Financial Performance 1Q 2012
Investor Update

April 2012

"Make Life Simple เรื่องเงิน เรื่องง่าย"

Agenda

1 Key Highlights

2 Financial Performance

3 Krungsri Profile

Record 1Q/12 Deliverables!

+3.5% QoQ
Performing Loan Growth

4.24%*
NIM

+14.0% YoY
Net Fees & Service Income Growth

-4.9% QoQ
NPLs reduction

114%
Coverage

Q1 Net Profit: THB 3.44 bn./ +600% QoQ

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

Economic Conditions in 1Q/2012

V-shaped recovery after severe floods

GDP

	3Q11	4Q11
%yoy	3.7	-9.0

Consumption

	Jan12	Feb12
%yoy	1.9	6.6

Investment

	Jan12	Feb12
%yoy	0.6	8.8

Manufacturing production index

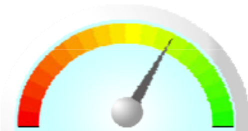
	Jan12	Feb12
%yoy	-15.0	-3.4

Industrial capacity utilization

	Jan12	Feb12
%	58.5	62.3

Export

	Jan12	Feb12
%yoy	-6.1	1.2



Tourism

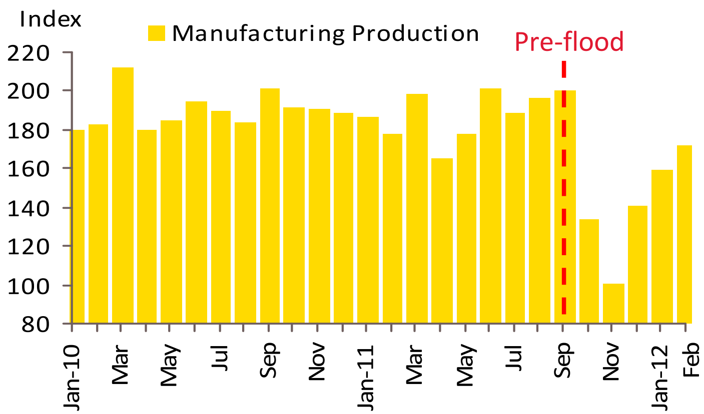
	Feb12	Mar12
%yoy	2.4.	12.0

Dangerous Zone

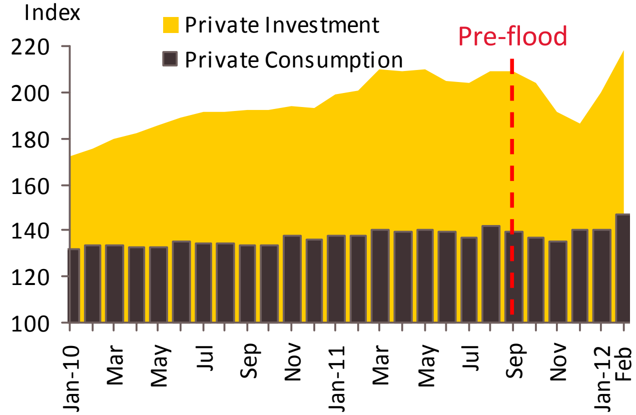
Close Watch

Promising Sign

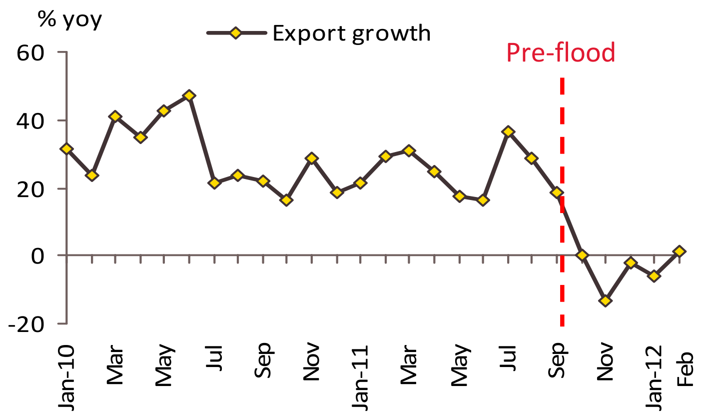
Production: Still affected by floods but full recovery is expected in early 3Q



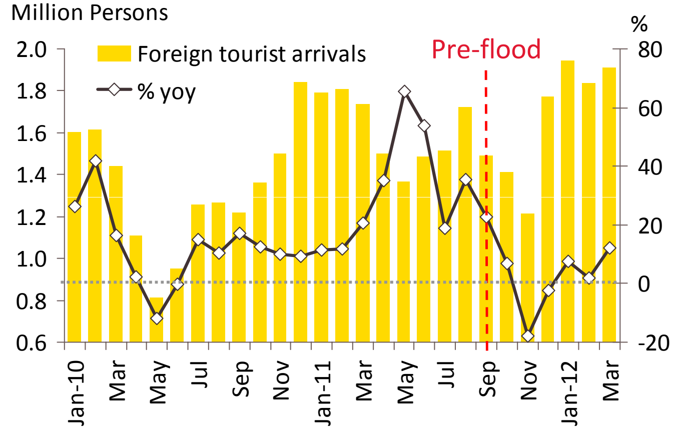
Domestic spending: Already surpassed pre-flood level



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



Tourism: Remained resilient



Source: Krungsri Research

Operating Environment & Krungsri Business Update… 1Q/2012

Jan

Policy Rate cut
25 bps to 3.00%

4 Emergency
Decrees

Chinese New Year:
New VISA Gift Card

HSBC

Acquisition
Announcement

Feb

Successfully Mobilized
..Debentures 17.8 bn.

FIDF 0.46%
+DPA 0.01%

BANK OF THAILAND

SOFT LOANS

Allocation of THB 24.5 bn.

Mar

SME Program:
3% for 3 Years

2012 Motor Show

HSBC

krungsri
กรุงศรี

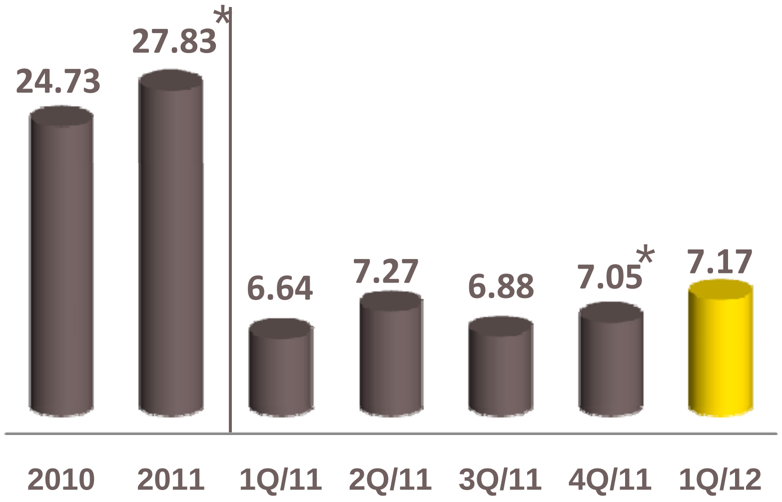
Successfully
Integrated

Financial Performance

Robust NII and Non-NII Push

Consolidated
(Baht Billion)

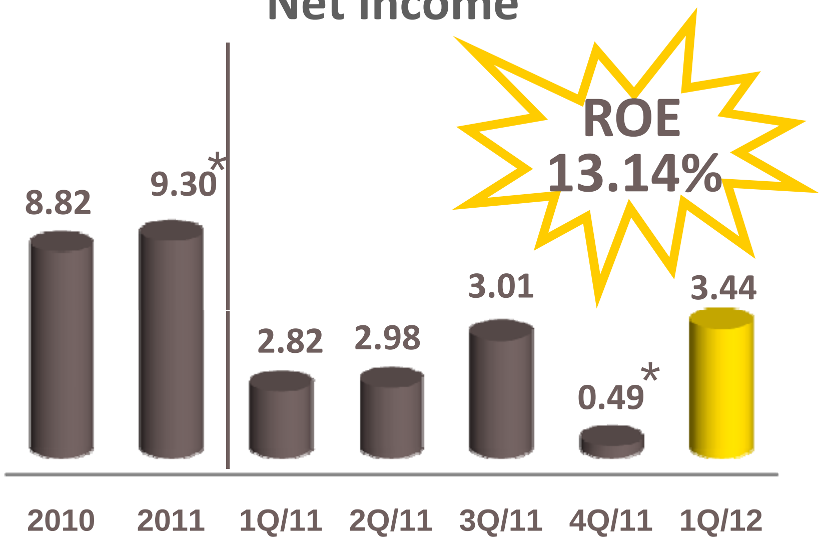
Profit before Provision and Tax



Growth QoQ: *+ 2%*

YoY: *+ 8%*

Net Income



Growth QoQ: *+ 600%*

YoY: *+ 22%*

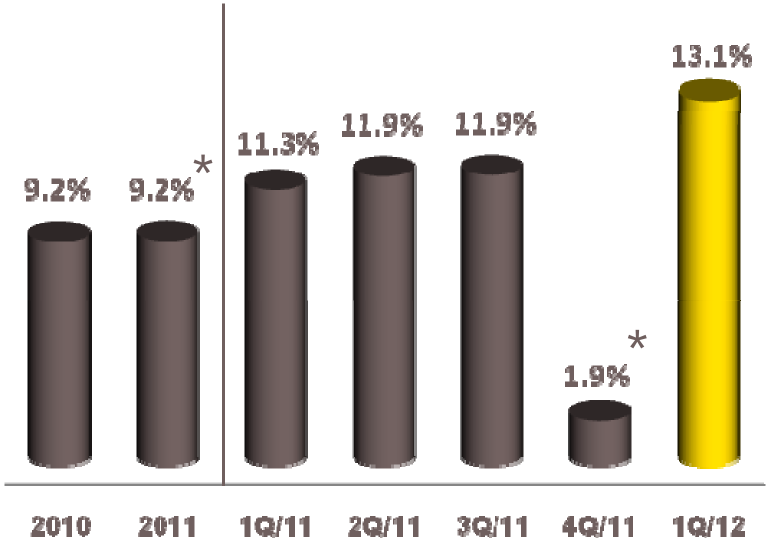
*Record quarterly **net profit**...Baht **3.44** billion*

** Impacted by floods & Deferred Tax Asset revaluation in 4Q/11*

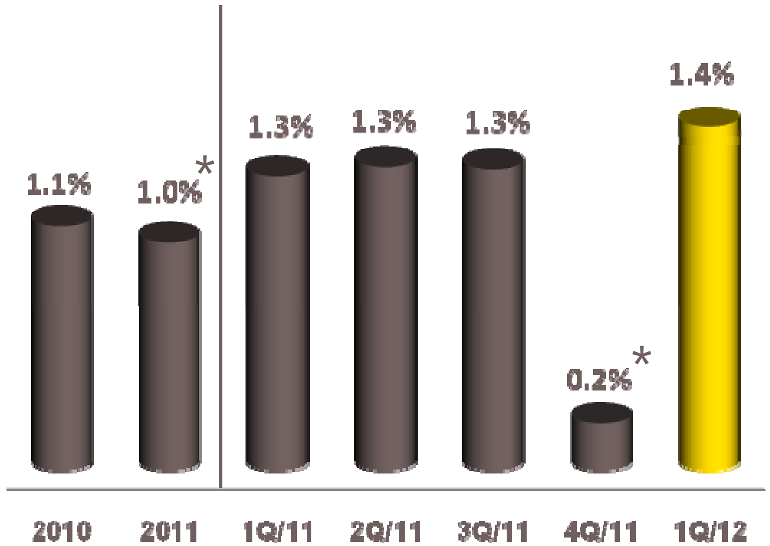
ROAE at 13.1% & ROAA at 1.4%

Consolidated

ROAE



ROAA



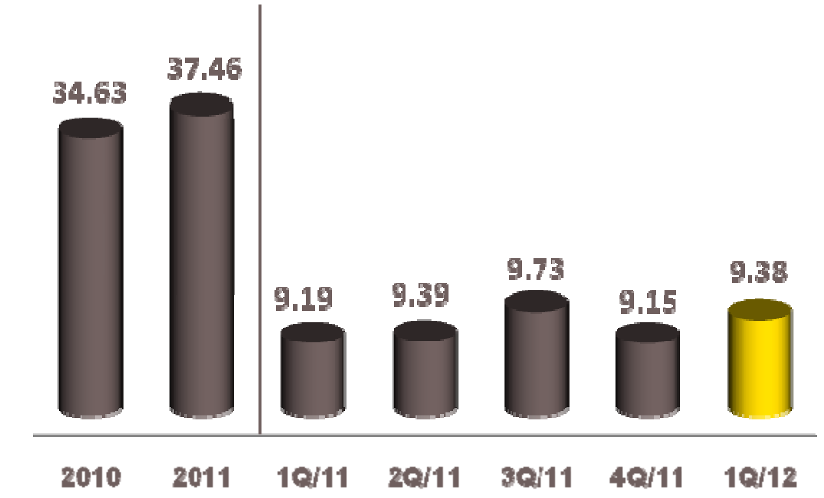
Consistent delivery and improvement

* *Impacted by floods & Deferred Tax Asset revaluation in 4Q/11*

Profitability Measurement …Steady Yields and NIM

Consolidated
(Baht Billion)

Net Interest Income

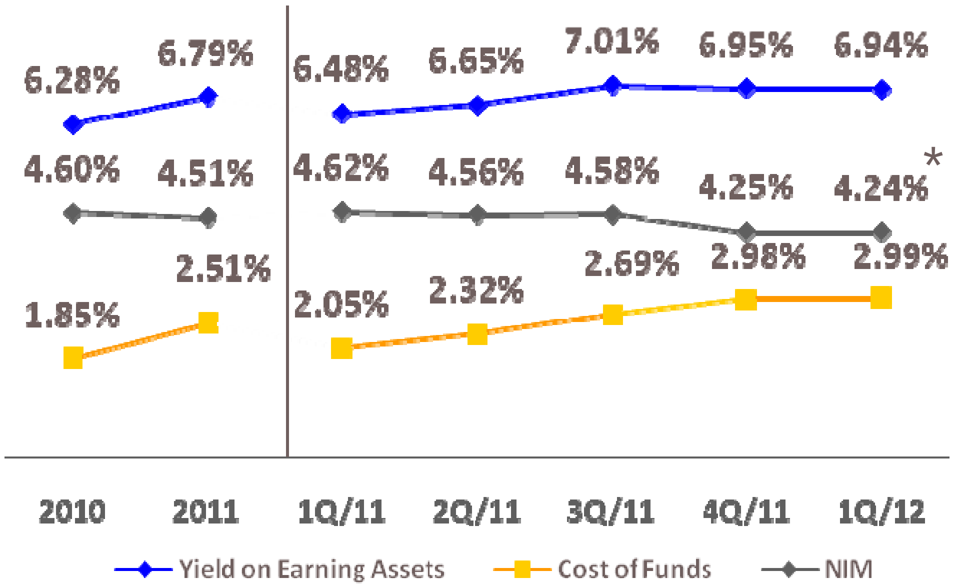


4.24%

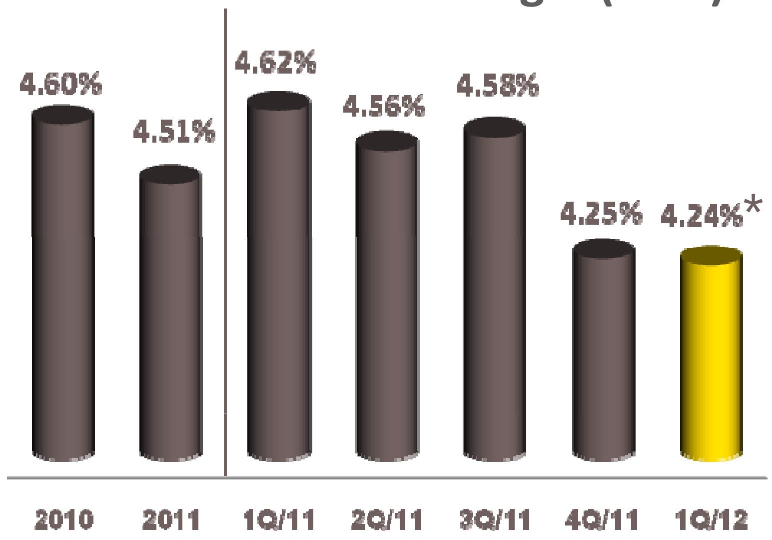
NIM remains strong

against new DPA rate impact, HSBC denominator effect, and flood impact

Yield & Cost of Funds



Net Interest Margin (NIM)

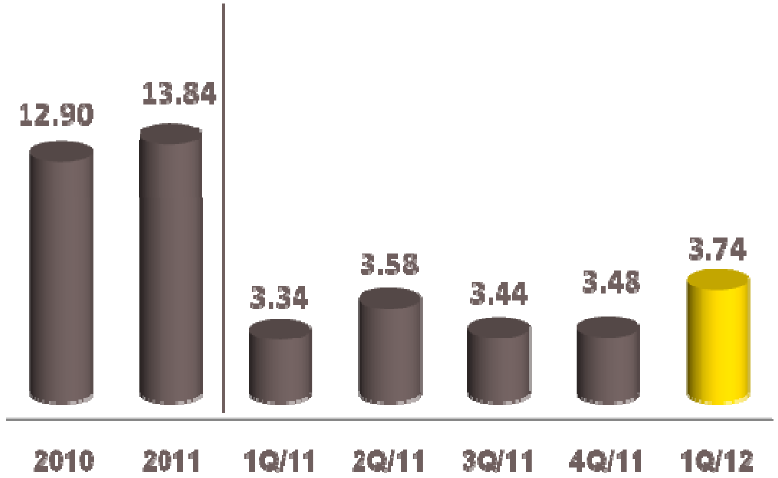


** 4.39 % Normalized NIM, excluding flood, HSBC denominator impact, and increased DPA fee accrual*

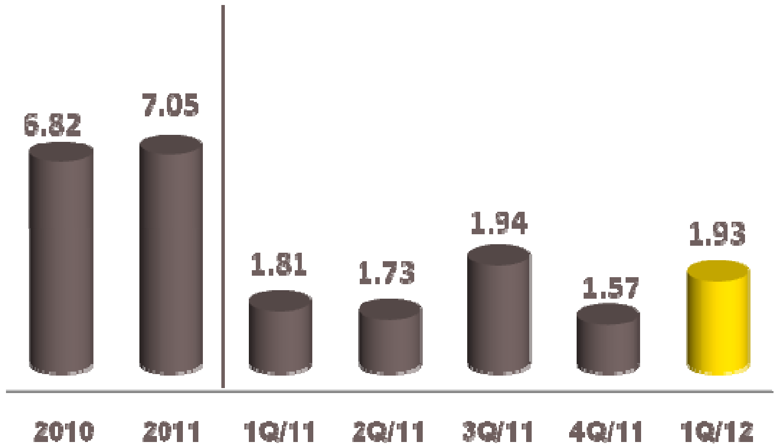
Fees and Service Income

Consolidated
(Baht Billion)

Fees & Service Income



Non-Interest and Non-Fee Income



Driven mainly by Bancassurance and Card Business **11.9%**

1Q12 YoY: Bancassurance ***+61%***

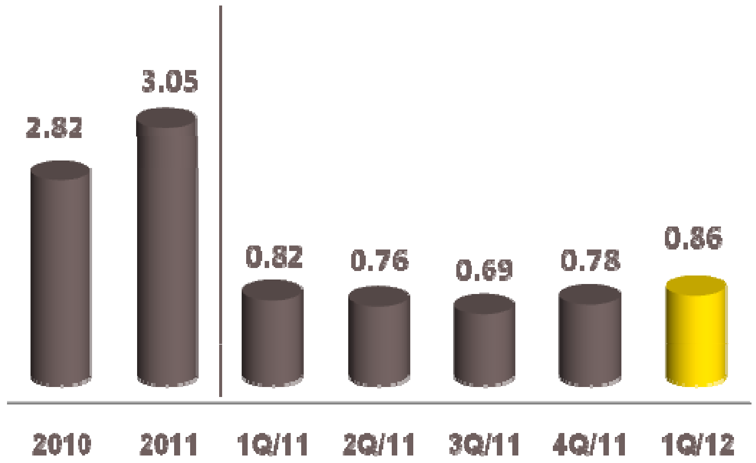
Net Fee & Service Income grew 14.0% YoY

Non-interest & Non-fee Income grew 22.9% QoQ

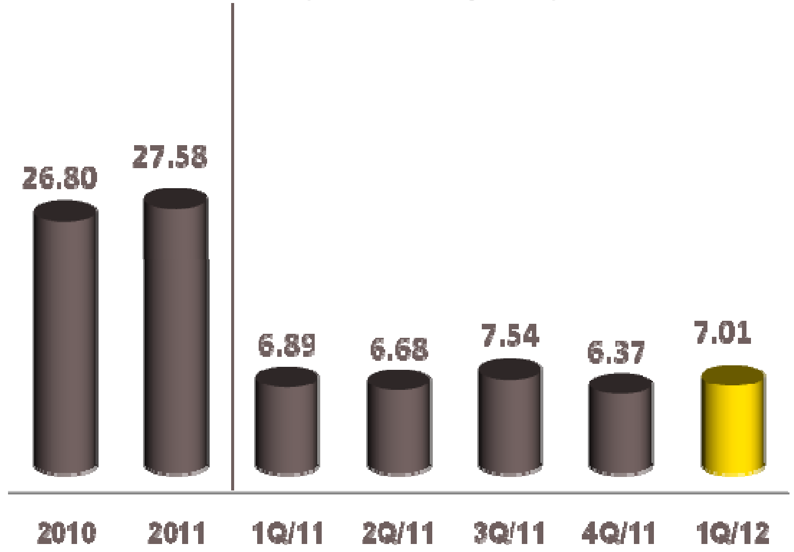
Improved Efficiency

Consolidated
(Baht Billion)

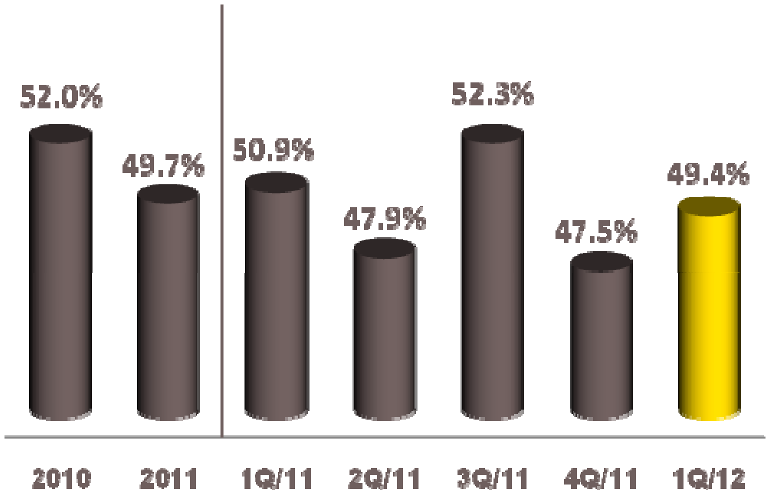
Fees and Service Expense



Other Operating Expenses



Cost to Income Ratio

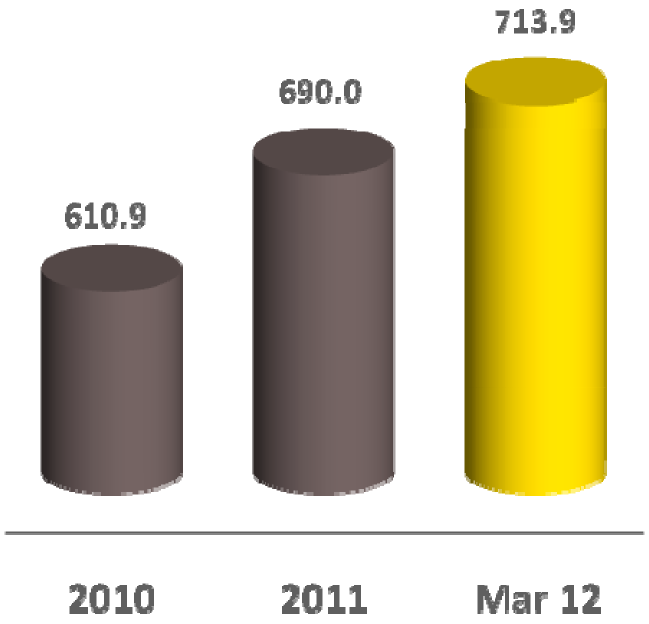


- *Continued drive for efficiency…*
- *1Q: Cost to income at* ***49.4%*** *reflecting continued investment on infrastructure*

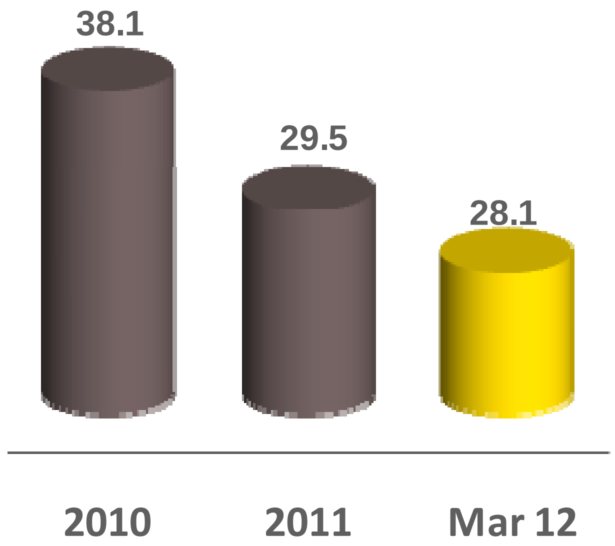
Loan Growth & Asset Quality Improvement

Consolidated
(Baht Billion)

Performing Loans



Non-performing Loans



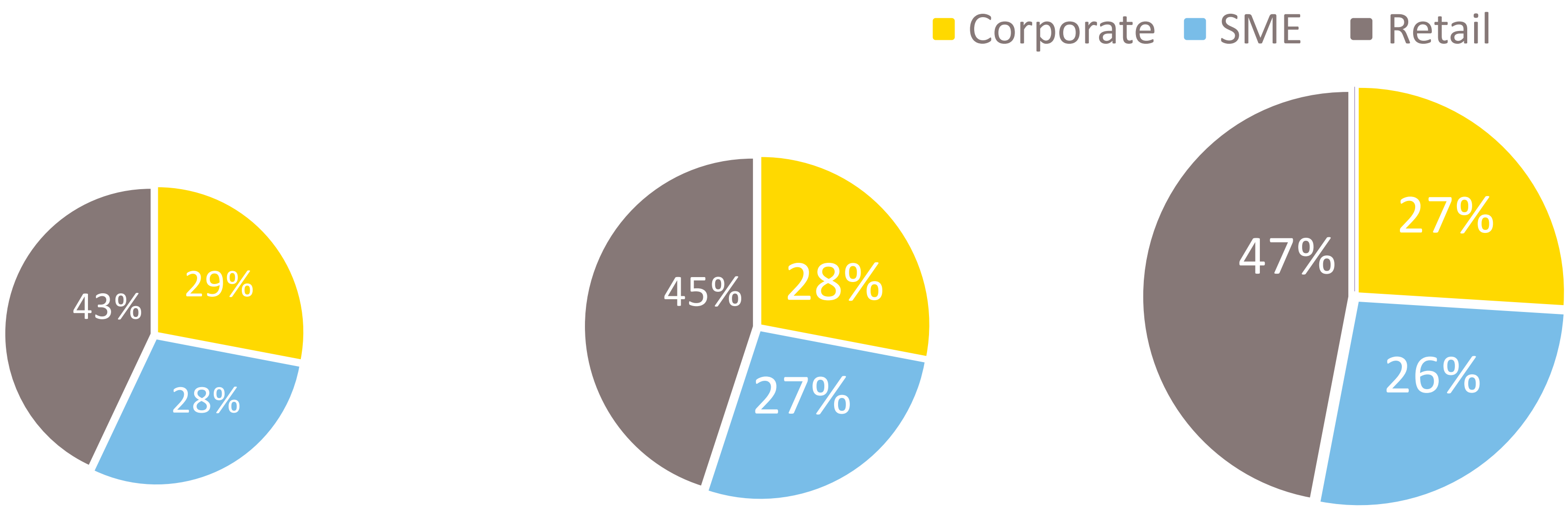
Performing Loans growth

grew steadily at **3.5%**
in 1Q/2012

NPLs reduced *4.9%*

*Successful NPL reduction of Baht **1.4** billion in 1Q*

Well-Balanced Portfolio: Retail Segment reaching …47%



2010 Baht 649.0 Billion

2011 Baht 719.5 Billion

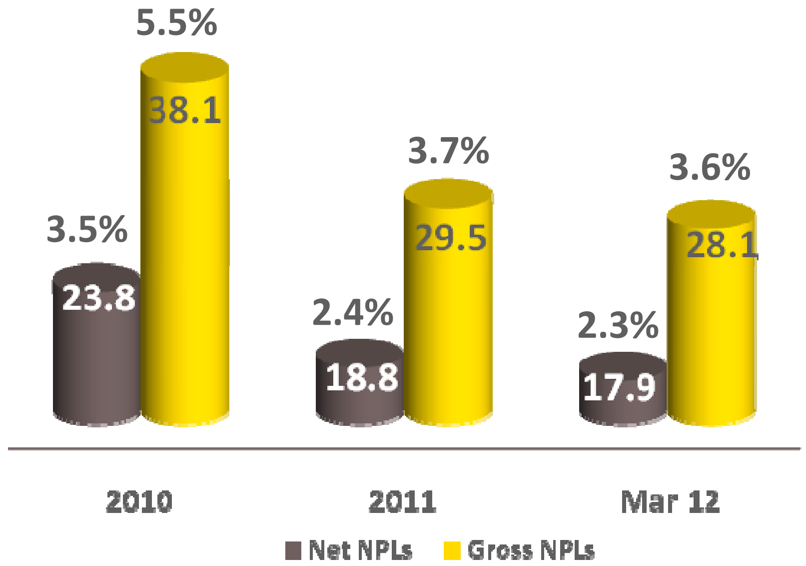
Mar 2012 Baht 742.0 Billion

Growth in 1Q/12				
	Retail	*+7.1%*	*+21%*	Y
	SME	*+2.4%*	*+7%*	O
	Corporate	*-2.5%*	*+6%*	Y

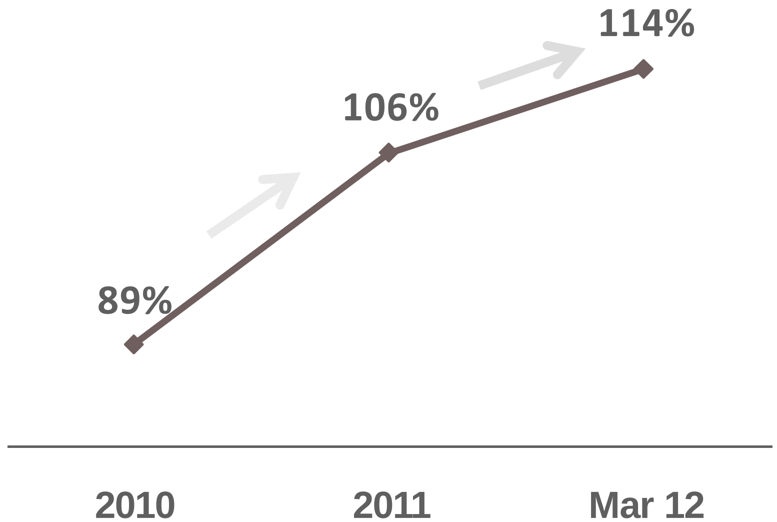
Asset Quality Continues to Strengthen

Consolidated
(Baht Billion)

NPLs

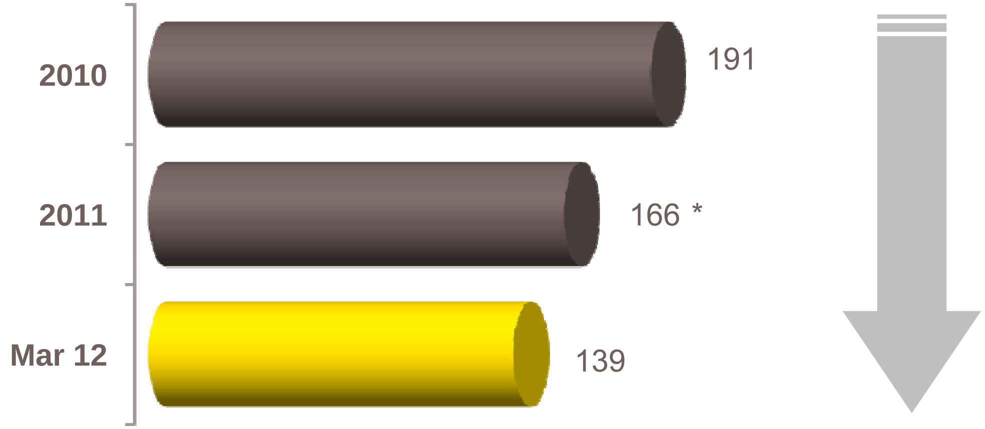


Coverage Ratio



Moving to normalized provision charge at *139 bps*

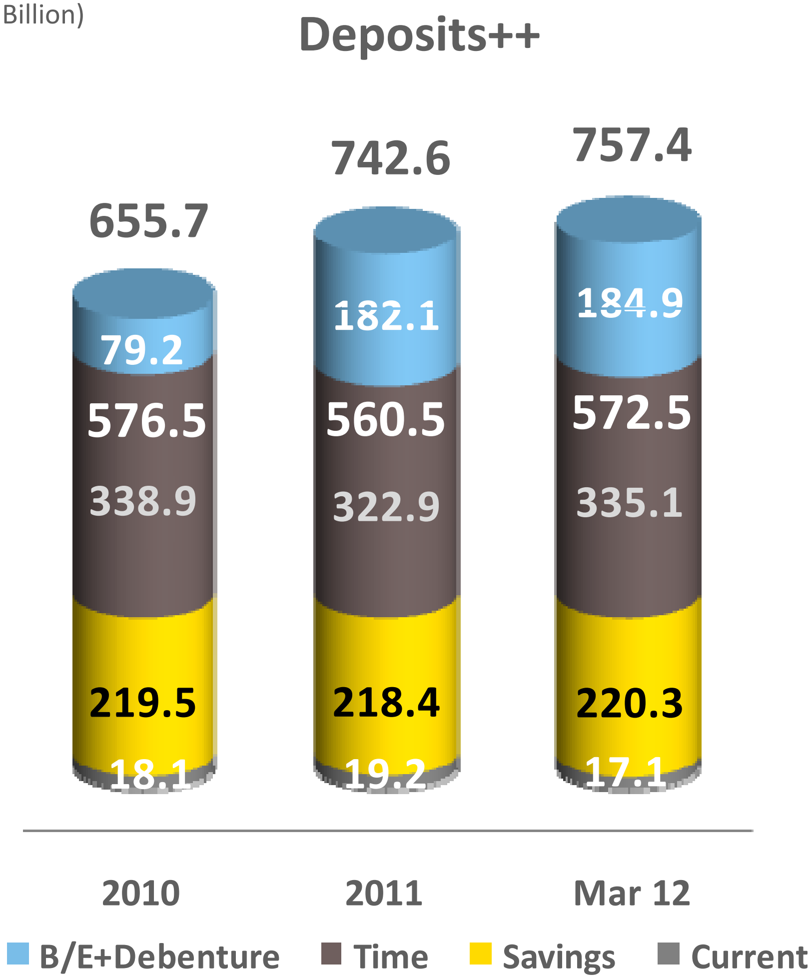
Provision / Loans (bps.)



*170 bps incl. flood

Strong Funding Base …Growing Funds for Growth

Consolidated
(Baht Billion)

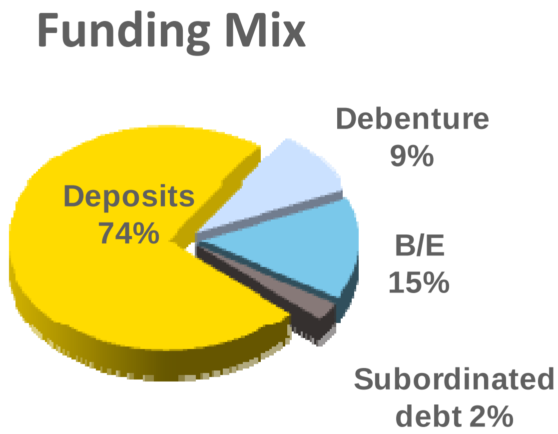


	2010	2011	Mar 12
L/D	113%	128%	130%
L/D+B/E+Debenture	99%	97%	98%

Deposit grew 2.1% QoQ

… amid highly competitive environment

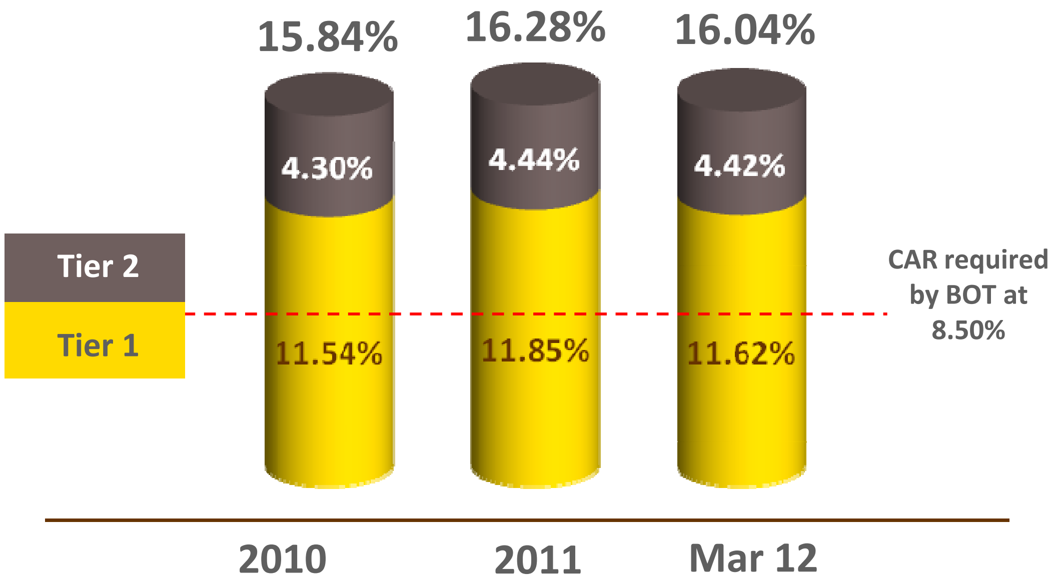
Shift towards more medium durations



Matched Funding Discipline remains in place

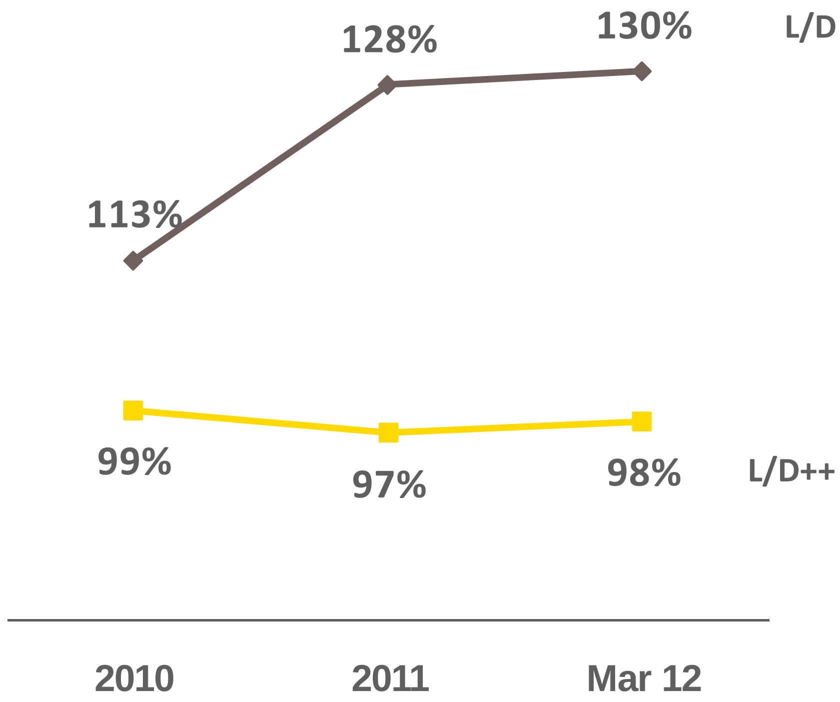
Capital and Liquidity

Strong Capital Base



Consolidated

Loan to Deposit



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

Baht Billion	2010	2011	Mar 12
Tier 1	79.90	80.84	80.84
Tier 2	29.78	30.28	30.78
Total Capital	109.68	111.12	111.62

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

2012 Key Performance Targets

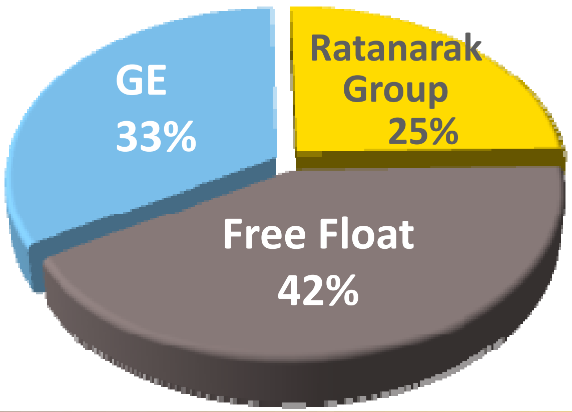
Consolidated	1Q/11	4Q/11	1Q/12	2012 Targets	Note
Loan Growth (Net)	+9.2 bn (+1.4%)	+22.4 bn +3.2%	+22.5 bn +3.1%	n.d	Strong 1Q growth amid seasonal slowdown typically observed for retail
Performing Loan Growth	+10.9 bn (+1.8%)	+25.6 bn +3.9%	+23.9 bn +3.5%	11%	
NPLs	36.5 bn	29.5 bn	28.1 bn	27 bn	NPL sharply reduced by 4.9% QoQ
NPL Movement	-1.7 bn (-4.4%)	-3.1 bn -9.6%	-1.4 bn -4.9%	n.d.	
Deposit Mix: Savings and Current	41%	42%	41%	45%	Continued focus area
Loan Mix : Retail	44%	45%	47%	46%	HSBC's & Auto HP drive
L/D Ratio	115%	128%	130%	n.d.	Managing growth with adequate liquidity
L/Deposit+Debentures+B/E	98%	97%	98%	96%	
NIM	4.6%	4.25%	4.24%	4.4%	Remaining steady
Fee income growth	4%	4%	12%	12%	Grew 7.4% QoQ
Cost to Income Ratio	50.9%	47.5%	49.4%	48%	Managing within plan
Provisions	167 bps	208 bps 166 bps**	139 bps	140 bps	Normalizing as planned
Loan Loss Coverage	92%	106%	114%	105%+	Tracking well
CAR *	16.8%	16.3%	16.0%	n.d.	Remains high

* Bank only
** Normalized rate excluding DRP (Debt Relief Program for floods in 4Q/11)

Krungsri Profile

Krungsri Group Overview

Shareholding Structure
(as of March 2012)

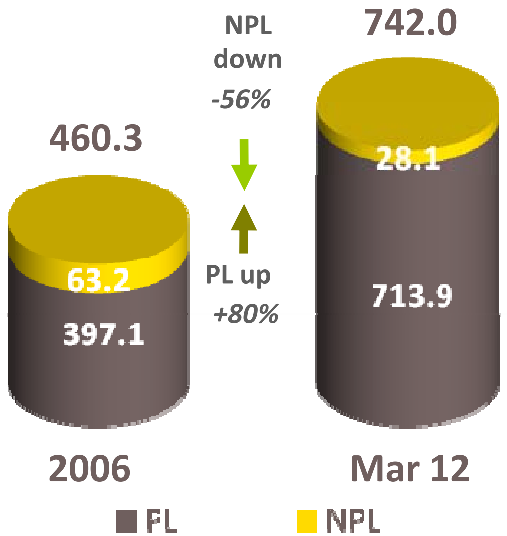


- Officially established in 1945
- 2007 : BAY and GE become strategic partners
- 2008 : Acquisition of GE Capital Auto Lease, subsequently renamed to Ayudhya Capital Auto Lease Pcl. (AYCAL)
- 2009 : Acquisition of AIG Retail Bank Pcl. and AIG Card (Thailand) Co., Ltd., subsequently renamed to Ayudhya 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**

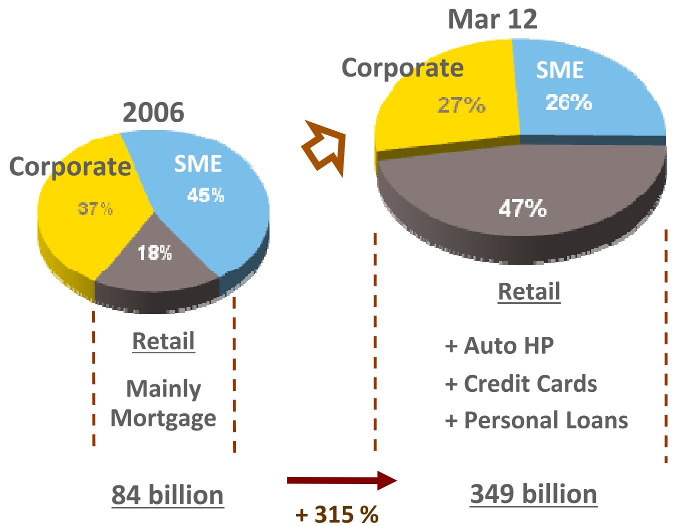
What We've Built So Far .....

Strong Growth Rate

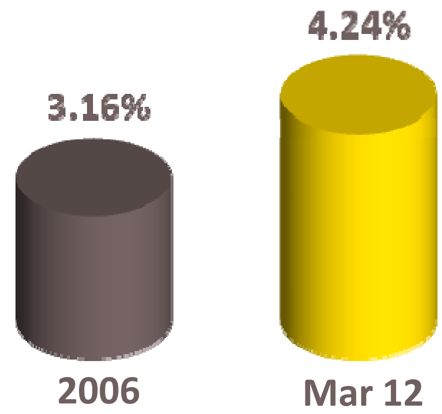
(Baht Billion)



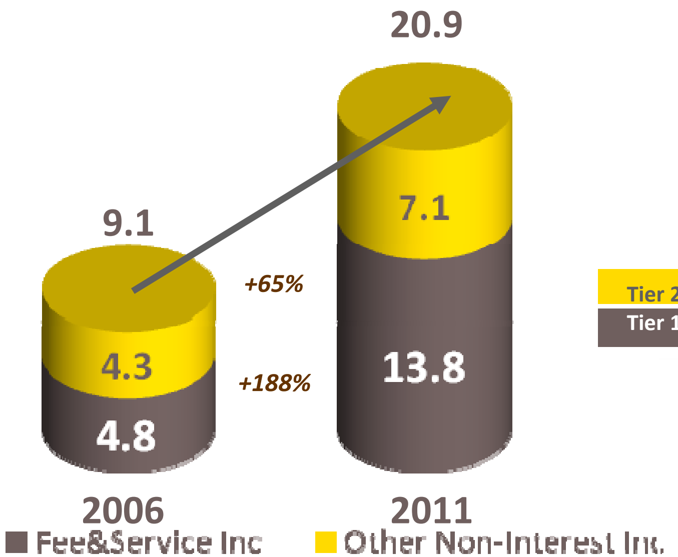
Better Loan Mix



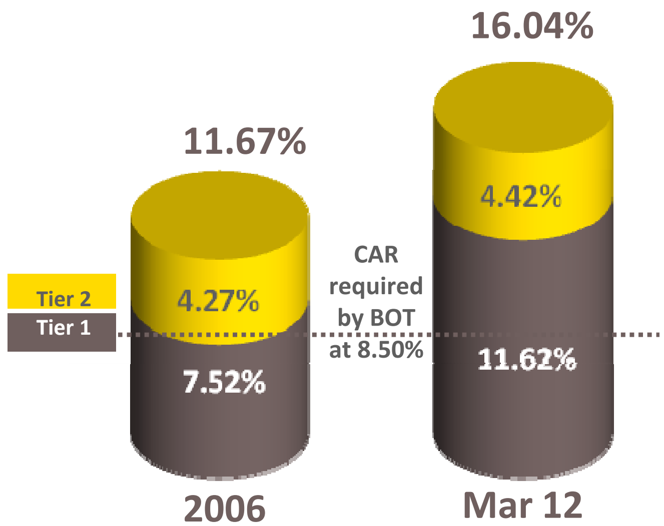
Improved NIM



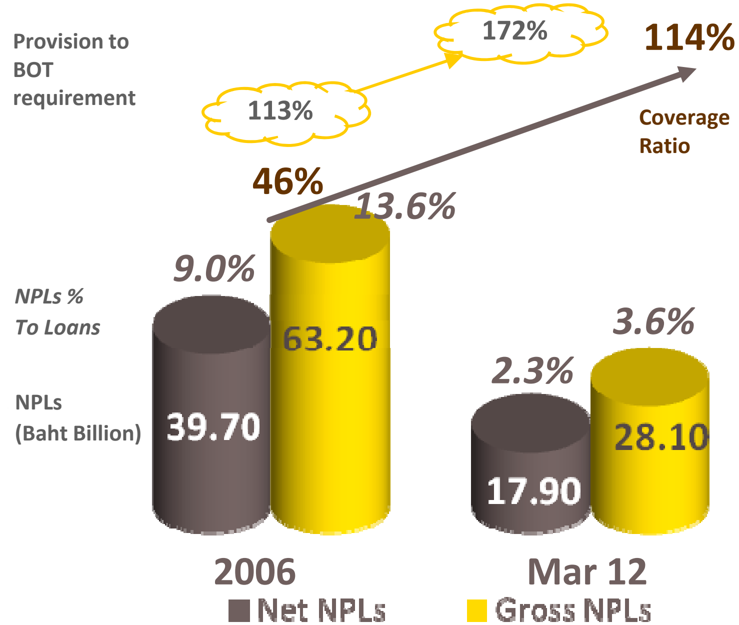
Non-Interest Income



Strong Capital Base



Asset Quality Improvement



Krungsri Group Profile

No. 1 in
consumer finance

4.8 MM cards
+ 520K (HSBC)

Leadership Position

As of March 2012	Market Position	% Share
Consumer		
Personal Loan	1	15%
Credit Card	1	23%
Auto (HP)	2	17%
SME	5	8%
Corporate	5	7%

Extensive Franchise

As of March 2012	Number
Domestic Branches	595
Overseas Branches	4
ATMs	3,948
Exchange Booths	67
Exclusive Banking Zones	19

As of March 2012	Number
Krungsri Business Centres	55
First Choice Branches + Dealers	27 Branches + 7,100 Dealers
Krungsri Auto Branches + Dealers	41 Branches + 5,300 Dealers
Micro Finance Branches	208

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