

KASIKORNBANKGROUP

Investor Presentation

Monthly Economic Information By KASIKORN RESEARCH CENTER

May 2011

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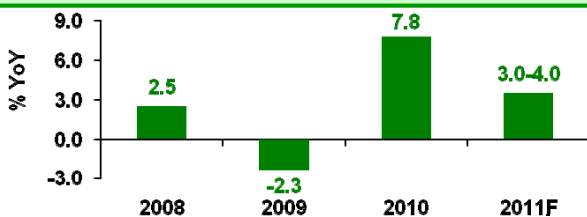
泰华农民银行集团 เครื่องธนาคารกสิกรไทย KASIKORNBANKGROUP
全方位的卓越服务 บริการทุกระดับประทับใจ Towards Service Excellence

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Economic Outlook in 2011

GDP growth for 2011 is projected to be 3.0-4.0% YoY

Key GDP Forecasts and Assumptions



Key Points:

- GDP growth for 2011 is expected to range between 3.0-4.0% YoY
- Although the 1Q11 GDP was solid, the economic growth momentum during the rest of the year may face headwinds from both domestic and foreign factors
- We maintain the base-case GDP growth for 2011 at 3.6% YoY
- As inflationary pressure continues to increase, KGroup has revised the year-end policy rate to 3.50% from 3.25%

Risk Factors:

- Political uncertainty, e.g., election results
- Delayed implementation for the FY2012 budget
- Heightened inflation and production costs
- Lingering global economic uncertainty

% YoY	2009	2010	2011F	
			Range	Base Case
GDP	-2.3	7.8	3.0-4.0	3.6
Private Consumption	-1.1	4.8	3.0-4.0	3.5
Total Investment	-9.2	9.4	7.0-8.3	7.8
Gov. Budget (% of GDP)	-5.6	-3.2	-5.0 to -3.8	-4.3
Exports	-14.0	28.5	11.0-17.0	14.0
Imports	-25.2	36.8	17.0-24.0	21.0
Current Account (USD bn)	21.9	14.8	3.1 to 6.9	5.2
Headline Inflation	-0.9	3.3	3.6-4.6	4.0
Policy Interest Rate*	1.25	2.00	3.50	

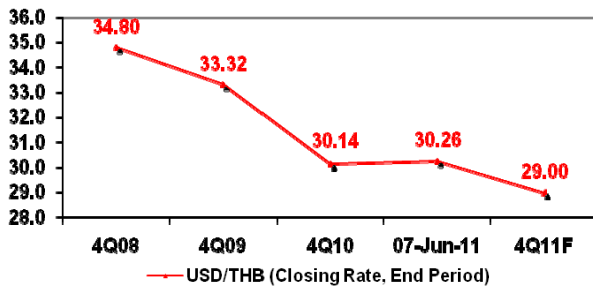
Source: KResearch (as of May 23, 2011) and *KBank Capital Markets Research (as of June 3, 2011)

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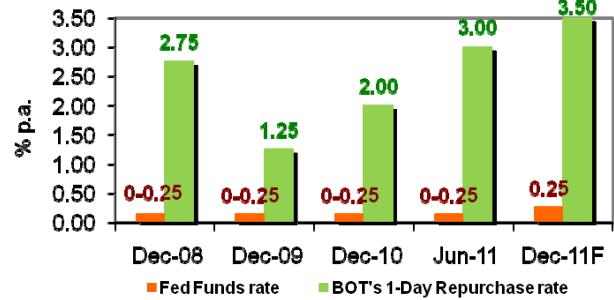
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Currency and Interest rate Outlook in 2011

USD/THB: End Period



Interest Rate Trend



Despite recent THB weakness against the USD, it is expected that the THB will likely appreciate to THB29.00/USD by the 2011 year-end, drawing fundamental support from our current account surplus and capital inflows into the region

Following the 0.25% policy rate increase in the meeting held on June 1, 2011, the MPC will likely tighten their monetary policy further, amid heightened inflationary risks. Therefore, we have revised the year-end target to 3.50%

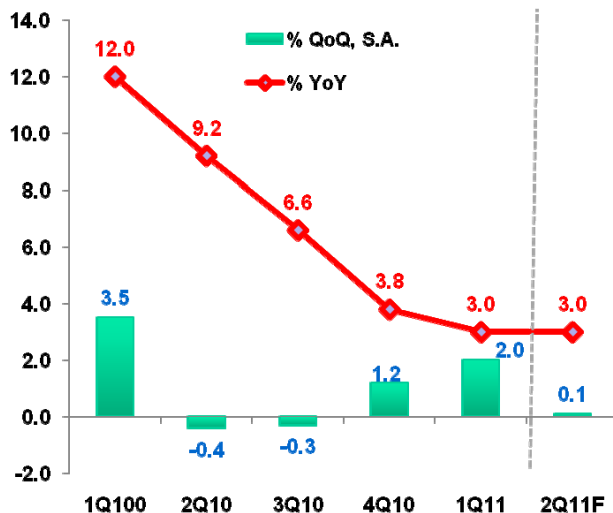
Note: F is estimated by Capital Markets Research, KBank (as of June 3, 2011).

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Quarterly Economic Summary and Outlook: 2Q11

Thailand recorded a strong start to the year 2011 with healthier growth QoQ, while the Japanese catastrophes will likely pressure the 2Q11 GDP to slow

Quarterly GDP Forecast (Base Case)



The solid 1Q11 GDP (2.0% QoQ, s.a.) was contributed by expansions in consumer spending, investment, export, tourism and agricultural production

2Q11 Economic Outlook:

- The 2Q11 GDP will likely report moderate growth, seasonally-adjusted, reaching 0.1% versus the 2.0% in 1Q11
- Cooling growth momentum is a result of disrupted manufacturing activities (due to Japan's disasters) and slowing consumption (in light of a higher cost of livings), despite additional spending prior to the general election to be held on July 3, 2011

Source: NESDB and KResearch (May 23, 2011)

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Monthly Economic Conditions: April 2011

Units: % over-year, otherwise indicated

	2009	2010	2010		2011			
			3Q10	4Q10	1Q11	Feb	Mar	Apr
Private Consumption Index (PCI)	-2.5	5.9	4.8	3.5	4.3	3.4	4.8	4.5
Sales Volume of Benzene and Gasohol	5.7	-1.4	0.8	2.4	1.4	0.8	-0.8	1.7
Value-added Tax at 1995 prices	-10.2	15.6	13.0	8.3	10.6	10.1	11.7	11.5
Imports of Consumer Goods at 1995 prices	-6.5	23.0	16.1	13.6	16.5	7.5	20.4	17.5
Passenger Car Sales	0.3	51.5	55.6	36.9	58.7	49.6	80.3	17.8
Motorcycle Sales	-12.9	23.0	20.8	9.8	14.9	24.3	13.2	15.5
Private Investment Index (PII)	-11.0	18.5	20.4	11.9	14.1	12.6	14.1	12.8
Domestic Sales Volume of Cement	2.5	8.7	5.1	3.1	3.6	5.8	3.6	3.2
Sales Volume of Commercial Cars	-19.2	43.2	42.0	32.3	31.9	32.5	31.9	28.5
Imports of Capital Goods at 1995 prices	-15.9	25.0	26.8	15.2	24.2	18.4	24.2	21.2
Value of BOI Applications	47.6	-30.2	-18.6	-51.5	10.3	96.6	64.3	118.7
Manufacturing Production Index	-7.2	14.4	9.8	2.6	-2.1	-3.0	-6.7	-7.8
Industrial Capacity Utilization	56.0	63.2	64.2	63.3	62.6	59.5	66.1	54.6
Agriculture Production Index	0.8	-3.5	-5.2	-4.6	12.7	4.9	27.5	33.2
Agriculture Price Index	-9.4	24.2	28.7	24.7	25.7	32.1	18.2	22.3
Exports (In terms of US Dollars)	-14.0	28.5	22.2	21.1	27.4	29.1	31.0	24.7
Unit Value	0.3	9.1	7.4	7.3	6.7	6.6	6.8	6.6
Volume	-14.3	18.0	13.8	12.9	19.4	21.1	22.7	16.9
Imports (In terms of US Dollars)	-25.2	36.8	30.7	18.8	25.6	18.6	27.2	26.3
Unit Value	-2.5	8.1	6.0	6.5	8.9	8.8	10.2	11.0
Volume	-23.4	27.1	23.3	11.5	15.3	9.0	15.5	13.7
Trade Balance (USD millions)	19,388	14,031	3,303	4,072	3,334	2,031	1,892	-477
Current Account (USD millions)	21,866	14,784	2,047	5,509	6,795	3,823	1,881	-165
Headline CPI	-0.9	3.3	3.3	2.8	3.0	2.9	3.1	4.0
Core CPI	0.3	1.0	1.1	1.2	1.5	1.4	1.6	2.1

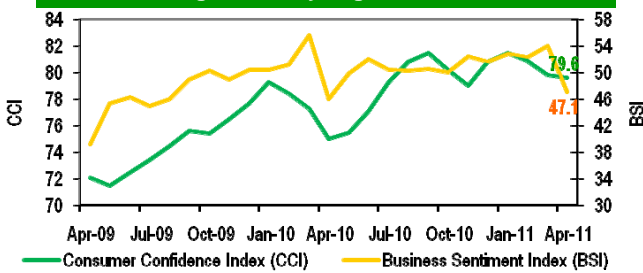
- Key economic indicators for Apr-11 suggested a more pronounced impact from the Japanese disasters
- Exports cooled, particularly those of vehicles and parts, which consequently pressured the trade and current account balance into the red
- Manufacturing production continued to contract YoY, while the capacity utilization plunged to the lowest level in one and half years
- Private investment, consumption and sentiment eased, amid many uncertainties

Source: Bank of Thailand (BOT), Ministry of Finance (MOC), University of the Thai Chamber of Commerce (UTCC), Office of Industrial Economics (OIE), Office of Agricultural Economics (OAE)

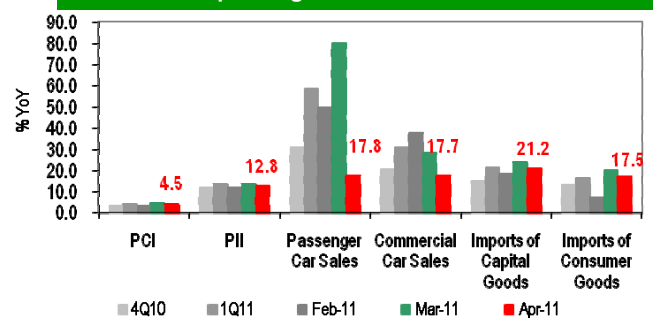
Note: May's economic data will be available at the end of June 2011

Economic Condition Highlights: April 2011

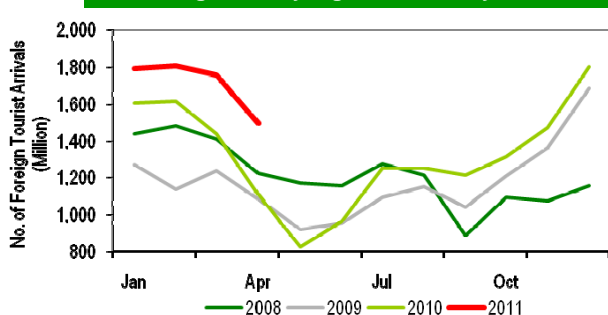
The private sector confidence worsened, in light of many negative factors



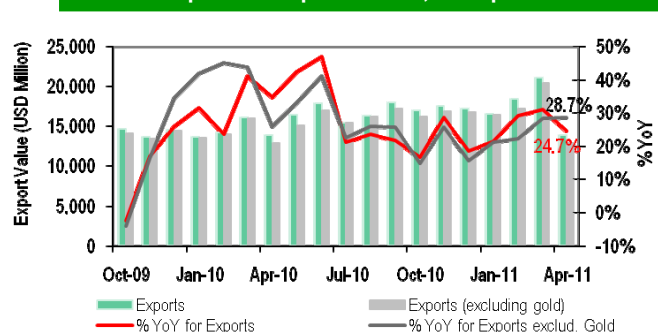
Private spending showed softer momentum



Foreign tourist arrivals cooled, but remained significantly higher than last year



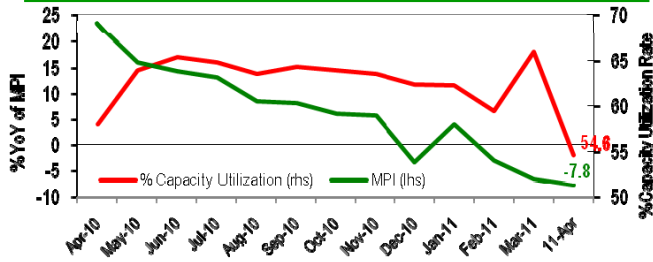
Exports for Apr-11 eased, as expected



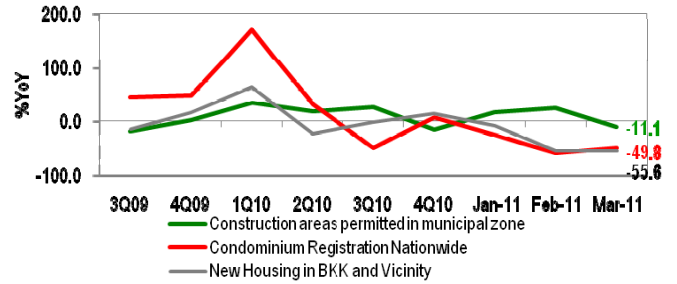
Source: BOT, MOC, UTCC, OIE

Economic Condition Highlights: April 2011

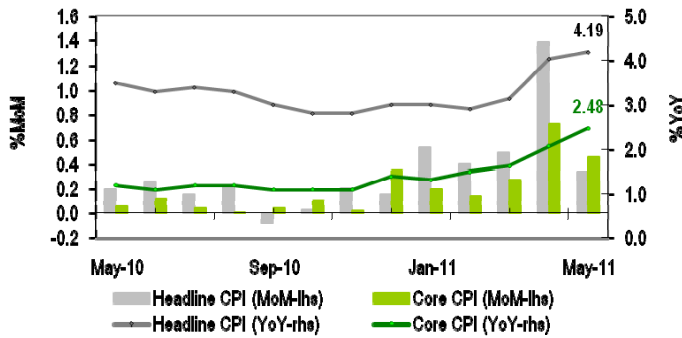
The Apr-11 manufacturing production and capacity utilization worsened, following disruption in Japan



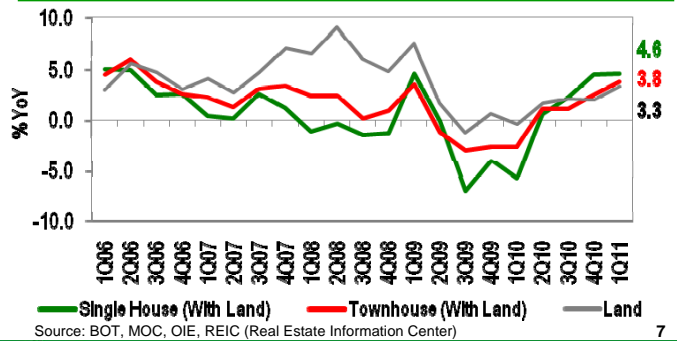
Activities in the property sector weakened, due to a high base of comparison, plus lower consumer purchasing power



May-11 inflation edged up further, in tandem with higher prices of fresh food and some non-food items

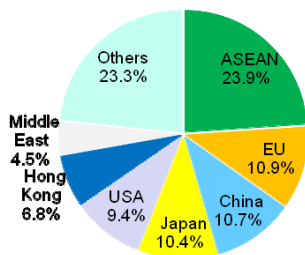


Property prices continued to rise in 1Q11

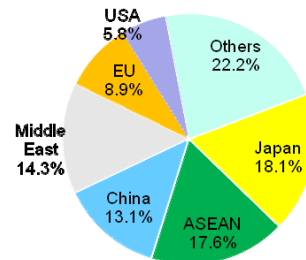


Exports and Imports: April 2011

Exports by Country



Imports by Country



Top 10 Exports by Product

Total Export (BOP Basis)	Apr-11		
	USD Millions	Weight	%YoY
Total Exports	17242.61	100.00%	24.66%
Vehicles, Parts and Accessories	1197.68	6.95%	-9.27%
Electrical Apparatus for Electrical Circuit	1150.77	6.67%	12.83%
Computer and Parts	1232.17	7.15%	16.49%
Electrical Appliances	1172.61	6.80%	22.62%
Rubber	900.31	5.22%	104.90%
Misc. Machinery and Mechanical Items	894.98	5.19%	32.83%
Plastic Raisin and Products	1019.25	5.91%	42.04%
Base Metal Products	678.97	3.94%	14.83%
Rice	502.56	2.91%	46.38%
Pearl, Precious Stone and Jewelry	1150.77	6.67%	-5.03%

Top 10 Imports by Product

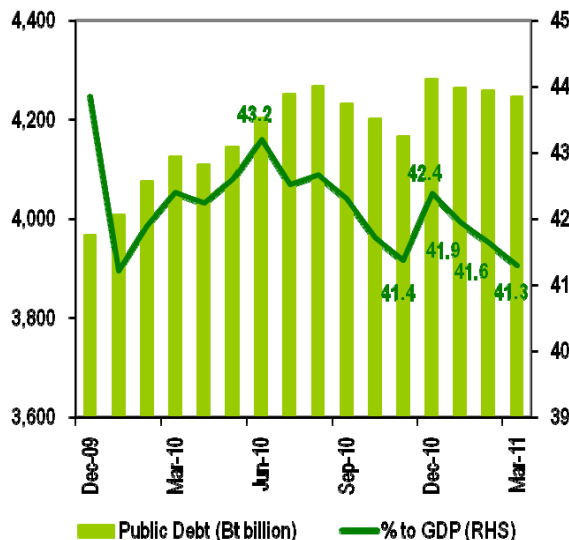
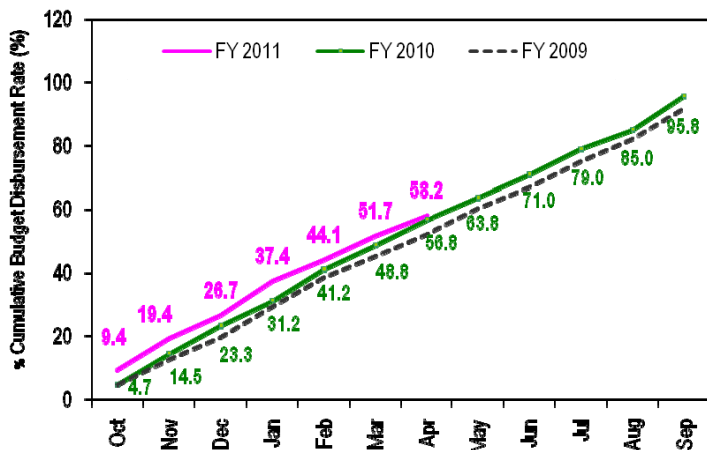
Total Import (BOP Basis)	Apr-11		
	USD Millions	Weight	%YoY
Total Import	17719.65	100.00%	26.28%
Fuel and Lubricant	4167.26	23.52%	49.12%
Mineral and Metal Products	2435.32	13.74%	34.75%
Chemicals and Plastic Materials	1952.94	11.02%	28.71%
Electronic Parts	1631.28	9.21%	13.12%
Electrical Machinery and Parts	1435.66	8.10%	21.65%
Industrial Machinery, Tools and Parts	1247.10	7.04%	23.01%
Non-Monetary Gold	154.26	0.87%	-49.07%
Vehicles and Parts	585.98	3.31%	10.38%
Computer Parts	327.30	1.85%	-10.22%
Scientific and Medical Equipments	319.00	1.80%	18.75%

Source: Bank of Thailand (BOT)

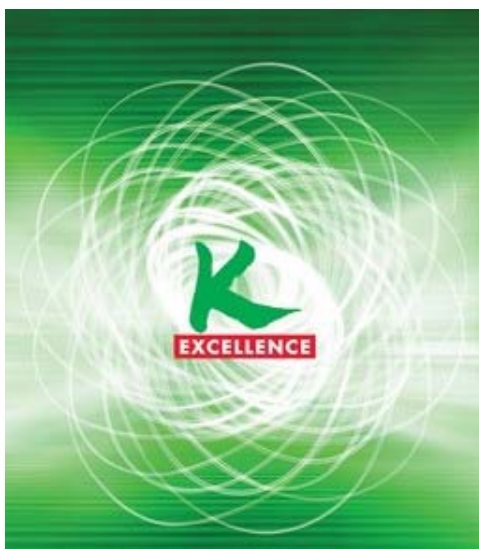
Public Debt to GDP and Fiscal Budget

■ Government's cumulative budgetary disbursement rate for 7M-FY2011 reached 58.2%, higher than the same period of FY2010

■ Thailand's fiscal stability remains sound, with the ratio of public debts to GDP that is far below the 60% level set under the fiscal discipline framework



Source: Public Debt Management Office (PDMO), MOF



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