krungsri
กรุงศรี
A member of MUFG
a global financial group

2Q 2015 and 1H 2015

Financial Performance

21st July 2015

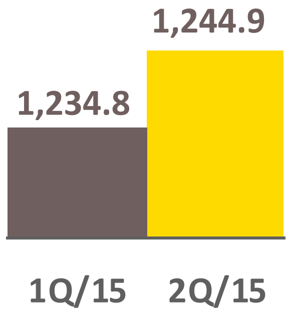
"Make Life Simple เรื่องเงิน เรื่องง่าย"

Highlights

2Q 2015 Key Financial Highlights

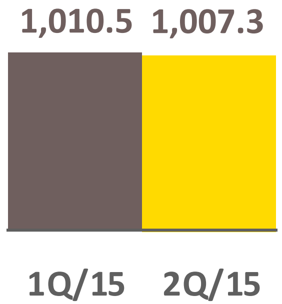
Loan Growth

Consolidated
(Baht Billion)



+31.6% YoY
+0.8% QoQ

Deposit Growth



+28.5% YoY
-0.3% QoQ

CASA %

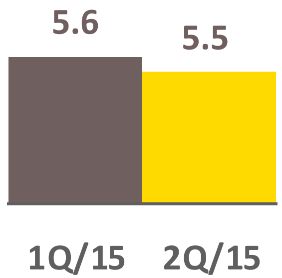
53%

NIM %

3.70%

1H/15: 4.23%

Fee Income Growth



+18.9% YoY
-1.1% QoQ

Cost-to-Income Ratio

47.08%

1Q/15: 46.33%

NPL

2.35%

Coverage %

142%

Recent Economic Development

For the first half of 2015, the Thai economy has recovered at a slower pace due to export contraction and weakening momentum of private spending. Tourism sector and public investment are key supportive factors.

GDP

	4Q14	1Q15
%yoy	2.1	3.0

Consumption

	Apr15	May15
%yoy	-0.1	-0.4

Investment

	Apr15	May15
%yoy	0.7	-0.4

Manufacturing production index

	Apr15	May15
%yoy	-7.1	-7.6

Industrial capacity utilization

	Apr15	May15
%	52.7	56.9

Export

	Apr15	May15
%yoy	-1.8	-5.5

Tourism

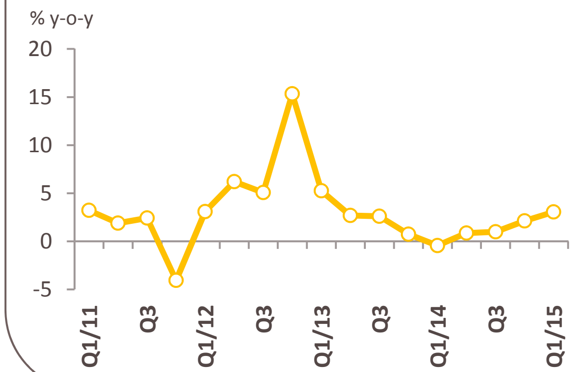
	Apr15	May15
%yoy	18.3	38.2

Dangerous Zone

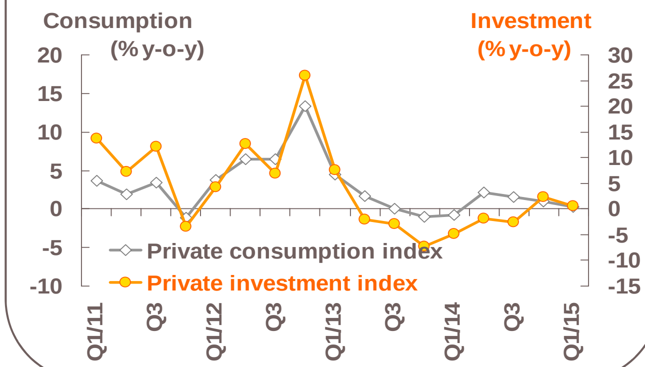
Close Watch

Promising Sign

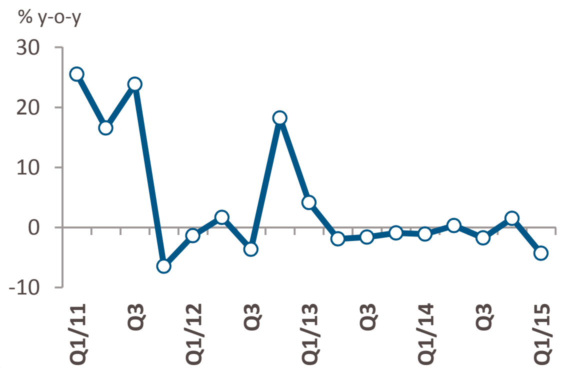
GDP: improves moderately with disappointing growth



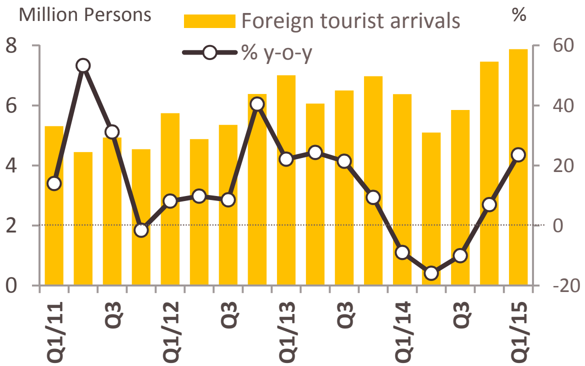
Consumption and investment: sluggish due to shrinking export income and lack of confidence



Exports: hit by weak global demand and lower competitiveness



Tourism: recovers impressively



Source: Krungsri Research

Thailand Economic Outlook

2015 Key Economic Forecasts

% y-o-y growth unless otherwise stated	2013	2014	2015F*
GDP	**2.8**	**0.9**	**2.7 – 3.2**
Private Consumption	0.8	0.6	2.0 – 2.5
Private Investment	-0.8	-2.0	3.5– 4.5
Exports (In USD term)	-0.2	-0.3	-2.0 to 0
Headline Inflation	2.2	1.9	-0.5 to -0.1
Policy Interest Rate (%, end of period)	2.25	2.00	1.25 – 1.50

*Note: * 2015 forecast by Krungsri Research (as of May 2015)*

Thai Economy:

In 2015, the Thai economy is projected to recover at a slow pace due to...

- Increasing public spending and clearer infrastructure projects with some delays
- Rebounding tourism sector after easing political turmoil
- Multi-year lows of global oil prices
- However, weak export income, a lack of confidence and drought, as well as legacies of Thai political crisis and populist policies could weigh down growth of business investment and household spending.

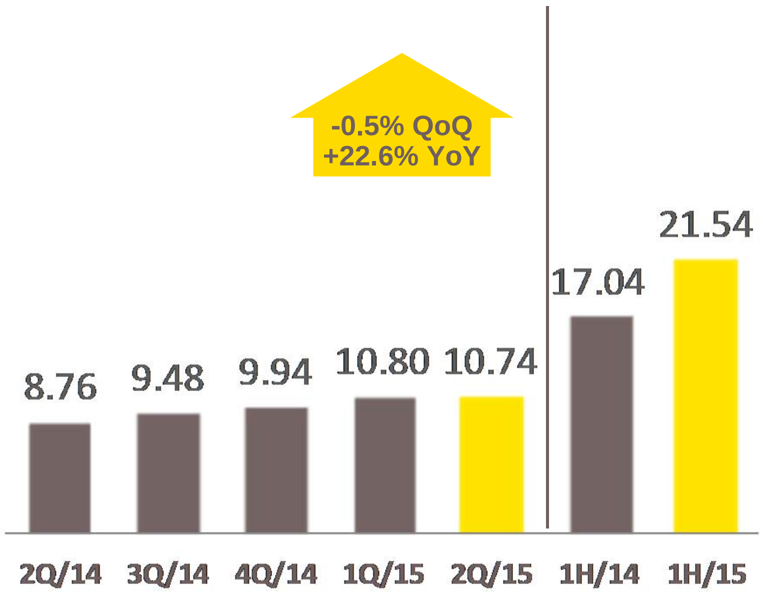
Financial Performance

Profitability

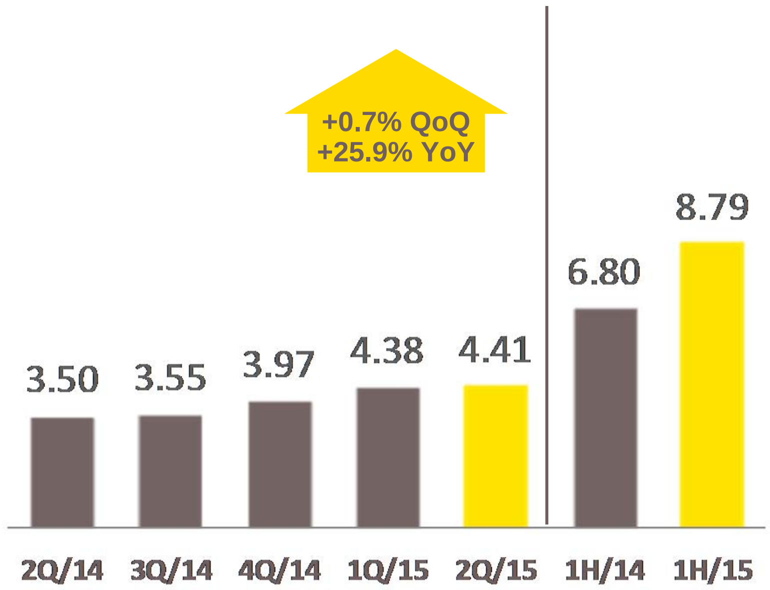
A weaker-than-expected economic backdrop in 2Q 2015

Profit before Provision and Tax

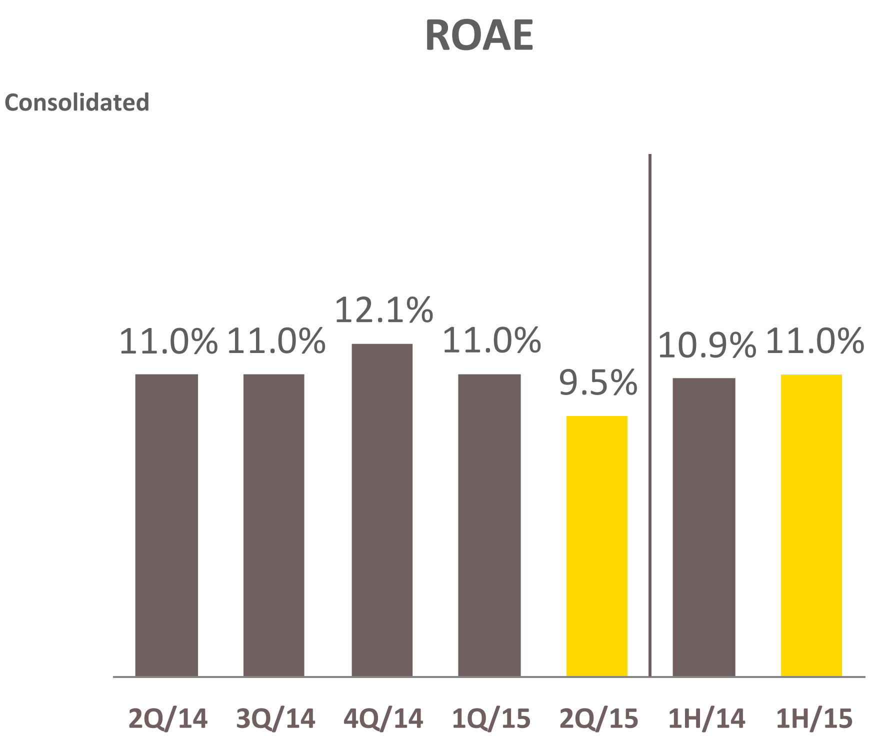
Consolidated
(Baht Billion)

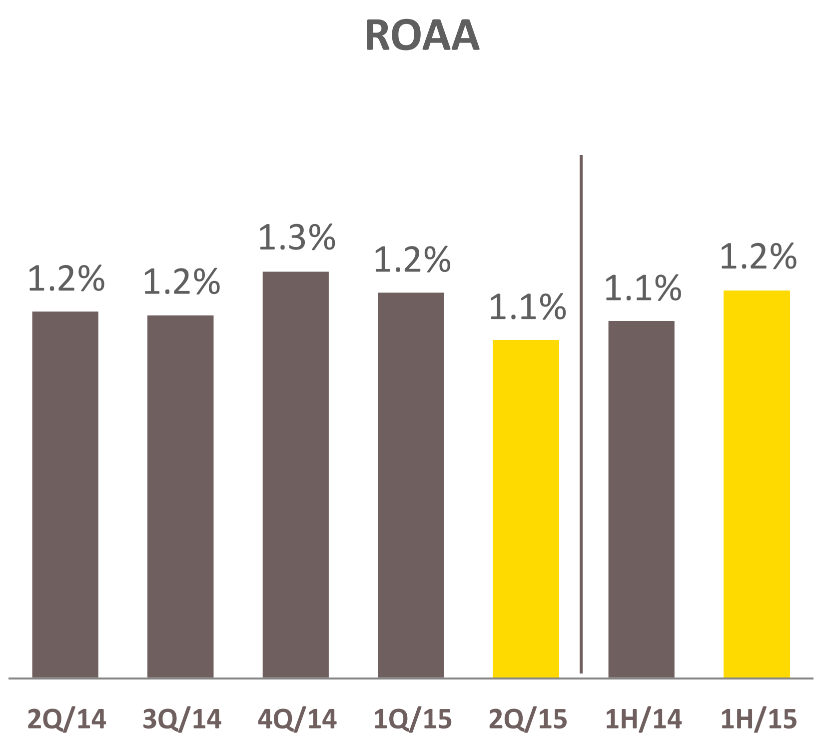


Net Profit



ROAE at 9.5% & ROAA at 1.1%

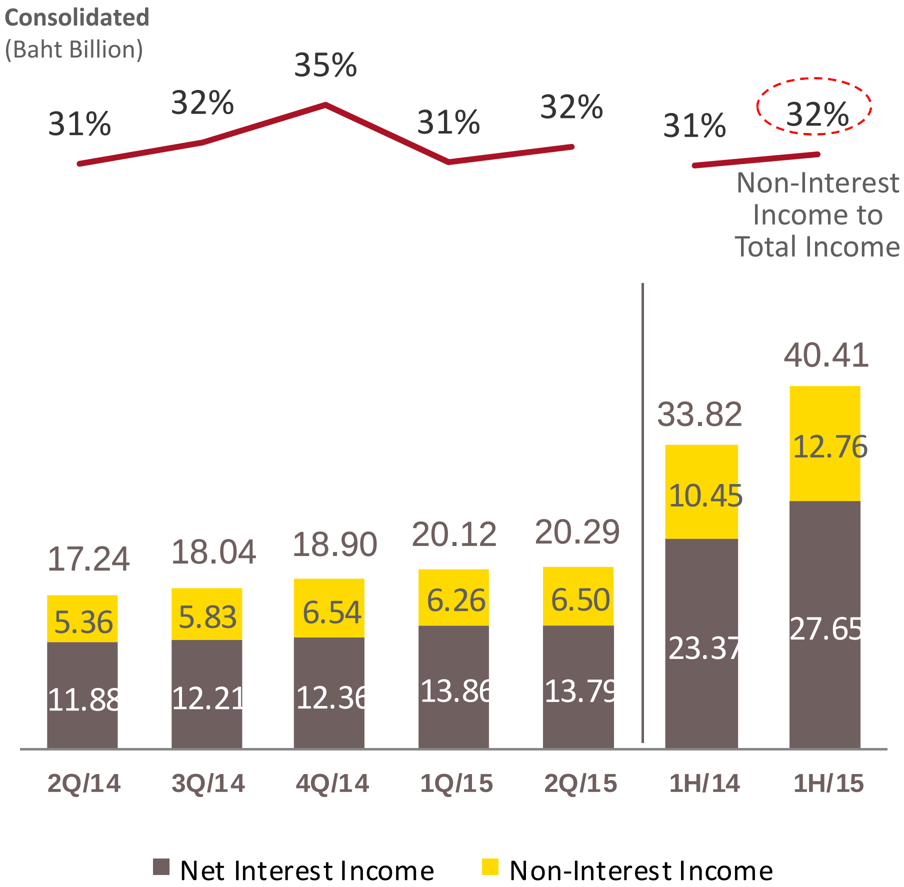




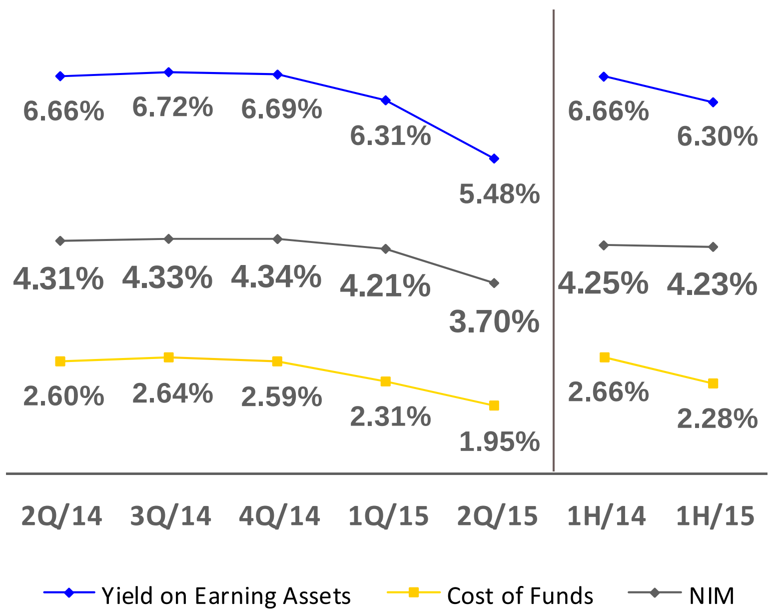
Profitability Measurement

NIM stood at 4.23% (YtD), the moderation in NIM was largely driven by the expansion of average earning assets for 1H 2015

Total Income

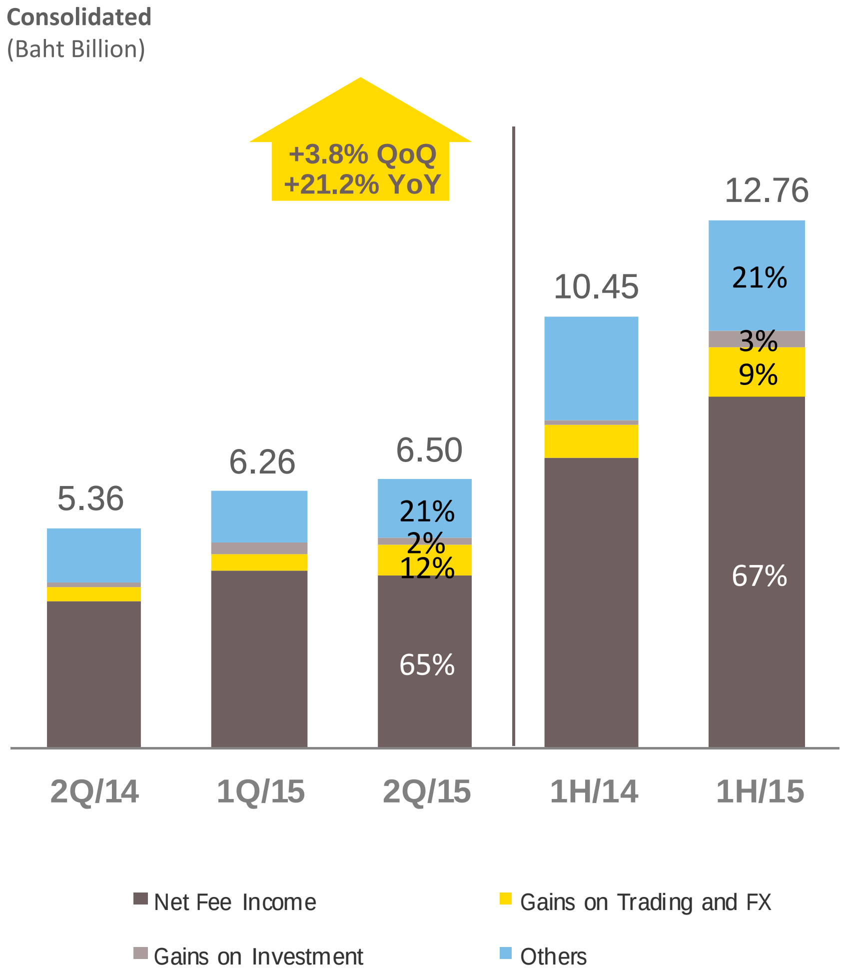


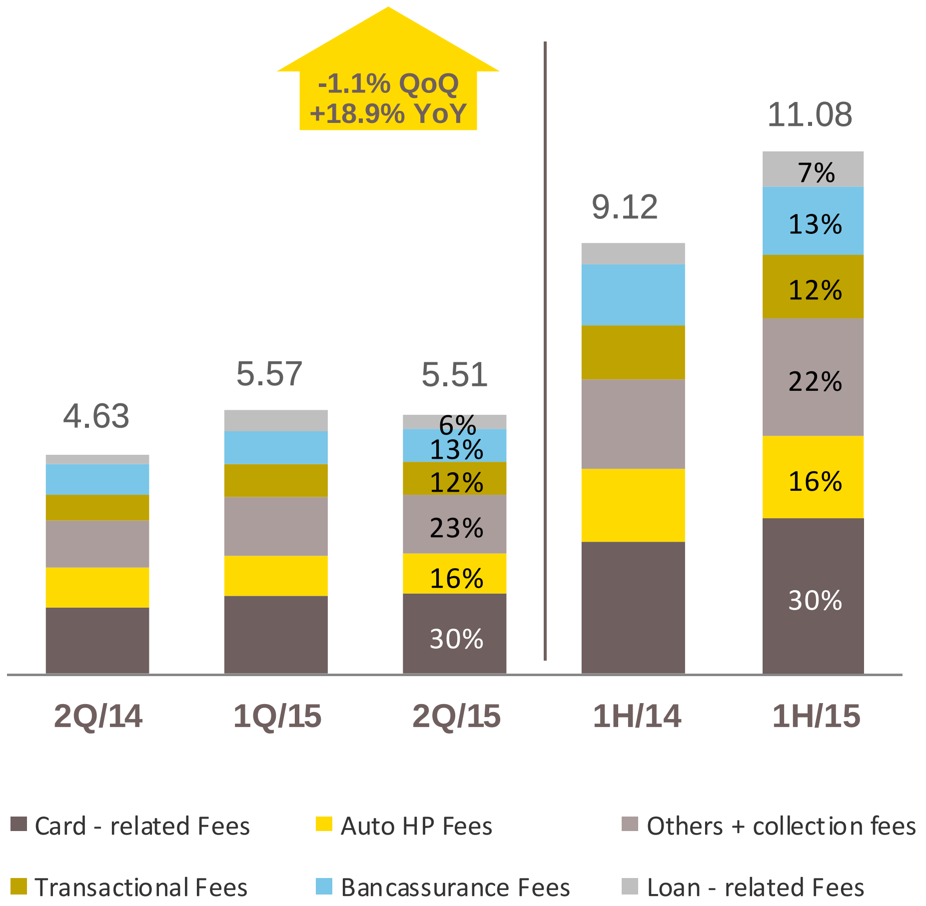
Yield & Cost of Funds



Fees and Service Income

Continued Growing fees generating capacity



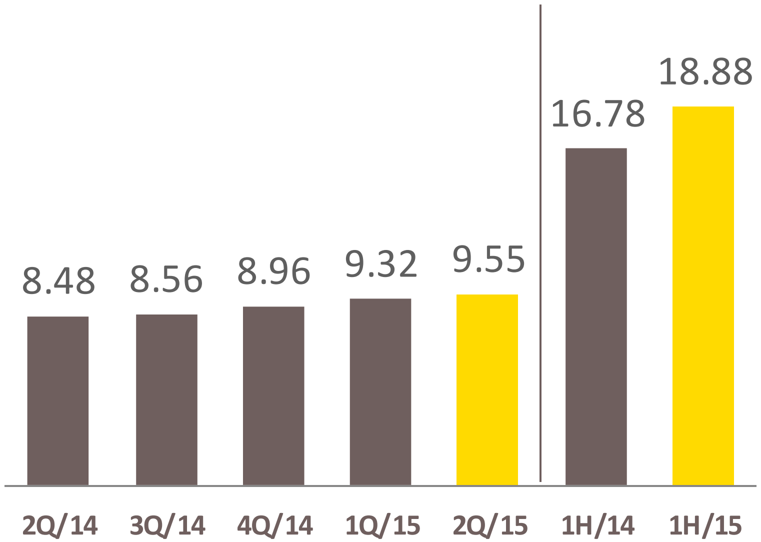


Efficiency Improvement

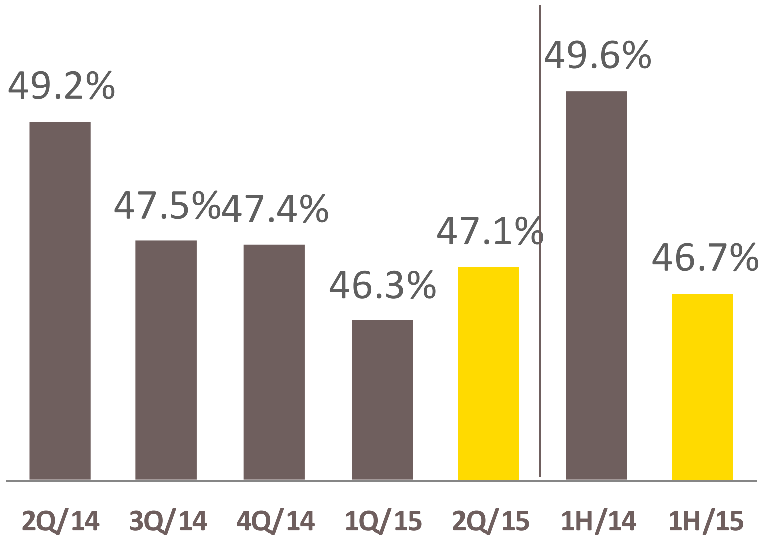
Well controlled expenses and increased efficiency

Operating Expenses

Consolidated
(Baht Billion)

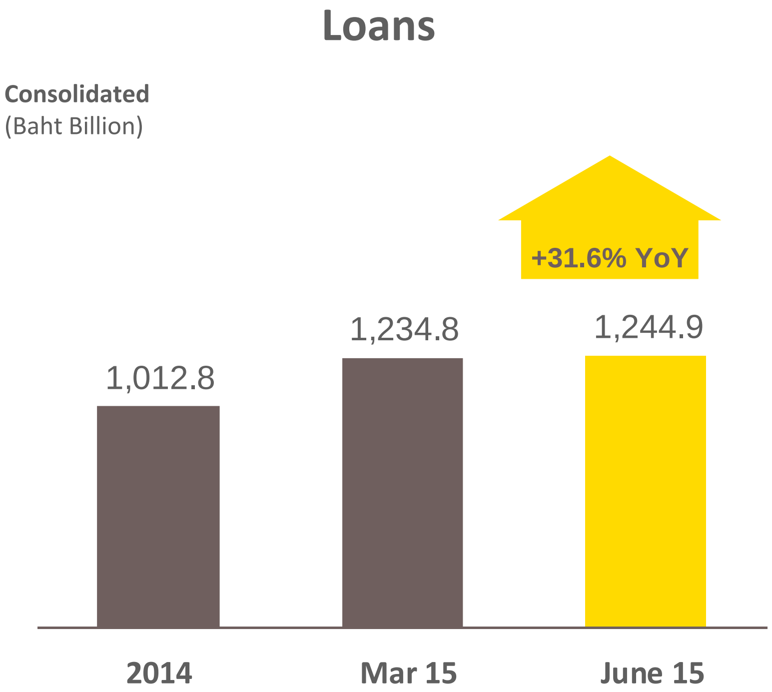


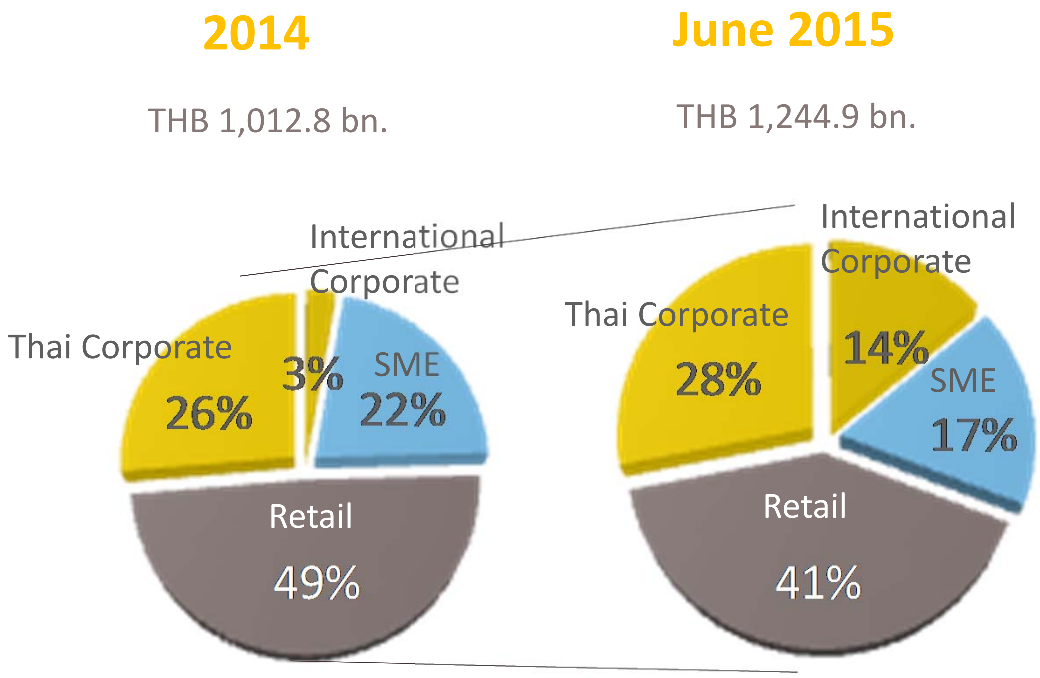
Cost to Income Ratio



Loans

Commercial lending accounted for 59%, retail lending equivalent to 41% of total loan portfolio.





Loan Growth **+0.8% QoQ**
+22.9% YtD

Retail

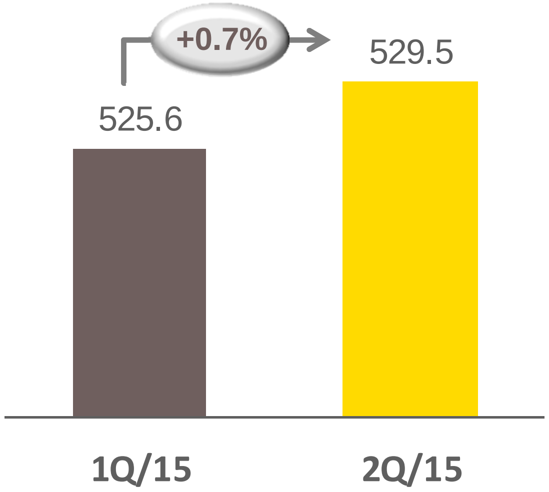
Auto HP	20%
Mortgage	11%
Credit Card & Personal Loans	10%

Loans by Segments

Consolidated
(Baht Billion)

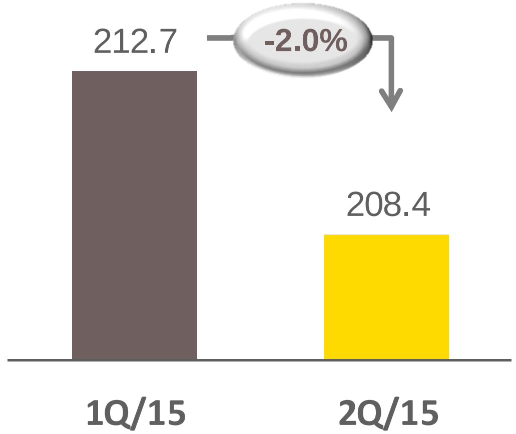
Corporate Loan

+79.5% YtD



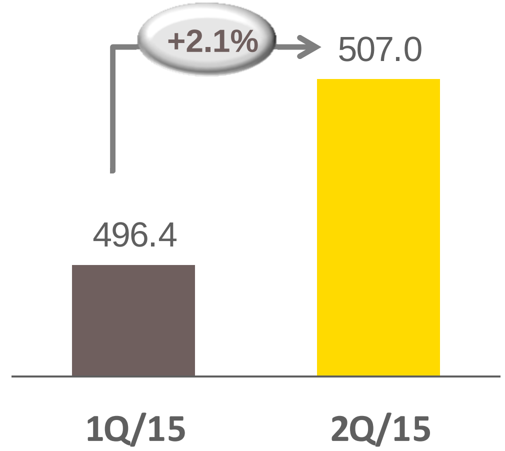
SME Loan

-5.6% YtD



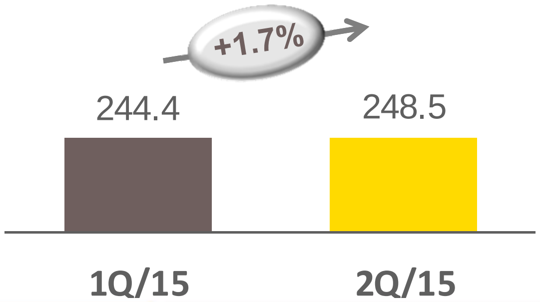
Retail Loan

+2.0% YtD



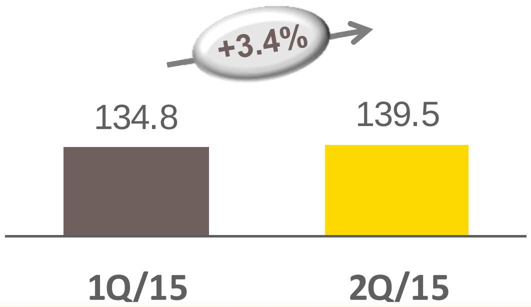
Hire Purchase

+3.1% YtD



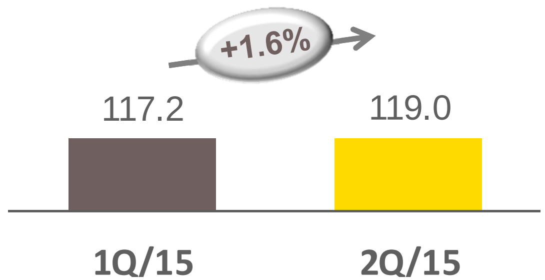
Mortgage

+4.9% YtD



Credit Cards and Personal Loans

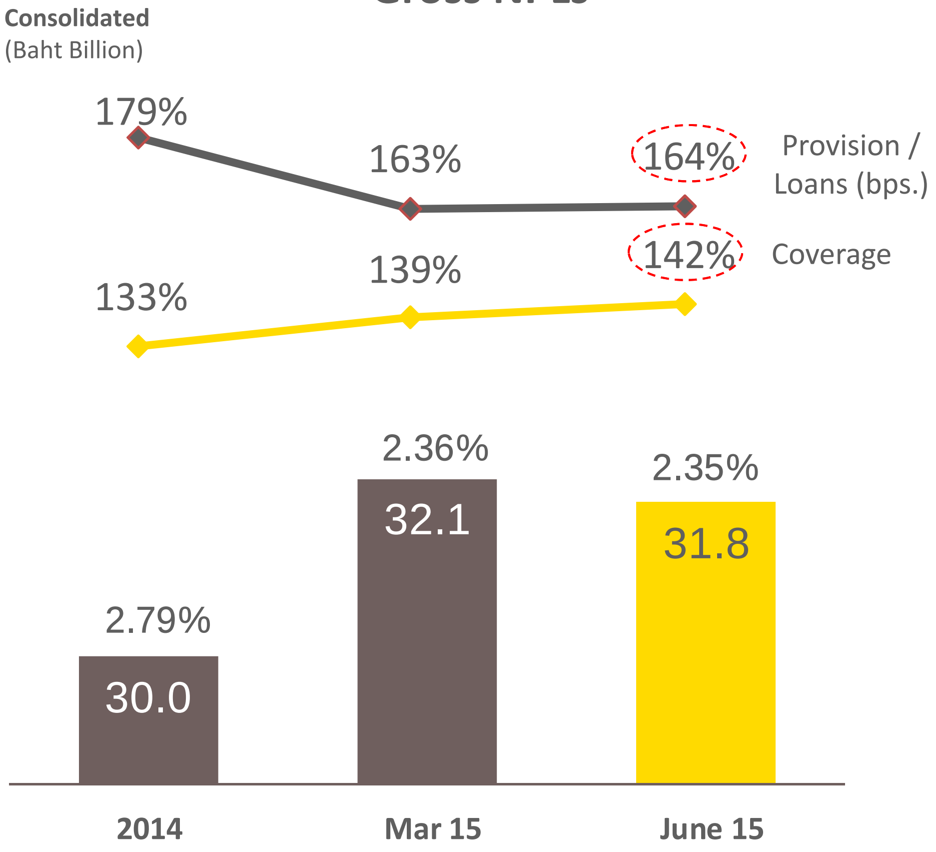
-3.4% YtD



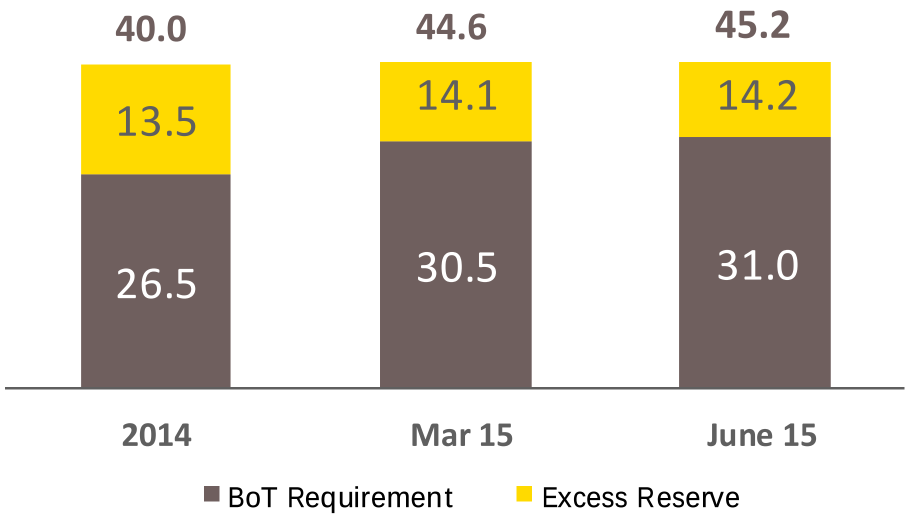
Asset Quality

NPL steady at 2.35% of total loans, with strong reserve position

Gross NPLs



Excess Reserve

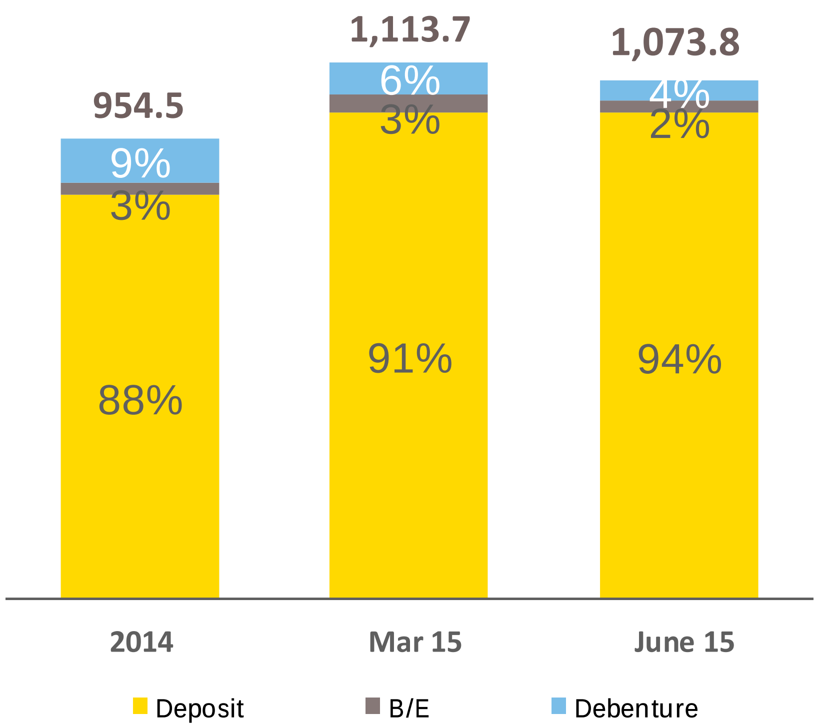


Funding Base

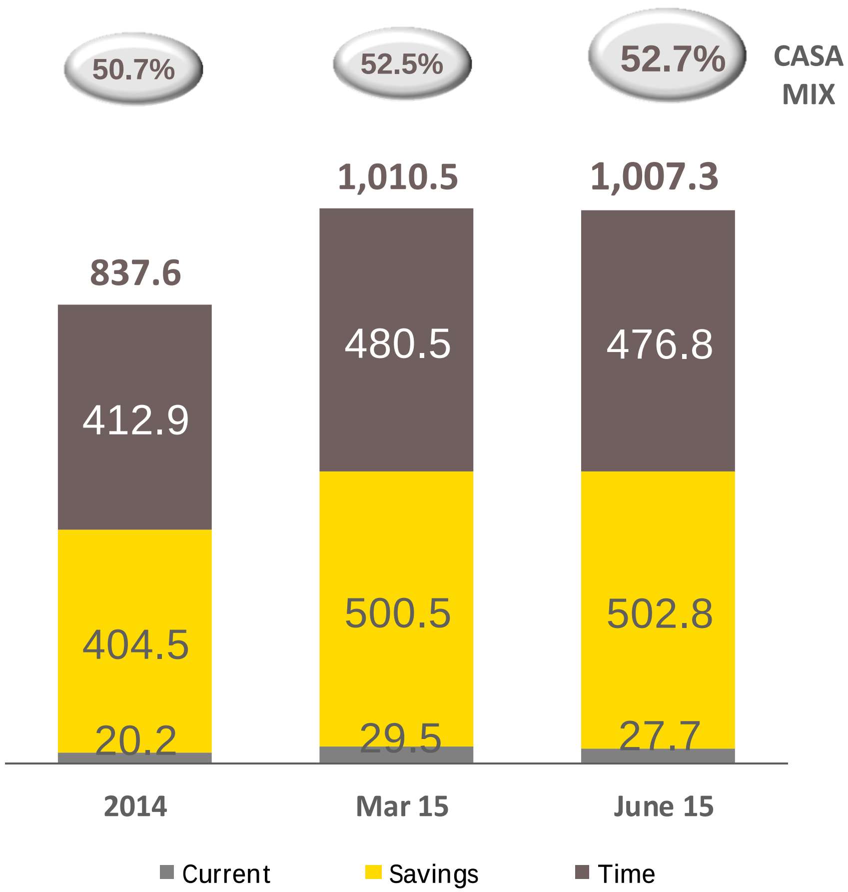
Improvement in funding structure and CASA

Funding Mix

Consolidated
(Baht Billion)



Deposits

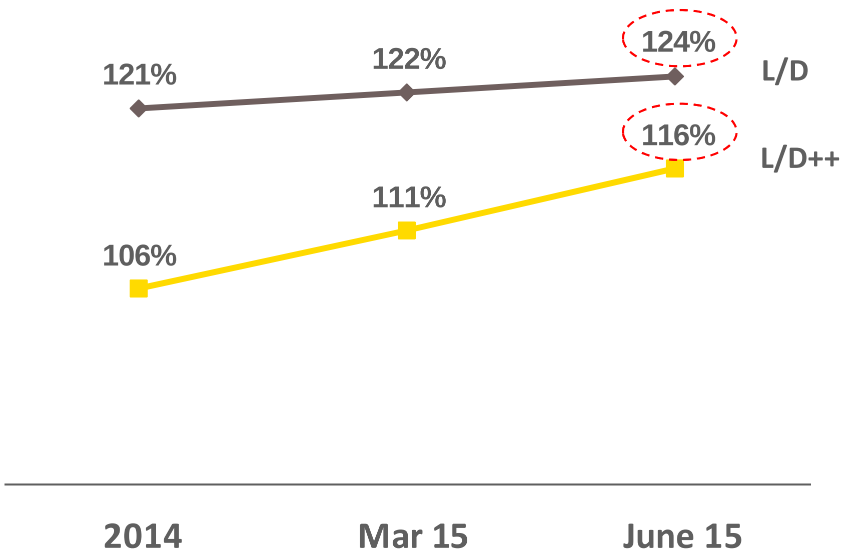


Capital and Liquidity

Maintain strong capital position

Loan to Deposit

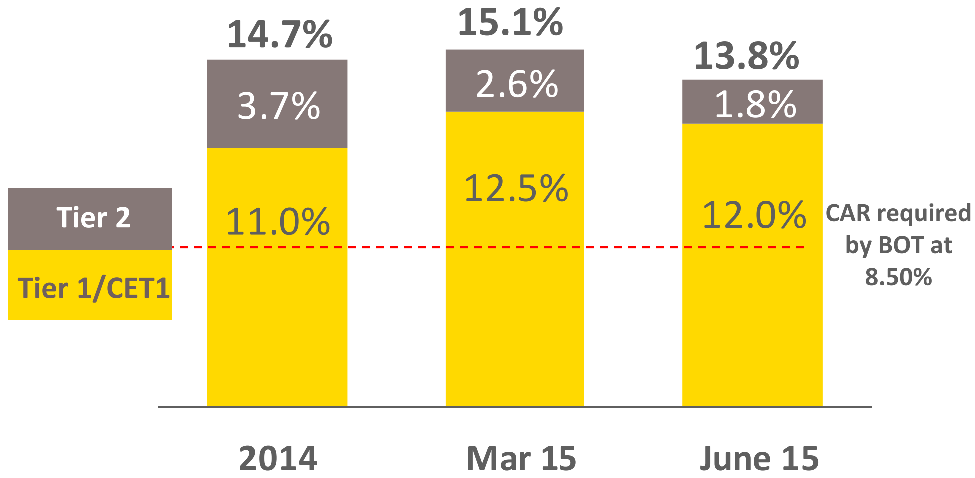
Consolidated



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

Strong Capital Base

Consolidated



Baht Billion	2014	Mar 15	June 15
Tier 1/CET 1	98.99	145.10	145.77
Tier 2	33.44	30.50	20.91
Total Capital	132.43	175.60	166.68

The Summary of Key Financial Performance

Consolidated	2014	1Q/15	2Q/15	1H/15	2015 Targets	
Loan Growth (Net)	+69.3 bn +7.3%	+222.0 bn +21.9%	+10.1 bn +0.8%	+232.1 bn +22.9%	4-6% *,**	~
NPLs Ratio	2.79%	2.36%	2.35%	2.35%	< 2.5%	✓
Deposit Mix: Savings and Current	51%	53%	53%	53%	> 50%	✓
Loan Mix : Retail	49%	40%	41%	41%	~ 40%	✓
L/Deposit+Debentures+B/E	106%	111%	116%	116%	n.d.	~
NIM	4.32%	4.21%	3.70%	4.23%	~ 4%	✓
Fee income growth (YoY)	3.5%	24.1%	18.9%	21.4%	12%+	✓
Cost to Income Ratio	48.47%	46.33%	47.08%	46.70%	< 50%	✓
Provisions	179 bps	163 bps	164 bps	163 bps	~ 150 bps *	~
Loan Loss Coverage	133%	139%	142%	142%	135%+	✓
CAR *(Bank Only)*	14.7%	15.1%	13.8%	13.8%	n.d.	~

* *Revised target*

** *Excluding the effect of the loan transfer from BTMU Bangkok branch*

1H2015: Synergy between Krungsri and BTMU

Synergy between Krungsri - BTMU

Focus on leveraging both Krungsri and BTMU's complementary strengths is bearing fruit.

Central Group

PTT MCC Biochem

Cross-Border Business

Cross-sell retail products

JBIC

ECAs

Supply Chain financing

Krungsri & BTMU Synergy

Transaction Banking

Business Matching

Cross-sell of Investment Banking products

Toyota Leasing Thailand

Mercedes Benz Thailand

The power of synergy has enhanced Krungsri on our service capability to customers.

MUFG/BTMU Synergy

Financial Support

PTT MCC Biochem

- Provided a financial support of USD 60 million to PTT MCC Biochem Co., Ltd. (JV between PTT Plc and Japan's Mitsubishi Chemical Corporation (MCC))

Bridge finance

Central Group

- Provided financing support to Central Group's latest expansion into European retail market.

Credit line

JBIC

- Joined JBIC to set up a credit line of USD 50 million to support Japanese SMEs business expansion.

Debenture

Mercedes Benz Thailand

- The lead arranger for a long term Debenture (Deal size THB 1 billion)

Toyota Leasing Thailand

- The joint-lead arranger for long term Debenture (Deal size THB 2 billion)

Supply Chain

- Automobile
- Paper

Cross-sell retail products

- Automobile

Business Matching

- Logistics

Regional Expansion

Krungsri's representative office opened in Yangon to support the Bank's corporate and SME clients in capturing business opportunities in the country.

Krungsri Representative Office - Open 22 April 2015

- To provide in-depth information on trade and investment-related opportunities to both Thai and Myanmar business operators.
- To provide "business matching" services

BTMU Yangon Branch - The first foreign bank to operate in Myanmar for decades.

- To provide full banking services, including deposits, loans, and foreign exchange, to foreign companies and domestic banks operating in Myanmar

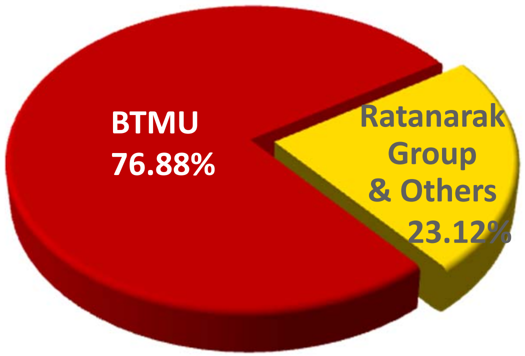
Two banks will cooperate to help Japanese and Thai companies expand business in Myanmar.

Krungsri Profile

Krungsri Group Overview

Shareholding Structure

(as of 7 May 2015)



- 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

FitchRatings	STANDARD & POOR'S	MOODY'S
A-	BBB+	Baa1

National Ratings

FitchRatings	TRIS RATING
AAA (tha)	AAA

Leadership Position

#1 In consumer finance

As of June 2015	Market Position	% Share
Consumer		
Personal Loan	1	27%
Credit Card	1	15%
Auto (HP)	2	20%
SME	5	7%
Corporate	4	10%

Extensive Franchise: 23,434 Service Outlets

As of June 2015	Number
Domestic Branches	657 *
Overseas Branches	3
ATMs	5,311
Exchange Booths	90
Krungsri Exclusive	19

As of June 2015	Number
Krungsri Business Centres	55
First Choice Branches + Dealers	98 Branches + 14,346 Dealers
Krungsri Auto Dealers	7,064 Dealers
Micro Finance Branches	357
Thai Post Offices	> + 1,000

** Krungsri Domestic Branches = 657 Branch, of which 620 are Banking Branches and 37 are Auto Business Branches*

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