2011 Performance and 2012 Plan

20th January 2012

"Make Life Simple เรื่องเงิน เรื่องง่าย"

Agenda

Key Highlights in 2011…Key Wins and Headwinds

+13%
Performing Loan Growth

4.5%
NIM

49.7%
Cost to Income

-23%
NPLs

106%
Coverage

Net income before flood + DTA: THB 12.4 bn

581 mm
Flood Reserve

2.1 bn
Deferred Tax (DTA)

Net income after flood + DTA: THB 9.3 bn

Economic Conditions in 4Q/2011

Severe flooding and weaker global economic conditions resulted in a contraction of the Thai economy

GDP

	1Q11	2Q11
%yoy	3.2	2.6

Consumption

	Aug11	Sep11
%yoy	5.4	5.0

Investment

	Aug11	Sep11
%yoy	8.5	8.5

Manufacturing production index

	Aug11	Sep11
%yoy	6.8	-0.5

Industrial capacity utilization

	Aug11	Sep11
%	65.0	65.4

Export

	Aug11	Sep11
%yoy	31.1	19.1

Tourism

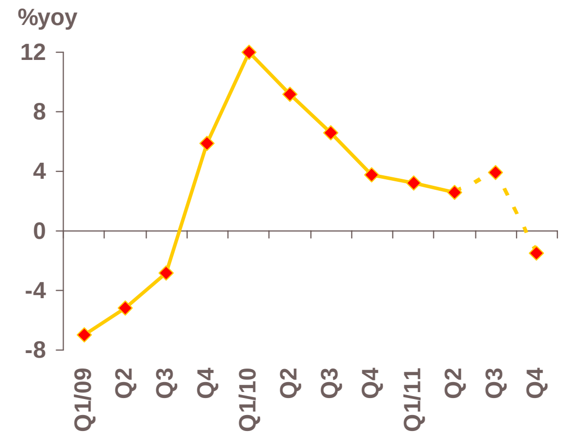
	Sep11	Oct11
%yoy	22.7	7.0

Dangerous Zone

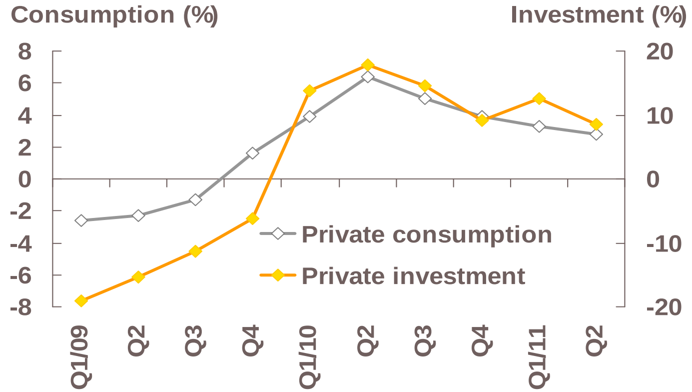
Close Watch

Promising Sign

GDP growth: hit by severe flooding

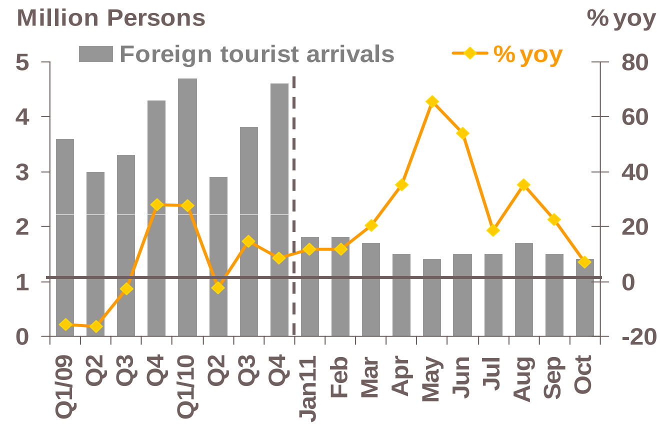


Domestic demand: losing momentum, awaiting confidence revival



Exports: decelerated by floods and weakening world economy

Tourism: short-term drop from floods



Source: Krungsri Research

Thailand's Flood Crisis & Economic Impact

GDP & inflation

2%

GDP shrank

4.2%

Inflation peaked

10%

Food prices rose

Factories & output

7

Big industrial estates impacted

13%-14%

Exports fell

Factory output sharply dropped

Tourism

63

Provinces inundated

20%

Tourist arrivals dropped

13

million Thais impacted

Krungsri

611

ATMs (16.5%)

74

Branches (12.5%)

…were closed at peak

Flood Relief Measures

Guiding Principles: Long term sustainability and commitment to our customers and employees

Action: Segmented packages for each portfolio

Customers

- Principal and interest grace period / tenor extension
- Reduced installments
- Reconstruction/rehabilitation financing
- Waiving of selected fees/charges

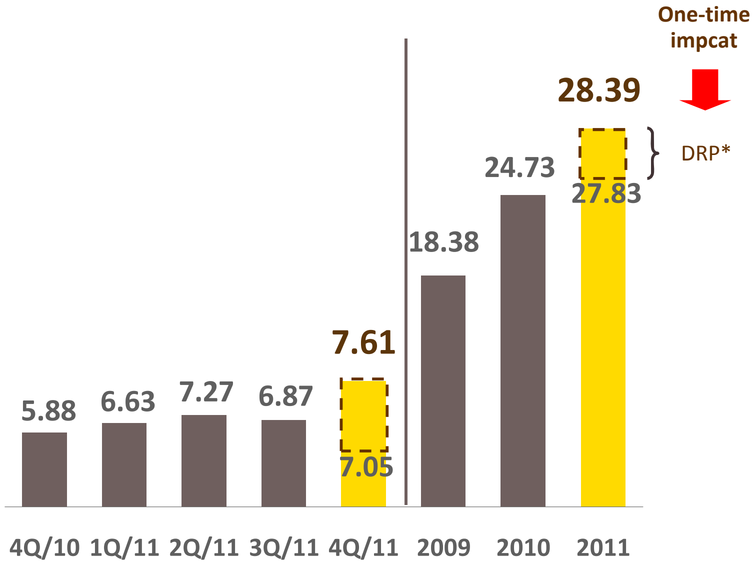
Employees

- Advance salary payments
- Emergency & immediate financial assistance
- Interest-free welfare loans to support rehabilitation and reconstruction
- More flexible working hours/work-from-home during peak

Profitability : Strong Core Banking Revenues Sustained

Consolidated
(Baht Billion)

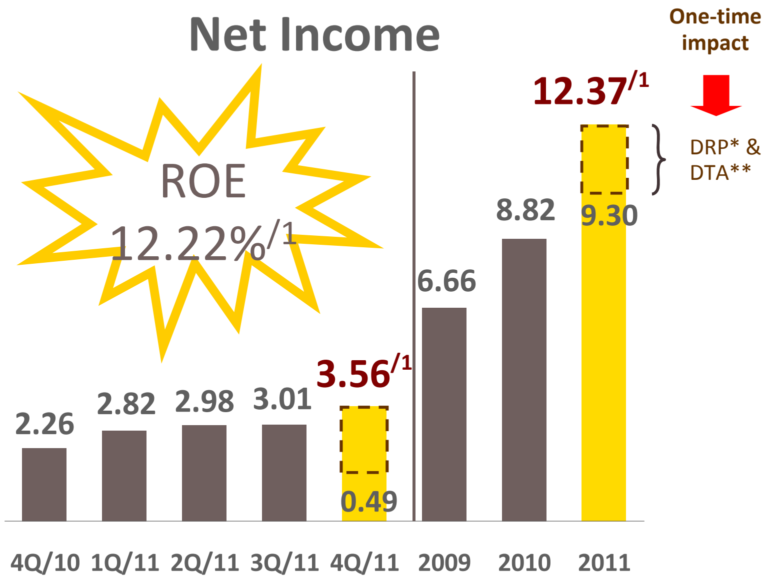
Profit before Provision and Tax



+ 14.8% 2011 YoY /1

+ 29% 4Q11 YoY /1

Net Income



+ 40.3% 2011 YoY /1

+ 58% 4Q11 YoY /1

/1 Excluding one-time impacts from floods and Deferred Tax Asset revaluation in 4Q/11

** DRP: Debt Relief Program*
*** DTA: Deferred Tax Asset*

Key Performance Targets … Delivered

	Consolidated	2009	2010	9M/11	2011	2011 Targets		Result Highlights
Loans	Performing Loan Growth	+49.5 bn +9.9%	+59 bn +11.0%	+54 bn +8.8%	+79 bn +13.0%	11%	✓	Strong growth without sacrificing yield
	Loan Mix : Retail	42%	43%	45%	45%	44%	✓	Balanced mix
Profitability	NIM	4.1%	4.6%	4.6%	4.5%	4.38-4.44%	✓	Maintained strong NIM
	Fee income growth	26%	38%	8.5%	7.3%	12%	~	Hindered by 4Q business disruption
	Cost to Income Ratio	56.4%	52.0%	50.4%	49.7%	53%	✓	Flexibility for cost control and management
Liquidity	Deposit Mix: Savings and Current	38%	41%	41%	42%	45%	~	Challenged by rising rates
	L/Deposit+Debentures+B/E	100%	99%	97%	97%	97%	✓	Sound liquidity
Asset Quality	NPLs	52.1 bn	38.1 bn	32.7 bn	29.5 bn	35 bn	✓	Improved asset quality
	Loan Loss Coverage	74%	89%	99%	106%	95%+	✓	Continuous improvement
	Provisions	168 bps	191 bps	162 bps	170 bps 158 bps**	160 bps	✓	Normalizing provisions
Capital	CAR *	14.2%	15.8%	16.3%	16.3%	n.d.	✓	Remained strong

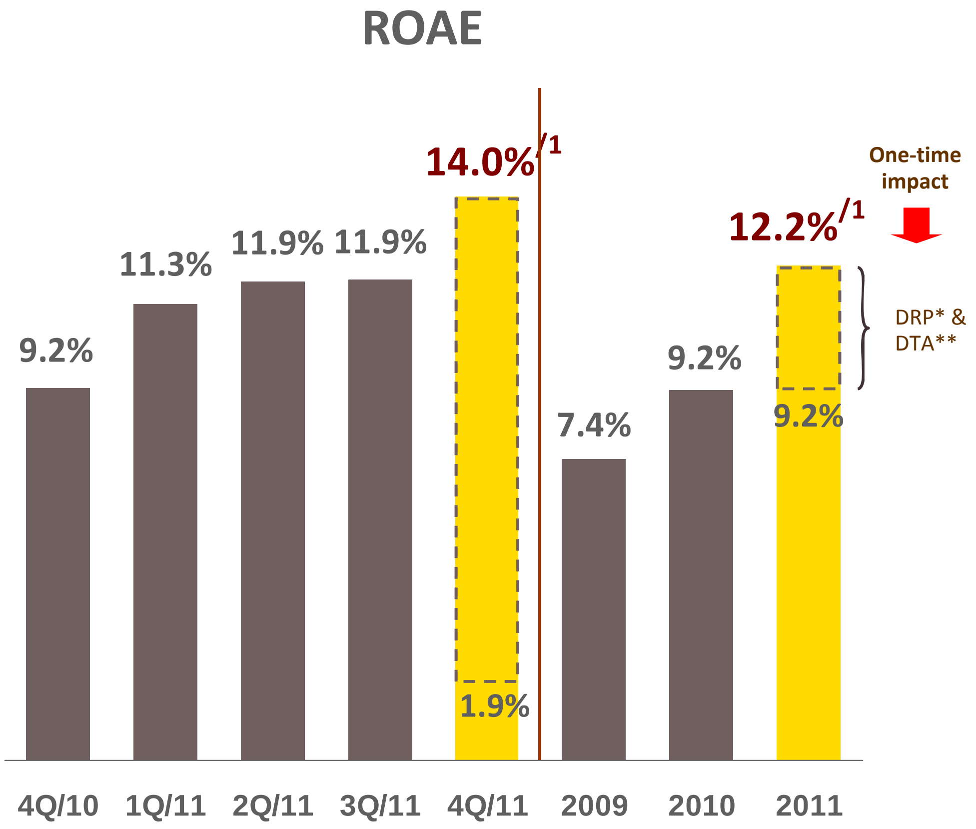
** Bank only*

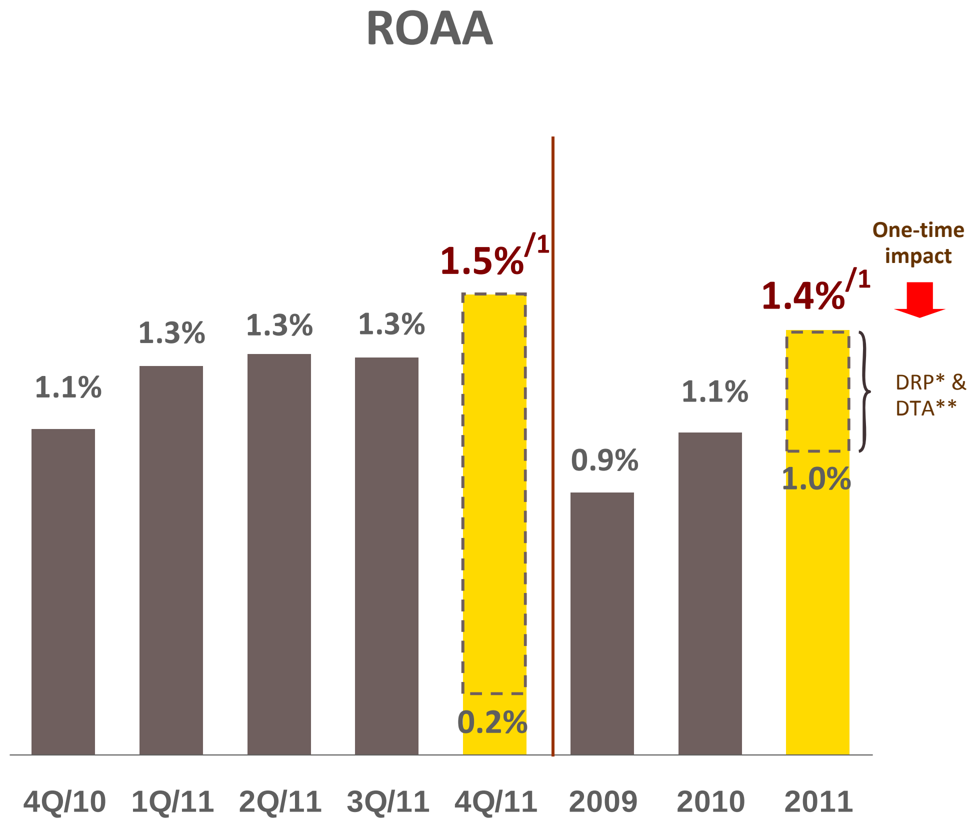
*** Normalized rate excluding DRP*

Financial Performance

ROAE & ROAA…

Consolidated





Consistent delivery and improvement

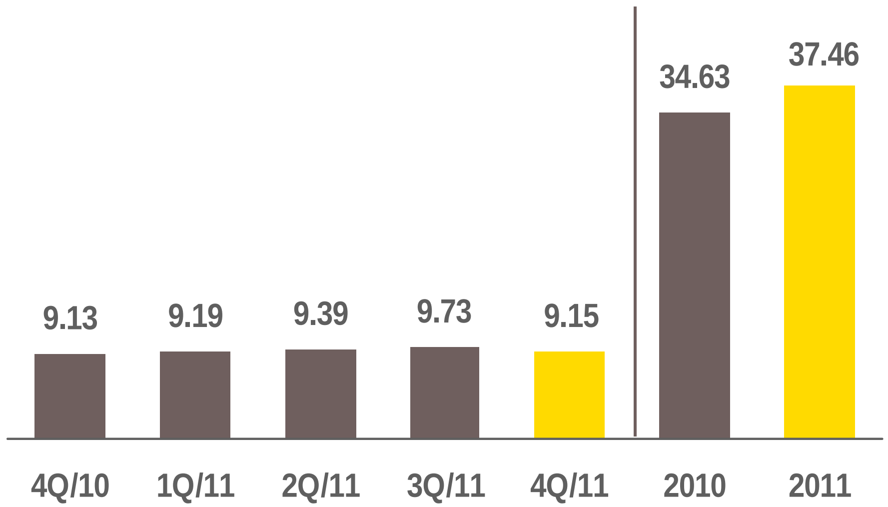
** DRP: Debt Relief Program*
*** DTA: Deferred Tax Asset*

[1] Excluding one-time impacts from floods and Deferred Tax Asset revaluation in 4Q/11

Profitability Measurement…4Q Debt Relief Program Impact

Consolidated
(Baht Billion)

Net Interest Income



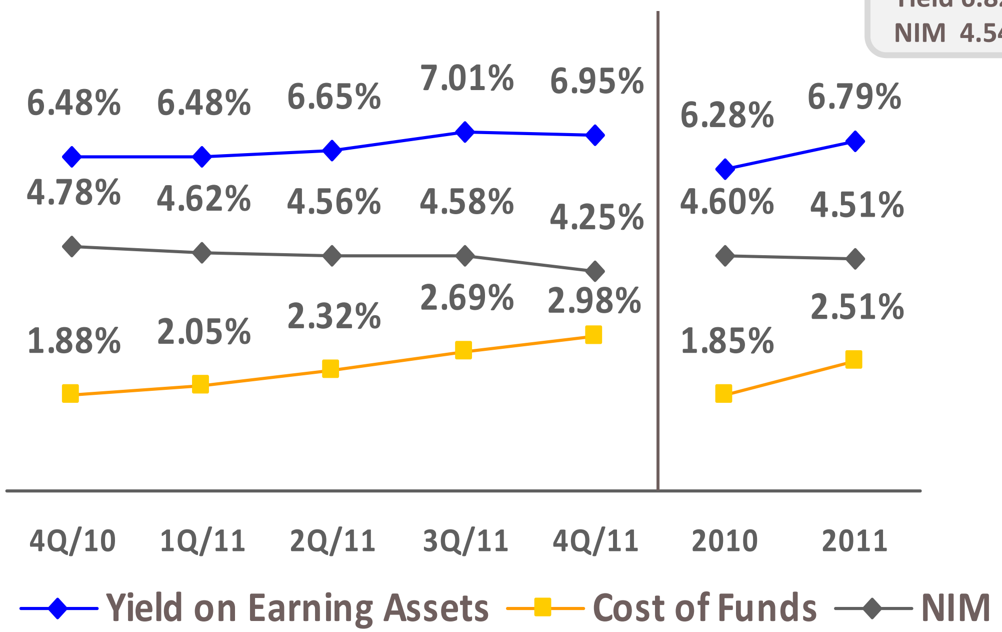
4.5%

Strong NIM

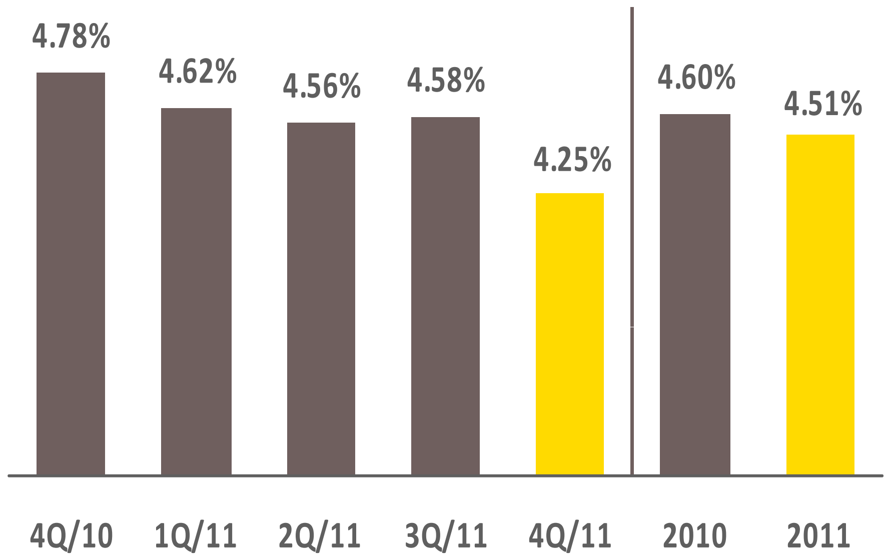
in a highly competitive
environment & with impact of floods

Yield & Cost of Funds

Normalized
Yield 6.82%
NIM 4.54%



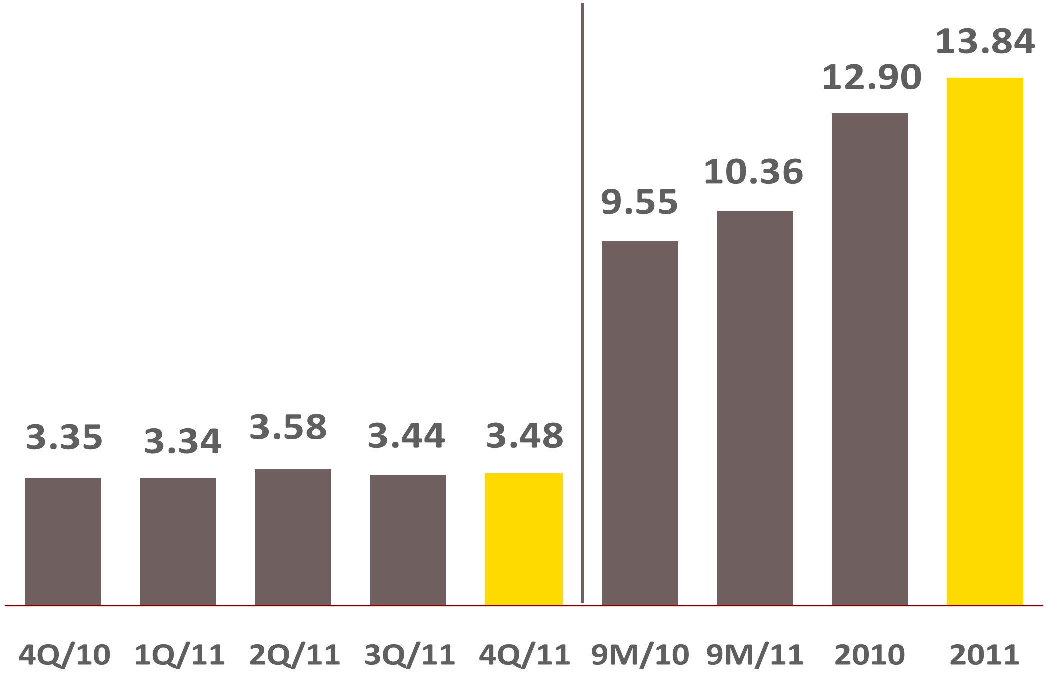
Net Interest Margin (NIM)



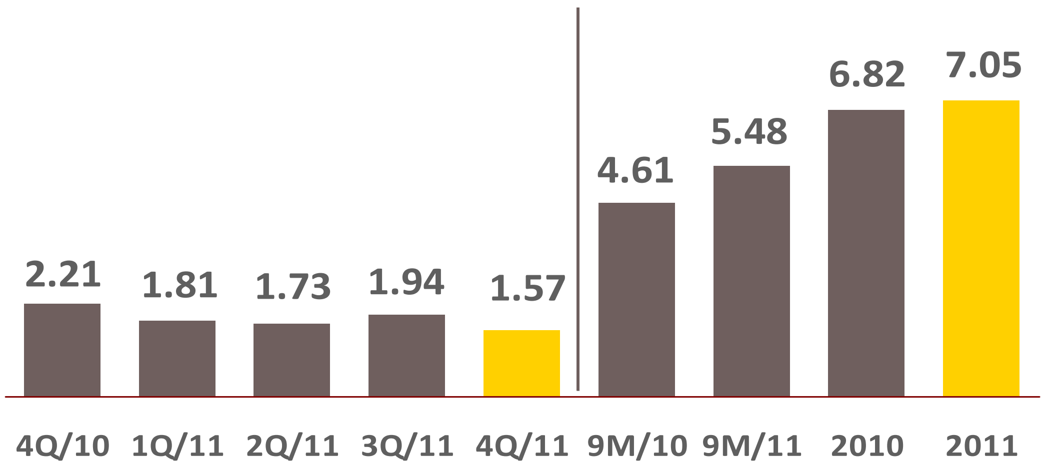
Fees and Service Income

Consolidated
(Baht Billion)

Fees & Service Income



Non Interest and Non Fee Income



2011 YoY

7.3%

Amid 4Q floods

Driven mainly by Bancassurance and card fees

2011 YoY: Bancassurance

+63%

2011 YoY: +3.4%

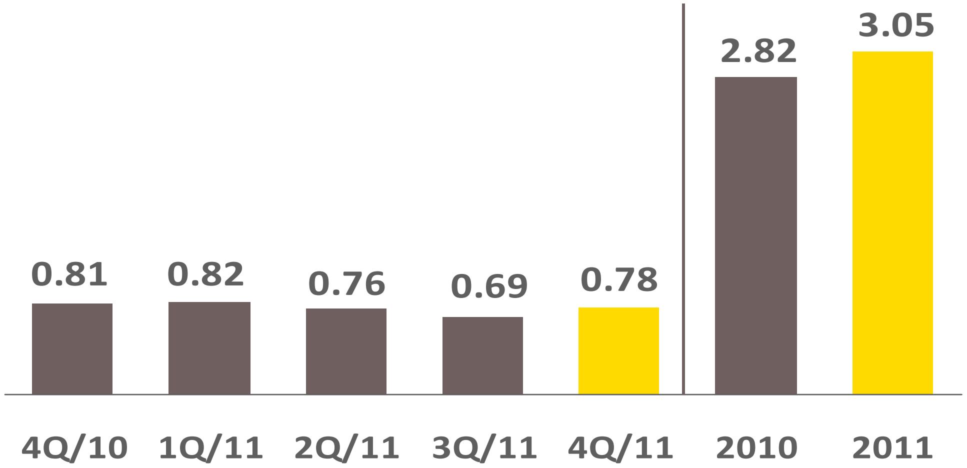
Gains on trading & Fx transactions

grew 67%

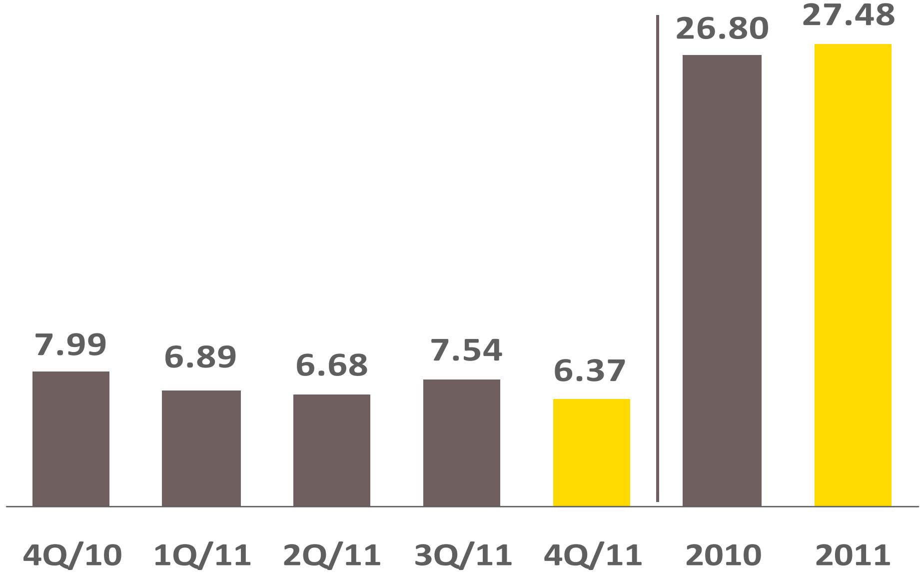
Improved Efficiency

Consolidated
(Baht Billion)

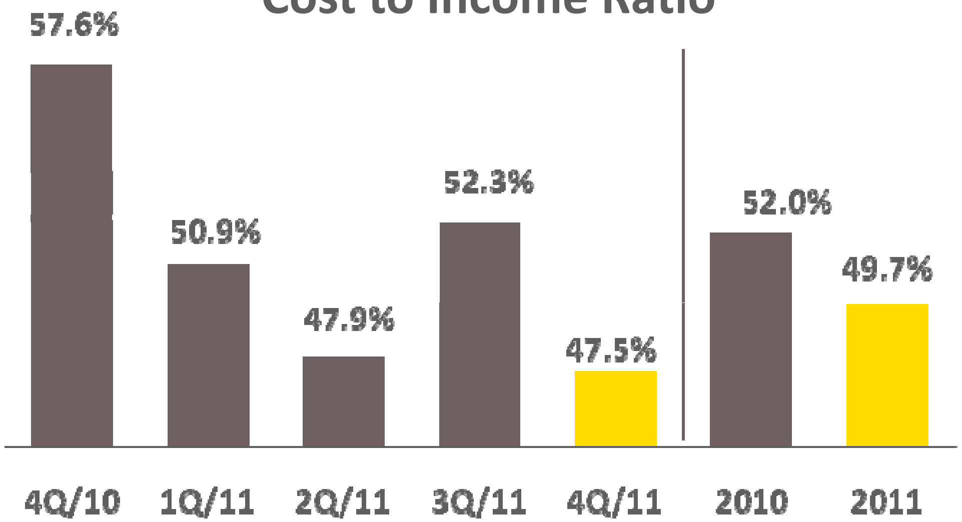
Fees and Service Expenses



Other Operating Expenses



Cost to Income Ratio

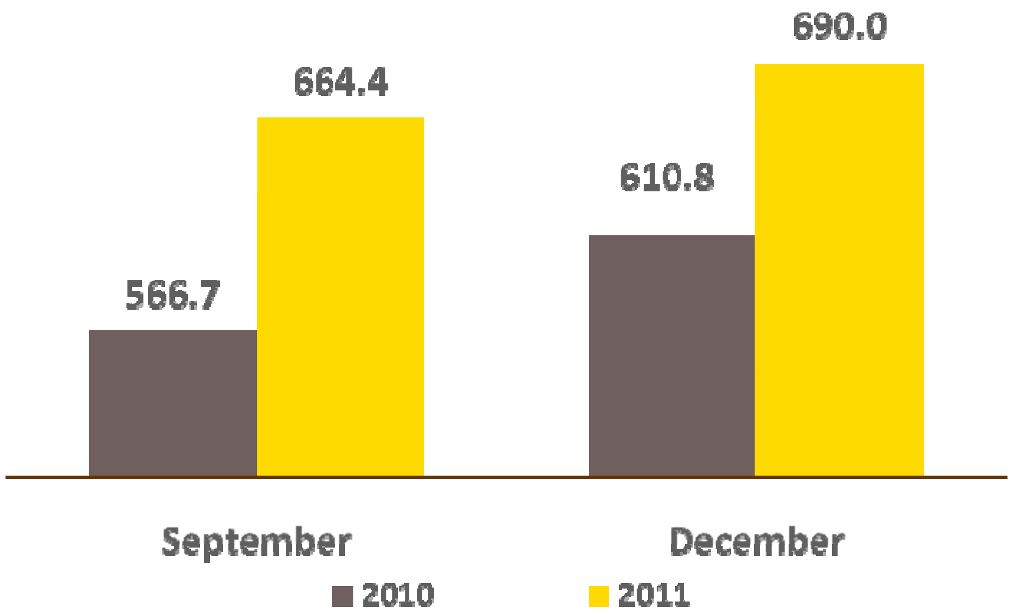


- *Continued drive for efficiency…*
- *4Q: Cost to income at* ***47.5%*** *reflecting effective cost management*

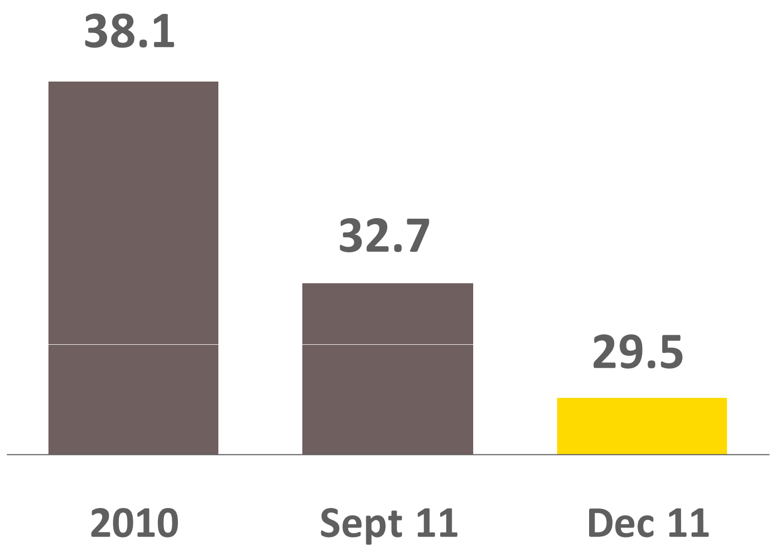
Loan Growth Momentum

Consolidated
(Baht Billion)

Performing Loans



Non-performing Loans



13%

Performing Loans growth

QoQ grew 3.9%...

against 4Q disruption

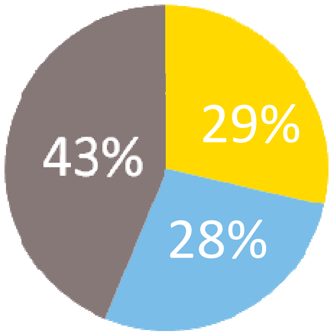
NPLs reduced *23%* *YoY*

9.8%* *QoQ

*Successful NPL sale of Baht **3.9** billion in 4Q*

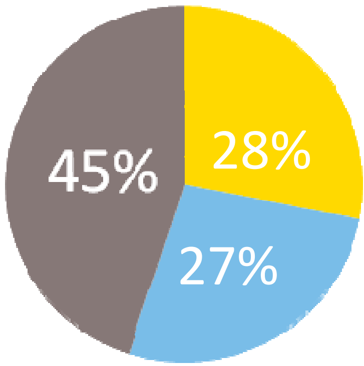
Strong and Balanced Loan Growth : Focusing on High Yield

Corporate SME Retail



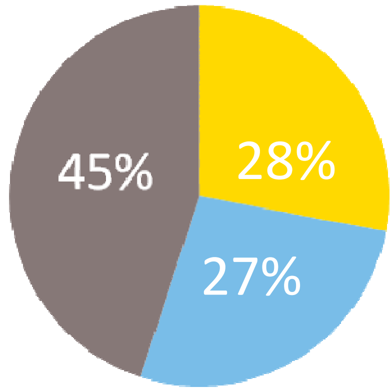
DEC 2010

Baht 649.0 Billion



SEP 2011

Baht 697.1 Billion



2011

Baht 719.5 Billion

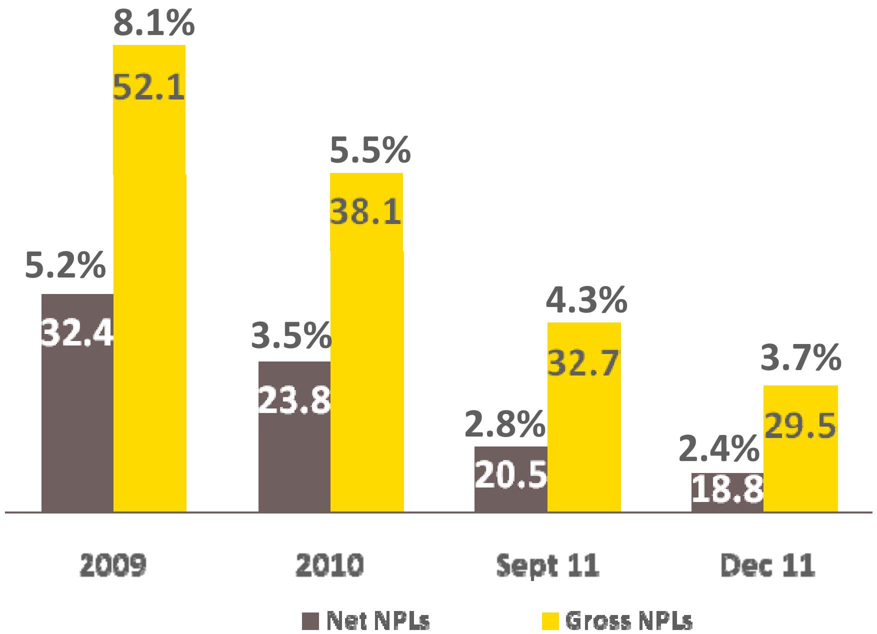
Growth in 4Q/11

• Retail	*+4.3%*	*+17%*	Y
• Corporate	*+3.6%*	*+7.5%*	o
• SME	*+1.0%*	*+4.9%*	Y

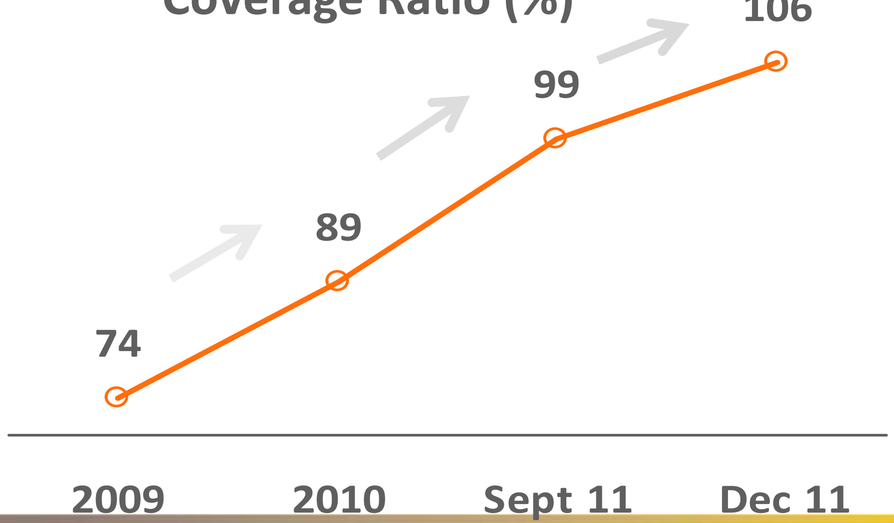
Asset Quality Continued to Strengthen

Consolidated
(Baht Billion)

NPLs

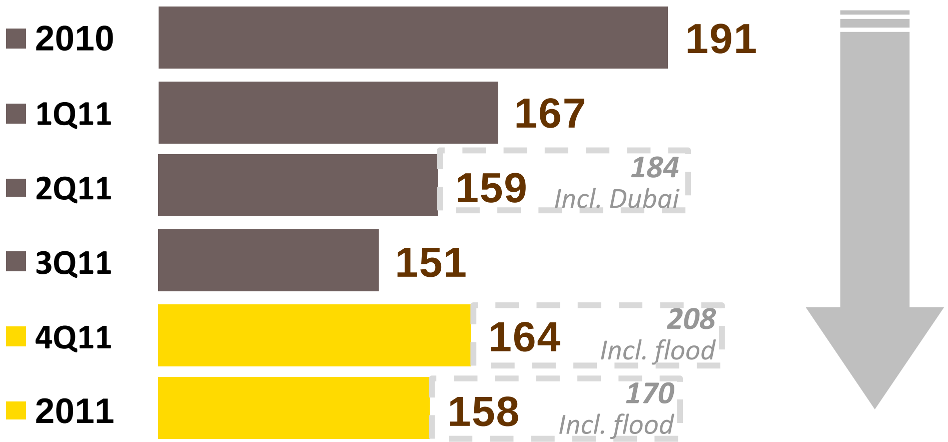


Coverage Ratio (%)



Normalizing provision charge

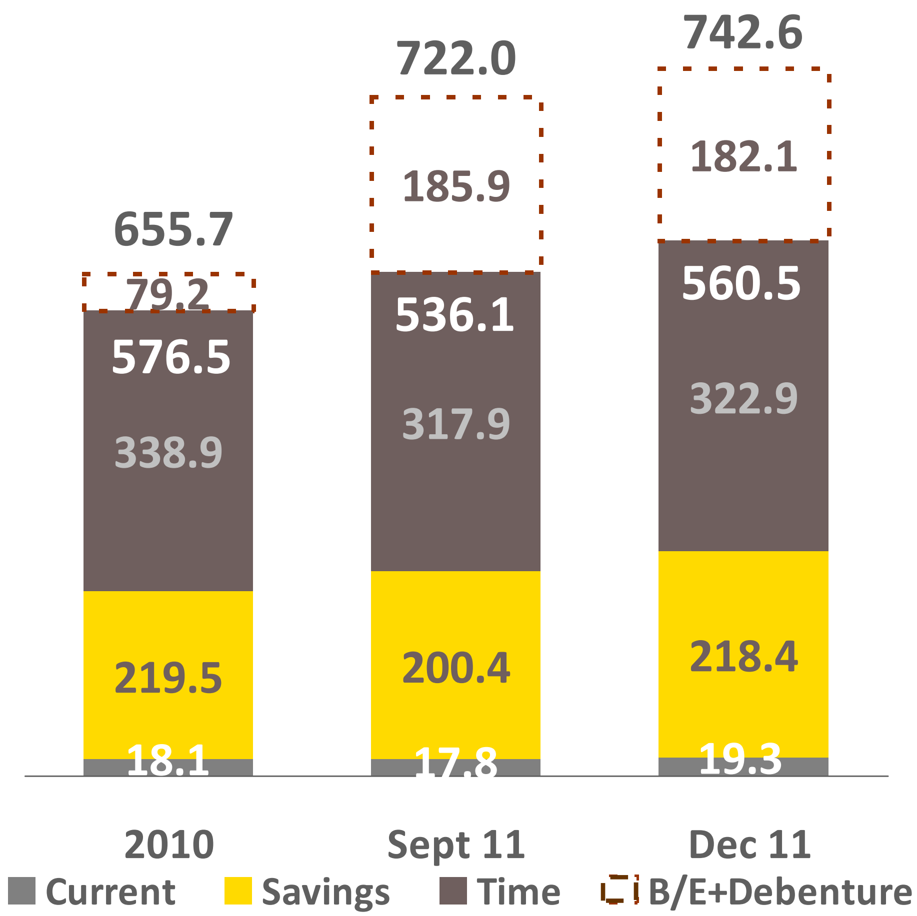
Provision / Loans (bps.)



Strong Funding Base…Actively Managed and Diversified

Consolidated
(Baht Billion)

Deposits++



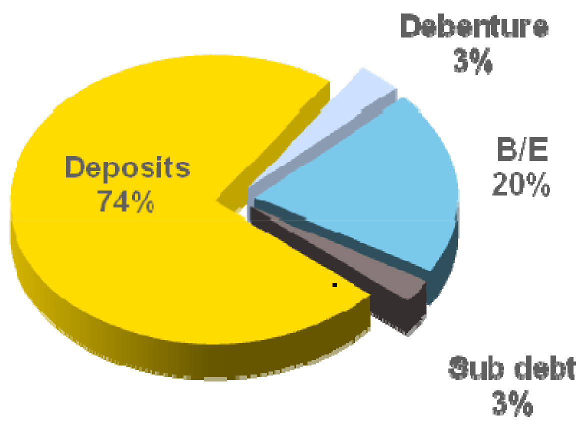
	2010	Sept 11	Dec 11
L/D	113%	130%	128%
L/D+B/E+Debenture	99%	97%	97%

Diversifying funding sources to improve cost effectiveness

Bills of exchange popularity grows strongly

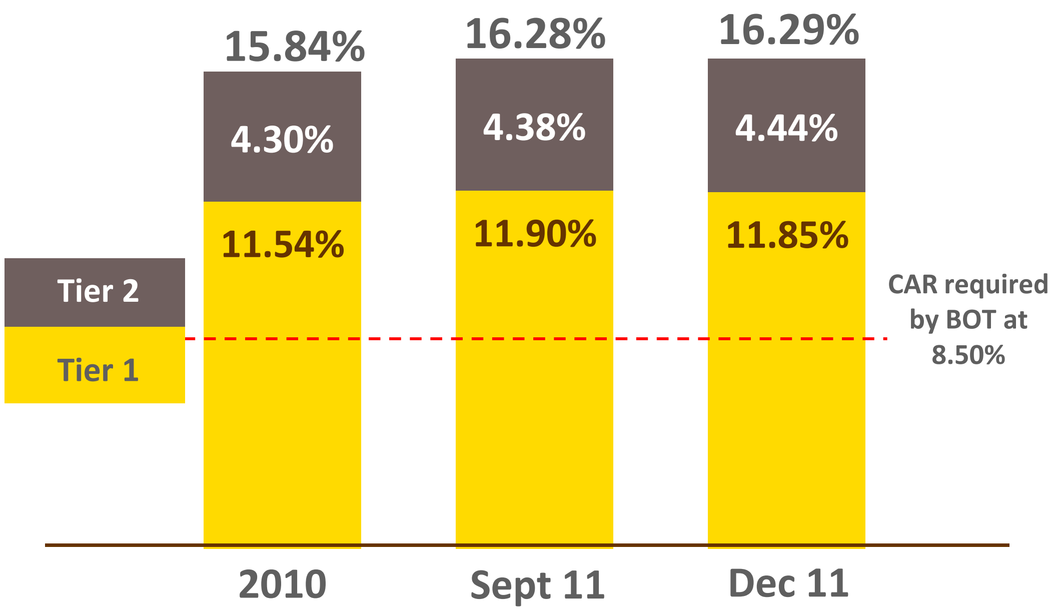
Funding Mix

As of Dec 2011



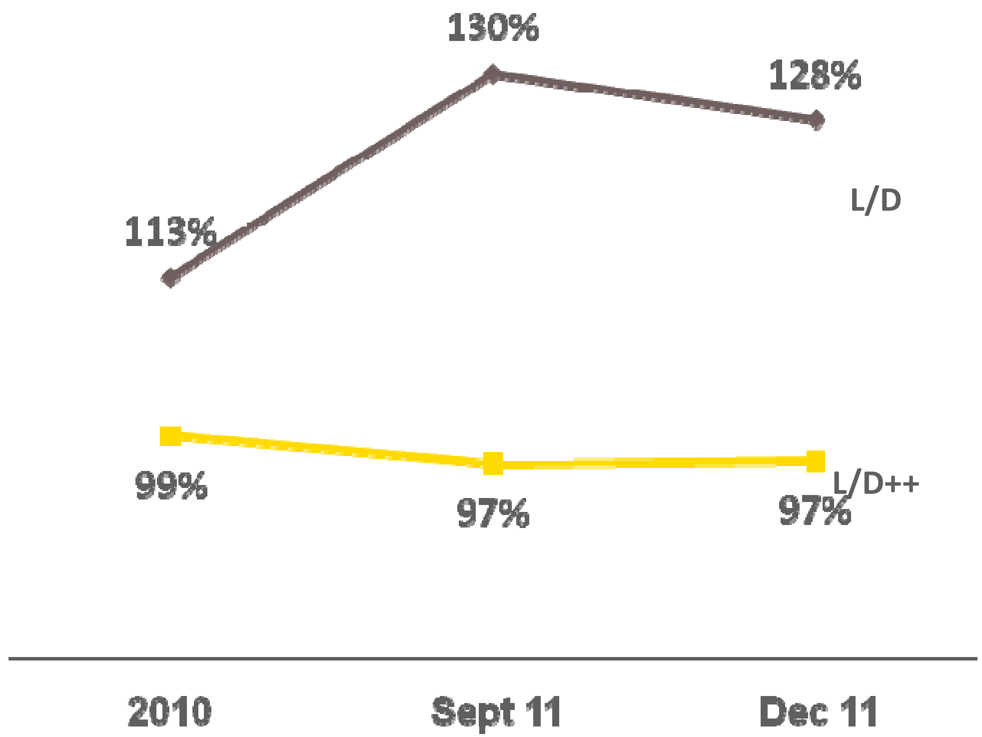
Capital and Liquidity

Strong Capital Base



Consolidated

Loan to Deposit



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

Baht Billion	2010	Sept 11	Dec 11
Tier 1	79.90	79.68	80.84
Tier 2	29.78	29.28	30.28
Total Capital	109.68	108.96	111.12

Maintaining solid capital base and liquidity to support growth agenda

2011 Priorities Update

One Krungsri ... Growth market leadership

krungsri Personal Loan

- Record new volume in Dec at THB 1.2 bn
- Record new volume for 2011 at THB 10.8 bn

krungsri Home Loan

- Record new volume in Dec at THB 2.9 bn
- Record new volume for 2011 at THB 26.2 bn
- 2011 loan growth at 11.4%

krungsri Auto

- Achieved THB 151 bn in loans in Dec, amid
  - Japan Tsunami
  - Thailand's floods

CAR4CASH

สินเชื่อเพื่อรถบ้าน CA$H 2CAR

krungsri Credit Cards

- Relaunched AIA Visa Credit Card
- "Largest Classic & Gold Credit Card Issuer Award" presented by VISA

One Krungsri … Growth market leadership

krungsri
Bancassurance & Money Transfer

- Record new highs in Dec 2011

krungsri
Banking SIM

- Average transaction is 3 times higher than other e-channels
- Average fee income is 160% higher than internet banking
- Transaction volume is 300% greater than mobile Banking

krungsri
SMS Banking

- Customer base grew 156%
- Fee income grew 188%
- Acquired new 465,000 accounts

Srisawad
Micro Finance

- Record new volume in Sep at THB 417 mn
- 62% new loan CAGR since acquisition
- Outstanding loans at THB 4.2 bn

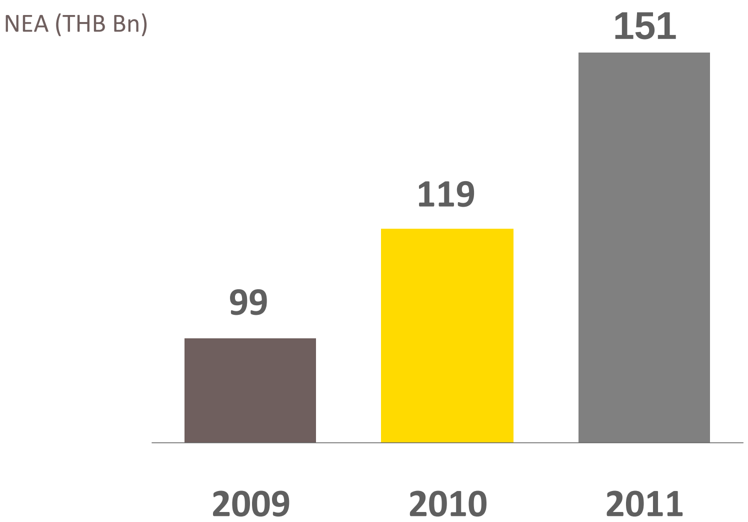
One Krungsri 2011… Priorities

One krungsri

1. People Transformation
2. Technology Transformation
3. Brand Positioning & Alignment
4. Branch Transformation

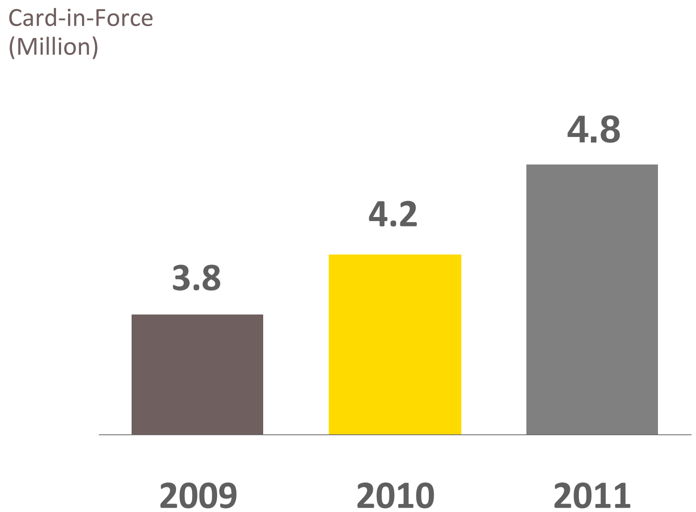
One Krungsri 2011 … Delivery

Krungsri Auto



- Krungsri Auto voted "Thailand Top 50 Superbrand" in 2011. First and the only HP company on the top 50

Krungsri Consumer Finance

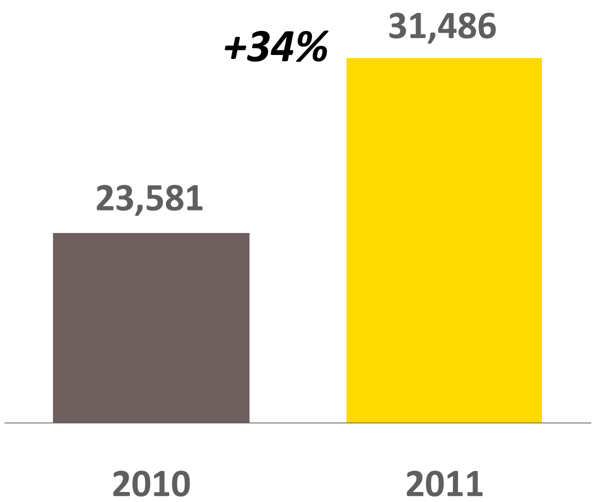


- The total card-in-force of all Krungsri Consumer reached 4.8 million cards
- Awarded "Largest Classic & Gold Credit Card Issuer"

One Krungsri 2011… Delivery

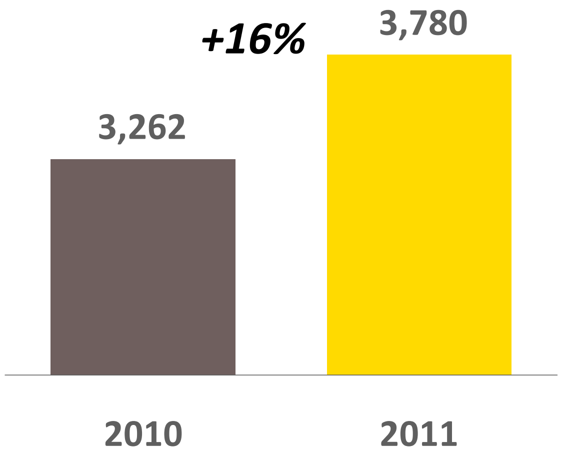
Wealth Management

AUM (THB Bn)

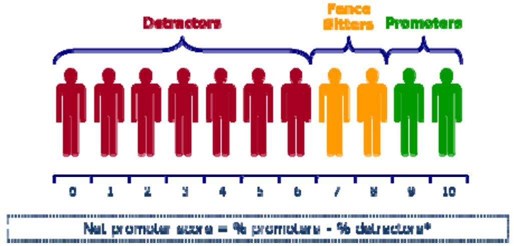


v.s. industry growth at ***2.48%***

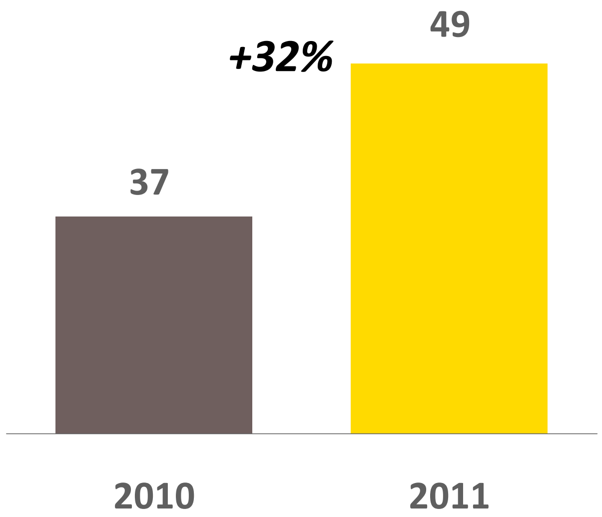
Number of ATM



Delivering higher growth in ATM fee income & faster payback period



NPS Score



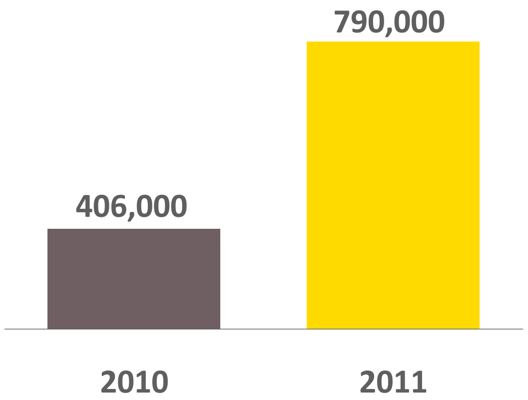
NPS: Net Promoter Score

Krungsri… continue to drive forward

One Krungsri 2011… Delivery

Online Banking

No. of customer

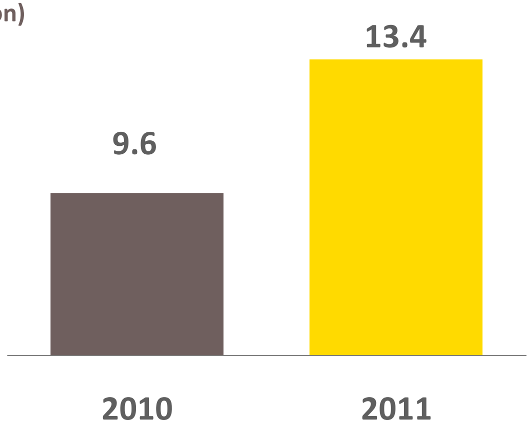


Exponential growth in online banking customers

grew 95%

www.krungsri.com

No. of page view
(Million)

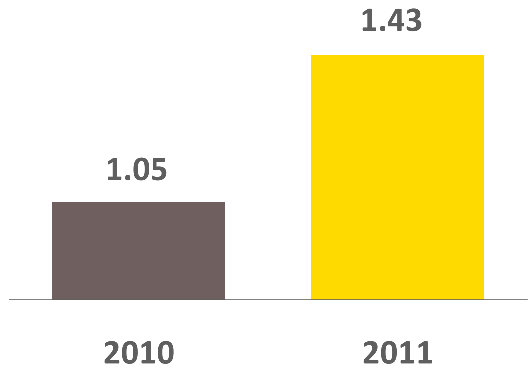


Significant growth in customer page visits/views

increased 40%

Internet Banking

No. of transaction
(Million)



Significant growth in online transactions

increased 36%

Krungsri… continue to drive forward

Superior Technology … Growth market focus

SMS Banking
- 557,000+ registrations

Mobile Banking
- 36,000+ registrations

Strong alternative channel expansion

Facebook / twitter
- 60,000+ Fans / 1,500+ followers

Internet Banking
- 400,000+ registrations

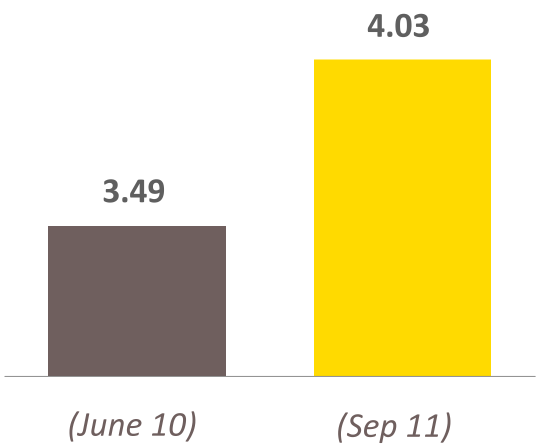
Krungsri Buddy
- > 3,000 uploaded in 1 month

Krungsri… continue to drive forward

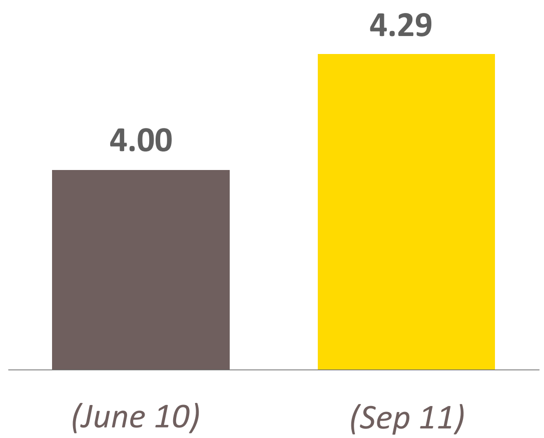
One Krungsri 2011 … Delivery

GALLUP

Employee Engagement



Employee Satisfaction



Strategies & Plan for 2012

2012 Operating and Regulatory Environments

Tailwinds

Corporate Tax cut

GDP at 4.5%

Government investment in infrastructure projects

Tax incentive for 1st home & auto buyers

Rice pledging scheme

Rehabilitation/ Reconstruction Spending

Wage / Salary hikes

Sector loan growth at 8-10%

High commodity and agriculture price

"Mixed"

Liberalization of Financial Sector

Policy Rate

Headwinds

Oil fund suspension

DPA Fees

US & Euro Zone Effects

Increase in LPG price

New Regulation on B/E

SFI Competition

Economic outlook

2011 – 2012 Key Economic Forecasts

%Change	2010	2011 Forcast*	2012 Forecast*
GDP	7.8	1.6	4.0 – 5.0
Consumption	5.1	1.8	3.8 – 4.8
Investment	9.4	4.0	9.5 – 11.5
Exports (%chg. In USD terms)	28.5	17.0	70 – 9.0
Headline Inflation	3.3	3.9	3.0 – 4.0
Unemployment Rate (% of labor force)	1.0	0.9 – 1.0	0.8 – 0.9
Policy Interest Rate (%, end of period)	2.00	3.25	3.00

**Source: 2011 – 2012 forecast by Krungsri Research*

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 8 – 10%

2012.....Focus

Flood

✓ Managing through the impact

SME

✓ Product & Service build

X-sell & Promotion

✓ Multi products sign up from all group entities

CASA

✓ Getting to 45% & beyond

Efficiency

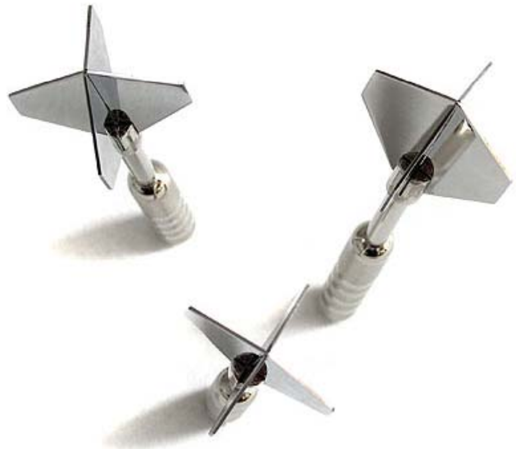
✓ Doing things smarter and cheaper

Digital & e-Banking

✓ Removing the paper & increasing our speed

Fee Income

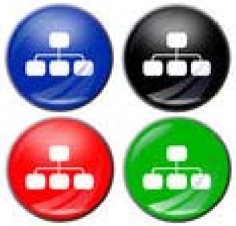
✓ Growth & Focus



2012.....Focus

Branding

Innovations & Simplicity



Simple Structure

Distribution

Technology

People

Business Development

2012 Key Performance Targets

Consolidated	4Q/10	4Q/11	2010	2011	2011 Targets		2012 Targets
Loan Growth (Net)	+37.5 bn +6.1%	+22.4 bn +3.2%	+45.5 bn +7.5%	+70.6 bn +10.9%	n.d.	n.d.	n.d
Performing Loan Growth	+44.1 bn +7.8%	+25.6 bn +3.9%	+59 bn +11.0%	+79.2 bn +13.0%	11%	✓	11%
NPLs	38.1 bn	29.5 bn	38.1 bn	29.5 bn	35 bn	✓	27 bn
NPL Movement	-6.6 bn -14.7%	-3.1 bn -9.6%	-13.9 bn -26.8%	-8.6 bn -22.6%	-3.1 bn	✓	n.d.
Deposit Mix: Savings and Current	41%	42%	41%	42%	45%	~	45%
Loan Mix : Retail	43%	45%	43%	45%	44%	✓	46%
L/D Ratio	113%	128%	113%	128%	110%	~	n.d.
L/Deposit+Debentures+B/E	99%	97%	99%	97%	97%	✓	96%
NIM	5.2% / 4.8%	4.3%	4.6%	4.5%	4.38-4.44%	✓	4.4%
Fee income growth	13%	4%	38%	7.3%	12%	~	12%
Cost to Income Ratio	62.02% / 59.9%	47.5%	52.0%	49.7%	53%	✓	48%
Provisions	194 bps	208 bps 164 bps**	191 bps	170 bps 158 bps**	160 bps	✓	140 bps
Loan Loss Coverage	89%	106%	89%	106%	95%+	✓	105%+
CAR *	15.8%	16.3%	15.8%	16.3%	n.d.	n.d.	n.d.

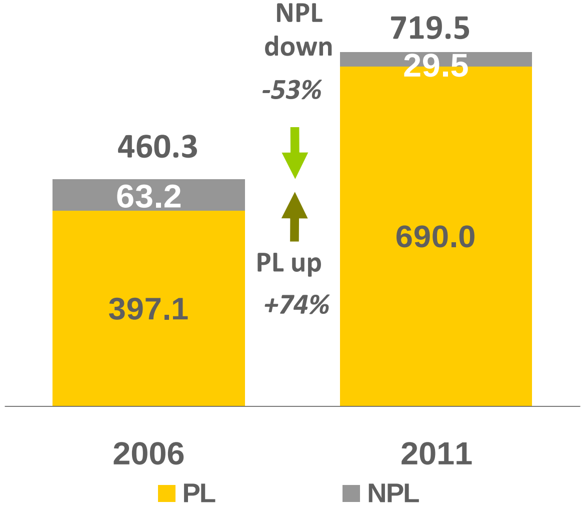
* Bank only

** Normalized rate excluding DRP

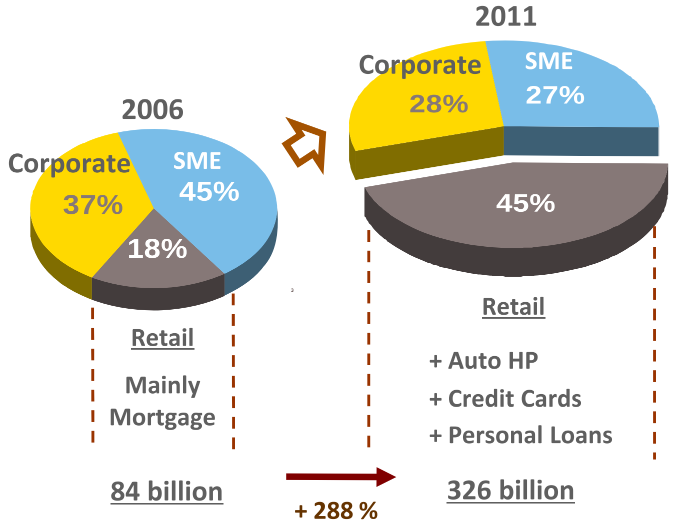
Enhancing Shareholder Value

Strong Growth Rate

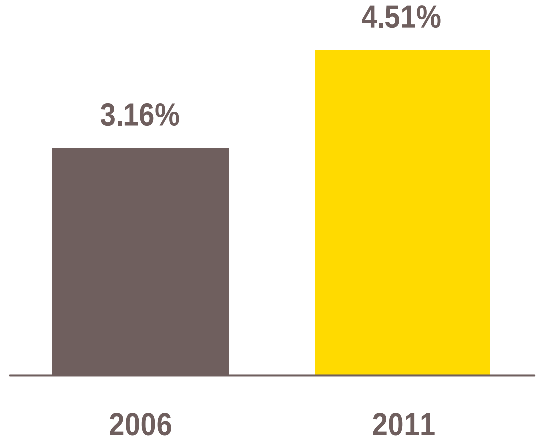
(Baht Billion)



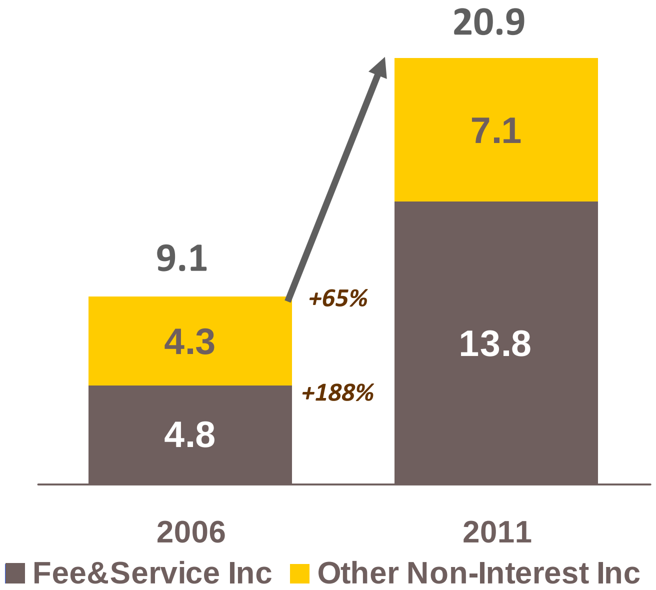
Better Loan Mix



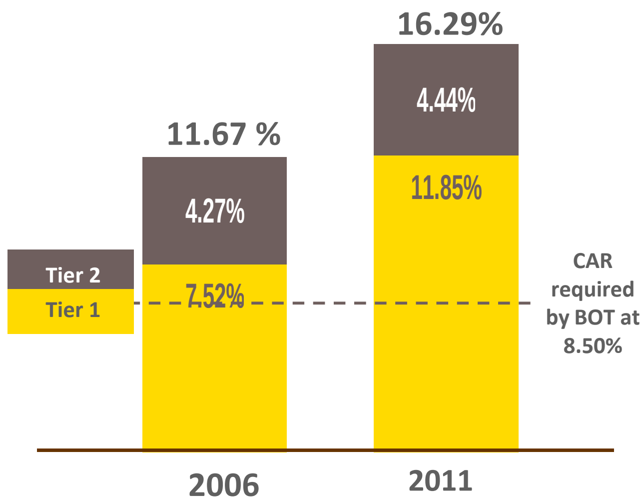
Improved NIM



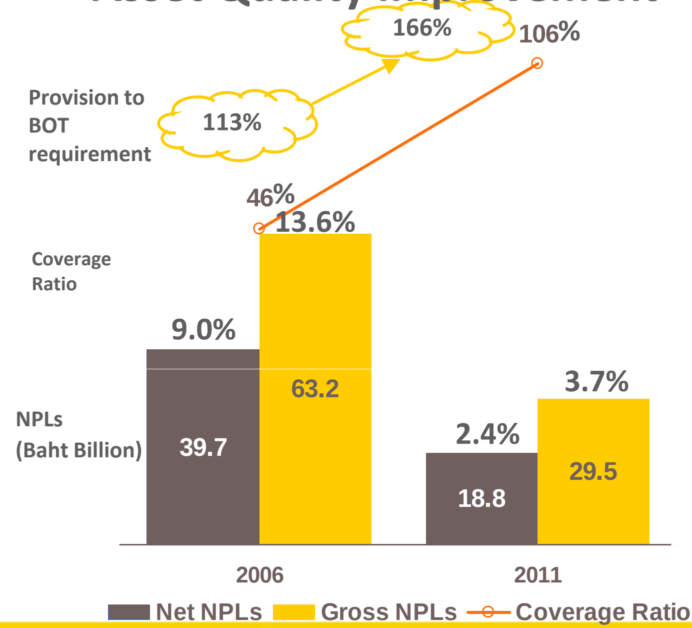
Non-Interest Income



Strong Capital Base



Asset Quality Improvement



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