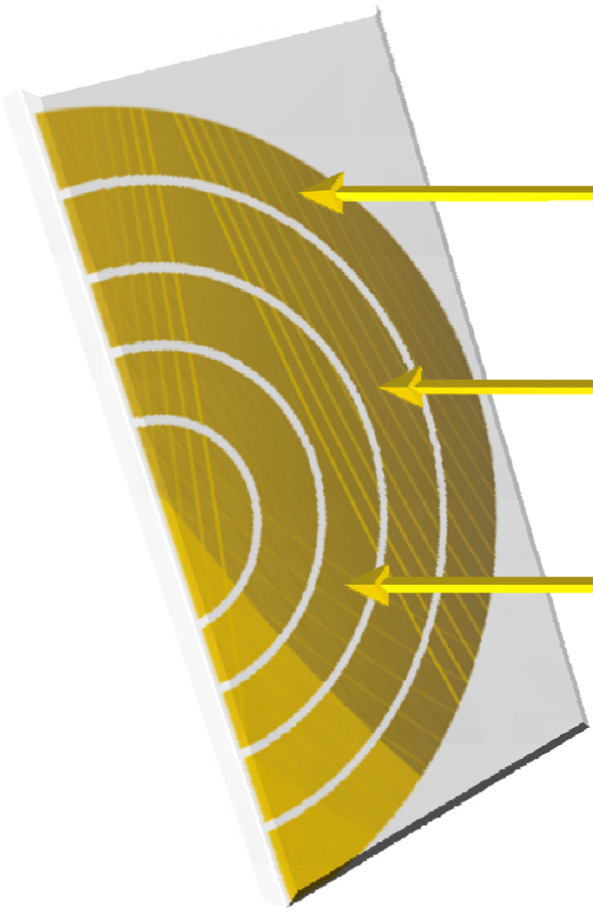
krungsri
กรุงศรี

2Q/2012 and 1H/2012
Financial Performance

19th July 2012

"Make Life Simple เรื่องเงิน เรื่องง่าย"

Agenda



1. Key Highlights
2. Financial Performance
3. Krungsri Profile

Continued Strong Execution Bearing Fruit

4.39% 2Q12
4.24%* 1Q12
NIM

1 Assets : trillion baht

+15.6% 2Q12 YoY
+14.0% 1Q12
Net Fees & Service Income Growth

129% 2Q12
114% 1Q12
Coverage

+2.7% 2Q12 QoQ
+ 3.5% 1Q12
Performing Loan growth

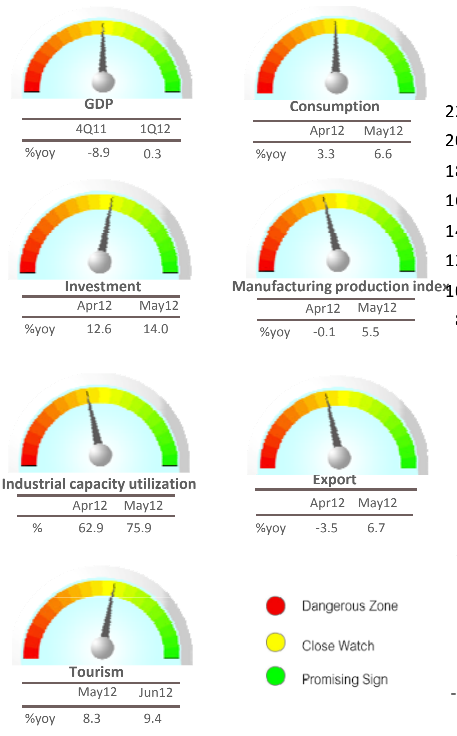
-14.0% 2Q12 QoQ
- 4.9% 1Q 12
NPLs Reduction

Q2 Net Profit: THB 3.72 bn./ +24.6% YoY

** 4.39 % Normalized NIM, excluding flood, HSBC denominator impact, and increased DPA fee accrual*

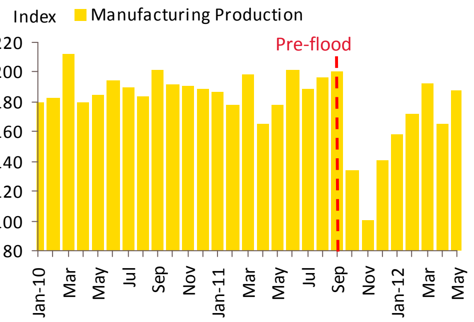
1H/2012 Economic and Financial Environment

V-shaped recovery after severe flooding

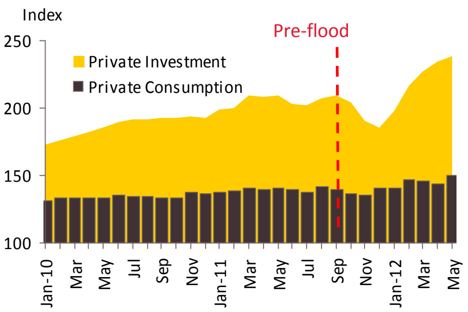


Source: Krungsri Research

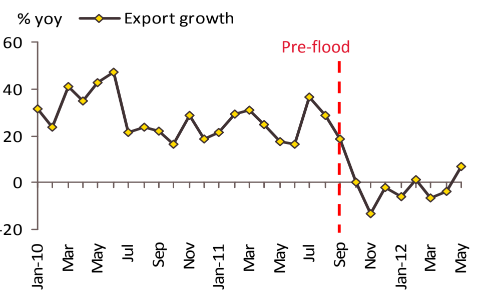
Production: Still affected by floods but full recovery is expected in early 3Q



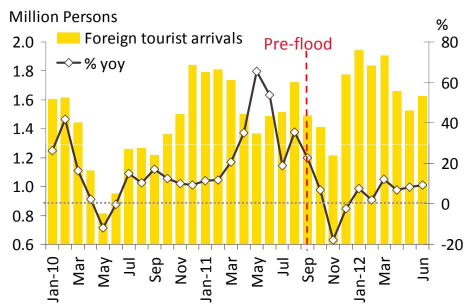
Domestic spending: Already surpassed pre-flood level



Exports: Affected by post-floods supply disruption and weakening world economy



Tourism: Remained resilient



Economic outlook

2012 Key Economic Forecasts

%Change	2010	2011	2012 Forecast*
GDP	7.8	0.1	5.5 - 6.0
Consumption	5.1	1.3	4.8 – 5.3
Investment	9.4	3.3	14.6 – 15.6
Exports (%chg. In USD terms)	28.4	16.4	7.0 - 9.0
Headline Inflation	3.3	3.8	3.2 – 3.5
Unemployment Rate (% of labor force)	1.0	0.7	0.7 - 0.8
Policy Interest Rate (%, end of period)	2.00	3.25	3.00

**Source: 2012 forecast by Krungsri Research: July 2012*

Thai Economy:

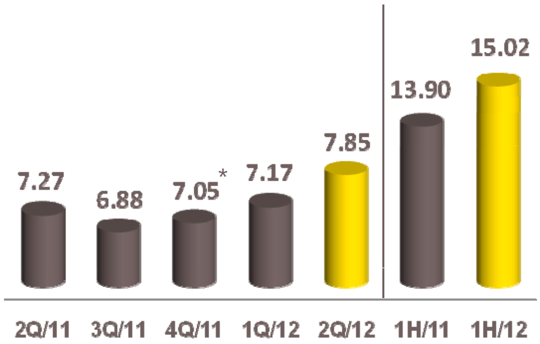
- Expected strong recovery in 2012
  - Reconstruction and rehabilitation
  - Stimulus measures
  - Pent-up demand on durable goods & autos
- Policy rate at 3.0%
- Banking sector loan growth at 10 – 12%

Financial Performance for 2Q/2012 and 1H/2012

NII and Non-NII Push to New Highs

Consolidated
(Baht Billion)

Profit before Provision and Tax

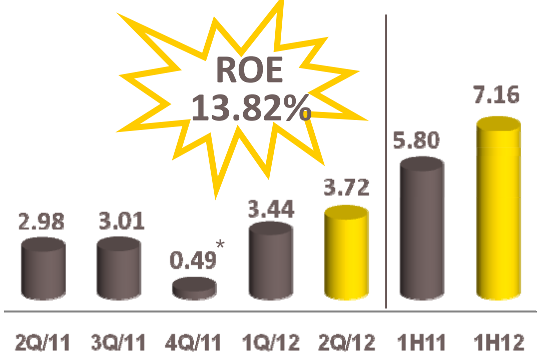


1H12 YoY: + *8%*

2Q12 YoY: + *8%*

Strong earning results from
continued strong execution

Net Income



1H12 YoY: + *24%*

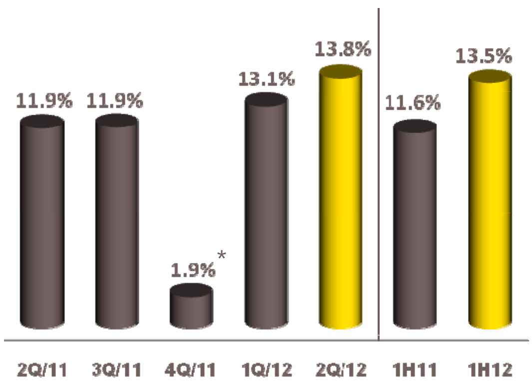
2Q12 YoY: + *25%*

*Record quarterly **net profit**...Baht **3.72** billion*

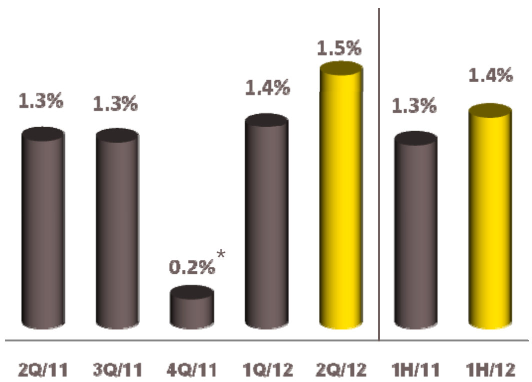
ROAE at 13.8% & ROAA at 1.5%

Consolidated

ROAE



ROAA

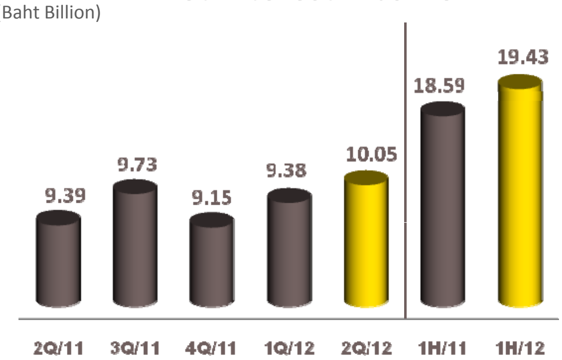


From Strength to Strength…

Profitability Measurement: Improved Yields and NIM

Consolidated
(Baht Billion)

Net Interest Income

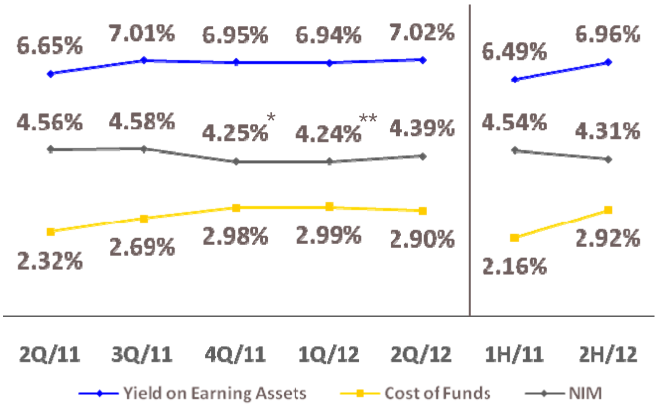


4.39%

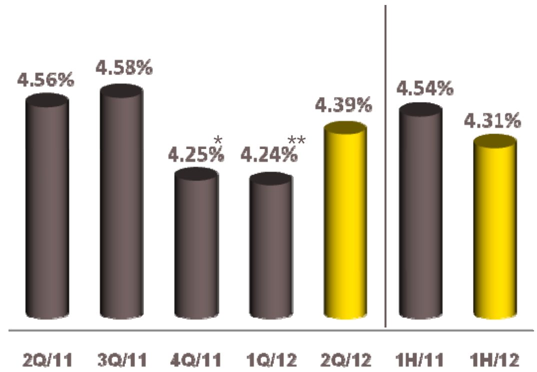
NIM Uplift

From HSBC contribution and end of flood forbearance program

Yield & Cost of Funds



Net Interest Margin (NIM)

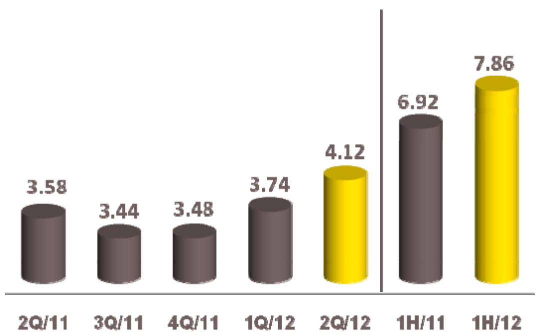


* Impacted by flood
** 4.39 % Normalized NIM, excluding flood, HSBC denominator impact, and increased DPA fee accrual

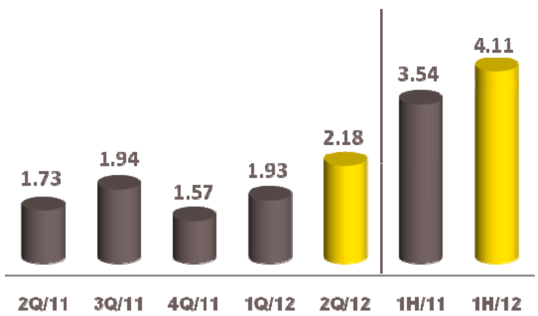
Fees and Service Income

Consolidated
(Baht Billion)

Fee & Service Income



Non-Interest and Non-Fee Income



Bancassurance and card fees continue as key drivers **15.1%**

2Q12 YoY: Bancassurance ***+56%***

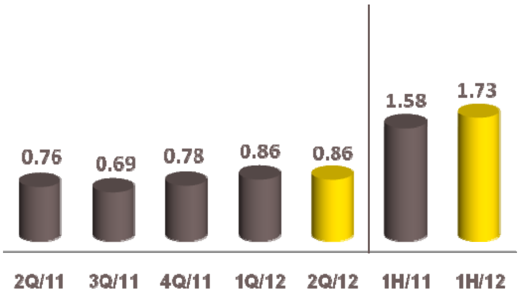
Net Fee & Service Income grew ***16%*** *YoY*

Non-interest & Non-fee Income grew ***26%*** *YoY*

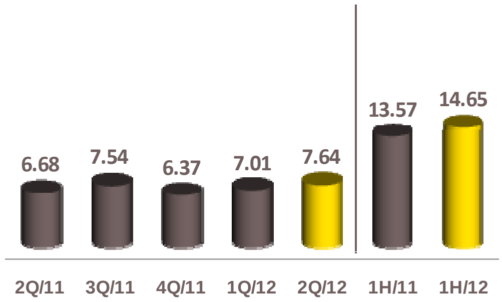
Efficiency Improvement

Consolidated
(Baht Billion)

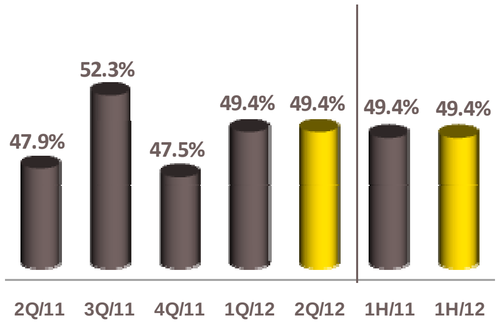
Fee and Service Expense



Other Operating Expenses



Cost to Income Ratio

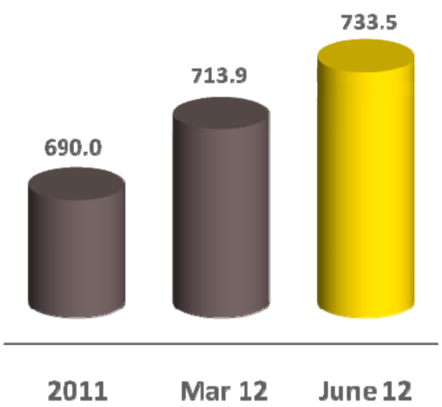


- *Continued push for efficiency…*
- *2Q: Cost to income at* ***49.4%*** *managing expenses while continued investing for the future*

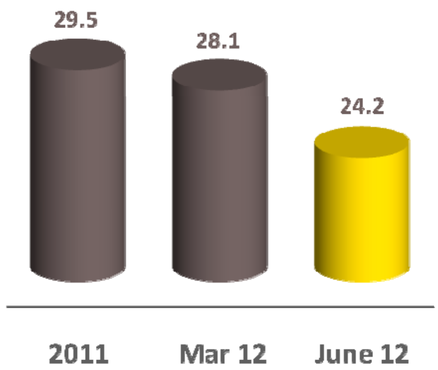
Loan Growth & Asset Quality Improvement

Consolidated
(Baht Billion)

Performing Loans



Non-performing Loans



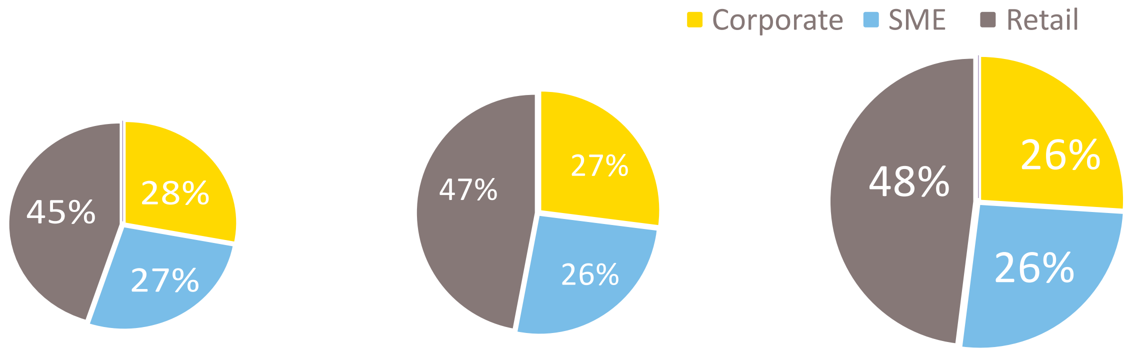
Performing Loan Growth

at ***6.3%*** in 1H/2012

NPLs downed ***18.1%***

NPL reduction to level ***2.9%***

Well-Balanced Portfolio: Retail Segment Reaching 48%



2011	Mar 2012	June 2012
Baht 719.5 Billion	Baht 742.0 Billion	Baht 757.6 Billion

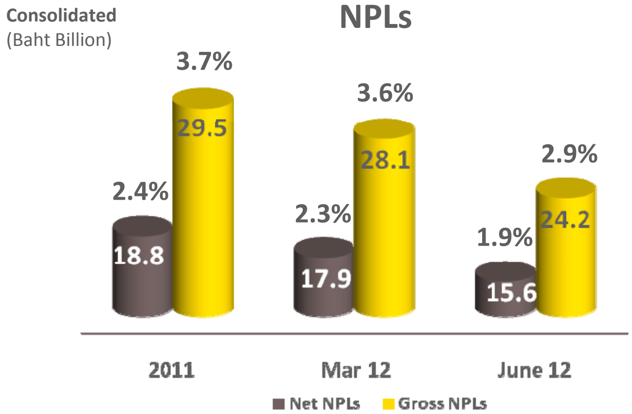
Growth in 2Q/12

	QoQ	YtD
Retail	+4.7%*	+12.4%*
SME	+1.2%*	+4.2%*
Corporate	+0.7%*	-1.7%*

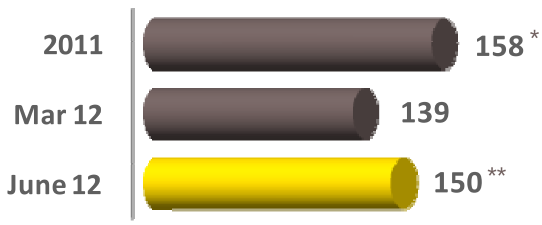
** Including the 2Q/12 NPLs sales:*
Retail + 12% YtD (+4.6% QoQ) ; SME + 2.7% YtD (+ 0.3% QoQ) ; Corporate -3.1% YtD (-0.5% QoQ)

Asset Quality Continues to Strengthen

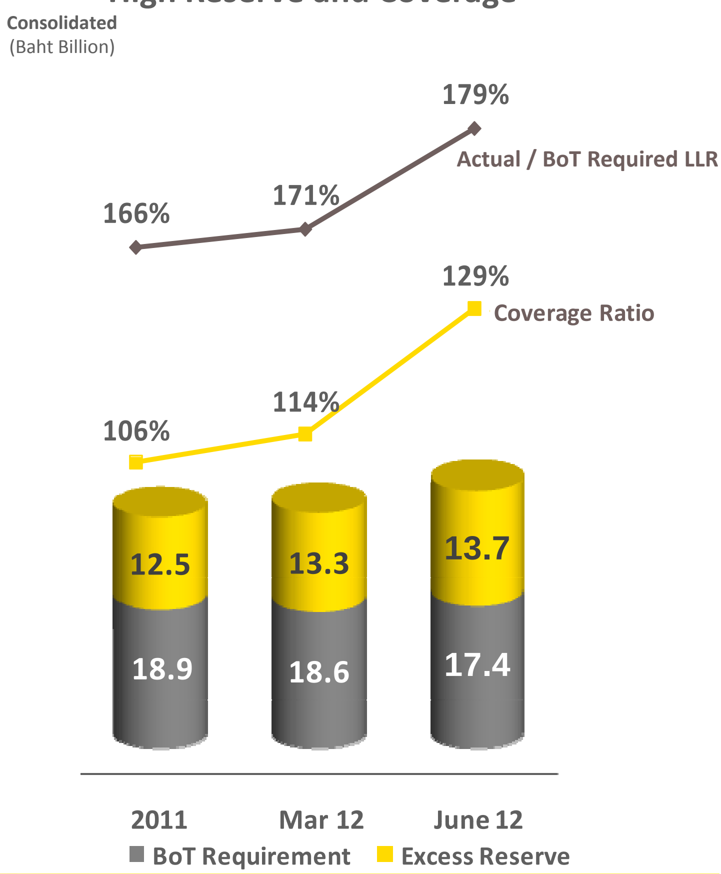
NPLs



Provision / Loans (bps.)



High Reserve and Coverage

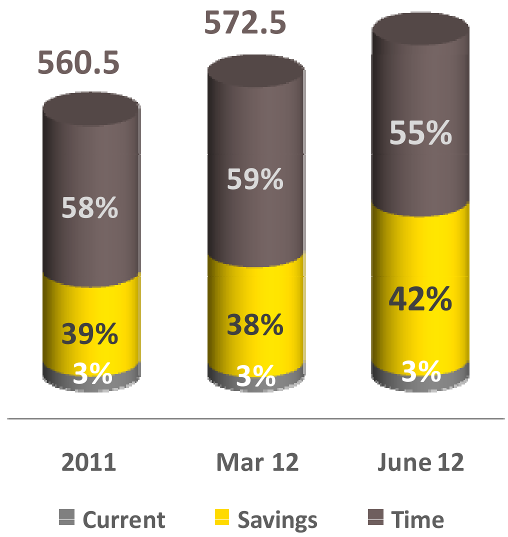


** 170 bps incl. flood*
*** 157 bps with HSBC portfolio*

Strong Funding Base … Shift toward CASA

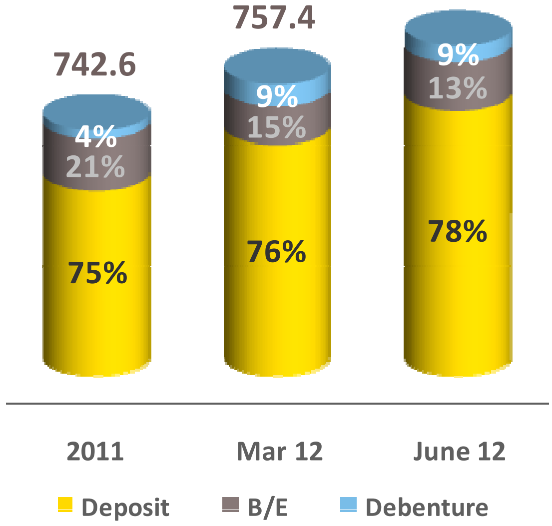
Consolidated
(Baht Billion)

Deposits



Consolidated
(Baht Billion)

Funding Mix



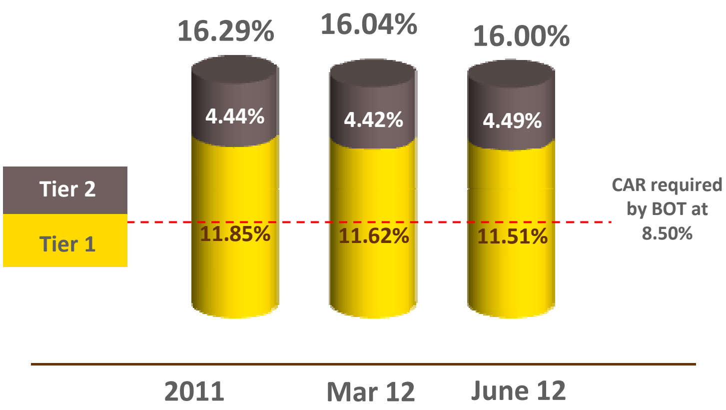
CASA mix at ***45%***

Deposits grew *11% YtD*

Special Saving
"Mee Tae Dai"
launched on June 5

Capital and Liquidity

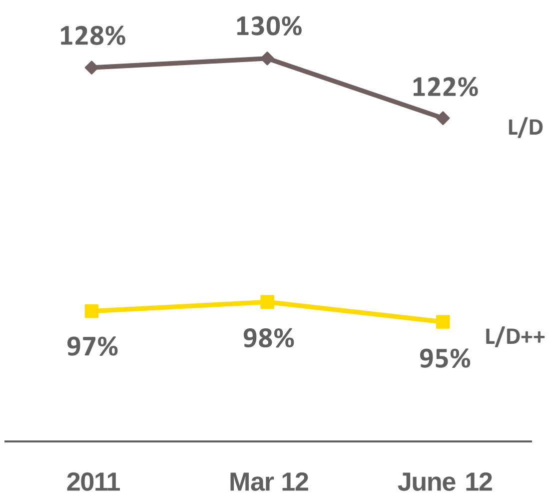
Strong Capital Base



Baht Billion	2011	Mar 12	June 12
Tier 1	80.84	80.84	81.37
Tier 2	30.28	30.78	31.75
Total Capital	111.12	111.62	113.12

Loan to Deposit

Consolidated



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

Maintaining solid capital base and liquidity to support growth agenda & Basel III

2012 Key Performance Targets

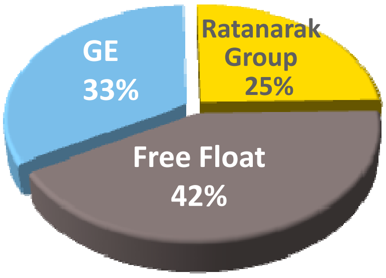
Consolidated	2011	1Q/12	2Q/12	1H/12	2012 Targets	
Loan Growth (Net)	+70.6 bn +10.9%	+22.5 bn +3.1%	+15.6 bn +2.1%	+38.1 bn +5.3%	n.d.	n.d.
Performing Loan Growth	+79.2 bn +13.0%	+23.9 bn +3.5%	+19.6 bn +2.7%	+43.5 bn +6.3%	11%	✓
NPLs	29.5 bn	28.1 bn	24.2 bn	24.2 bn	23 bn*	✓
NPL Movement	-8.6 bn -22.6%	-1.4 bn -4.9%	-3.9 bn -14.0%	-5.4 bn -18.1%	n.d.	n.d.
Deposit Mix: Savings and Current	42%	41%	45%	45%	45%	✓
Loan Mix : Retail	45%	47%	48%	48%	46%	✓
L/D Ratio	128%	130%	122%	122%	n.d.	n.d.
L/Deposit+Debentures+B/E	97%	98%	95%	95%	96%	✓
NIM	4.5%	4.2%	4.4%	4.3%	4.40%	✓
Fee income growth	7%	12%	15%	14%	12%	✓
Cost to Income Ratio	49.68%	49.41%	49.35%	49.38%	48%	✓
Provisions	158 bps** 170 bps	139 bps	150 bps*** 157 bps	144 bps*** 146 bps	140 bps	✓
Loan Loss Coverage	106%	114%	129%	129%	105%+	✓
CAR ****	16.3%	16.0%	16.0%	16.0%	n.d.	n.d.

* NPL End-year target revised down from 27 bn in July 2012
** Normalized rate excluding DRP (Debt Relief Program for floods in 4Q/11)
*** Normalized rate excluding HSBC portfolio
**** Bank only

Krungsri Profile

Krungsri Group Overview

Shareholding Structure
(as of June 2012)

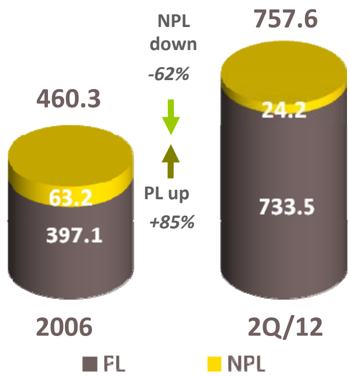


- Officially established in 1945
- 2007 : BAY and GE become strategic partners
- 2008 : Acquisition of GE Capital Auto Lease, subsequently renamed to Ayudhya Capital Auto Lease Pcl. (AYCAL)
- 2009 : Acquisition of AIG Retail Bank Pcl. and AIG Card (Thailand) Co., Ltd., subsequently renamed to Ayudhya Total Solutions Pcl. and Ayudhya Card Services Co., Ltd.
- 2009 : Acquisition of CFG Services Co., Ltd. (Srisawad), a micro finance business from AIG
- 2009 : Acquisition of GE Money Thailand, a consumer finance company
- 1Q/2012: Acquisition of HSBC Thailand's retail banking businesses

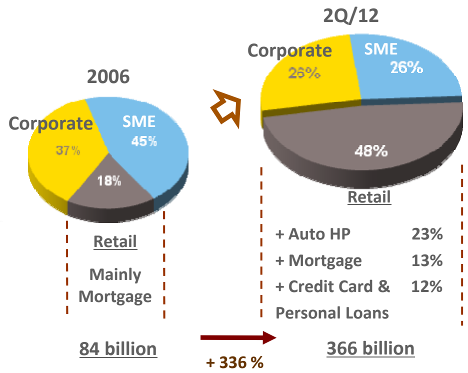
What We've Built So Far .....

Strong Growth Rate

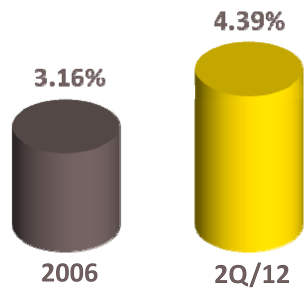
(Baht Billion)



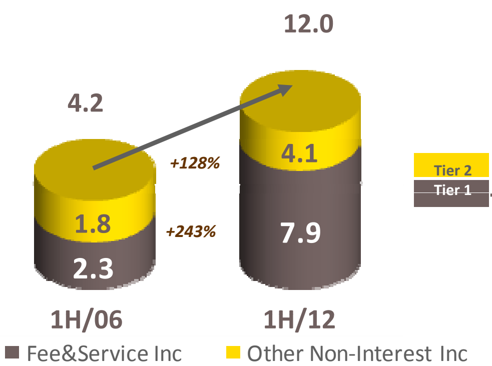
Balanced Loan Book



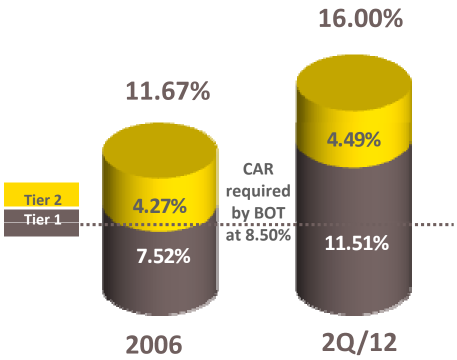
Improved NIM



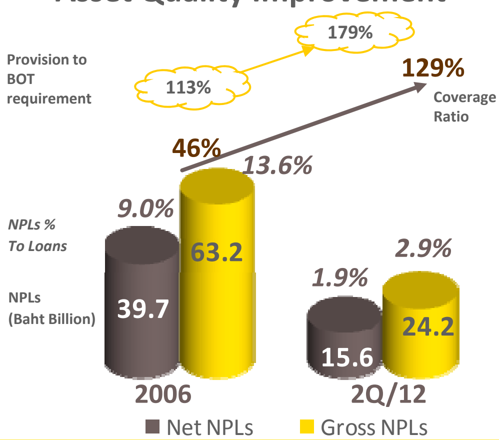
Non-Interest Income



Strong Capital Base



Asset Quality Improvement



Krungsri Group Profile

#1

No. 1 in consumer finance

Leadership Position

As of May 2012	Market Position	% Share
Consumer		
Personal Loan	1	20%
Credit Card	1	22%
Auto (HP)	2	15%
SME	5	8%
Corporate	5	7%

Extensive Franchise: Over 15,000 Service Outlets*

As of June 2012	Number
Domestic Branches	600
Overseas Branches	4
ATMs	4,135
Exchange Booths	69
Exclusive Banking Zones	19

As of June 2012	Number
Krungsri Business Centres	55
First Choice Branches + Dealers	26 Branches + 8,000 Dealers
Krungsri Auto Branches + Dealers	42 Branches + 5,300 Dealers
Micro Finance Branches	213

* Including > + 1,000 Thai Post Offices

8th Corporate Governance Asia Annual Recognition Award 2012
- Corporate Governance Asia magazine

Contact

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