*41%*	New product launches and improved cross sell capability
Loan Mix - retail	42%	*43%*	Strong retail performance. Historical highs in many retail business lines
L/D ratio	110%	*113%*	Strong deposit growth through new products and up-sell
L/D ++ ratio	97%	*99%*	Debentures matured in 2010 partly replaced with sub debt
NIM	> 5%	*5.1 %*	Continued focus on return, aligned with strategic goal
Fee Income growth	> 30%	*38%*	Continued focus and growth
Cost to Income	56%	*57%*	Investments continue, result in line with plan
NPLs	52 bn	*38 bn*	2 successful NPL sales and continued conservative risk management
Provision	198 bps	*191 bps*	Conservative risk management practices & policies
Coverage	70-75%	*89%*	Resolving the past while building for the future

Developments & Integration Progress

2010 Integration: Back-office integration



Back end

Collections

April 2010
100% complete

Build Scale under Single Entity at Single Site

Customer Service

Dec 2010
100% complete at one location

Single Site Lower Cost

Data Center

Dec 2010
70% complete

Expected completion 1Q/2012

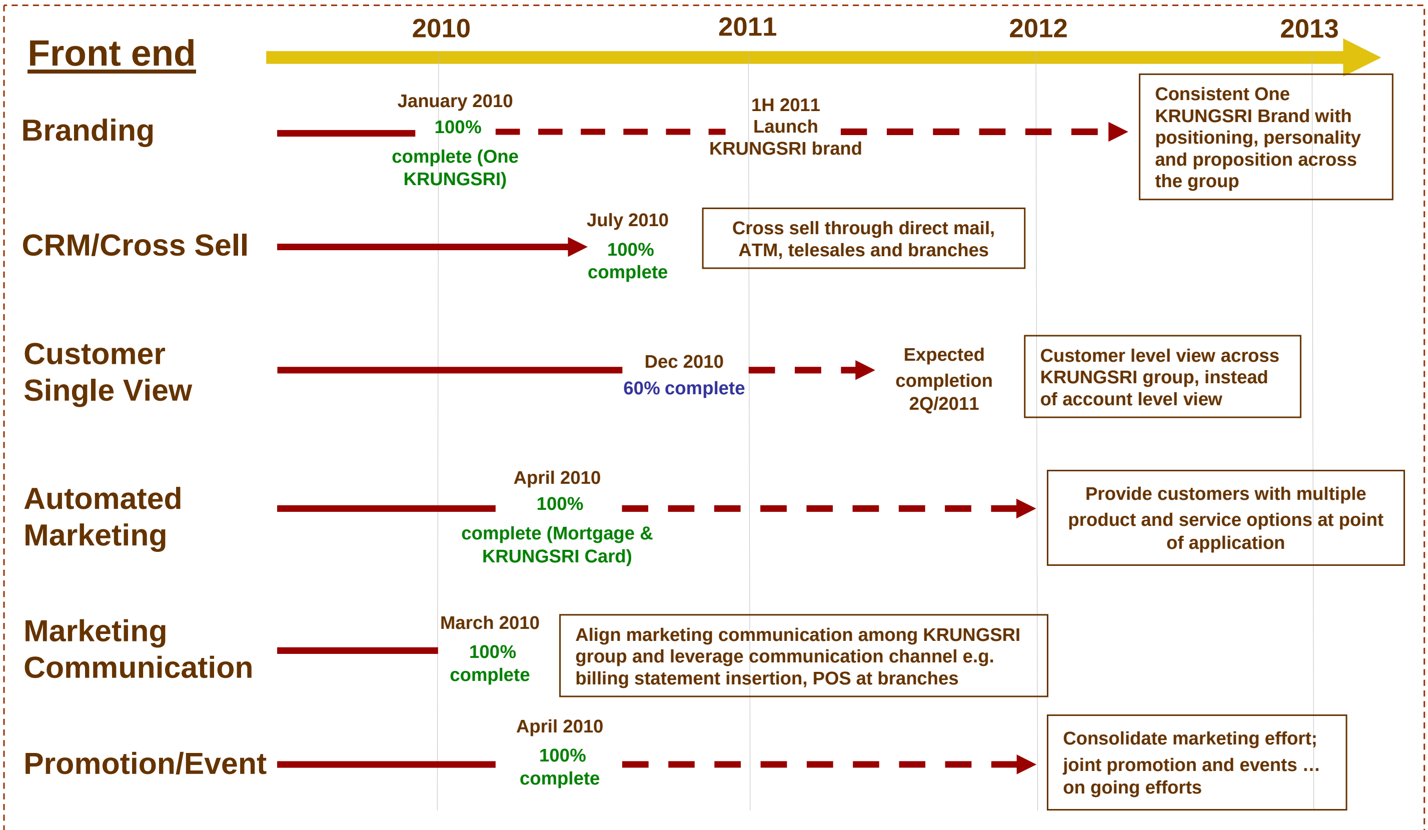
2 Data Centers

Cost/Income Ratio Target (%)

Cost to Income
57%

Cost to Income
53%

2010 Integration: Front-end integration



Front end

2010 2011 2012 2013

Branding

January 2010

100% complete (One KRUNGSRI)

1H 2011 Launch KRUNGSRI brand

Consistent One KRUNGSRI Brand with positioning, personality and proposition across the group

CRM/Cross Sell

July 2010

100% complete

Cross sell through direct mail, ATM, telesales and branches

Customer Single View

Dec 2010

60% complete

Expected completion 2Q/2011

Customer level view across KRUNGSRI group, instead of account level view

Automated Marketing

April 2010

100% complete (Mortgage & KRUNGSRI Card)

Provide customers with multiple product and service options at point of application

Marketing Communication

March 2010

100% complete

Align marketing communication among KRUNGSRI group and leverage communication channel e.g. billing statement insertion, POS at branches

Promotion/Event

April 2010

100% complete

Consolidate marketing effort; joint promotion and events … on going efforts

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2010 Optimization … One KRUNGSRI Synergy

	From	To	Result
First Choice	1 FIRST CHOICE	KRUNGSRI FIRST CHOICE	• 34% of new accounts referred from KRUNGSRI branches Started referral in Mar 2010
Auto	สินเชื่อเพื่อคนมีรถ CAR4CASH	กรุงศรี คาร์ ฟอร์ แคช สินเชื่อเพื่อคนมีรถ CAR4CASH	• Highest Volume Ever > Baht 8.6 billion in one month >10% volume from branches
Srisawad	ศรีสวัสดิ์ เงินติดล้อ	ศรีสวัสดิ์ เงินติดล้อ สนับสนุนทางการเงินโดย ธนาคารกรุงศรีอยุธยา	• Lower Funding cost • Highest Volume Ever (Reached new high @ Baht 350 mm)
KRUNGSRI GE Credit Card	บัตรเครดิต กรุงศรี จีอี  มากกว่าที่คุณคิด	KRUNGSRI CREDIT CARD LIVE SMART	• 75% of new accounts referred from KRUNGSRI

Strategies & Plans for 2011

2010 Key Performance Targets

Consolidated	4Q/09	4Q/10	2009	2010	2010 Targets	2011 Targets
Loan Growth (Net)	+46.0 bn (+8.2%)	+38.7 bn (+6.3%)	+46.4 bn (+8.3%)	+46.7 bn (+7.7%)	n.a.	n.a
PL Growth	+49.4 bn (+9.8%)	+45.3 bn (+8.0%)	+49.5 bn (+9.9%)	+61 bn (+11.0%)	+48 bn (+8%)	8%
NPLs	52.1 bn	38.1 bn	52.1 bn	38.1 bn	52 bn	38 bn
NPL Movement	-3.4 bn (-6.2%)	-6.6 bn (-12.6%)	-3.1 bn (-5.5%)	-13.9 bn (-26.8%)	n.a.	n.a
Deposit Mix: Savings and Current	38%	41%	38%	41%	40%	45%
Loan Mix : Retail	42%	43%	42%	43%	42%	44%
L/D Ratio	116%	113%	116%	113%	110%	108%
L/Deposit+Debentures+B/E	100%	99%	100%	99%	94%	97%
NIM	4.7%	5.2%	4.1%	5.1%	> 5%	4.75%
Fee income growth	64%	13%	26%	38%	> 30%	10%
Cost to Income Ratio	59.1%	62.0%	56.4%	57.0%	56%	56%
Provisions *	210 bps	194 bps	168 bps	191 bps	198 bps	160 bps
Loan Loss Coverage	74%	89%	74%	89%	70-75%	85-95%
CAR **	14.2%	15.8%	14.2%	15.8%	n.a.	n.a

* Provision included loss on sale of foreclosed properties
** Bank only

One KRUNGSRI 2011

1 Employee Engagement

+9% improvement

4 Network, Positioning Synergy & Image

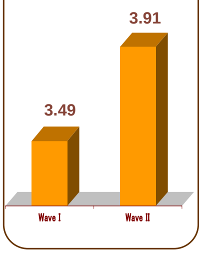
2 Implementing Technology Driving Efficiency

3 Brand Visibility & Alignment

One KRUNGSRI 2011

1. Employee

Employee Engagement & Satisfaction



X-Business Goal Alignment & Setting

- % at all goals linked to One Krungsri

Implementation of global best practices

- Performance management
- Goal setting
- Career development

Incentive & Remuneration

Constant Employee Communication


KRUNGSRI life

"Let 's Celebrate KRUNGSRI Success"

OneKRUNGSRI One Team Photo Contest

10 Qs


KRUNGSRI UPDATE | November 2010

Be part of the VOK survey to show KRUNGSRI Power

News

Event Highlights

Thank you party 2010

Let's Hear Your Voice

One KRUNGSRI 2011

2. Infrastructure

Backup & Stability

- Dual links / Providers for all Branches & ATM
- 3 fiber link back up between Krungsri HQ sites (BCP)

Core Infrastructure

- V+ Credit card platform migration & upgrade
- Replace Bank Automation system
- Implement document workflow & imaging
- Upgrade core bank's system

Enabling Sales

- X- Krungsri Data warehouse
- Auto dialer installation for 2x telemarketing capacity
- Internet/Mobile banking infrastructure upgrade
- Loan Origination Systems. X-Business
- Lead management system launched in branches

Engaging & Connecting

- Enable and digitize people and process
- Blackberry roll out to all regional branch managers
- 6,500+ PC's / 2,000 Peripherals
- KPI Metrics & Reporting Systems for Branch

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One KRUNGSRI 2011

3. Brand

KRUNGSRI Brand

KRUNGSRI

Proactive PR

Always in Top 3 PR Coverage

Brand Awareness

→ One common brand and identity

→ Leverage cross-group spend

→ Drive recognition & preference

4. Branch

Branch Employees

- New regional structure
- Job definition & competency model
- Career planning & roadmap
- Revised incentive plans

Enabling

- The tools to do the job…roll out technology, 6,500 PC's & 2,000 new peripherals

Branch

- Improving our look, feel and experience

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One KRUNGSRI

The Power to Grow

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