krungsri
กรุงศรี
A member of MUFG
a global financial group

2015 Financial Performance

Investor Update

20 January 2016

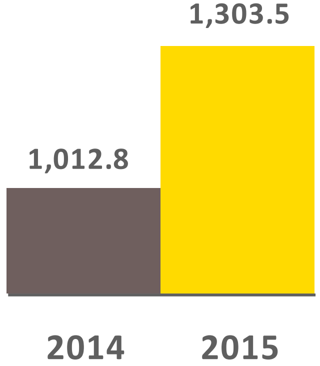
Agenda

Highlights

2015 Key Financial Highlights

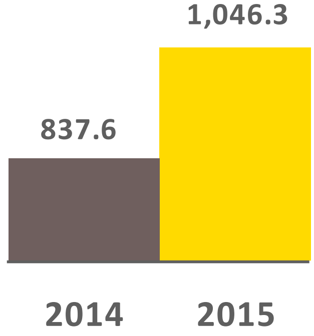
Loan Growth

Consolidated
(Baht Billion)



+28.7% YoY

Deposit Growth



+24.9% YoY

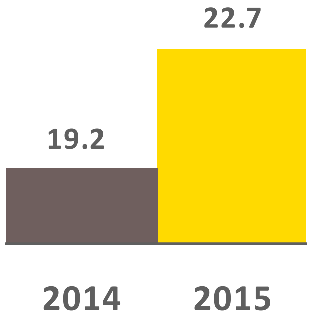
CASA %

52%

NIM %

4.15%

Fee Income Growth



+18.1% YoY

Cost-to-Income Ratio

47.05%

2014: 48.47%

NPL

2.24%

Coverage %

141%

2015 Achievements vs Targets

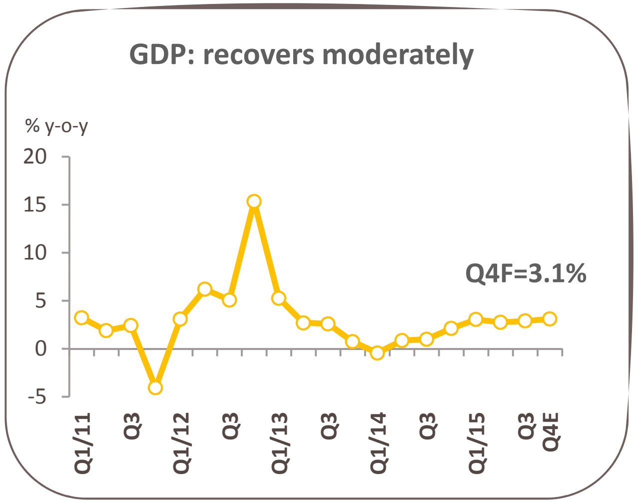
Strong performance against the backdrop of a slowing economy

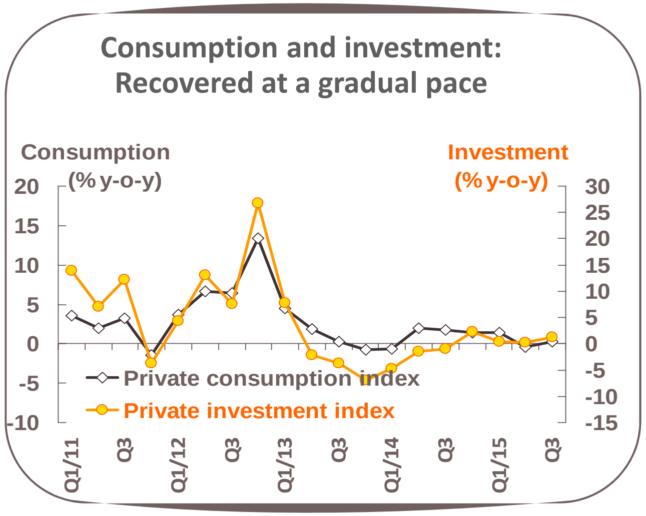
	2015	2015 Targets	
Loan Growth (Net)	+290.7 bn +28.7%	4-6% *	✓
NPLs Ratio	2.24%	< 2.5%	✓
Deposit Mix: Savings and Current	52%	> 50%	✓
Loan Mix : Retail	43%	~ 40	✓
L/Deposit+Debentures+B/E	114%	n.d.	~
NIM	4.15%	~ 4%	✓
Fee income growth (YoY)	18.1%	12%+	✓
Cost to Income Ratio	47.05%	< 50%	✓
Provisions	153 bps	~ 150 bps	✓
Loan Loss Coverage	141%	135%+	✓
CAR *(Bank Only)*	13.6%	n.d.	~

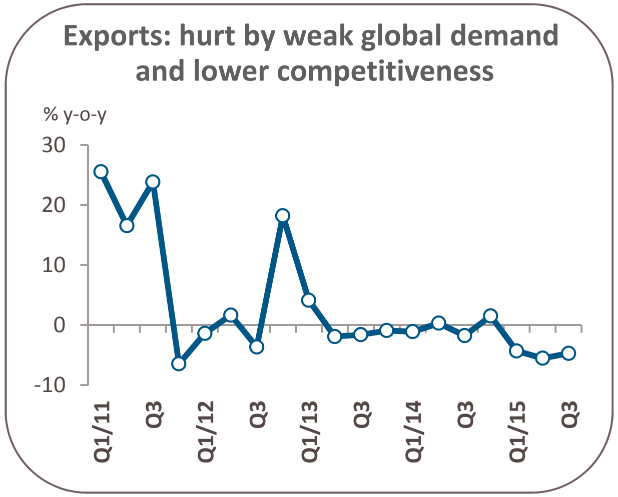
* *Excluding the effect of the loan transfer from BTMU Bangkok Branch*

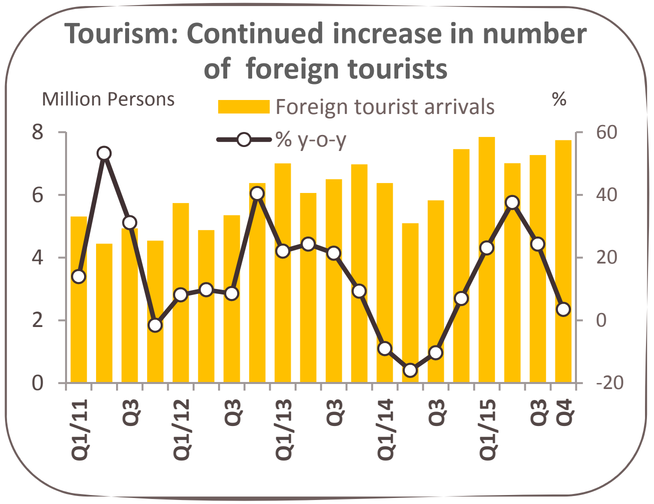
Recent Economic Development

- The Thai economy grew better than expected in Q3/2015, due partly to positive growth of net exports (as a result of plunging imports).
- In Q4/2015, the economy continued to recover with a stronger pace, estimated growth of 3.1%, bringing full year growth for 2015 at 2.9%.
  - The new series of stimulus package help improve confidence which would boost domestic spending.
  - Despite adverse effects from Bangkok bombing, tourism shows sign of expansion.
  - However, weak global growth could continue to weigh down exports.









Source: Krungsri Research

Thailand Economic Outlook

2016 Outlook: The Thai economy is likely to expand moderately with projected growth of 3.2% in 2016, compared with 2.9% in 2015.

2016 Key Economic Forecasts

% y-o-y growth unless otherwise stated	2014A	2015F*	2016F*
GDP	**0.9**	**2.9**	**3.2**
Private Consumption	0.6	2.2	2.5
Private Investment	-2.0	-1.0	4.0
Exports (In USD term)	-0.3	-5.5	2.0
Headline Inflation	1.9	-0.9	1.2
Policy Interest Rate (%, end of period)	2.00	1.50	1.75

*Note: * 2015-16 forecast by Krungsri Research (as of December 2015)*

- **Key drivers** are increasing public spending, economic stimulus measures, infrastructure projects and improving confidence.
- Private sector, especially business investment, is likely to play more role in driving the economy in 2016.
- Tourism is expected to recover after hitting by a Bangkok bomb in August 2015.

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
- Infrastructure investment
- Low oil prices
- AEC dynamism and economic corridor development
- Economic resiliency

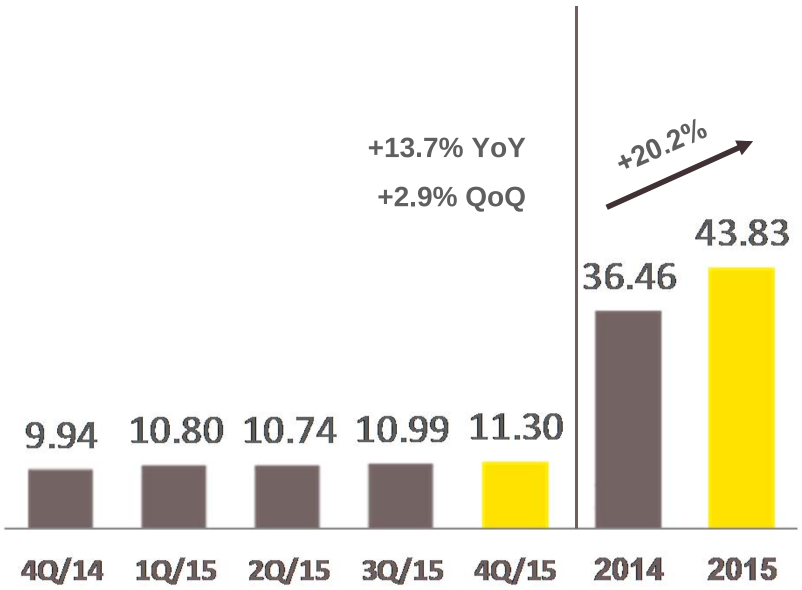
Financial Performance

Profitability

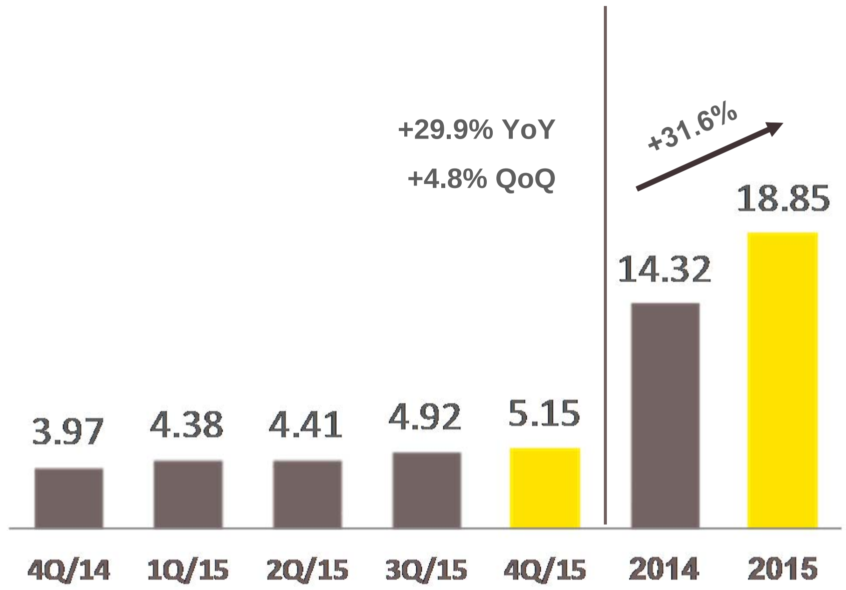
Consistent delivery despite the weak economic environment

Profit before Provision and Tax

Consolidated
(Baht Billion)

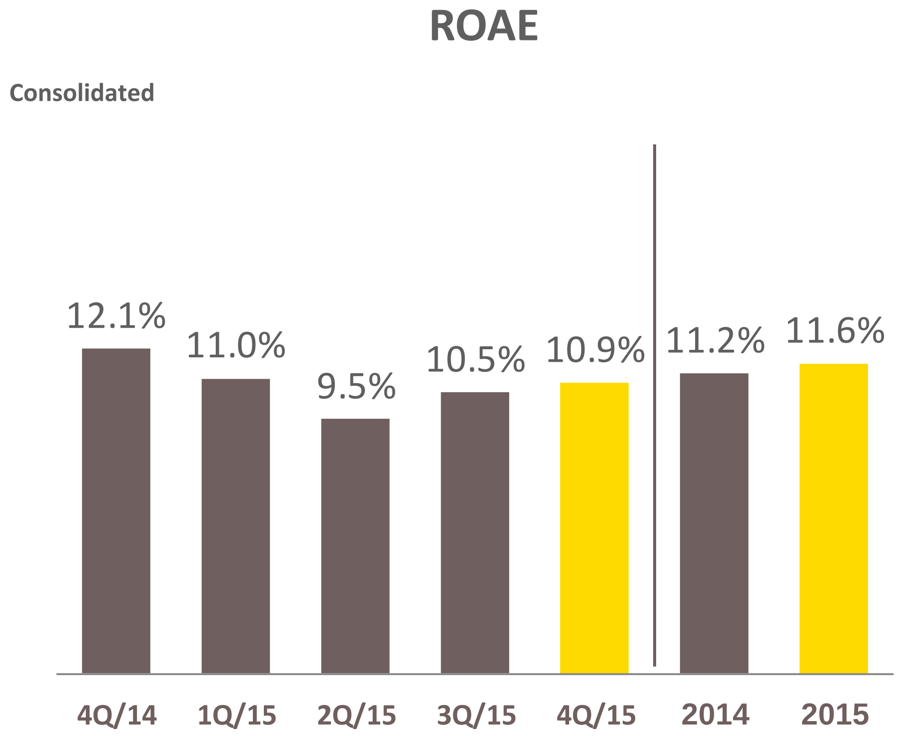


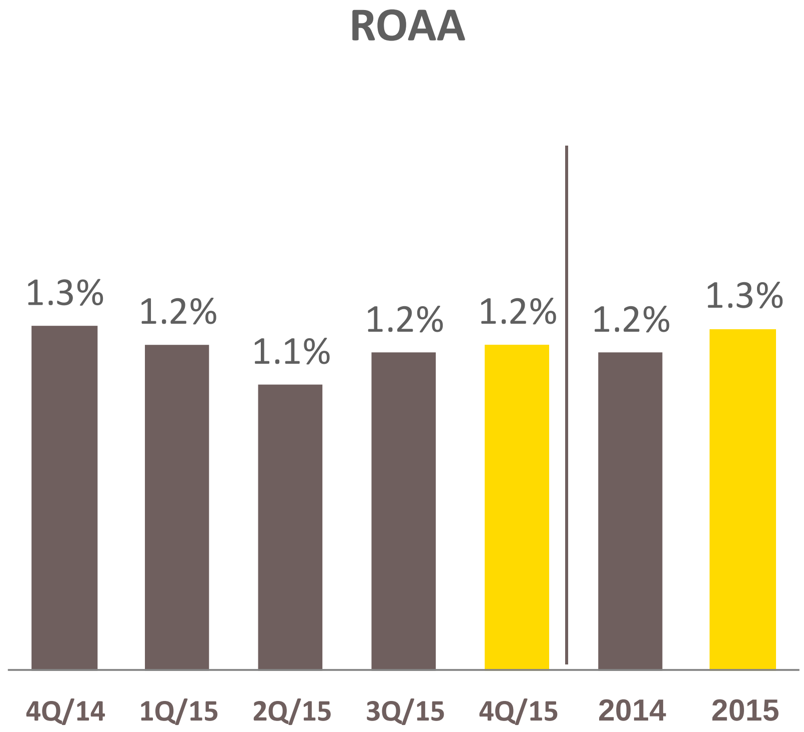
Net Profit



ROAE at 11.6% & ROAA at 1.3%

Improvement in both ROAE and ROAA

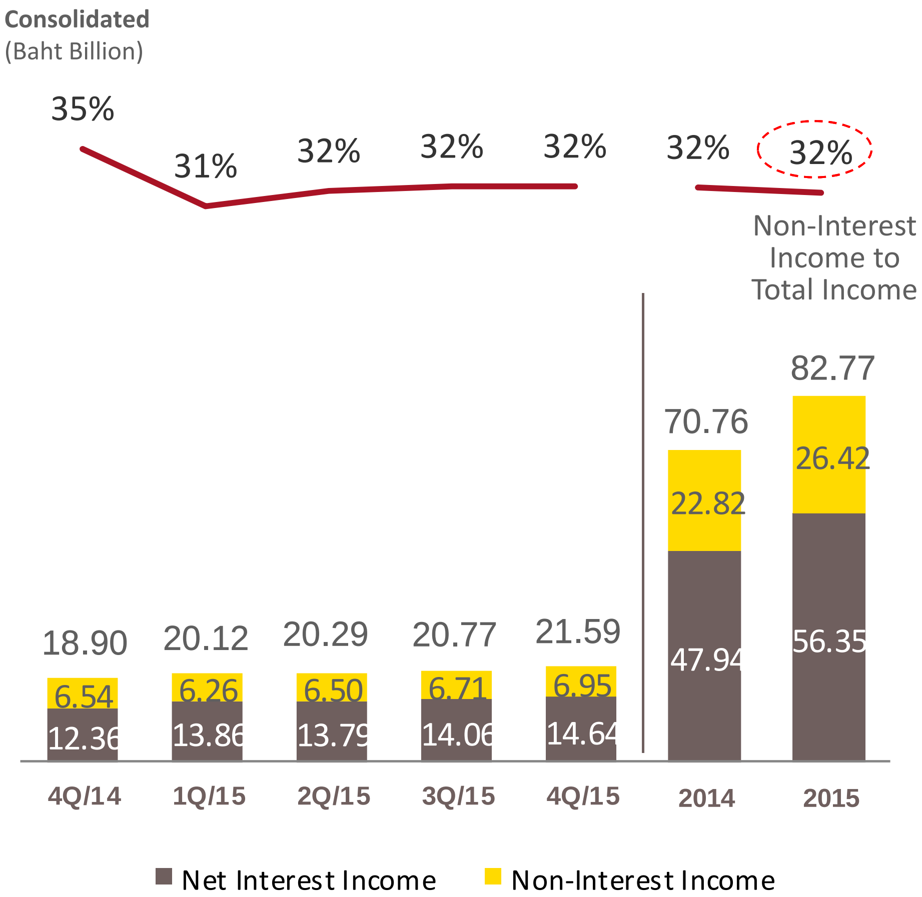




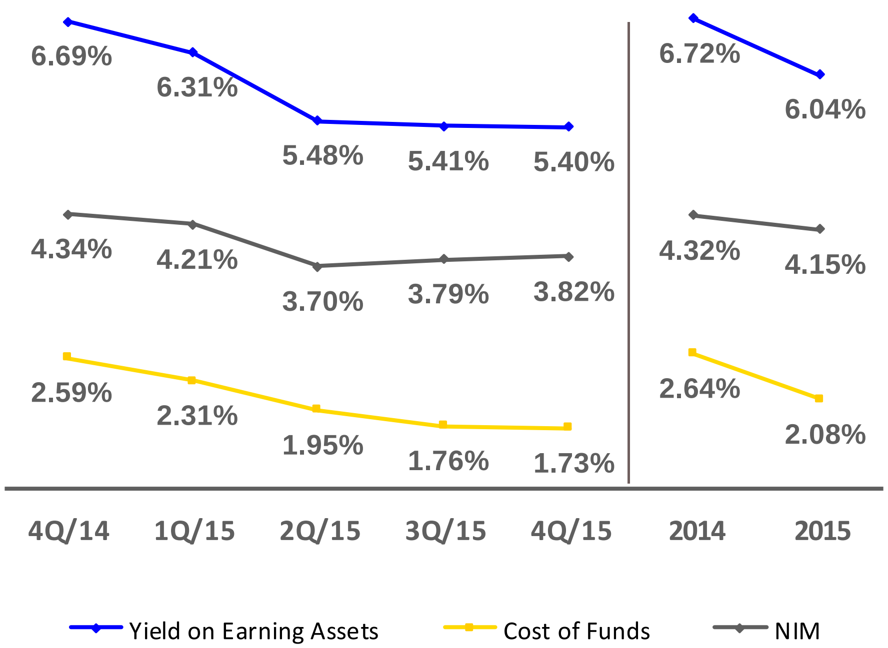
Profitability Measurement

2015 NIM strong at 4.15%

Total Income



Yield & Cost of Funds

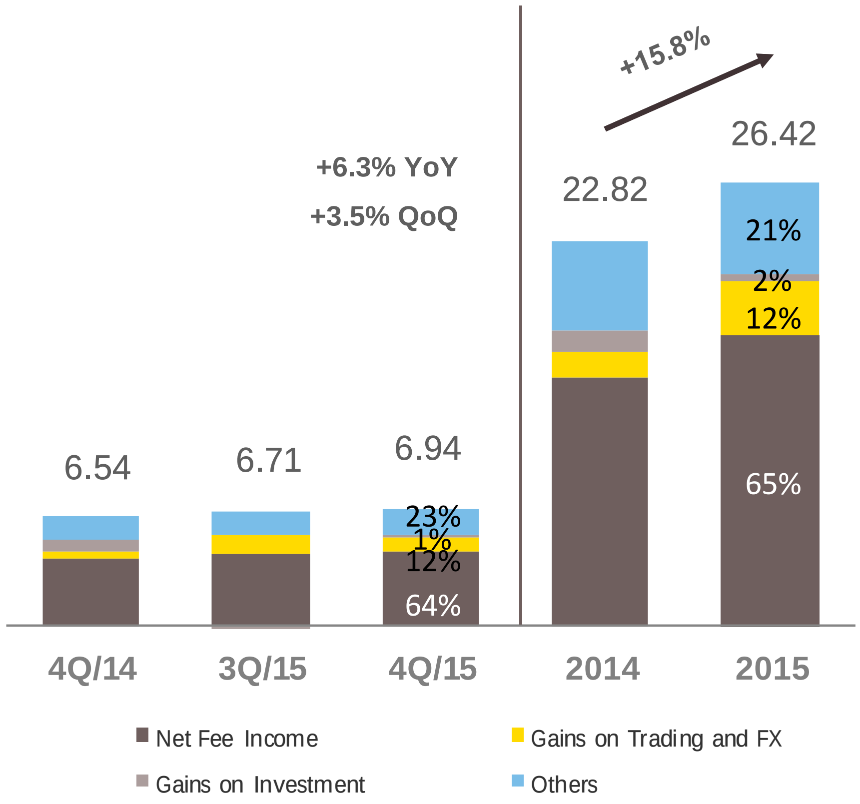


Fees and Service Income

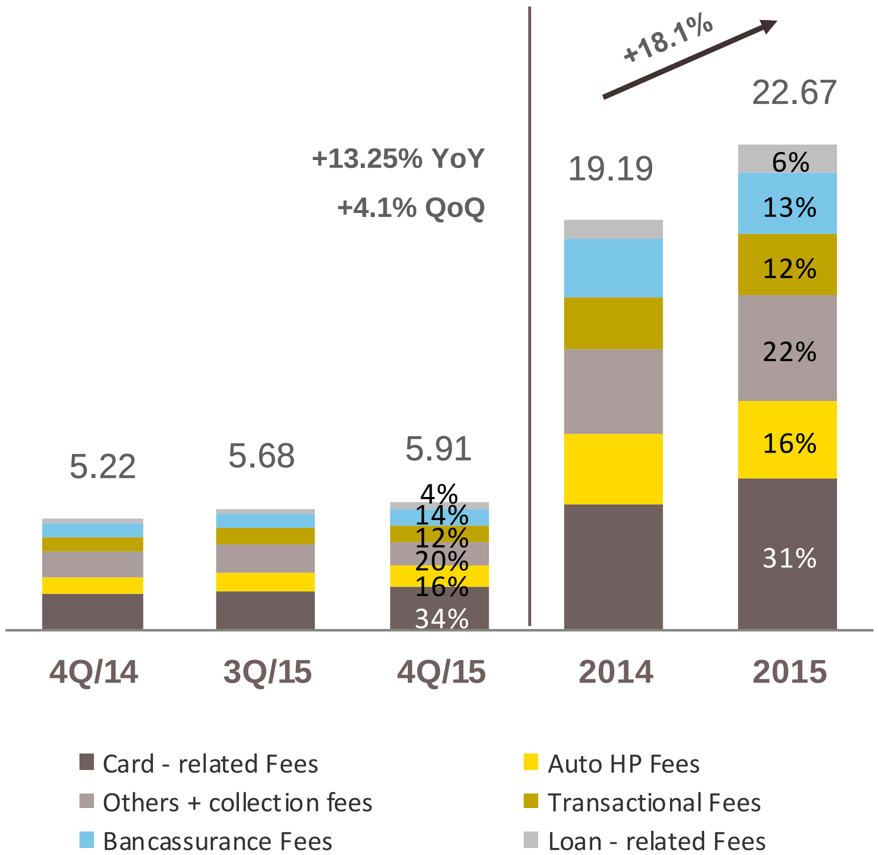
Continued growing fee generating capacity, achieved from synergy with MUFG/BTMU

Non-Interest Income

Consolidated
(Baht Billion)



Fee & Service Income

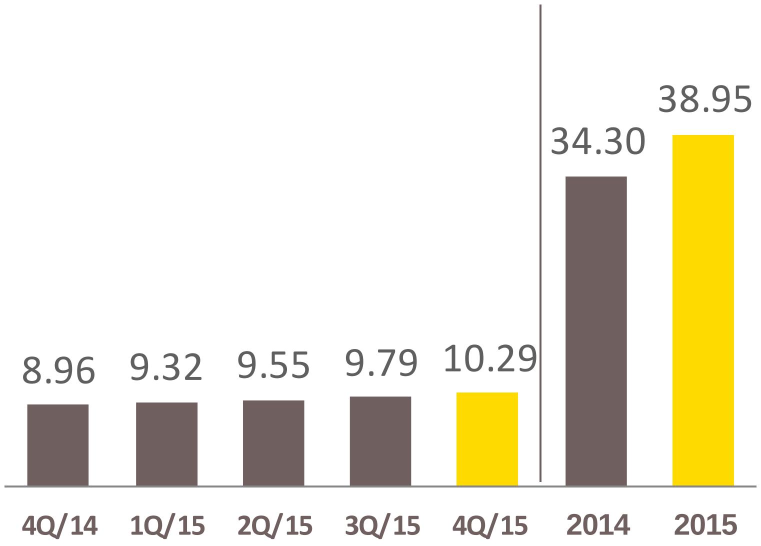


Cost Efficiency

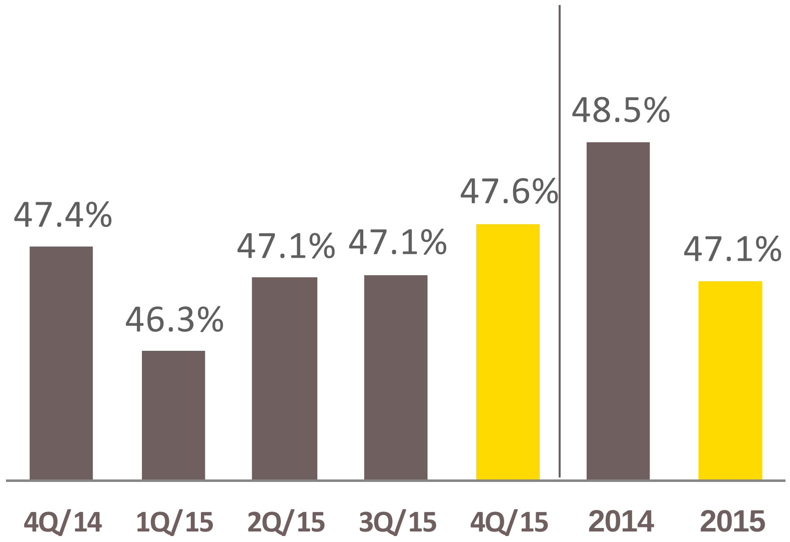
Significantly improved cost to income reflecting strong growth in income
and increased efficiency from Krungsri – MUFG synergy and disciplined expense management

Operating Expenses

Consolidated
(Baht Billion)

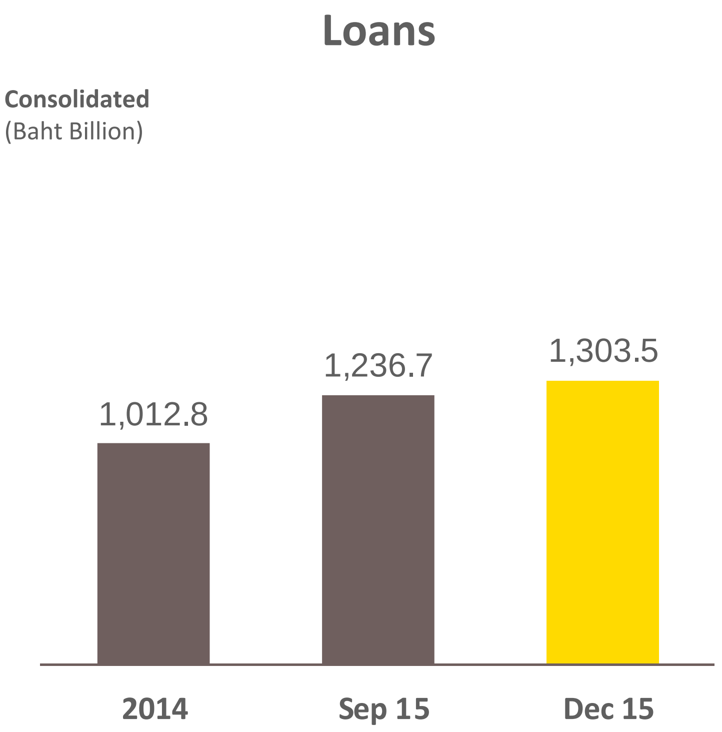


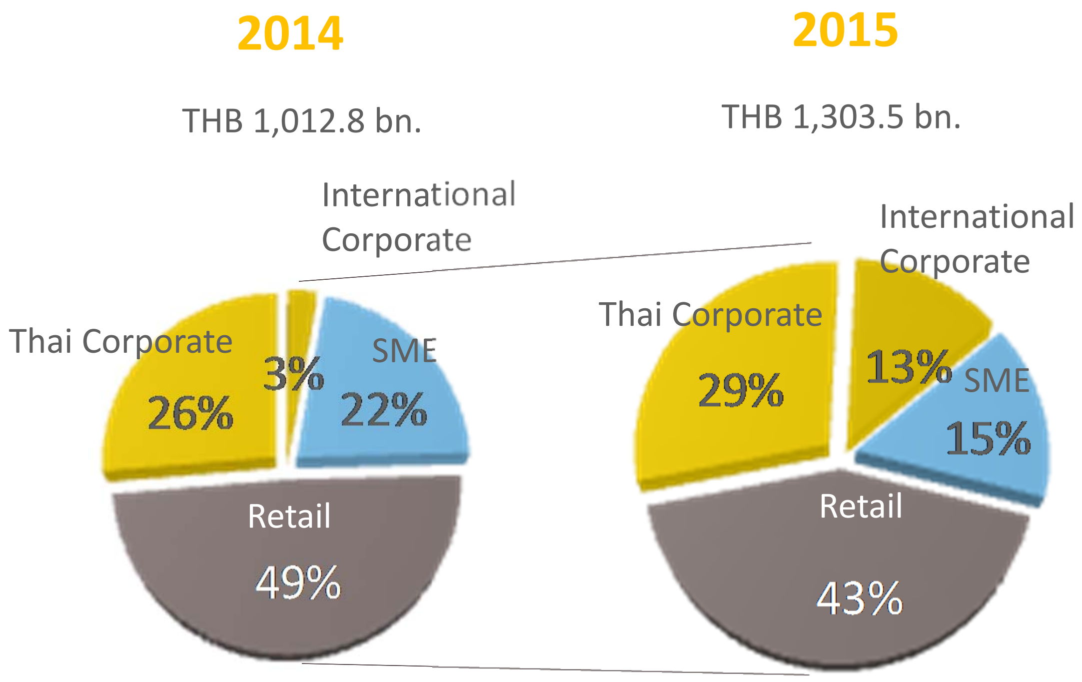
Cost to Income Ratio



Loans

In 2015, corporate segment was the key contribution of loan growth, followed by the retail segment





Loan Growth 28.7% in 2015

5.4% QoQ

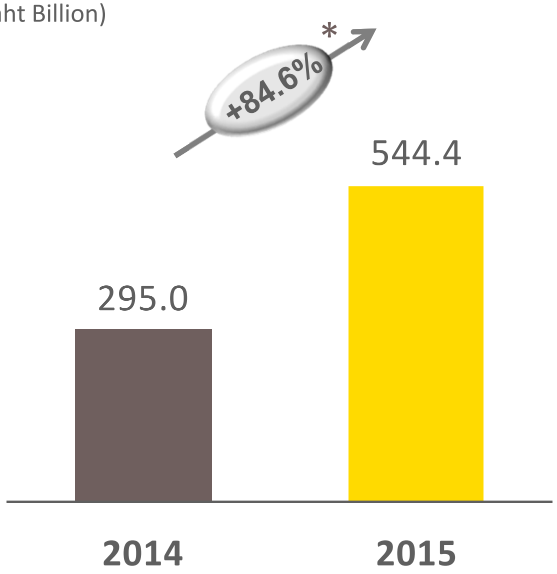
Retail

Auto HP	21%
Mortgage	12%
Credit Card & Personal Loans	10%

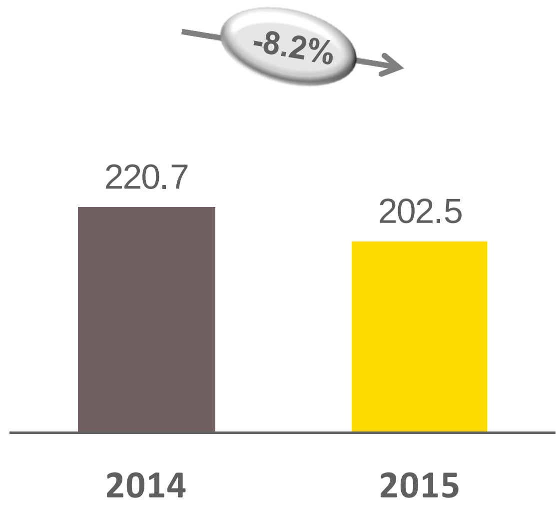
Loans by Segments

Corporate Loan

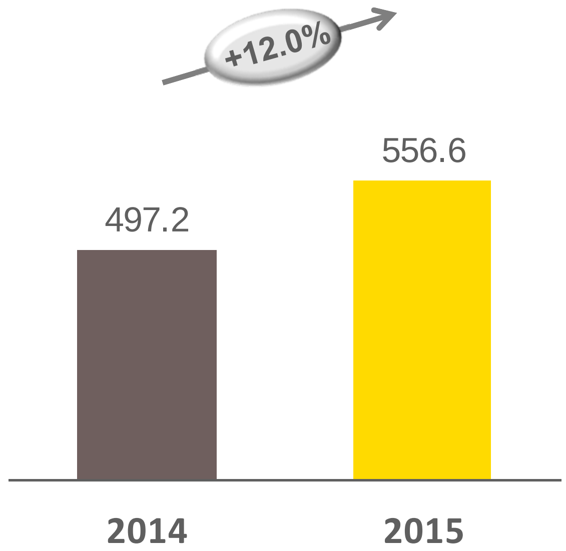
Consolidated
(Baht Billion)



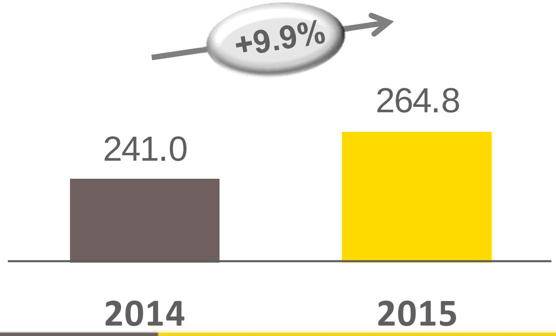
SME Loan



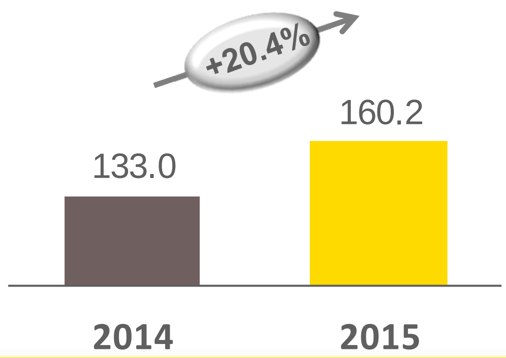
Retail Loan



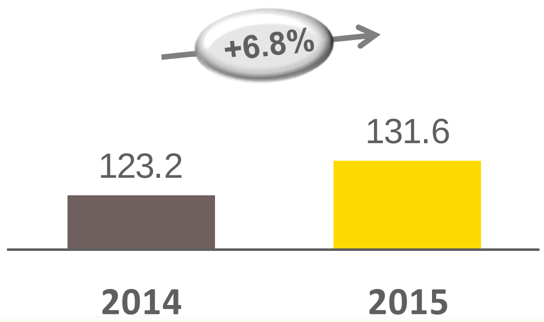
Hire Purchase



Mortgage



Credit Cards and Personal Loans

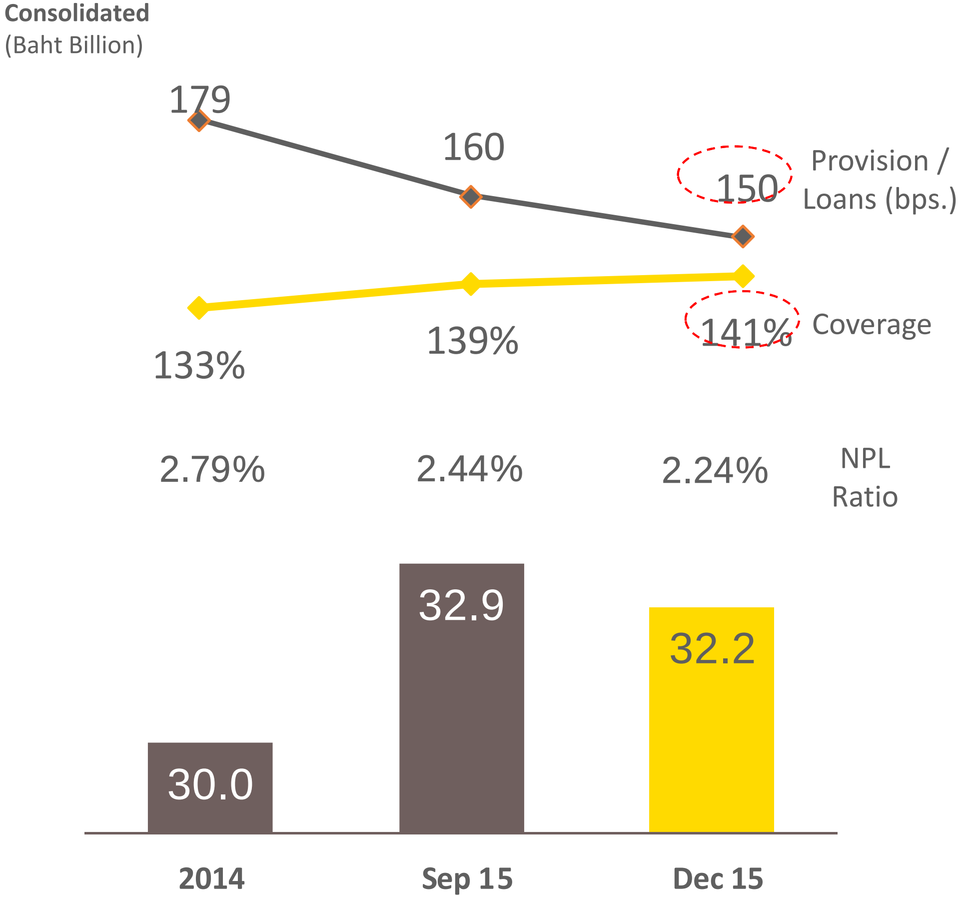


* *Including the loan transfer from BTMU Bangkok Branch*

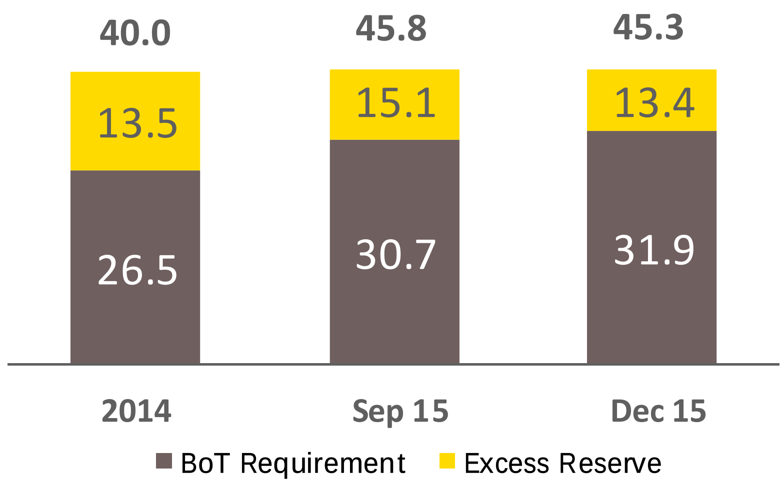
Asset Quality

NPL stood at 2.24% of total loans, with strong reserve position

Gross NPLs



Excess Reserve

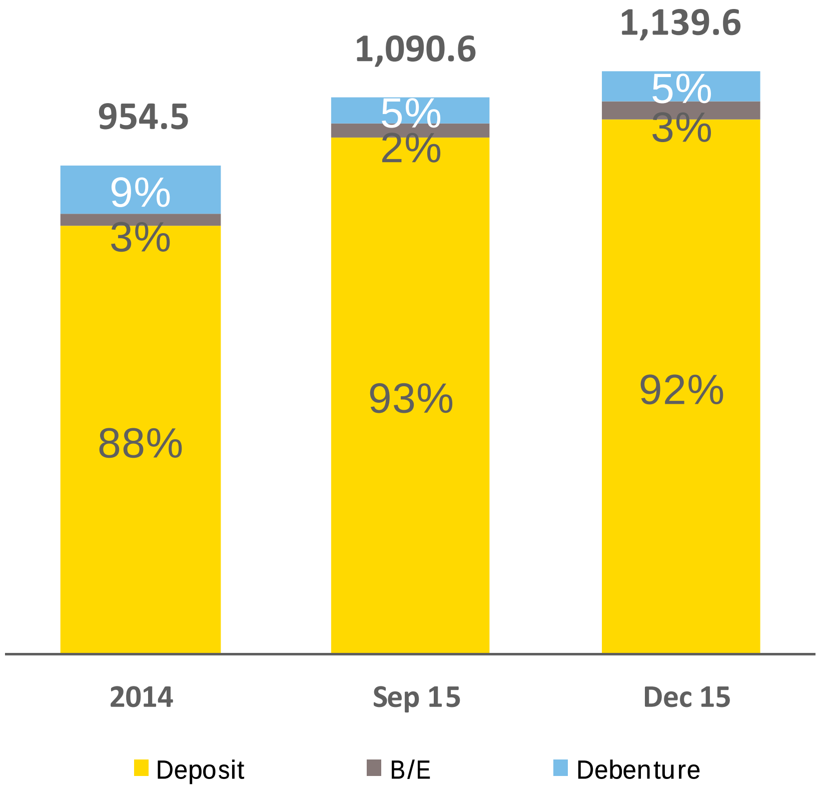


Funding Base

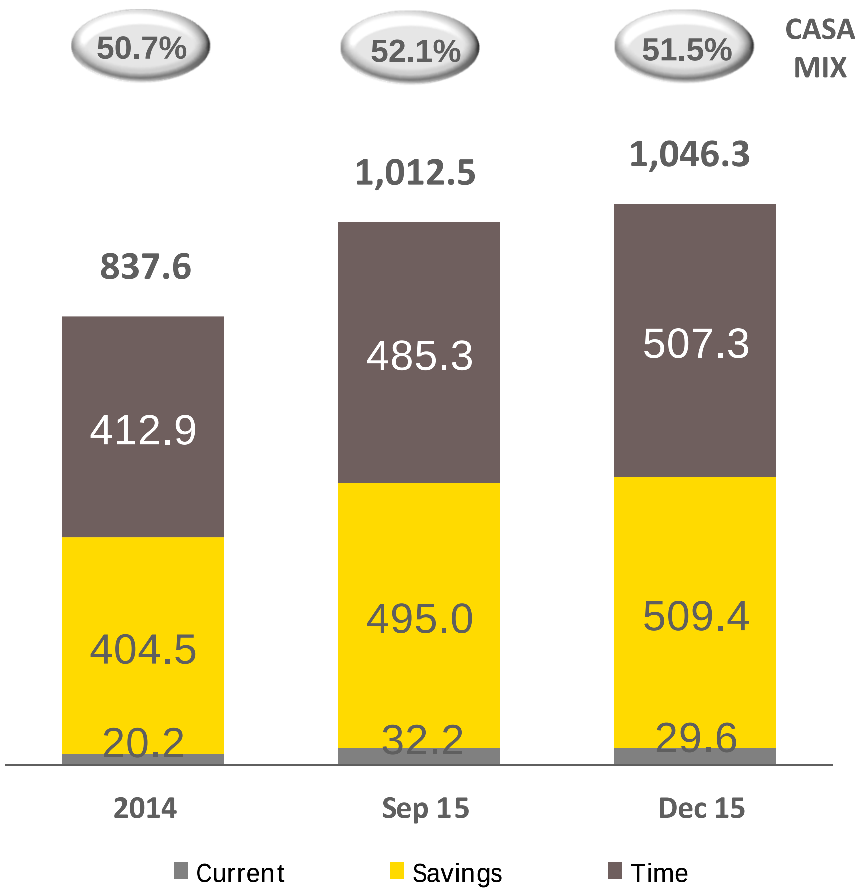
Improvement in funding structure

Funding Mix

Consolidated
(Baht Billion)



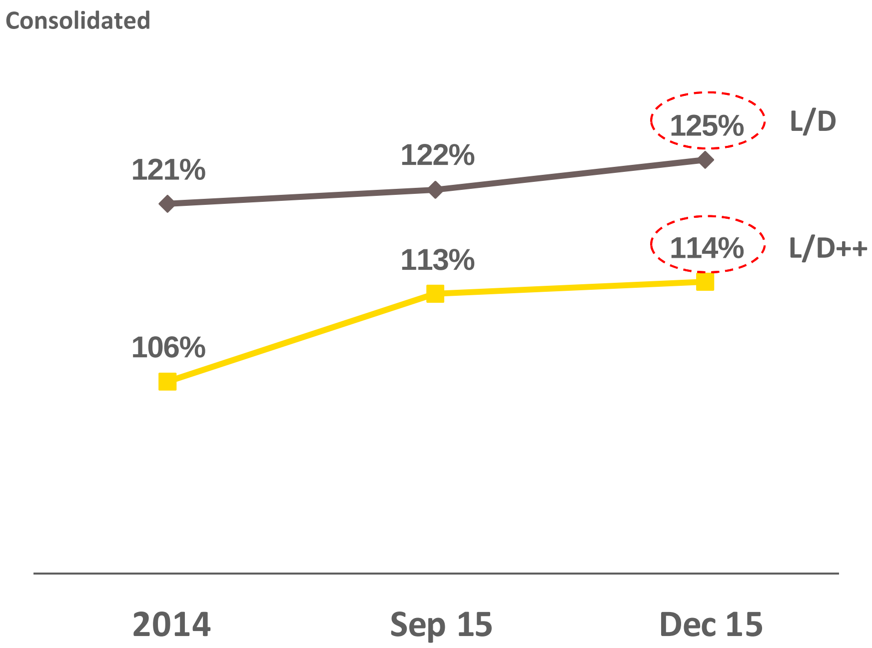
Deposits



Capital and Liquidity

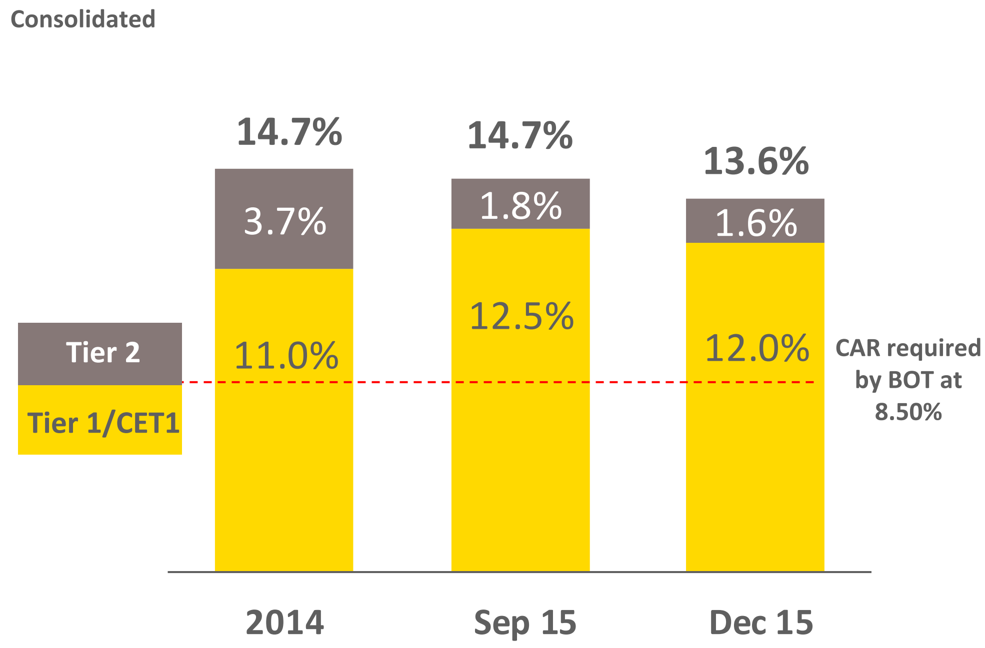
Maintain strong capital position, CAR equivalent to 13.6%

Loan to Deposit



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

Strong Capital Base



Baht Billion	2014	Sep 15	Dec 15
Tier 1/CET 1	98.99	146.45	146.18
Tier 2	33.44	21.77	20.08
Total Capital	132.43	168.22	166.26

The Summary of 2015 Financial Performance

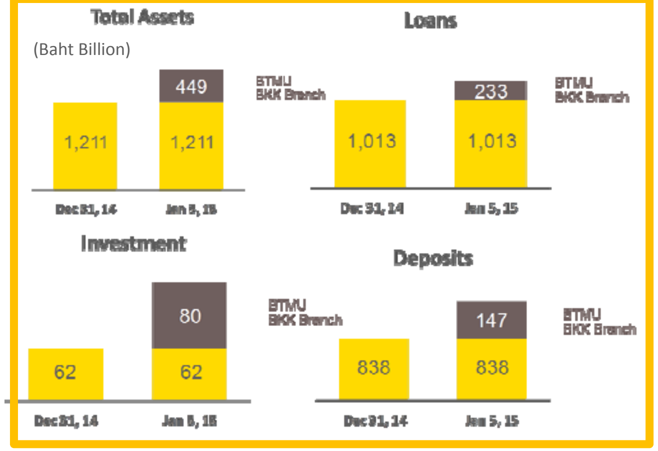
Consolidated	4Q/14	4Q/15	2014	2015	2015 Targets	
Loan Growth (Net)	+37.9 bn +3.9%	+66.7 bn +5.4%	+69.3 bn +7.3%	+290.7 bn +28.7%	4-6% *	✓
NPLs Ratio	2.79%	2.24%	2.79%	2.24%	< 2.5%	✓
Deposit Mix: Savings and Current	51%	52%	51%	52%	> 50%	✓
Loan Mix : Retail	49%	43%	49%	43%	~ 40%	✓
L/Deposit+Debenture+B/E	106%	114%	106%	114%	n.d.	~
NIM	4.34%	3.82%	4.32%	4.15%	~ 4%	✓
Fee income growth (YoY)	10.2%	13.3%	3.5%	18.1%	12%+	✓
Cost to Income Ratio	47.40%	47.64%	48.47%	47.05%	< 50%	✓
Provisions	202 bps	150 bps	179 bps	153 bps	~ 150 bps	✓
Loan Loss Coverage	133%	141%	133%	141%	135%+	✓
CAR *(Bank Only)*	14.7%	13.6%	14.7%	13.6%	n.d.	~

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

2015 Business Priorities Delivery

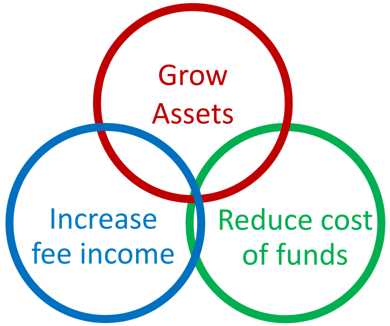
Krungsri 2015... Year in Review: Delivery Highlights

Successful Integration

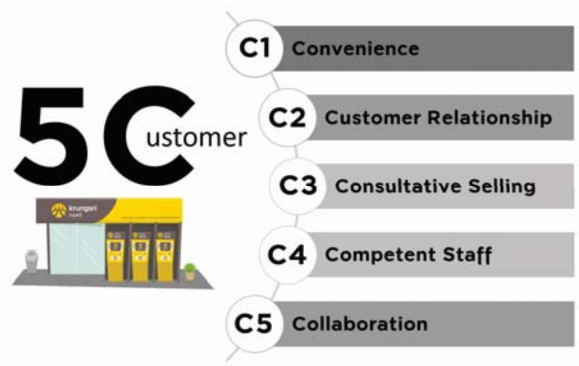


Launched Krungsri's MTBP

Key Strategic Themes



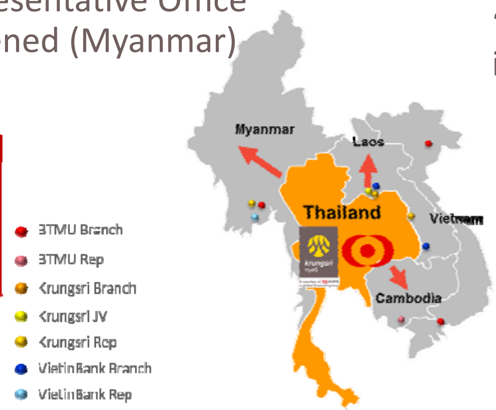
Customer Centricity Strategy



Regional Expansion

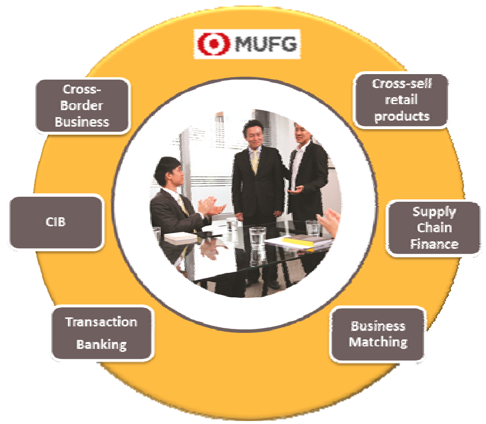
Representative Office Opened (Myanmar)

Openings of Krungsri Representative Office and BTMU Yangon Branch



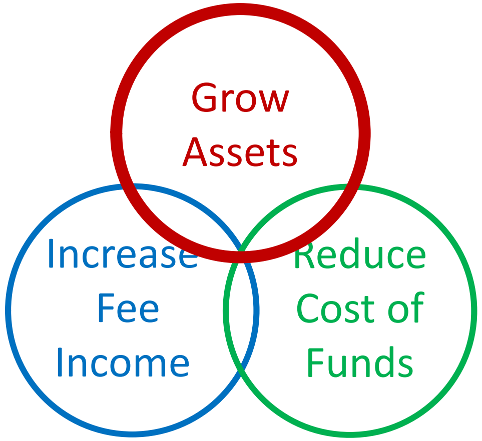
'Sales Finance' product in Lao PDR

Synergies achieved

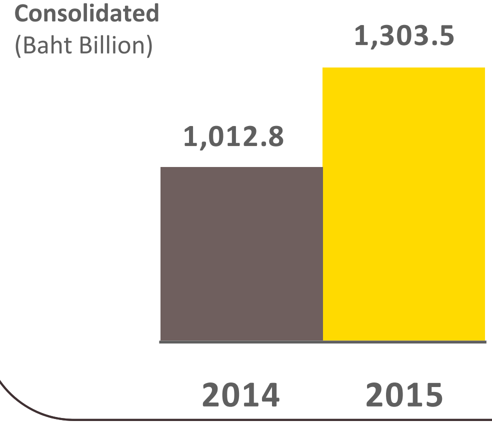


Krungsri 2015… Synergies Achieved

Key Strategic Themes



Loan Growth



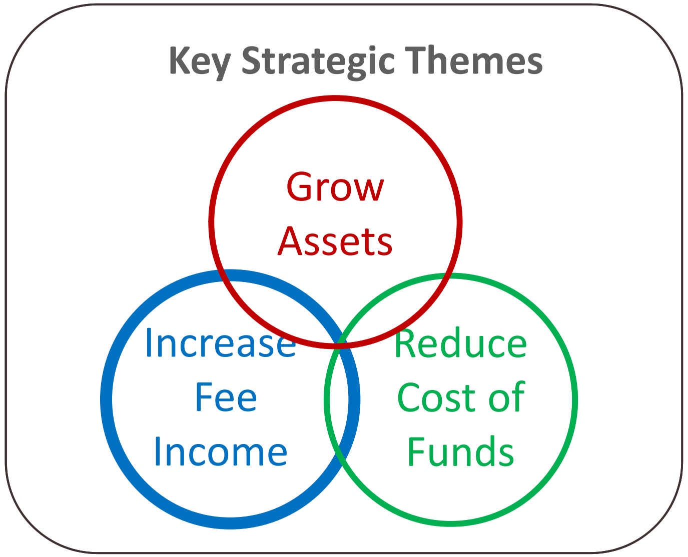
Major Initiatives :

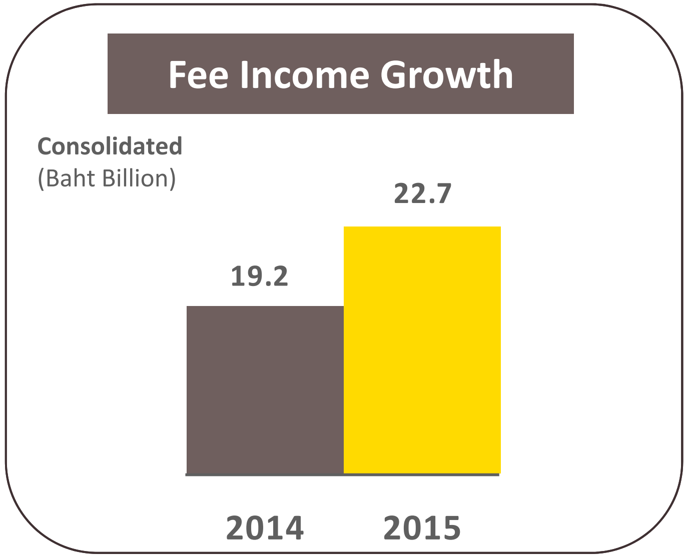
- Keep leading position in consumer and auto
- Become a Tier 1 mortgage player
- Become a core bank to commercial customers

Achievements:

- Market share of auto hire purchase increased from 17% to 22%
- Significant growth in mortgage loan with more than THB 40 billion new booking
- Successful Business Matching Fair 2015 attracted around 170 Thai and Japanese companies, recording over 300 business matches

Krungsri 2015… Synergies Achieved





Major Initiatives :

- Enhance trade finance and transaction banking

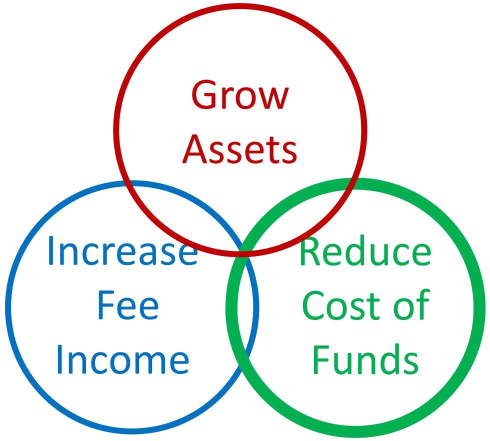
Achievements:

- Arranger for long-term debenture issuance:

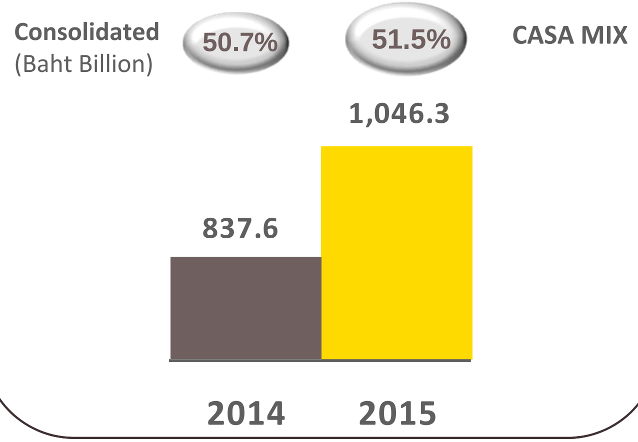
Mercedes Benz Thailand	• Lead arranger (Deal size THB 1 billion)
Toyota Leasing Thailand	• Joint-lead arranger (Deal size THB 2 billion)
Glow Energy	• Joint-lead arranger (Deal size THB 4 billion)

Krungsri 2015… Synergies Achieved

Key Strategic Themes



Deposit Growth



Major Initiatives :

- Increase CASA

Achievements:

- Acquired more than 10,000 payroll accounts with major JPC/MNC customers
- Enhanced customer convenience through network expansion:
  - 20 new local branches
  - 505 ATMs

Krungsri 2015… Synergies Achieved

Cross-sell retail products: Acquired payroll accounts & promoted cross-sell retail banking services

- Acquired more than 10,000 payroll accounts with major JPC/MNC
  - Automobile
  - Electronics
  - Non-life insurance

Supply Chain Financing: Promote end-to-end solutions from supplier financing to dealer financing, utilizing BTMU's long - term relationship with the Japanese car manufacture,

- Dealers of cars manufactured in Thailand

Business Matching: Organized 2nd Business Matching – Nov. 2015

- 170 companies participated
- More than 320 business matches
- Customers from Laos and Vietnam also joined for the 1st time

Cross-sell of investment banking products: Focused on debt capital market, project financing and securitization

- Project finance
- Debt Capital Market
- Syndicated loan

Transaction Banking: Promoted products, leveraged products and process from BTMU to close the product gap with market

- Regional cash pooling
- Structured trade finance (Vendor finance, Account receivable purchasing)
- Thai-Japan, Thai-China trade flow

Cross Border Business: Support local corporations which in need of global banking services

- Provided financing support to customers operating overseas (France, Denmark, India, Singapore, China)

Krungsri 2015… Regional Expansion

Krungsri Representative office opened in Yangon

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

BTMU Yangon Branch – The first foreign bank to operate in Myanmar to provide full banking services to foreign companies and domestic banks operating in Myanmar.

Work closely to provide total financial solutions to Thai, Myanmar and foreign customers.

Krungsri to lead the coverage of both **bank** and **non-bank segment**

Explore opportunity to partner with Vietin Bank

JPC/MNC can use financial services through 2 of BTMU branches in **Ho Chi Min City** and **Hanoi.**

Use BTMU platform for corporate segment Retail and SME are open space for further assessment

Krungsri 2015… Delivery: Commercial Banking

Commercial Loan Growth

at in **44.9%*** 2015

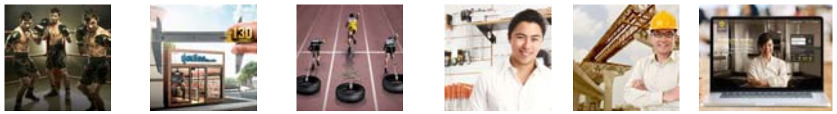
Major Bond Underwriting in 2015

Major Project Finance in 2015

Business Matching

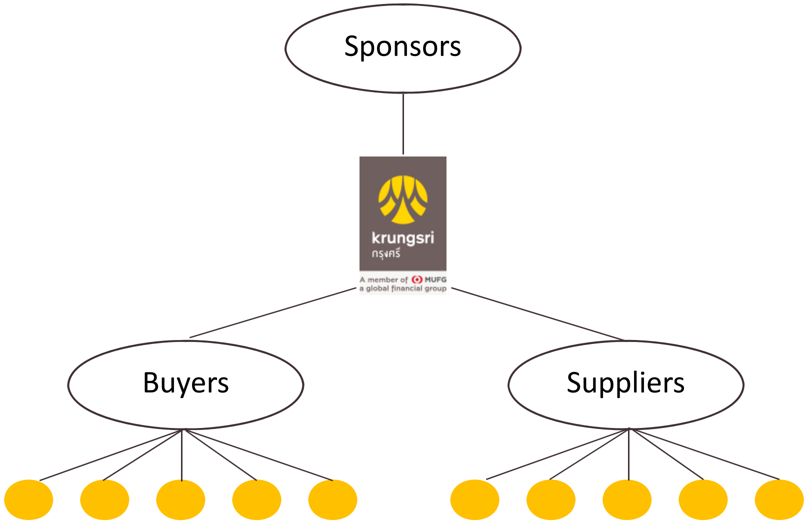
Krungsri- MUFG Business Matching Fair in Bangkok

Krungsri SME - Boost opportunity for every business



3X Credit Line | Kern-Roi Loan | Prom-Hai Loan | Quick Loan | e-Guarantee | Biz Online

Krungsri Value Chain Solutions



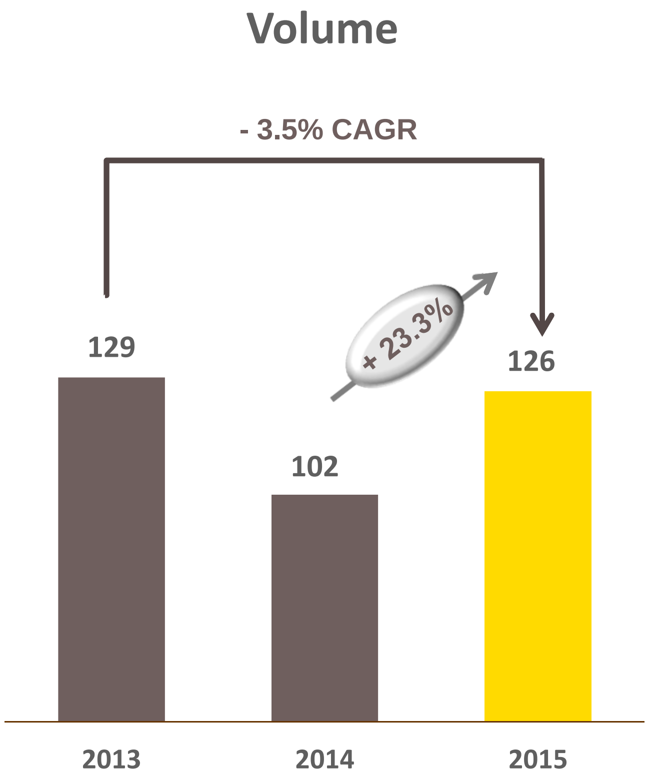
Value chain to support Corporates and SMEs

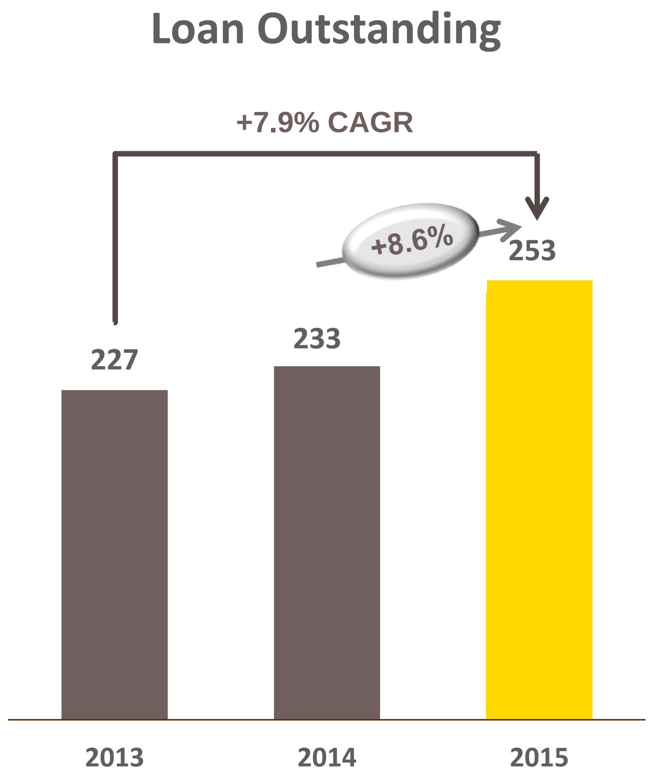
* Including the loan transfer from BTMU Bangkok Branch

Krungsri 2015… Delivery: Krungsri Auto

Krungsri Auto

(Baht Billion)





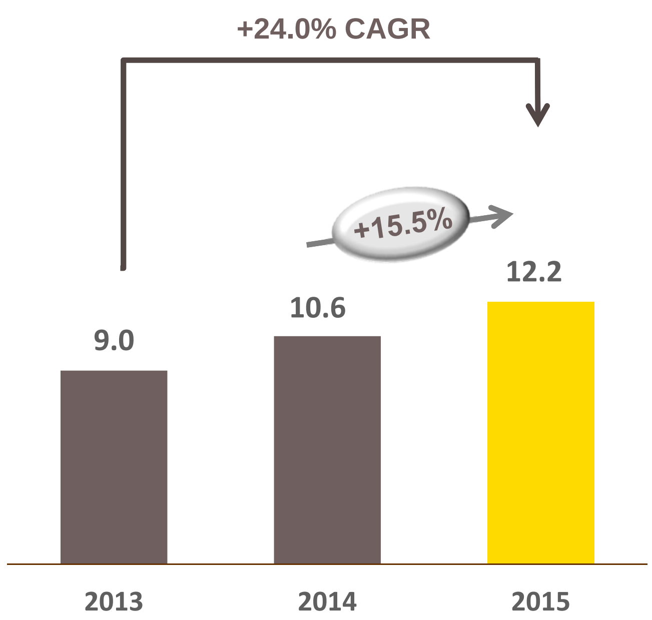
Loan balance Krungsri Auto only. For consolidation, auto hire purchase lending also includes Ngern Tid Lor (NTL)

Krungsri 2015... Delivery: Unbanked Krungsri Simple

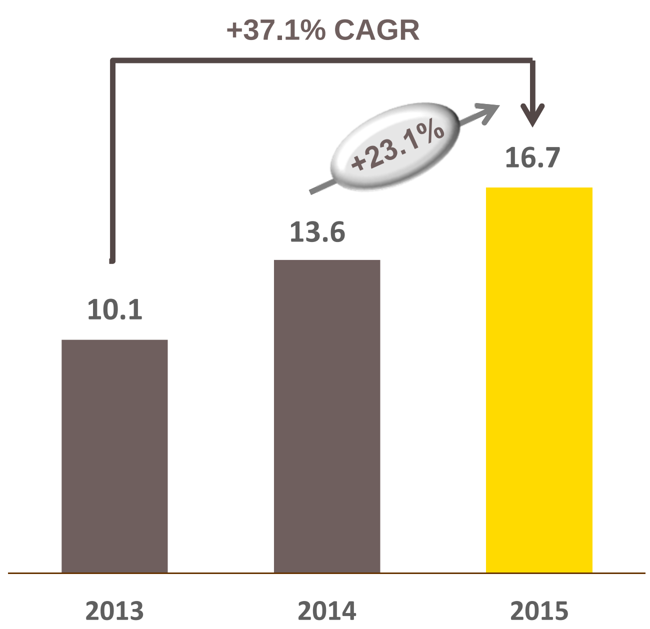
ศรีสวัสดิ์ เงินติดล้อ

Volume

(Baht Billion)



Loan Outstanding



- *16.7 billion NEA milestone*
- *Customer base grew by 26%*
- *59 new branches (Total 382 branches)*
- *Covering 74 provinces*

- *10 minutes to cash for motorcycle and non-transfer secured truck loan*
- *Offered free-of-charge personal accident insurance to all motorcycle title loan*

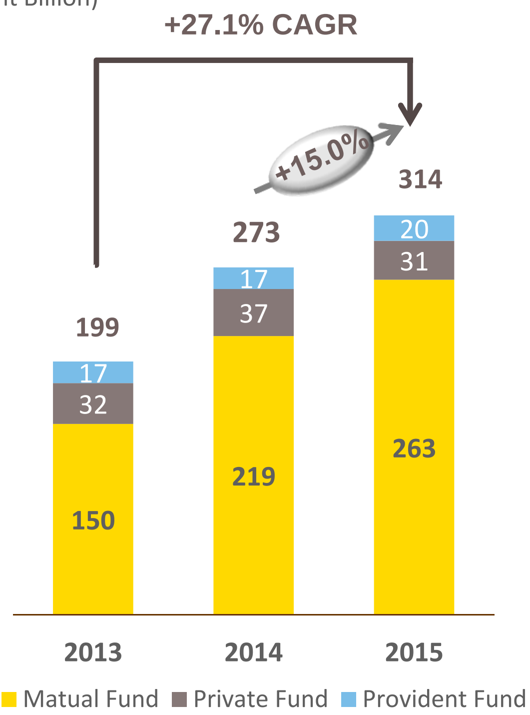
CFG Services Co., Ltd. (CFGS) changed its name to Ngern Tid Lor Co., Ltd. (NTL) on 1 Oct 2015

Krungsri 2015… Delivery: Growing Wealth & Fund Mgmt

Krungsri Asset Management	Krungsri Home Loan	Krungsri Bancassurance

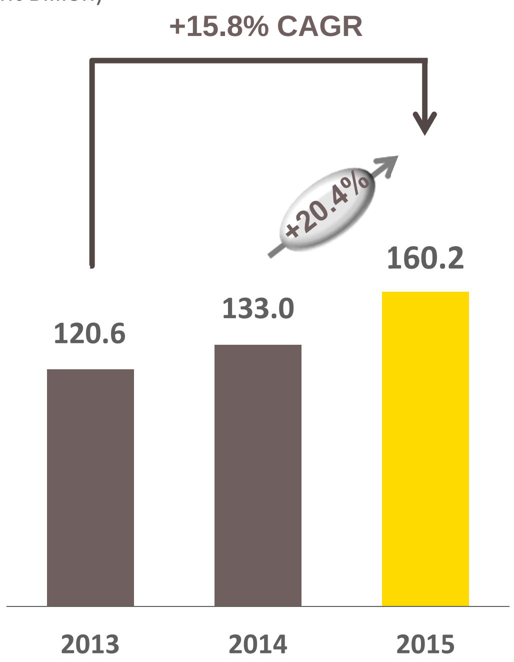
Asset Under Management

(Baht Billion)



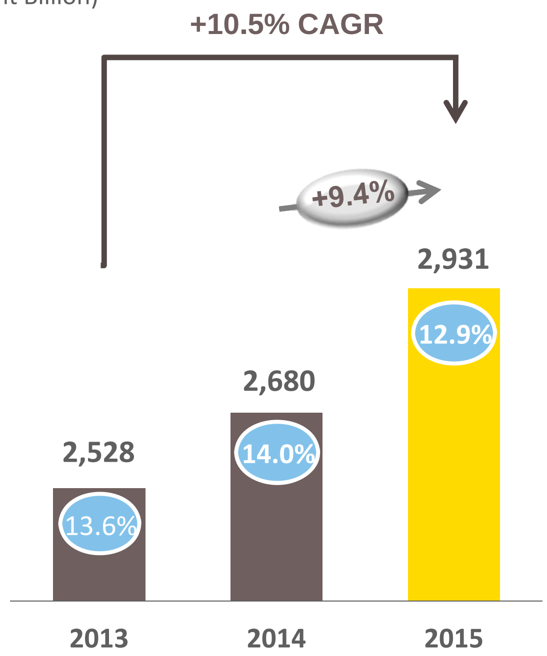
Mortgages

(Baht Billion)



Bancassurance Fees

(Baht Billion)

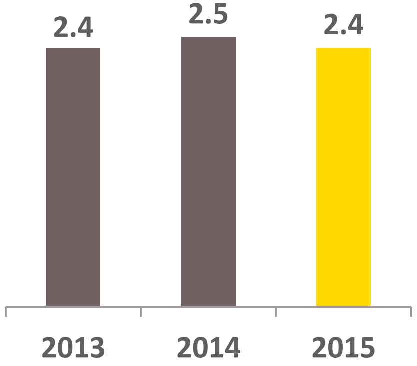


= Percentage of total Fees & service Income

Krungsri 2015… Delivery: E-Business

Online Customers

No. of customer
(Million)

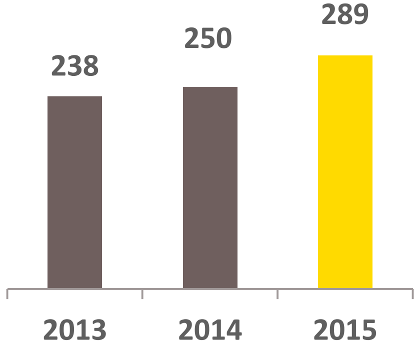


Slight declined in online banking customers

4%

Internet & Mobile

Transaction Vol.
(Baht Billion)

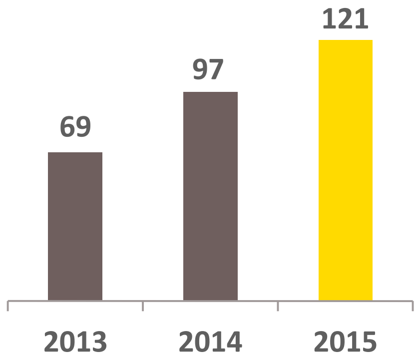


Significant growth in usage on online channels

16%

Internet & Mobile

No. of transaction
(Million)



Significant growth in online transactions

25%

All new Krungsri Online

- Customer-centric approach
- Segment-based strategy
- Human center design
- Single user interface (UI)

Support all transaction for Krungsri Auto customer

- Account Summary
- Lease contract information
- Insurance information
- Print Pay-in slip
- Change mailing address
- Blue book copy
- Renew Vehicle tax

Krungsri 2015… Delivery: Extensive Franchise in 2015

ATMs

5,635

Domestic Branches

636 Banking Branches

37 Auto Business Branches

673

Overseas Branches

3 Branches + 1 Rep Office

Exclusive Banking & Business Center

74

First Choice

112 Branches + 16,689 Dealers

Micro Finance

382 Branches

Krungsri Auto

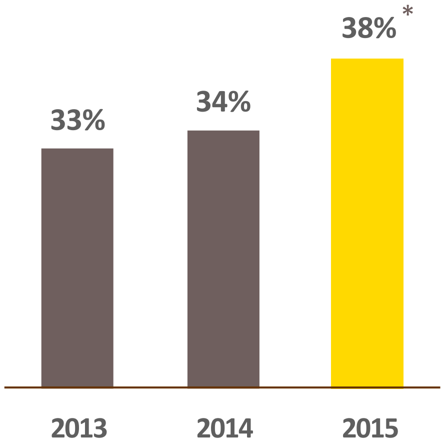
>7,000 Dealers

EDC

46,496

Krungsri 2015 Delivery: Customers Attraction & Preference

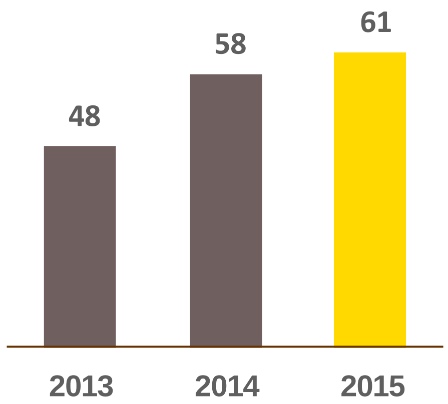
Brand Preference



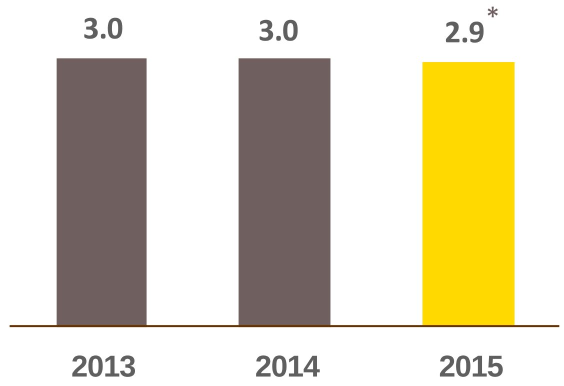
* As of Nov 2015

- *Brand Preference: % of people who like our brand and consider using our products & services*

NPS Score



No. of Product per Customer

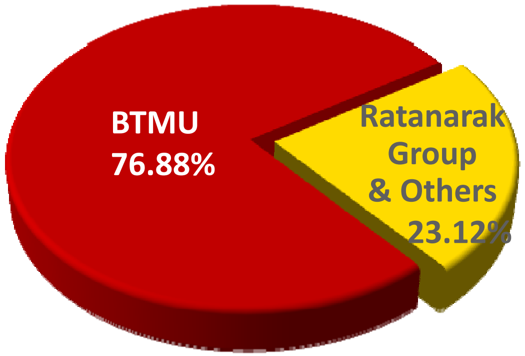


* As of Nov 2015

Krungsri Profile

Krungsri Group Overview

Shareholding Structure
(as of 11 Sep 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

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 November 2015	Market Position	% Share
Consumer		
Personal Loan	1	27%
Credit Card	1	15%
Auto (HP)	2	22%
SME	5	6%
Corporate	4	10%

Extensive Franchise: 26,026 Service Outlets

As of December 2015	Number
Domestic Branches	673 *
Overseas Branches	3
ATMs	5,635
Exchange Booths	93
Krungsri Exclusive	19

As of December 2015	Number
Krungsri Business Centres	55
First Choice Branches + Dealers	112 Branches + 16,689 Dealers
Krungsri Auto Dealers	> + 7,000 Dealers
Micro Finance Branches	382
Thai Post Offices	> + 1,000

** Krungsri Domestic Branches = 673 Branch, of which 636 are Banking Branches and 37 are Auto Business Branches*

Contact

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