krungsri
กรุงศรี
A member of MUFG
a global financial group

Financial Performance 1Q 2016

21 April 2016

"Make Life Simple เรื่องเงิน เรื่องง่าย"

Highlights

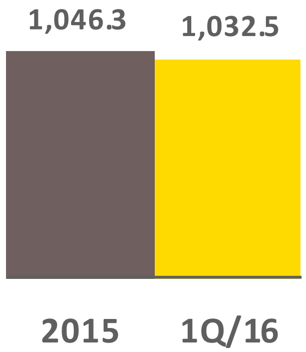
1Q 2016 Key Financial Highlights

Loan Growth

Consolidated
(Baht Billion)

-0.1% QoQ

Deposit Growth



-1.3% QoQ

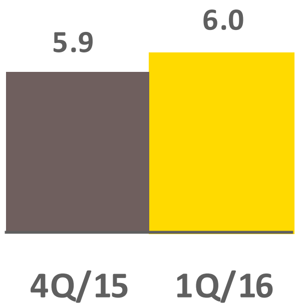
CASA %

54.8%

NIM %

3.81%

Fee Income Growth



+2.03% QoQ

Cost-to-Income Ratio

45.88%

4Q/15: 47.64%

NPL

2.28%

Coverage %

143%

Thailand Economic Outlook

2016 Outlook: The Thai economy is likely to expand moderately with projected growth of 3.2% in 2016, compared with 2.8% in 2015.

2016 Key Economic Forecasts

% y-o-y growth unless otherwise stated	2014A	2015A	2016F*
GDP	**0.9**	**2.8**	**3.2**
Private Consumption	0.6	2.1	2.7
Private Investment	-1.0	-2.0	4.0
Exports (In USD term)	-0.3	-5.6	-1.0
Headline Inflation	1.9	-0.9	0.6
Policy Interest Rate (%, end of period)	2.00	1.50	1.50

*Note: * 2016 forecast by Krungsri Research (as of February 2016)*

- **Key drivers** are increasing public spending, economic stimulus measures, infrastructure projects and robust tourism sector.
- Private sector, especially business investment, is likely to play more role in driving the economy in 2016.
- Export growth is expected to remain contract owing to weak global trade and low commodity prices.

Source: Krungsri Research

Headwind

- Domestic political uncertainty
- Drought and low farm prices
- High household debt
- Tight labor market & high wages
- Weak global economic recovery, China's slowdown, and financial market volatility

Tailwind

- Economic stimulus measures and infrastructure investment
- Low oil prices
- Promising tourism sector
- AEC dynamism and economic corridor development
- Economic resiliency

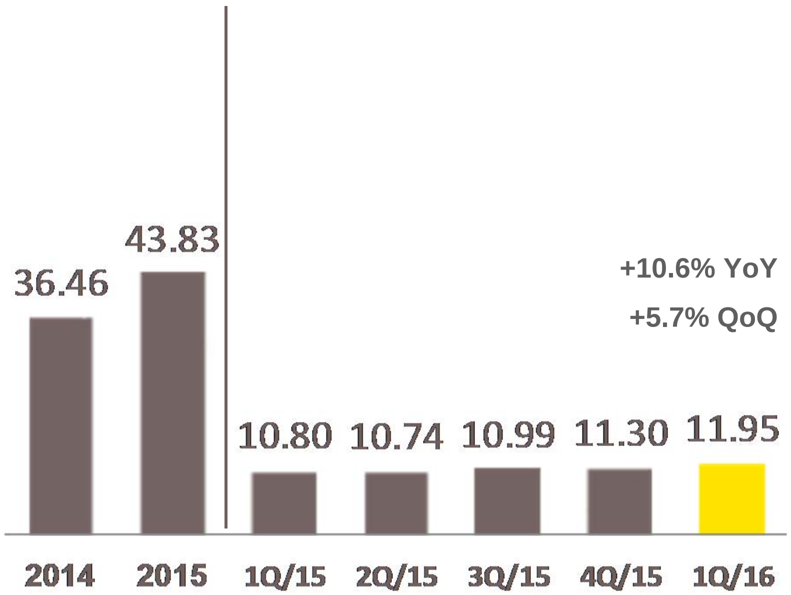
Financial Performance

Profitability

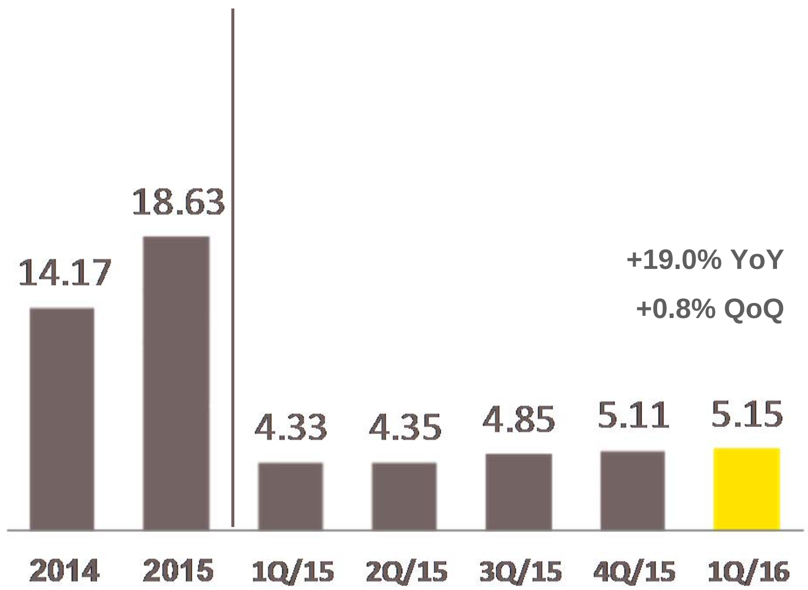
Solid performance notwithstanding the challenging environment and seasonality impact on retail spending as well as repayment of corporate working capital lines

Consolidated
(Baht Billion)

Profit before Provision and Tax

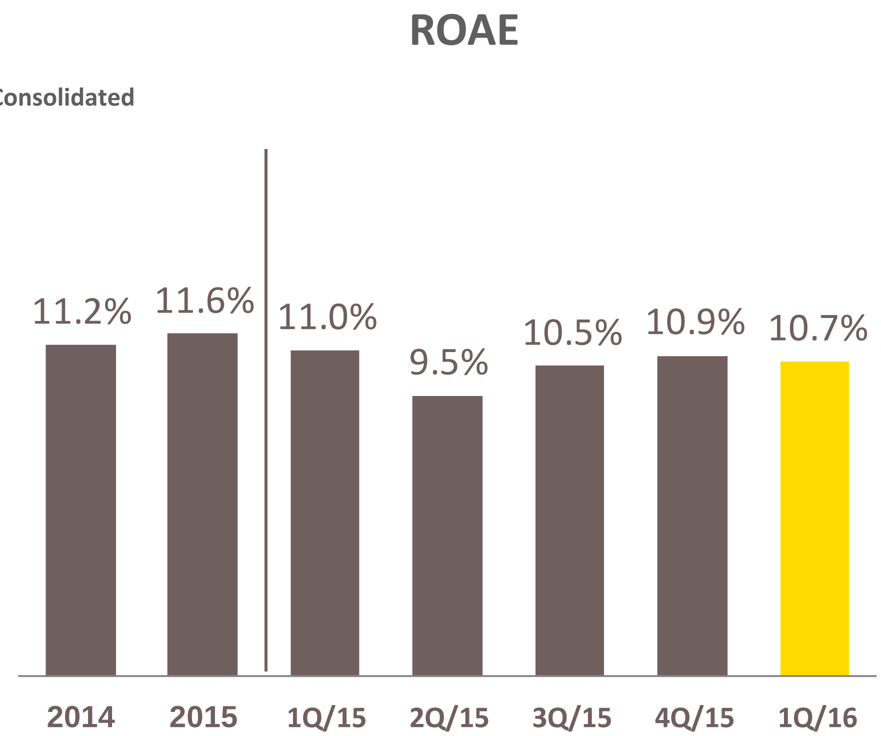


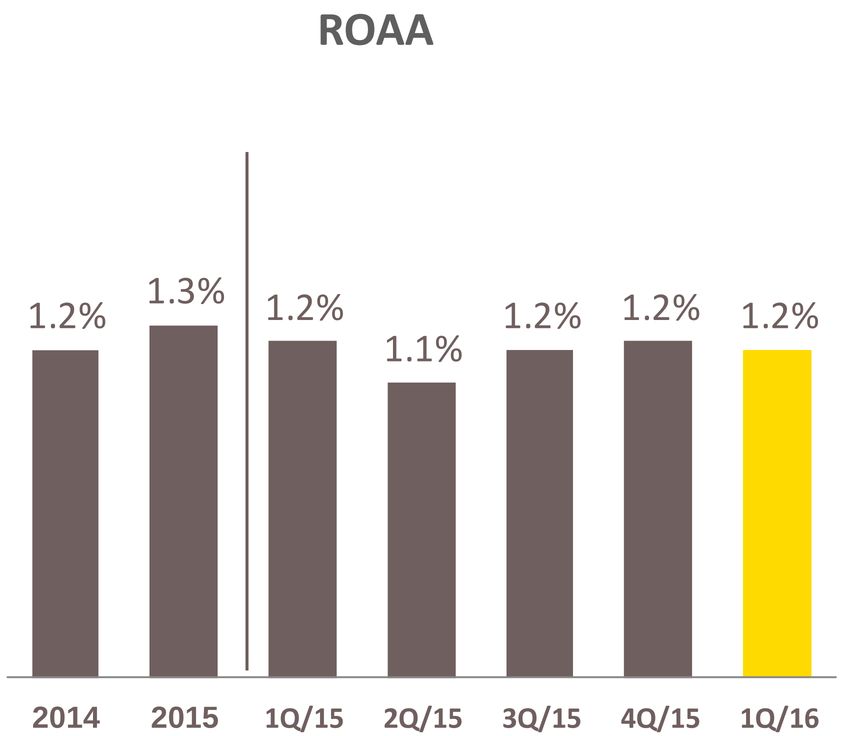
Net Profit



ROAE at 10.7% & ROAA at 1.2%

Consolidated

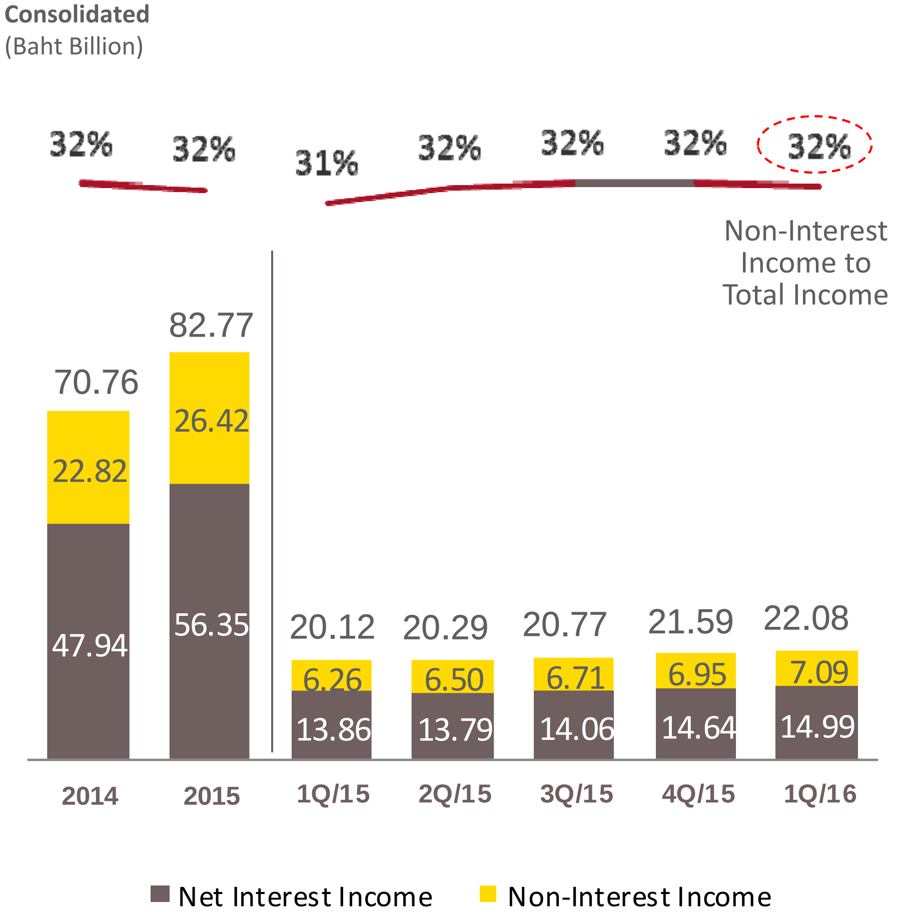




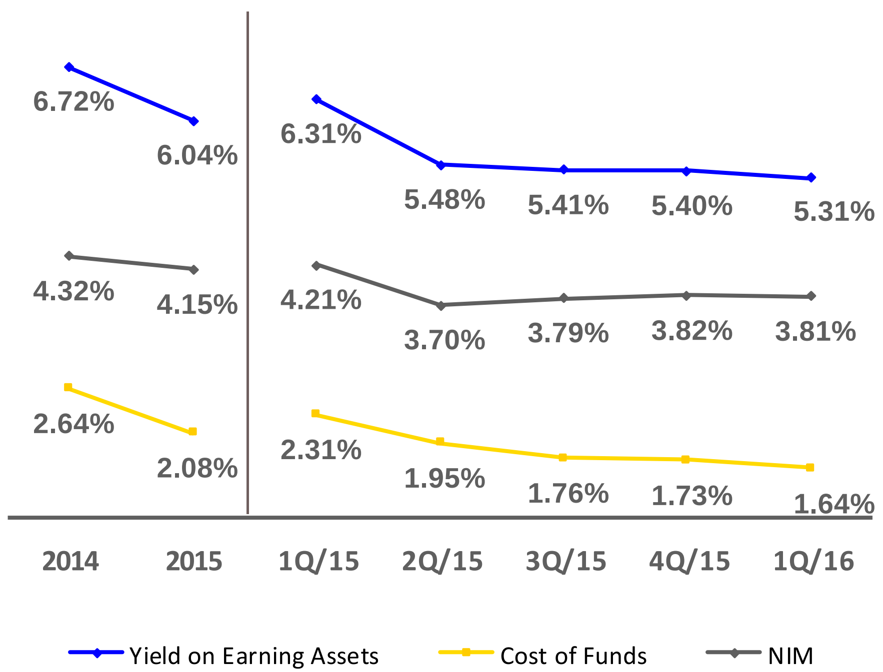
Profitability Measurement

NIM remain steady at 3.81%, as the lower yield on earning assets was offset by the lower cost of funds during the quarter

Total Income



Yield & Cost of Funds

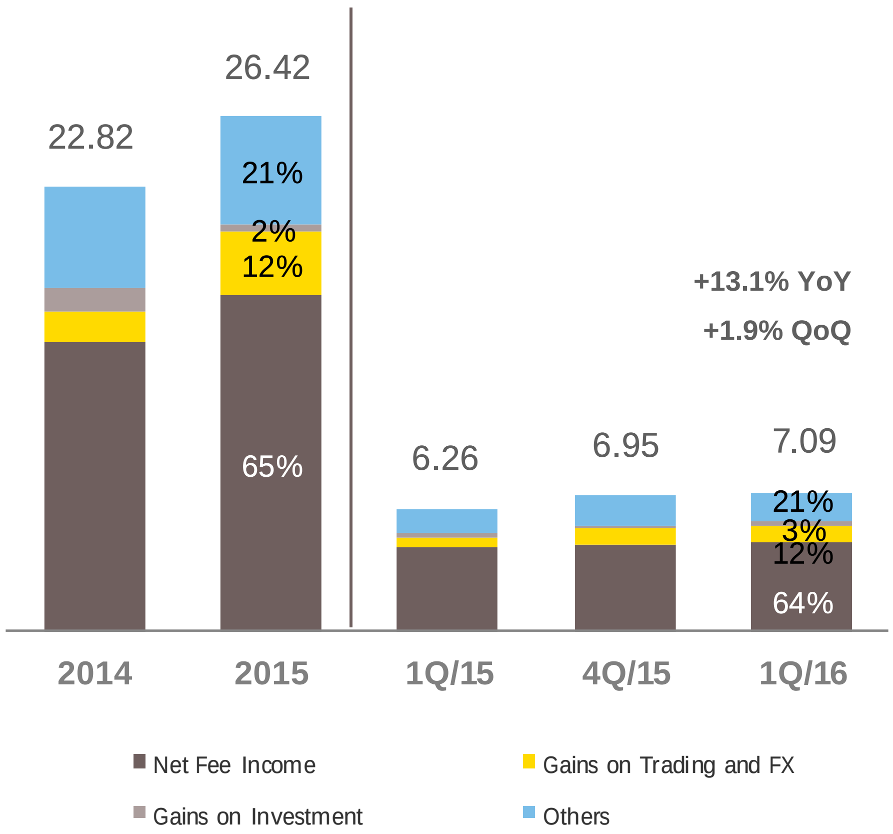


Fees and Service Income

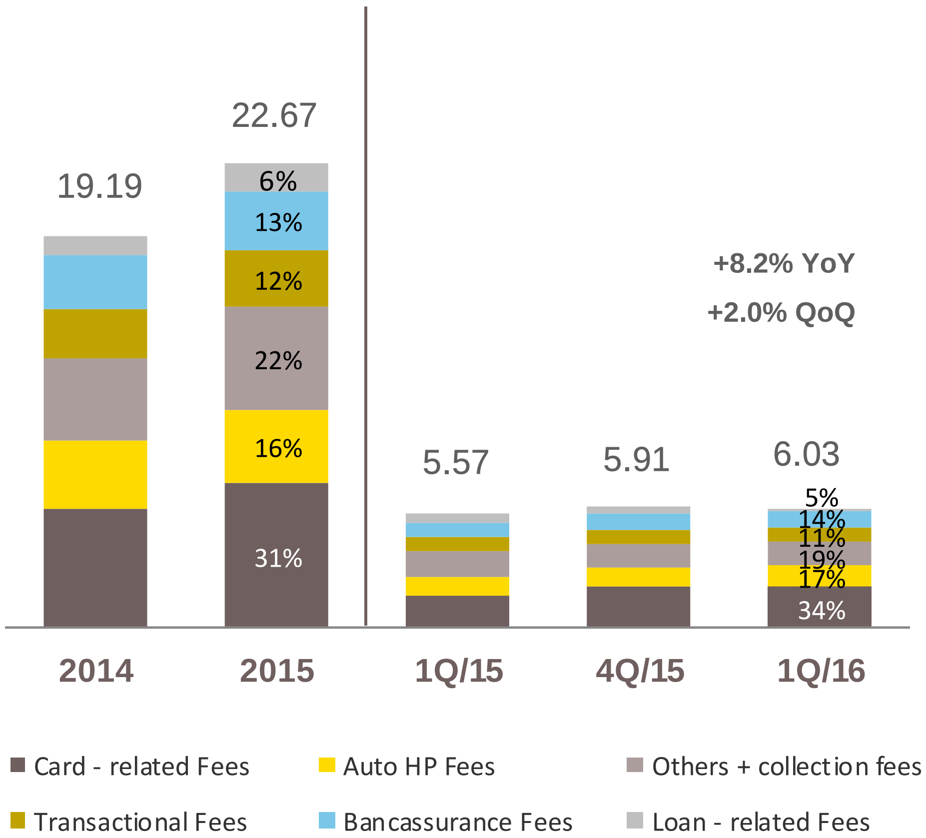
Continued growing fee driven by an increase in loan-related fees, hire purchases fees, and bancassurance fees

Non-Interest Income

Consolidated
(Baht Billion)

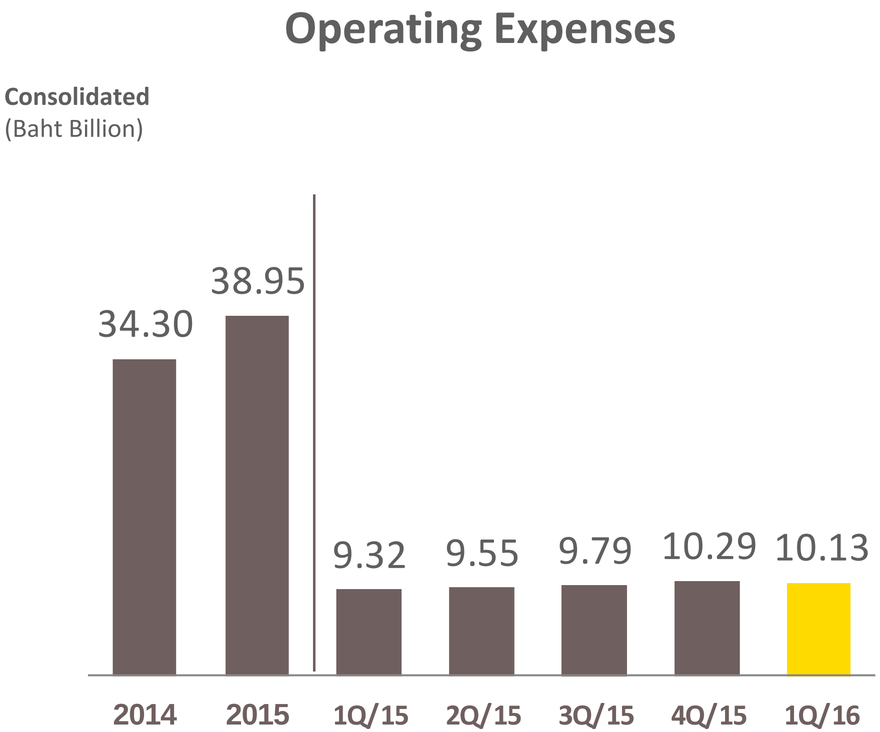


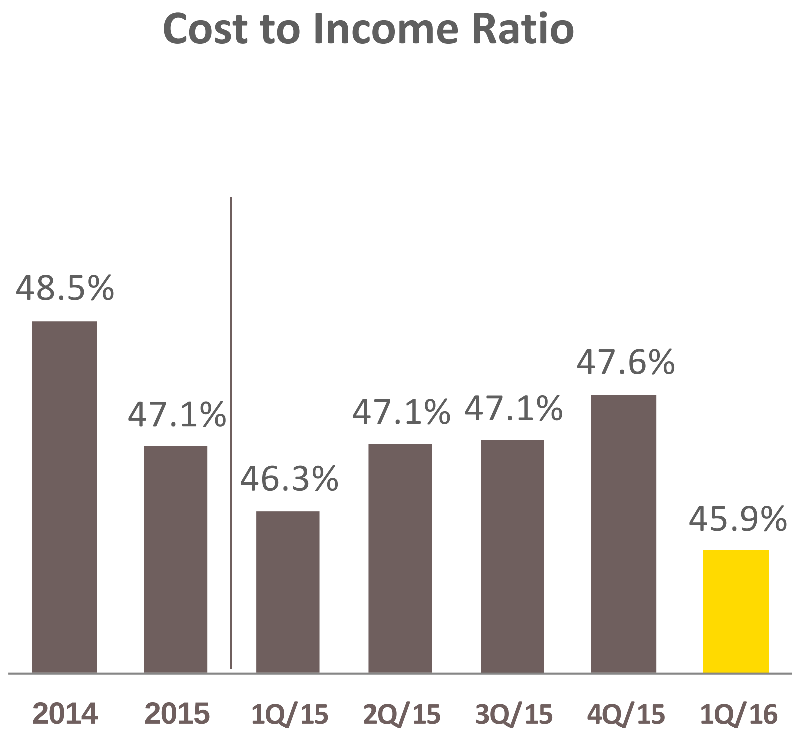
Fee & Service Income



Cost Efficiency

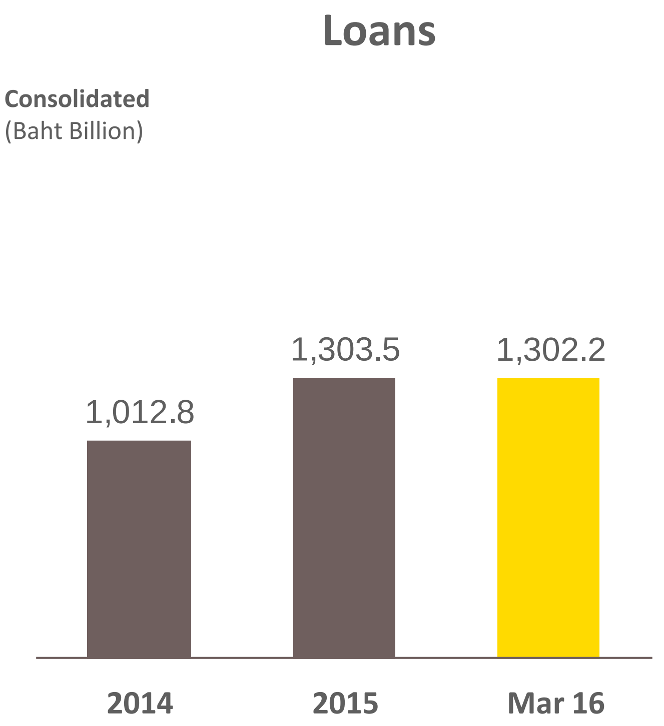
Significantly improved, reflecting a growth in total income and effective expense management

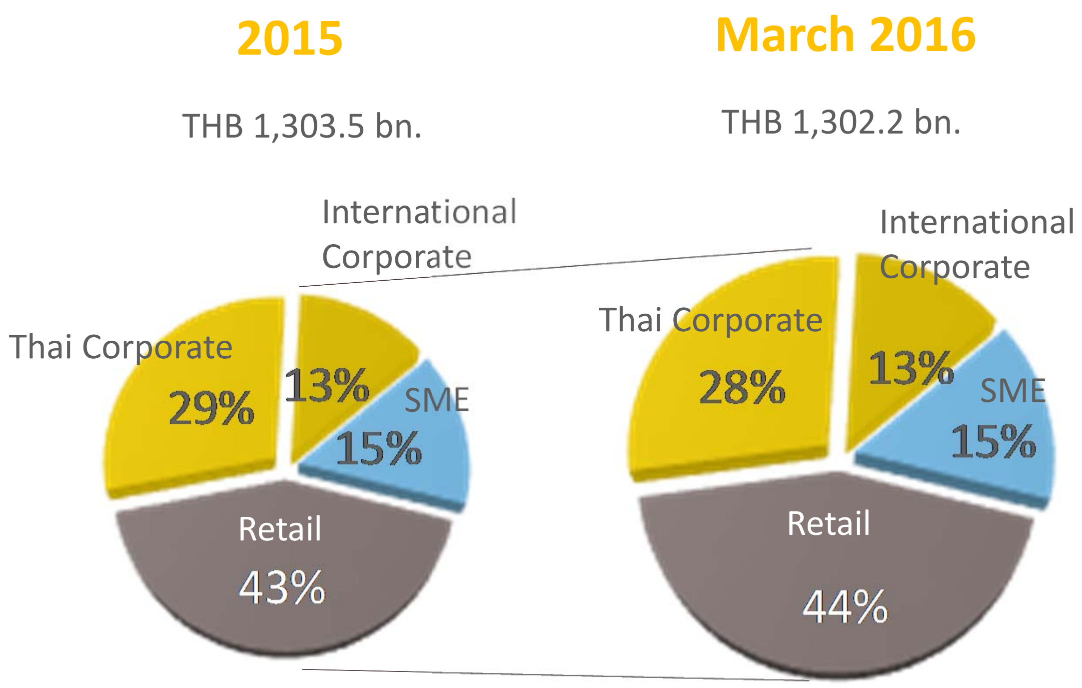




Loans

Slightly decreased, resulted from seasonally repayment of corporate working capital lines and lackluster loan demand





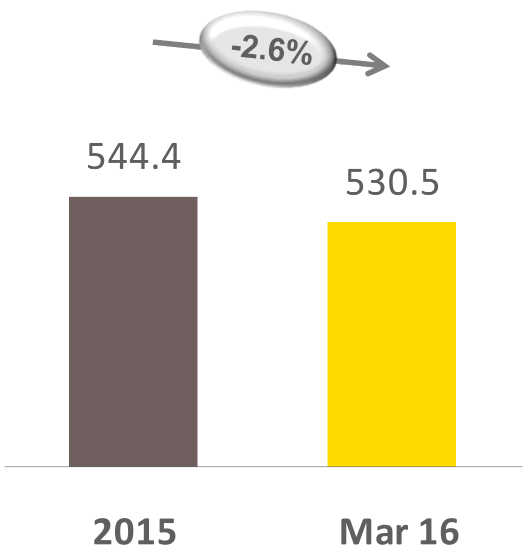
Retail

- Auto HP 21%
- Mortgage 13%
- Credit Card & Personal Loans 10%

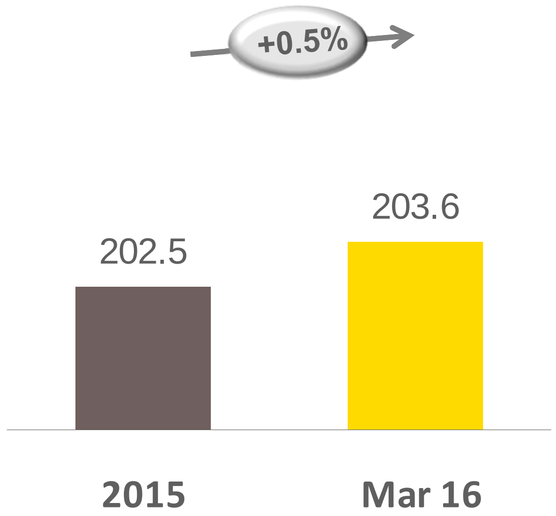
Loans by Segments

Consolidated
(Baht Billion)

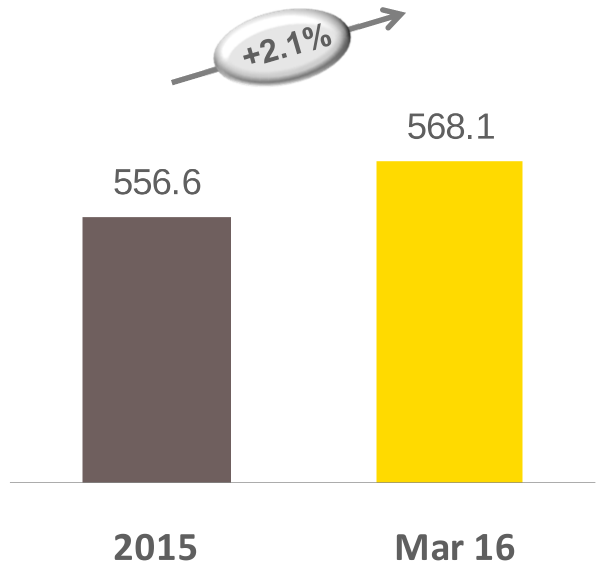
Corporate Loan



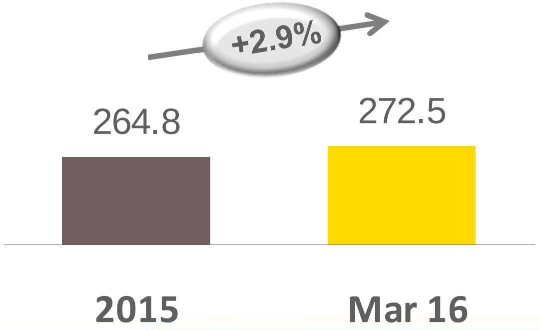
SME Loan



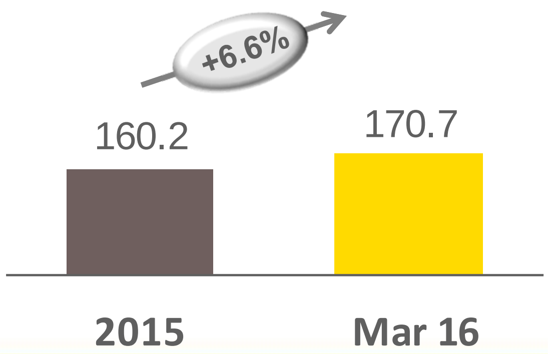
Retail Loan



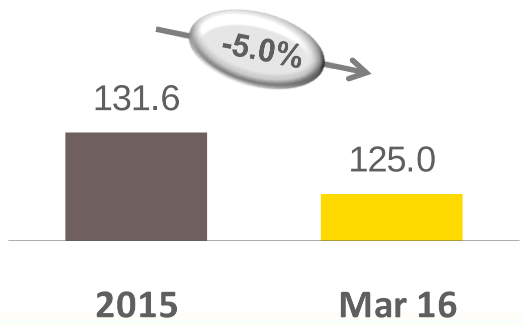
Hire Purchase



Mortgage

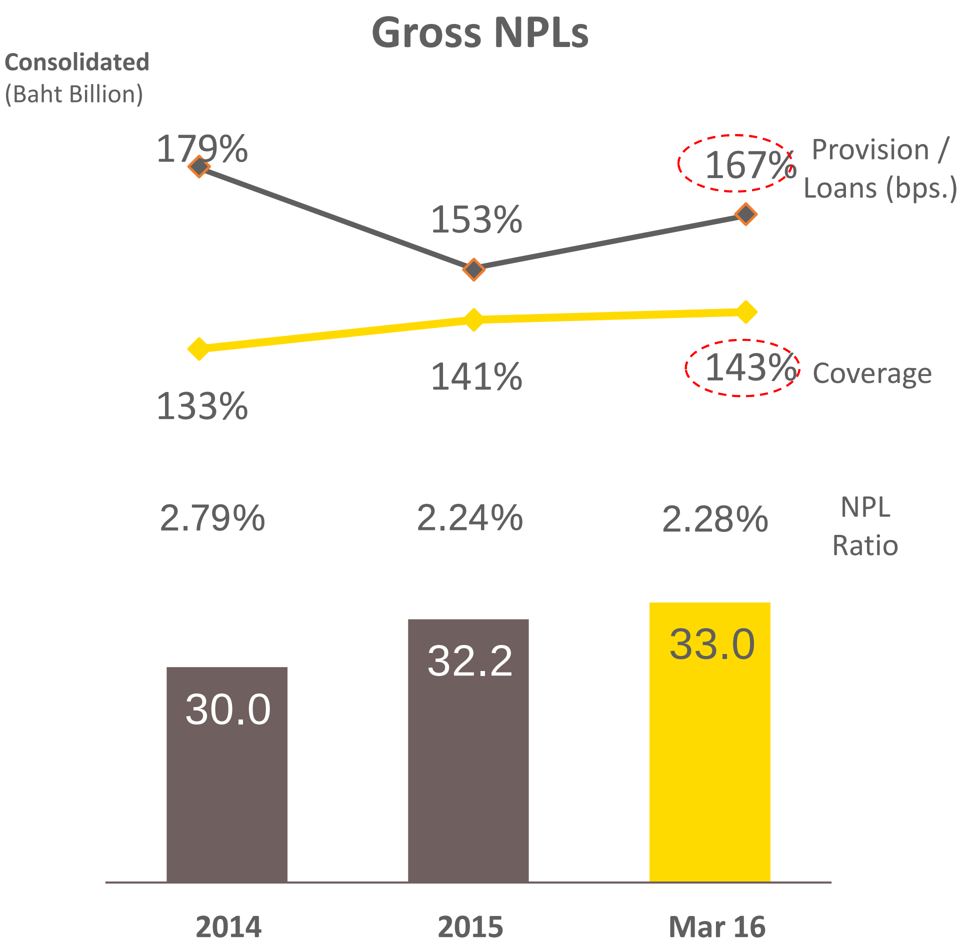


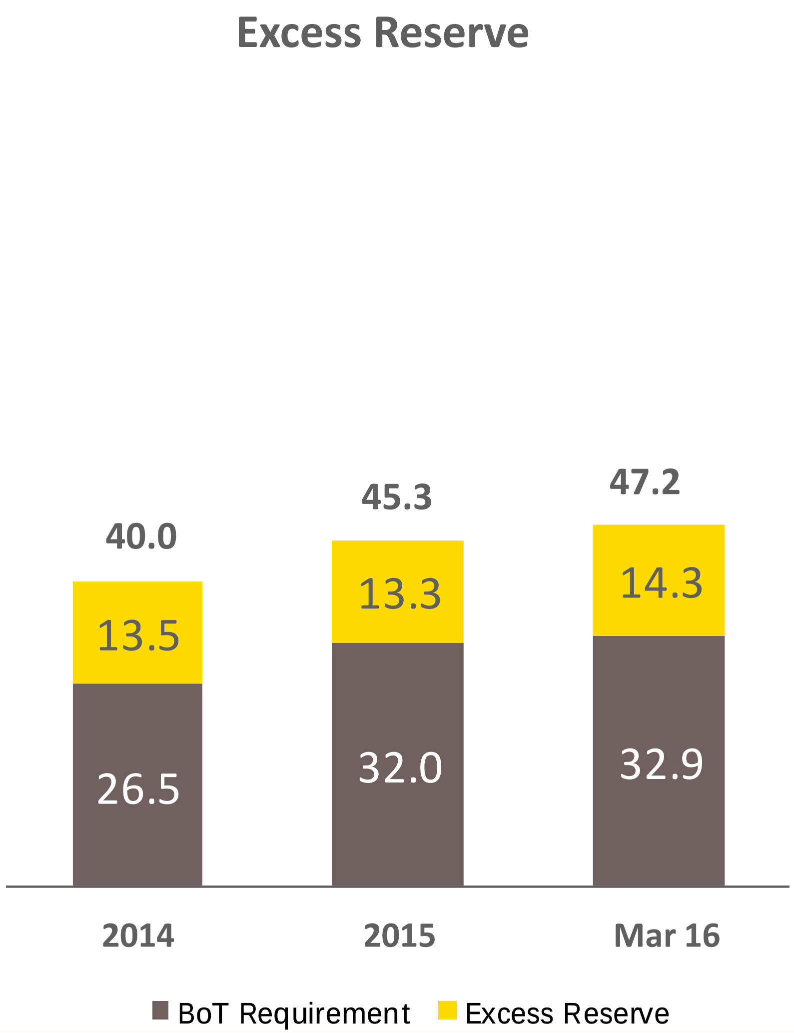
Credit Cards and Personal Loans



Asset Quality

NPL slightly increased, driven largely by corporate customers, while coverage ratio strongly stood at 143%

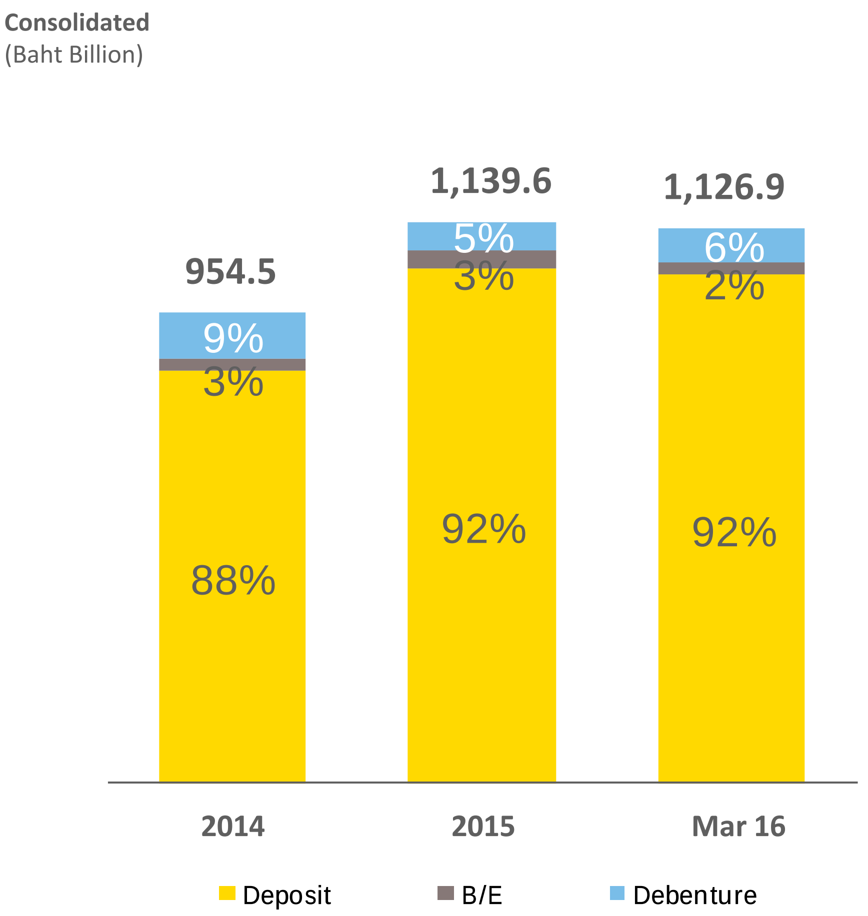




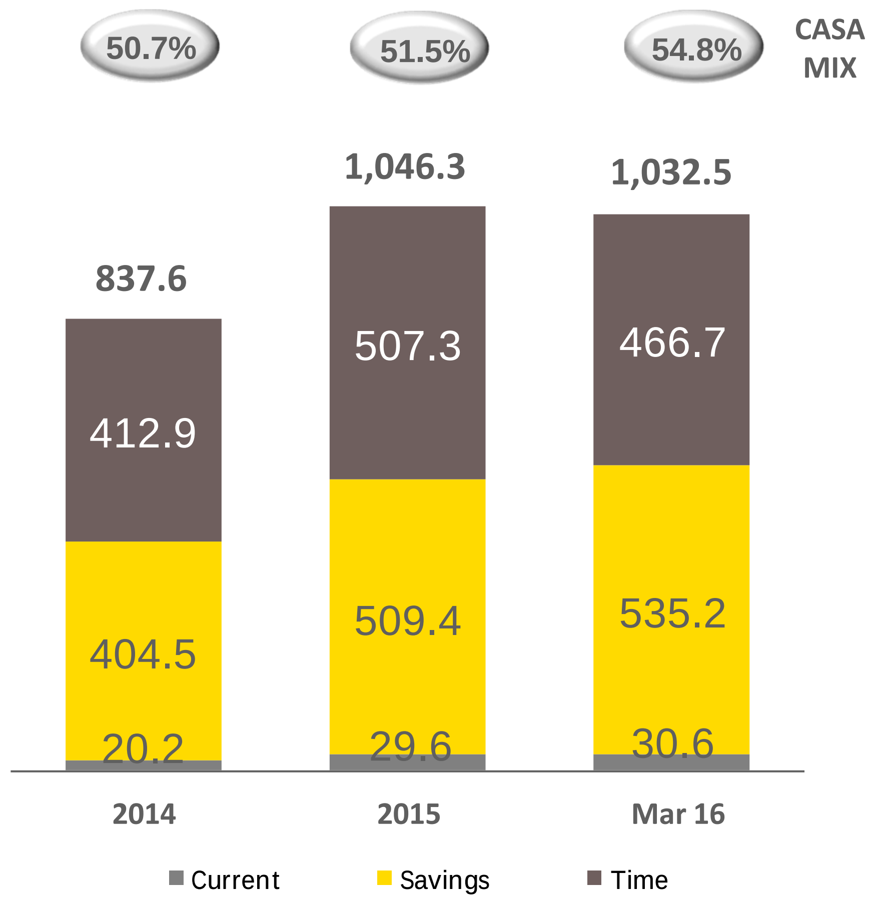
Funding Base

Deposit decreased corresponded to tepid loan demand

Funding Mix



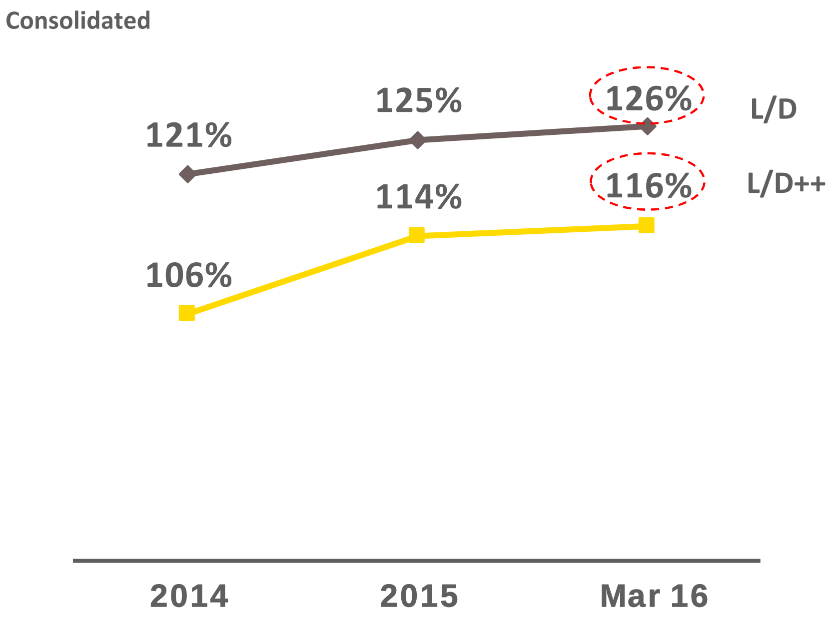
Deposits



Capital and Liquidity

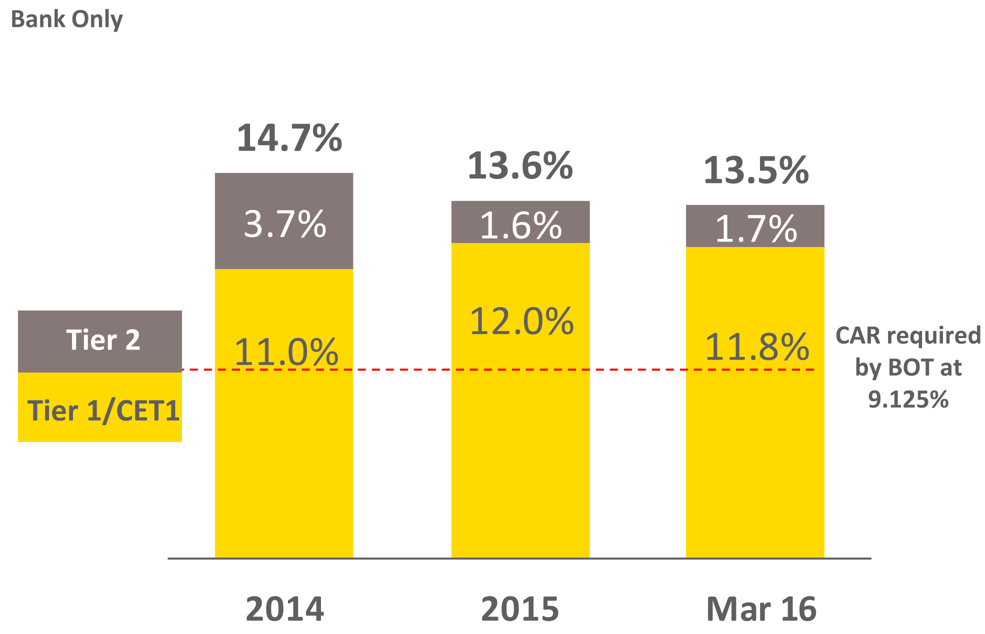
Maintain strong capital position, CAR equivalent to 13.5%

Loan to Deposit



L/D++ : Loans to Deposit + B/E + Debenture

Strong Capital Base



** CAR required by BOT at 8.5% for 2014 - 2015 and at 9.125% for 2016*

Baht Billion	2014	2015	Mar 16
Tier 1/CET 1	98.99	146.18	146.51
Tier 2	33.44	20.08	20.67
Total Capital	132.43	166.26	167.18

The Summary of Key Financial Performance

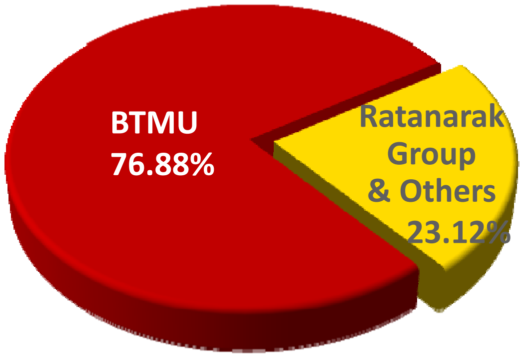
Consolidated	1Q/15	4Q/15	1Q/16	2016 Targets	
Loan Growth (Net)	+222.0 bn +21.9%	+66.7 bn +5.4%	-1.3 bn -0.1%	5-6%	~
NPLs Ratio	2.36%	2.24%	2.28%	< 2.5%	✓
Deposit Mix: Savings and Current	53%	52%	55%	> 50%	✓
Loan Mix : Retail	40%	43%	44%	~ 40%	✓
L/Deposit+Debenture+B/E	111%	114%	116%	n.d.	~
NIM	4.21%	3.82%	3.81%	~ 3.7%	✓
Non-interest income growth (YoY)	23.0%	6.3%	13.1%	7.0%+	✓
Cost to Income Ratio	46.3%	47.6%	45.9%	< 50%	✓
Provisions	163 bps	150 bps	167 bps	~ 145 bps	~
Loan Loss Coverage	139%	141%	143%	135%+	✓
CAR *(Bank Only)*	15.1%	13.6%	13.5%	n.d.	✓

Krungsri Profile

Krungsri Group Overview

Shareholding Structure

(as of 11 Mar 2016)



- Officially established in 1945
- 2007: BAY and GE become strategic partners
- 2008: Acquisition of GE Capital Auto Lease, subsequently renamed to Krungsri Auto
- 2009: Acquisition of AIG Retail Bank Pcl. and AIG Card (Thailand) 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
- 2012: Acquisition of HSBC Thailand’s retail banking businesses
- Dec 2013: BTMU replaced GE as the strategic shareholder of Krungsri
- Jan 2015: Integration of BTMU Bangkok Branch into Krungsri

Krungsri Group Profile

International Ratings

Fitch Ratings	Standard & Poor's	Moody's
A-	BBB+	Baa1

National Ratings

Fitch Ratings	TRIS Rating
AAA (tha)	AAA

Leadership Position

#1 In consumer finance

As of February 2016	Market Position	% Share
Consumer		
Personal Loan	1	27%
Credit Card	1	14%
Auto (HP)	2	22%
SME	6	5%
Corporate	4	12%

Extensive Franchise: 27,986 Service Outlets

As of March 2016	Number
Domestic Branches	675 *
Overseas Branches	3
ATMs	5,776
Exchange Booths	94
Krungsri Exclusive	19

As of March 2016	Number
Krungsri Business Centres	55
First Choice Branches + Dealers	120 Branches + 16,914 Dealers
Krungsri Auto Dealers	> + 8,700 Dealers
Micro Finance Branches	406
Thai Post Offices	> + 1,000

** Krungsri Domestic Branches = 675 Branch, of which 638 are Banking Branches and 37 are Auto Business Branches*

Contact

Investor Relations Department : Telephone : (662) 296 3778
Fax : (662) 683 1341
E-mail : irgroup@krungsri.com

Krungsri Website : www.krungsri.com

Join us!
www.facebook.com/krungsrisimple
www.twitter.com/krungsrisimple