krungsri
กรุงศรี

A member of MUFG
a global financial group

3Q 2015 and 9M 2015

Financial Performance

21st October 2015

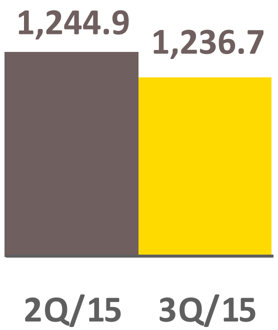
"Make Life Simple เรื่องเงิน เรื่องง่าย"

Highlights

3Q 2015 Key Financial Highlights

Loan Growth

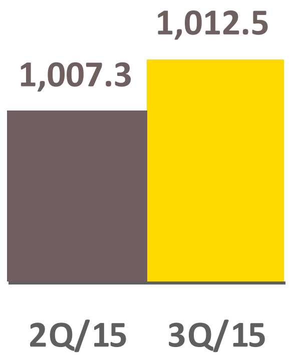
Consolidated
(Baht Billion)



+26.9% YoY

-0.7% QoQ

Deposit Growth



+25.6% YoY

+0.5% QoQ

CASA %

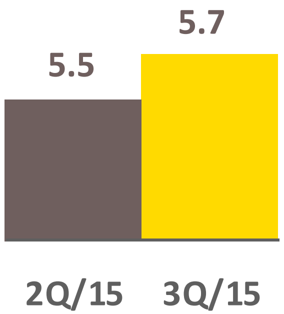
52%

NIM %

3.79%

9M/15: 4.24%

Fee Income Growth



+17.1% YoY

+3.0% QoQ

Cost-to-Income Ratio

47.12%

9M/15: 46.85%

NPL

2.44%

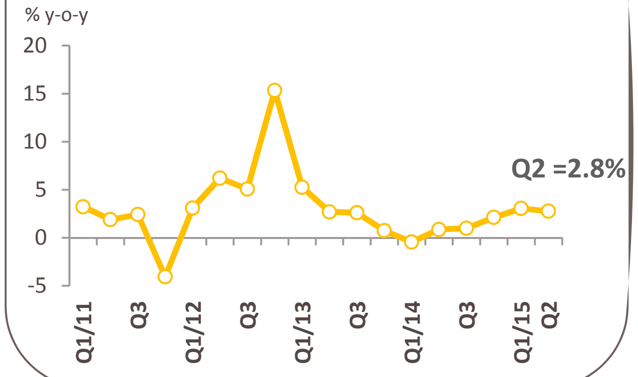
Coverage %

139%

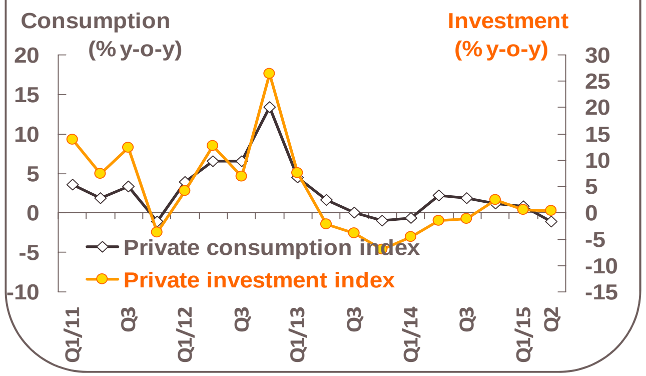
Recent Economic Development

- The Thai economy has recovered at a slower pace due to sluggish exports, consumption and investment.
- For the rest of 2015, public spending may help drive economy to recover, with 2015 projected growth at 2.7%.
    - Weak global growth and Bangkok bombing could further depress economic growth.
    - The new series of stimulus package is hoped to revive the economy.

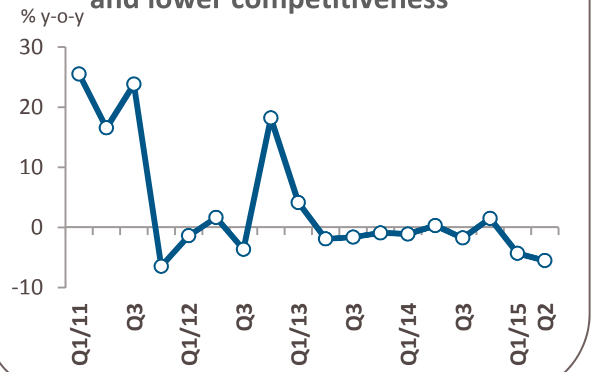
GDP: improves moderately with disappointing growth



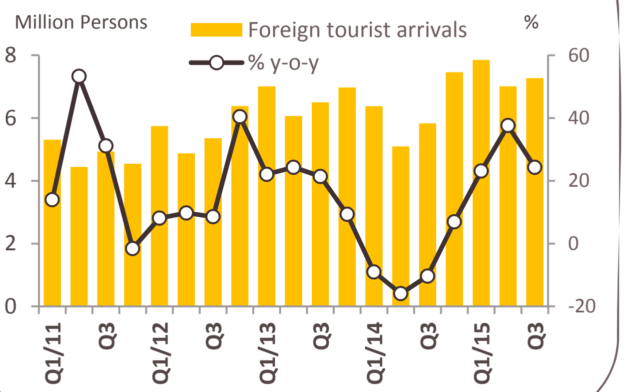
Consumption and investment: sluggish due to shrinking export income and lack of confidence



Exports: hurt by weak global demand and lower competitiveness



Tourism: hit by Bangkok bombing



Source: Krungsri Research

Thailand Economic Outlook

2016 Outlook: The Thai economy is projected to recover moderately from 2.7% in 2015 to 3.2% in 2016

2015-16 Key Economic Forecasts

% y-o-y growth unless otherwise stated	2014A	2015F*	2016F*
GDP	**0.9**	**2.7**	**3.0 - 3.5**
Private Consumption	0.6	2.0	2.3 - 2.8
Private Investment	-2.0	2.0	3.5 - 4.5
Exports (In USD term)	-0.3	-4.0	1.0 - 3.0
Headline Inflation	1.9	-0.7	1.3 - 1.8
Policy Interest Rate (%, end of period)	2.00	1.50	1.75

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

- **Key drivers** are increasing public spending, economic stimulus measures and infrastructure projects.
- Private sector especially business investment is likely to play more role in driving the economy in 2016.
- Tourism is expected to recover from 4Q/2015 onwards after hitting by a Bangkok bomb in mid-August.

Headwind

- Domestic Political uncertainty
- High household debt
- Low farm prices
- Tight labor market & high wages
- Weak global economic recovery & financial market volatility

Tailwind

- Economic stimulus measures
- Infrastructure investment
- Positive effects of multi-year-low oil prices
- Weaker THB

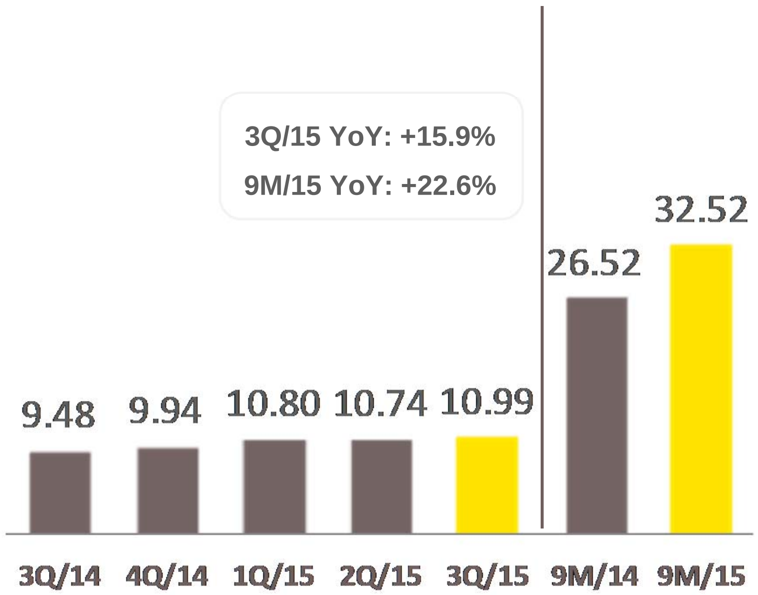
Financial Performance

Profitability

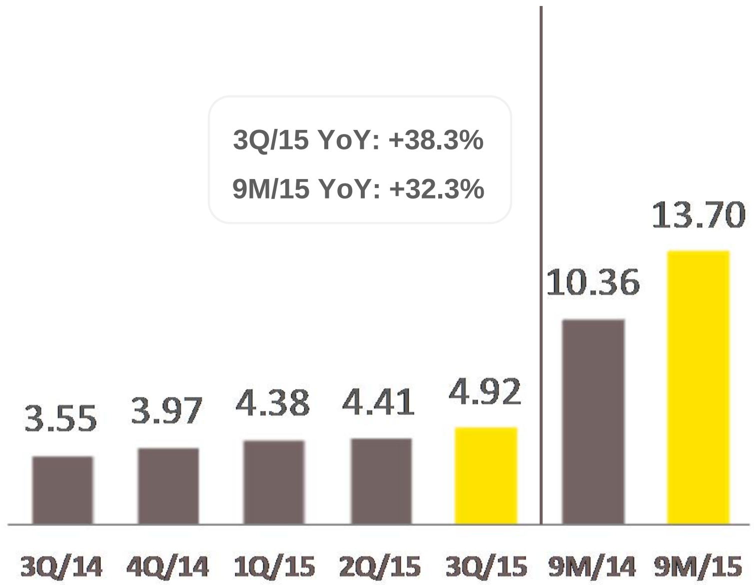
Consistent delivery despite the weakened economic environment

Profit before Provision and Tax

Consolidated
(Baht Billion)

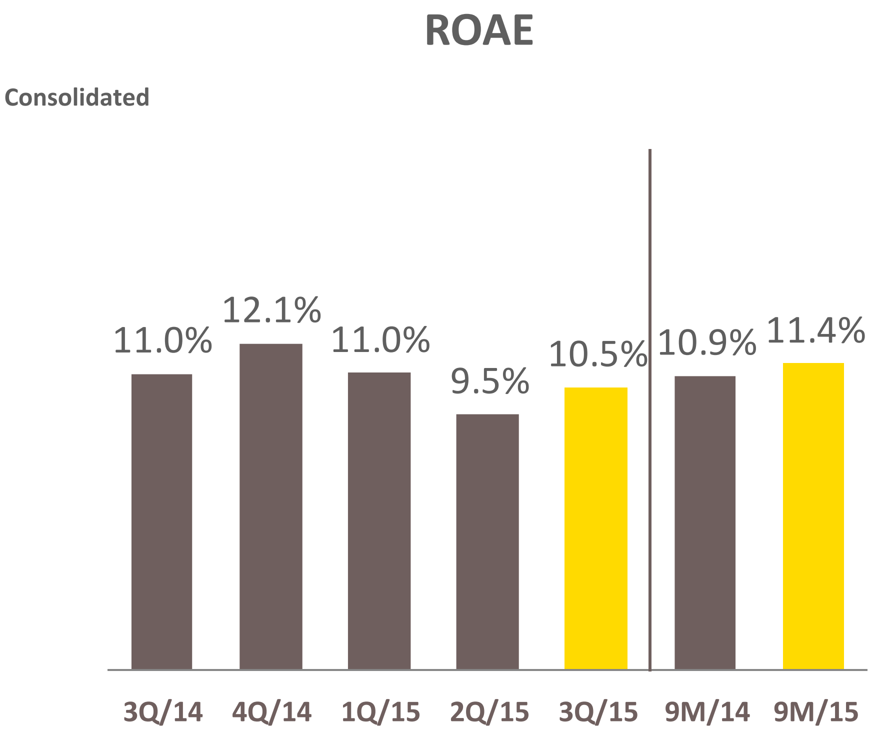


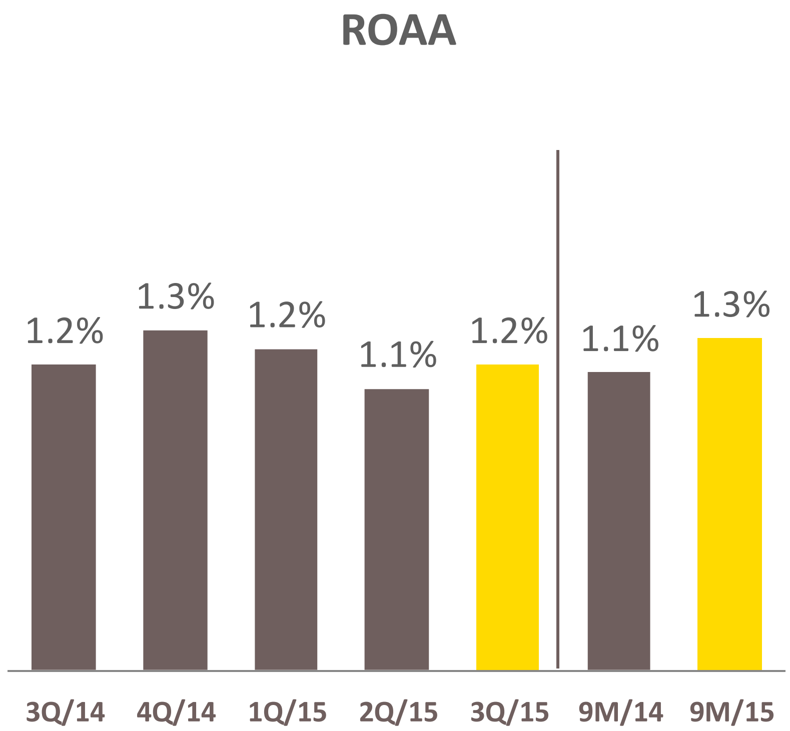
Net Profit



ROAE at 10.5% & ROAA at 1.2%

Improvement in both ROAE and ROAA

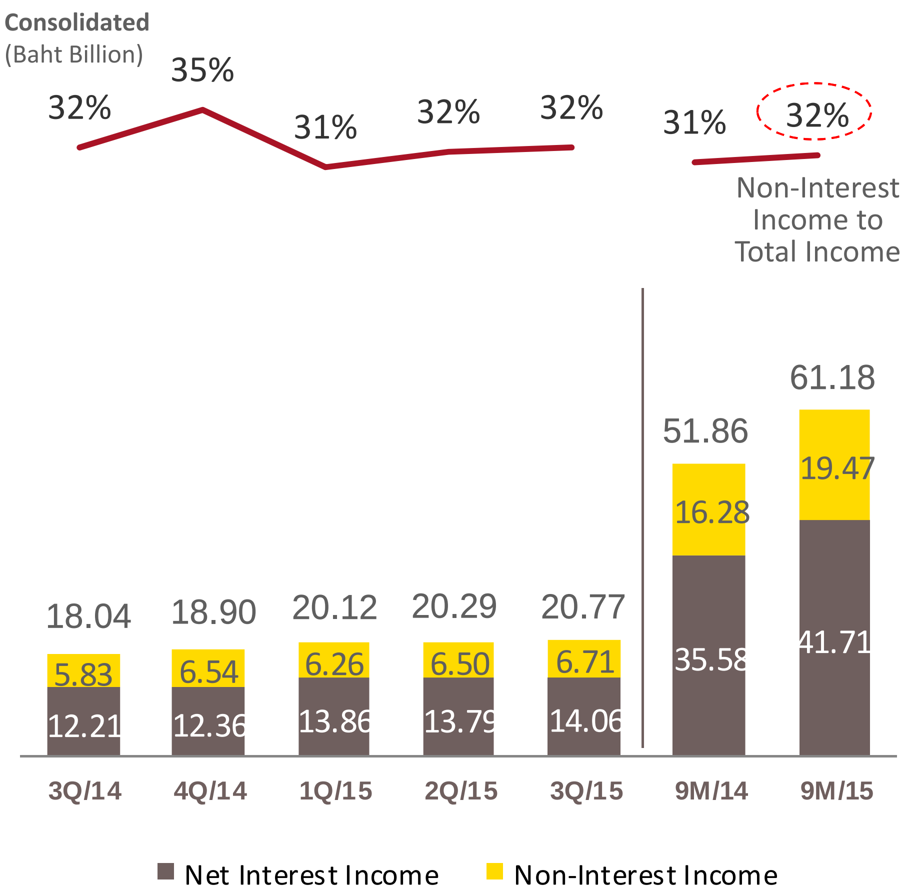




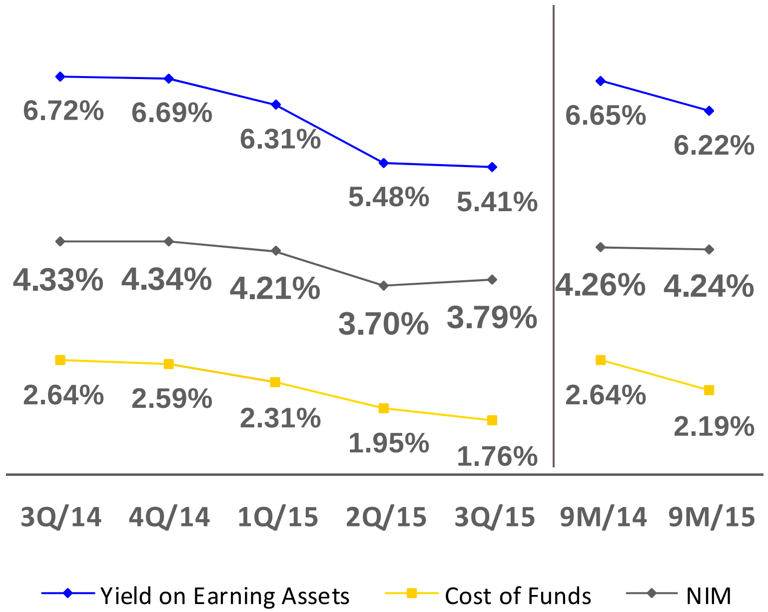
Profitability Measurement

3Q/15 NIM improved to 3.79%, mainly resulting from an improvement in cost of funds

Total Income



Yield & Cost of Funds

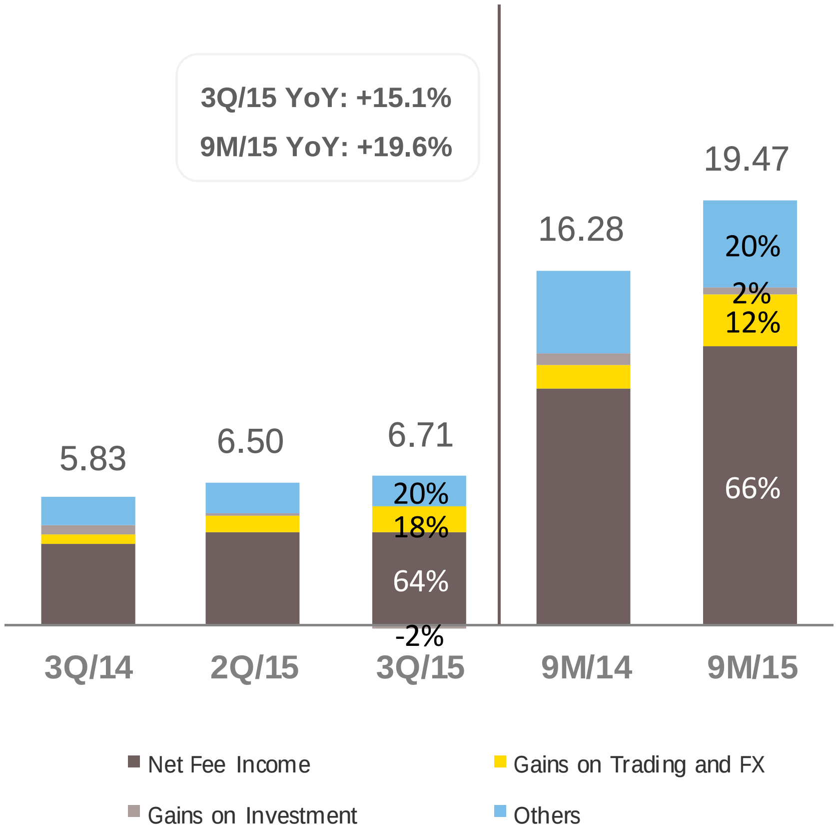


Fees and Service Income

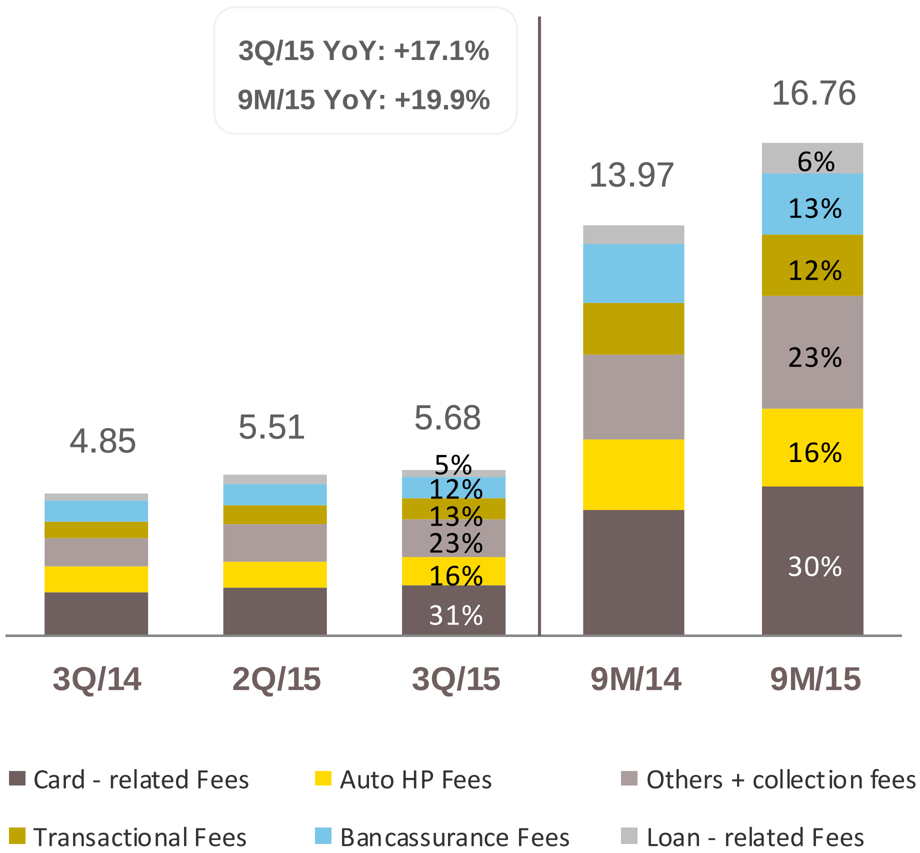
Continued growing fee generating capacity, achieved from synergy with MUFG/BTMU

Non-Interest Income

Consolidated
(Baht Billion)

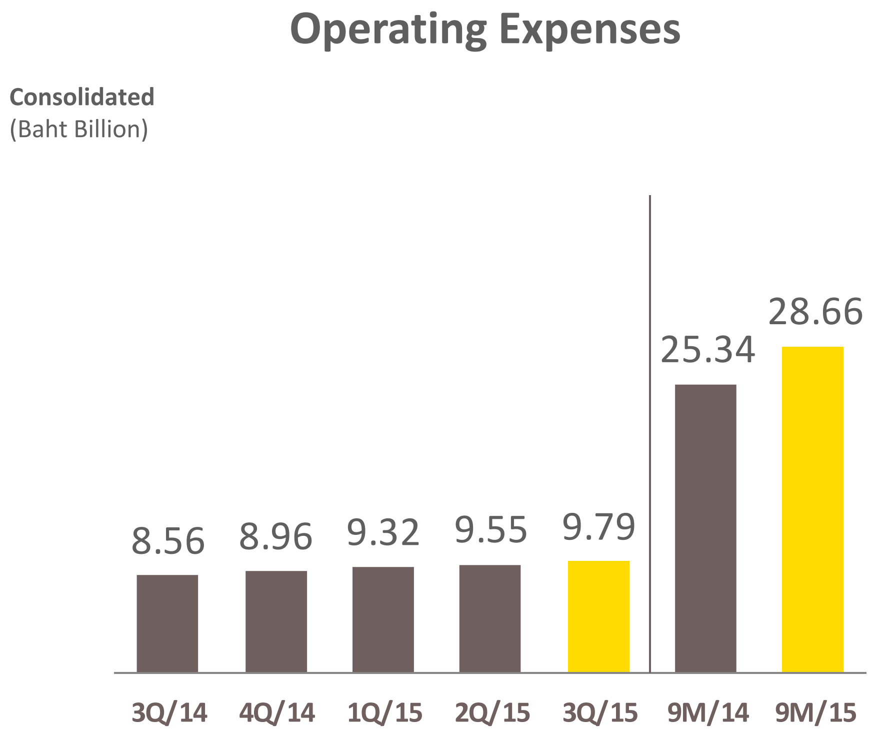


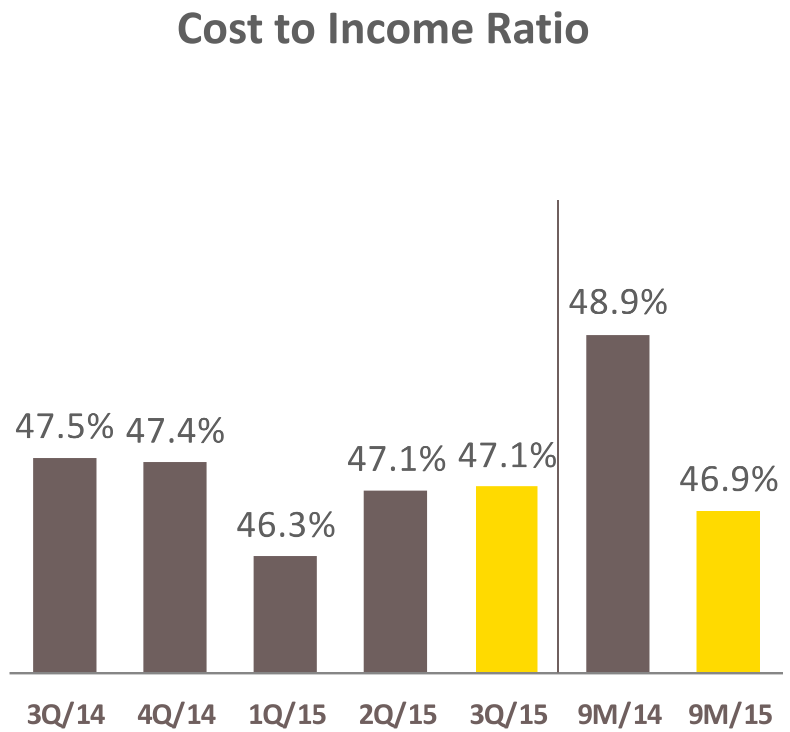
Fee & Service Income



Cost Efficiency

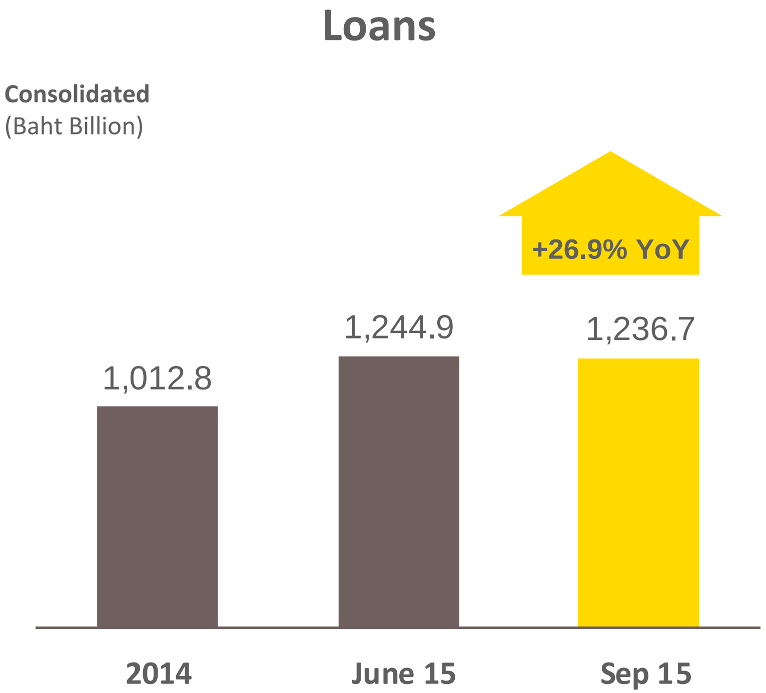
Manageable cost to income from higher revenue in 3Q/15

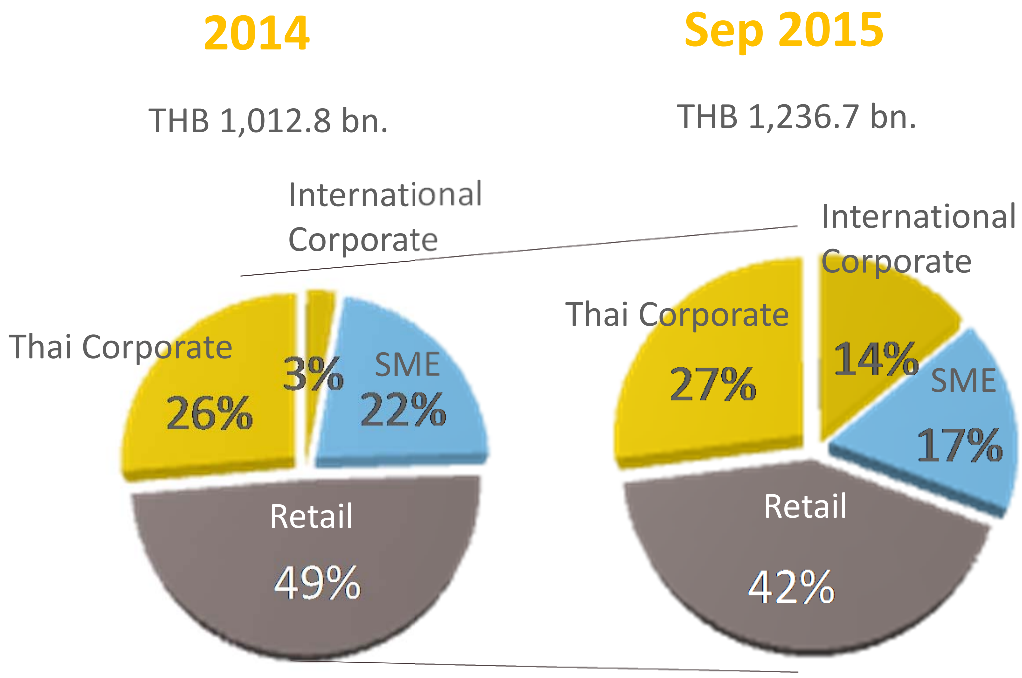




Loans

Commercial lending accounted for 58%, retail lending equivalent to 42% of total loan portfolio.





Loan Growth **-0.7% QoQ**
+22.1% YtD

Retail

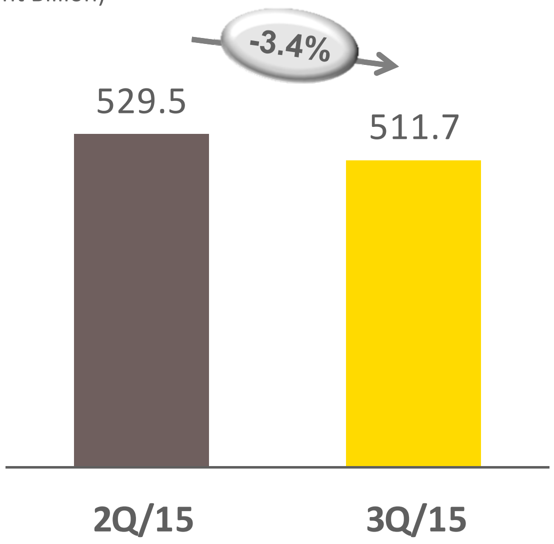
Auto HP	20%
Mortgage	12%
Credit Card & Personal Loans	10%

Loans by Segments

Consolidated
(Baht Billion)

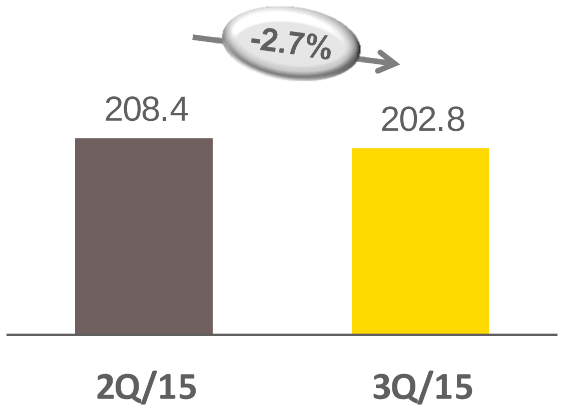
Corporate Loan

+73.5% YtD



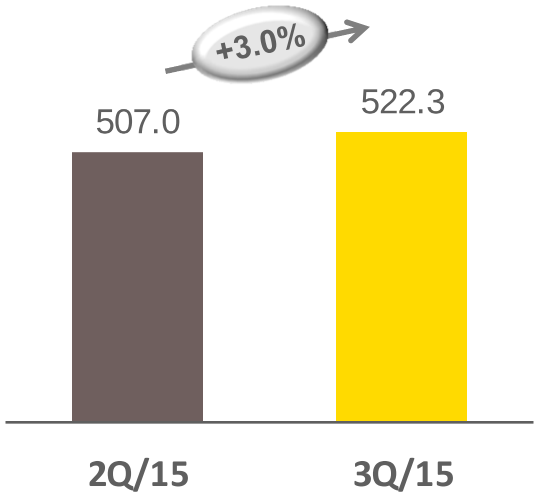
SME Loan

-8.1% YtD



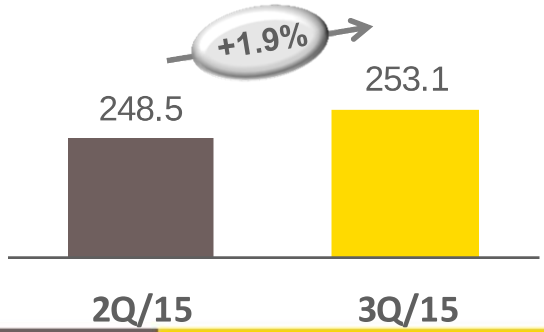
Retail Loan

+5.1% YtD



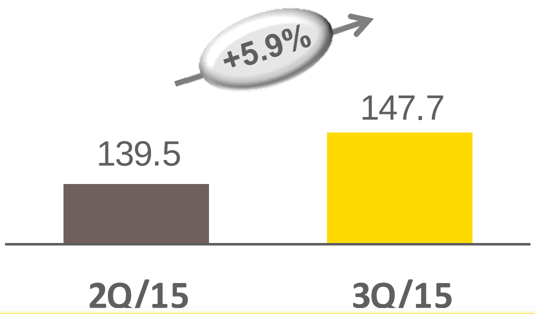
Hire Purchase

+5.0% YtD



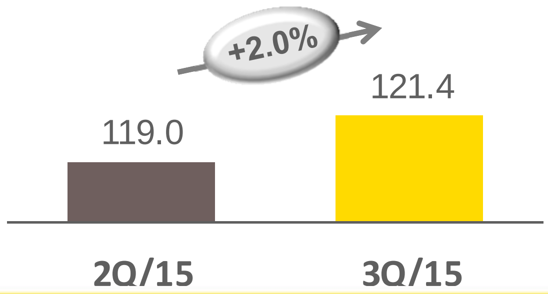
Mortgage

+11.1% YtD



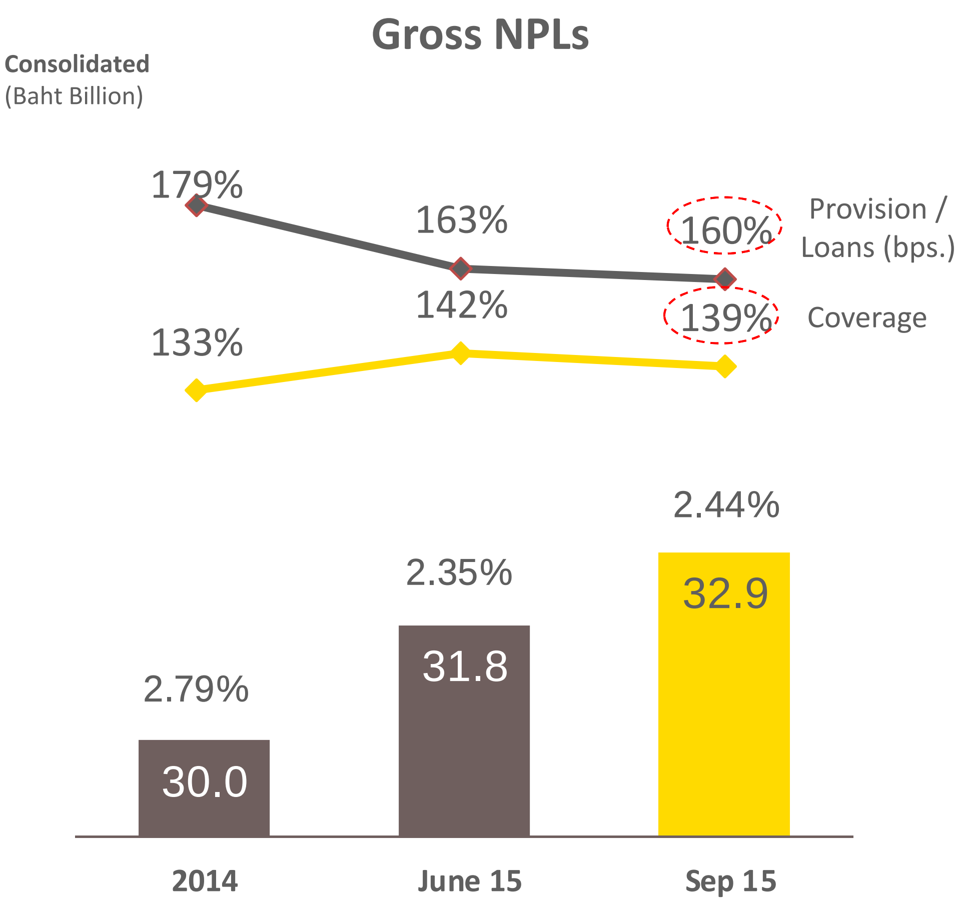
Credit Cards and Personal Loans

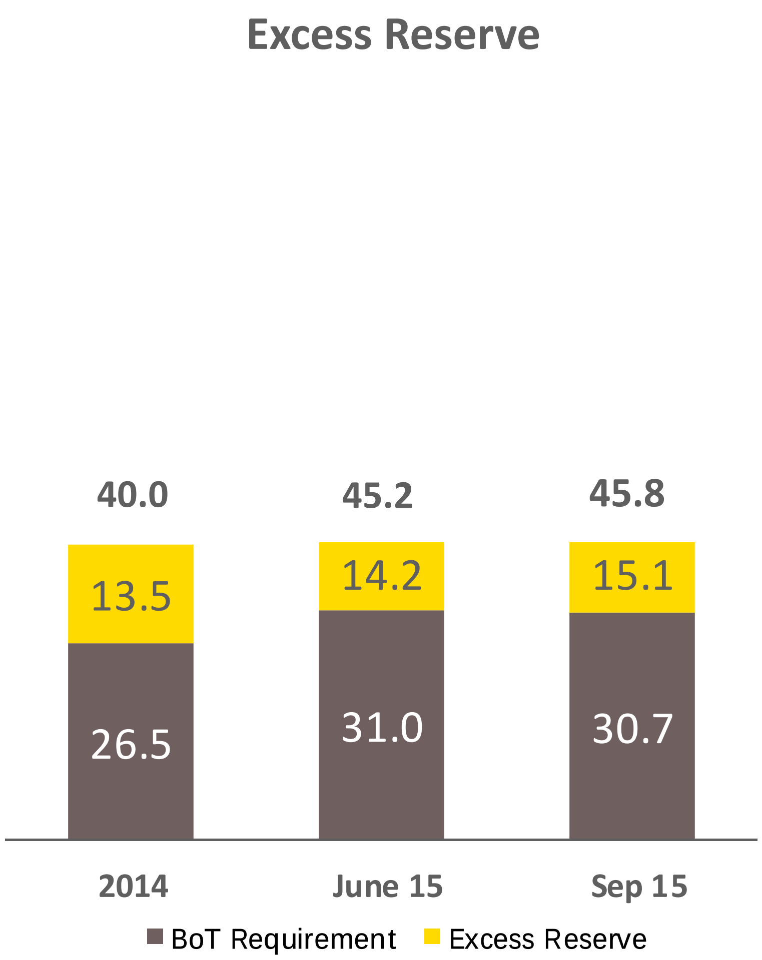
-1.4% YtD



Asset Quality

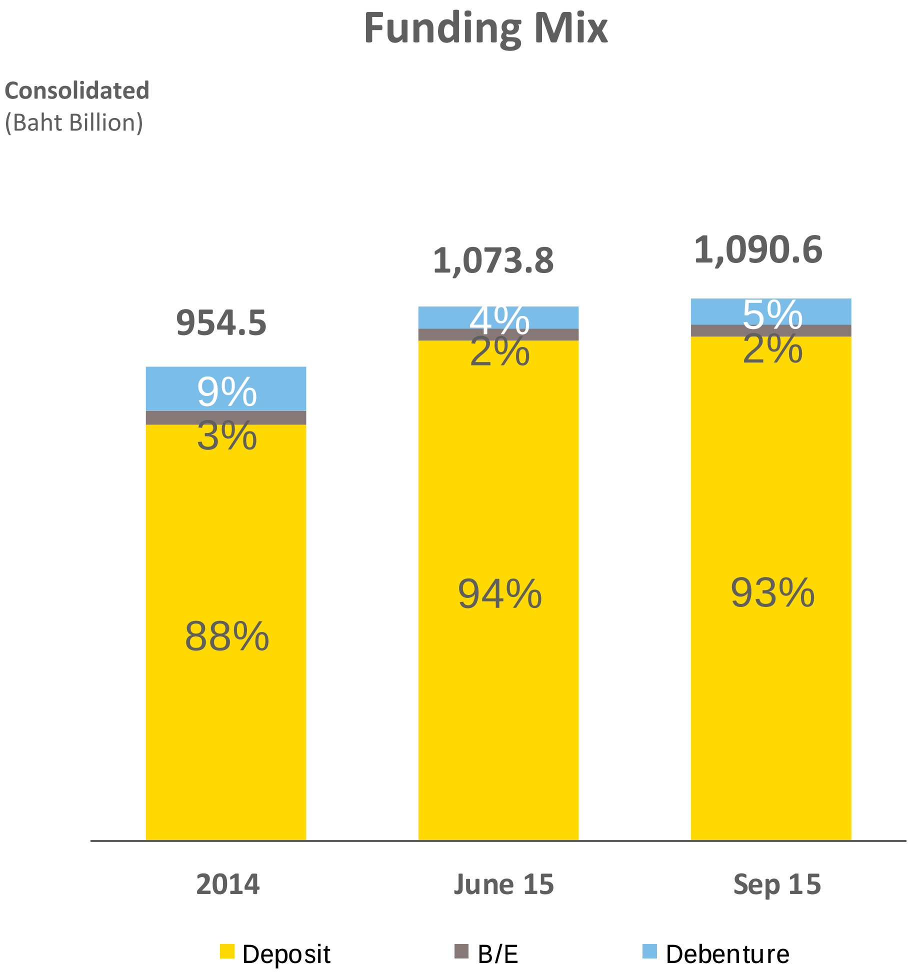
NPL stood at 2.44% of total loans, with strong reserve position

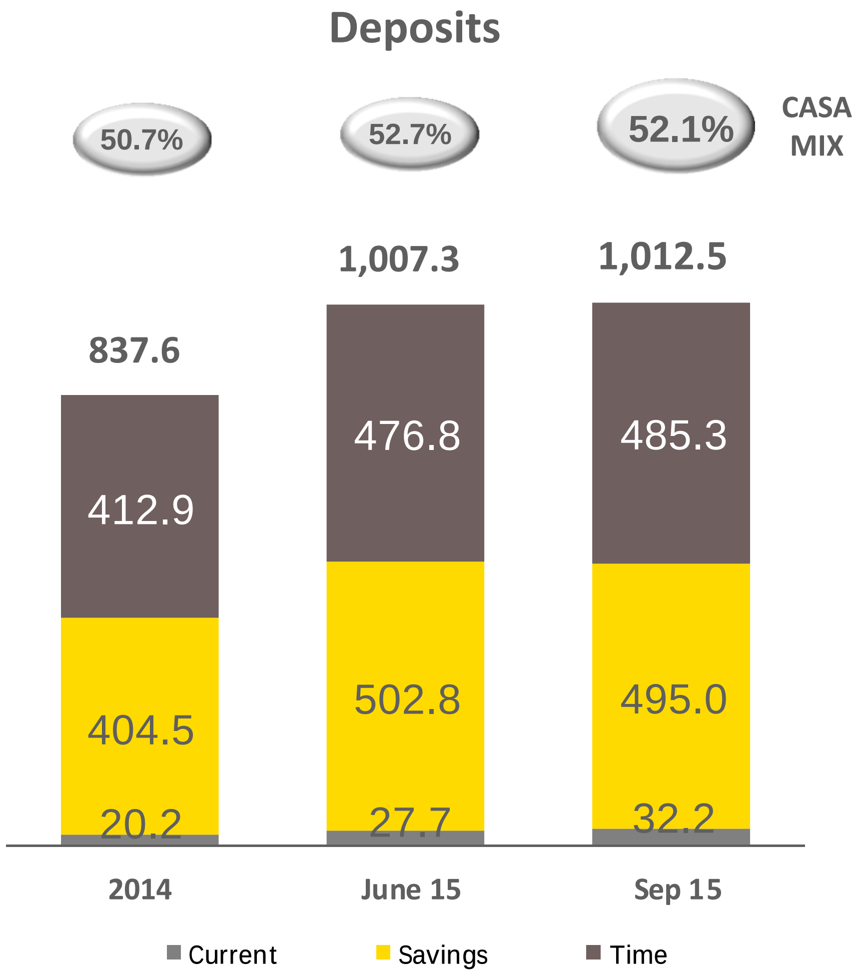




Funding Base

Improvement in funding structure



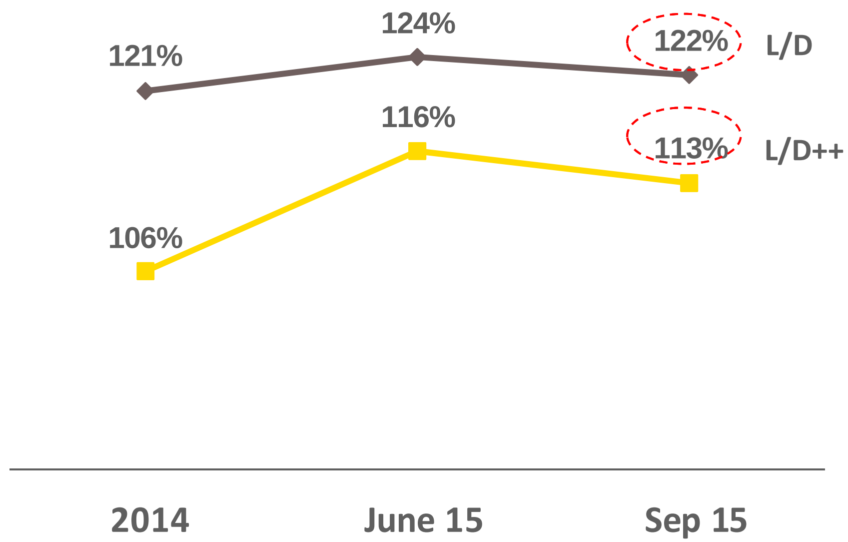


Capital and Liquidity

Maintain strong capital position, CAR equivalent to 14.3%

Loan to Deposit

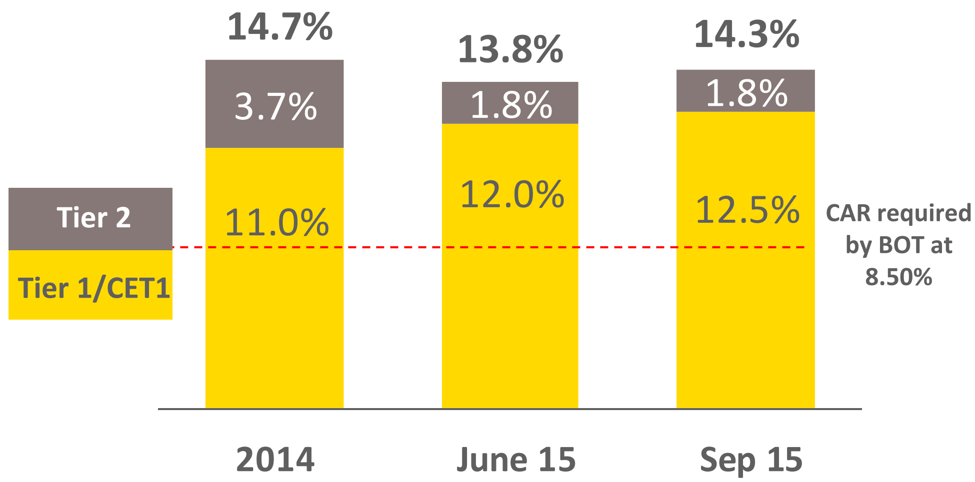
Consolidated



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

Strong Capital Base

Consolidated



Baht Billion	2014	June 15	Sep 15
Tier 1/CET 1	98.99	145.77	146.45
Tier 2	33.44	20.91	21.77
Total Capital	132.43	166.68	168.22

The Summary of 2015 Financial Performance

Consolidated	2014	1H/15	3Q/15	9M/15	2015 Targets	
Loan Growth (Net)	+69.3 bn +7.3%	+232.1 bn +22.9%	-8.1 bn -0.7%	+224.0 bn +22.1%	4-6% *	~
NPLs Ratio	2.79%	2.35%	2.44%	2.44%	< 2.5%	✓
Deposit Mix: Savings and Current	51%	53%	52%	52%	> 50%	✓
Loan Mix : Retail	49%	41%	42%	42%	~ 40%	✓
L/Deposit+Debentures+B/E	106%	116%	113%	113%	n.d.	~
NIM	4.32%	4.23%	3.79%	4.24%	~ 4%	✓
Fee income growth (YoY)	3.5%	21.4%	17.1%	19.9%	12%+	✓
Cost to Income Ratio	48.47%	46.70%	47.1%	46.9%	< 50%	✓
Provisions	179 bps	163 bps	160 bps	163 bps	~ 150 bps	~
Loan Loss Coverage	133%	142%	139%	139%	135%+	✓
CAR *(Bank Only)*	14.7%	13.8%	14.3%	14.3%	n.d.	~

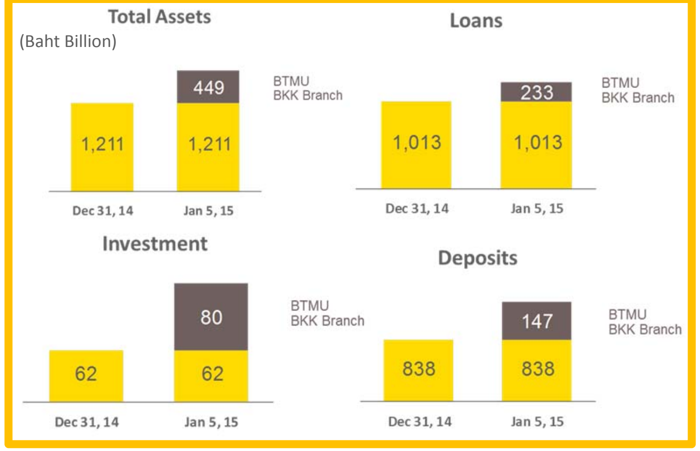
* *Excluding the effect of the loan transfer from BTMU Bangkok Branch*

9M2015: Business Update

Key Milestones achieved

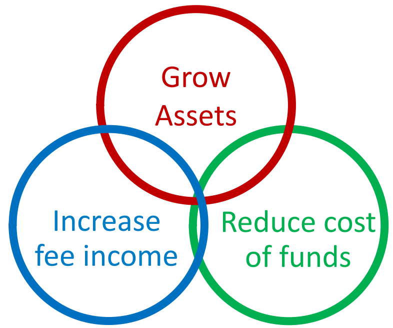
Reached Key Important Milestones.

Successful Integration



Launched Krungsri's MTBP

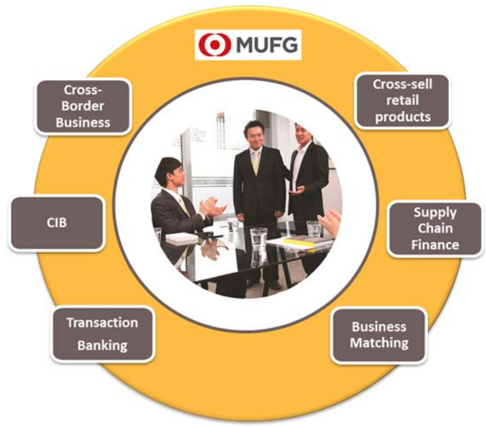
Key strategic themes



Representative Office opened (Myanmar)

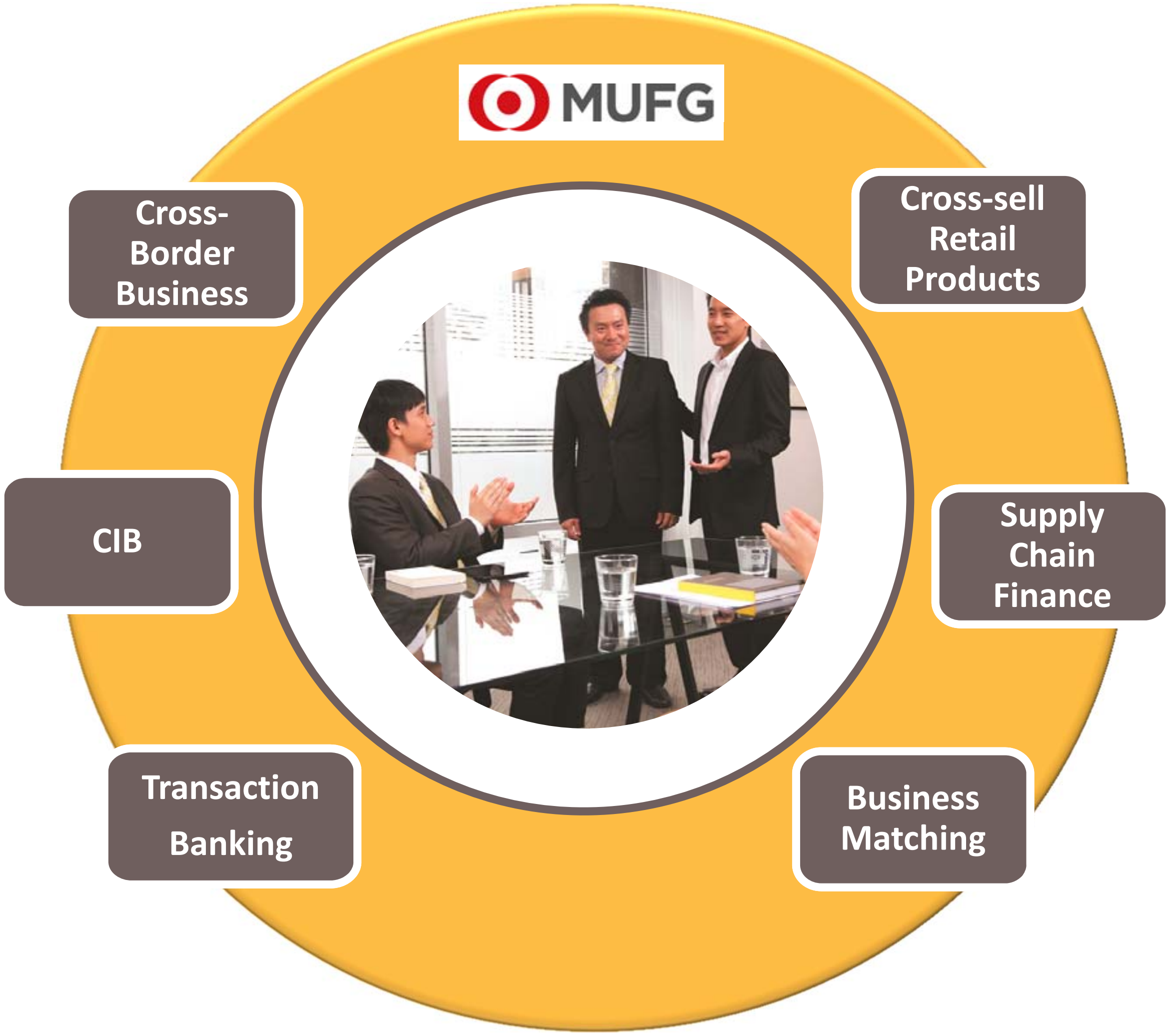
Openings of Krungsri Representative Office and BTMU Yangon Branch

Synergies achieved



Synergies Achieved

The power of synergy between Krungsri and MUFG/BTMU which has greatly enhanced our competitive advantage and product and service offering capability



Synergies Achieved

Cross Border Business: 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))

Cross Border Business: 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: 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)

Supply Chain Finance: Promote end-to-end solutions from supplier financing to dealer financing

- Automobile
- Paper

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

- Automobile
- Electronics
- Non-life insurance

Business Matching: Led to set up Joint Venture

- 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.

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.

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

Explore opportunity to partner with Vietin Bank

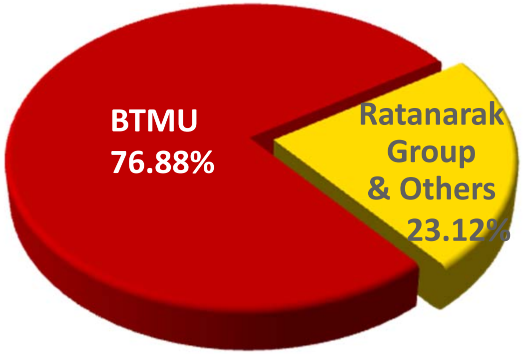
JPC/MNC can use financial services through 2 of BTMU branches in **Ho Chi Min City** and **Hanoi.**

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

Krungsri Profile

Krungsri Group Overview

Shareholding Structure
(as of 11 September 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 August 2015	Market Position	% Share
Consumer		
Personal Loan	1	27%
Credit Card	1	15%
Auto (HP)	2	20%
SME	5	6%
Corporate	4	10%

Extensive Franchise: 25,473 Service Outlets

As of September 2015	Number
Domestic Branches	665 *
Overseas Branches	3
ATMs	5,485
Exchange Booths	91
Krungsri Exclusive	19

As of September 2015	Number
Krungsri Business Centres	55
First Choice Branches + Dealers	110 Branches + 16,094 Dealers
Krungsri Auto Dealers	7,064 Dealers
Micro Finance Branches	372
Thai Post Offices	> + 1,000

** Krungsri Domestic Branches = 665 Branch, of which 628 are Banking Branches and 37 are Auto Business Branches*

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