



krungsri
กรุงศรี

A member of  MUFG
a global financial group

3Q 2018 and 9M 2018

Financial Performance

18 October 2018

"Make Life Simple เรื่องเงิน เรื่องง่าย"



Highlights

3Q 2018 Key Financial Highlights

Loan Growth
+1.5% QoQ / +11.4% YoY

Deposit Growth
+0.7% QoQ / +15.0% YoY

CASA

43.7%

NIM

3.87%

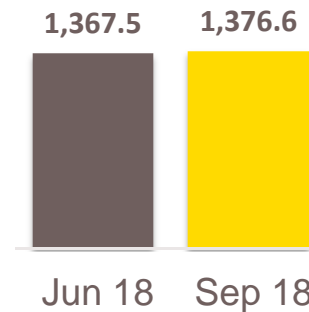
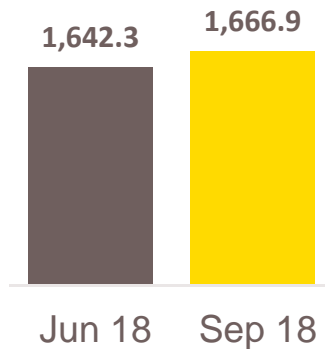
NPL Ratio

2.12%

Coverage Ratio

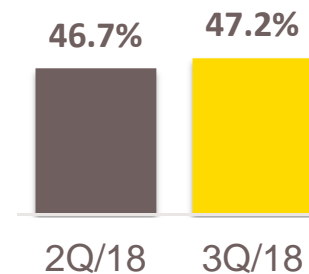
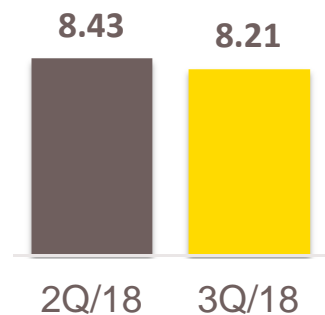
162%

Consolidated
(Baht Billion)



Non-interest Income Growth
-2.59% QoQ / -0.01% YoY

Cost-to-Income Ratio



Thailand Economic Outlook

2018 Outlook: Another year of above-trend growth

2018 Key Economic Forecasts

% YoY growth unless otherwise stated	2016A	2017A	2018F*
GDP	3.3	3.9	4.7
Private Consumption	3.0	3.2	4.1
Private Investment	0.5	1.7	4.3
Exports (in USD term)	0.1	9.8	9.0
Headline Inflation	0.2	0.7	1.1
Policy Interest Rate (% , end of period)	1.50	1.50	1.75

Note: * 2018 forecast by Krungsri Research

- **Key drivers** are still-buoyant export growth, resilient tourism sector, improving business investment, broader consumption recovery and government's economic measures
- Government is shifting towards more targeted measures instead of broad-based fiscal stimulus. Policy aids focus on farmers, low-income earners and SMEs who have yet to benefit from the recent recovery. Infrastructure and EEC projects also speed up.
- Policy interest rate is likely to increase in 4Q18 when inflation rises to reach targets and economic growth becomes more broad-based. Asia's rising interest rates add pressures for Thailand's monetary policy normalization.

Tailwinds

- Global cyclical recovery
- Infrastructure and EEC projects
- Stronger consumer and business confidence
- Improving farm income, waning first-car debt burden, measures to help low-income earners
- Resilient tourism sector
- Sound economic fundamentals

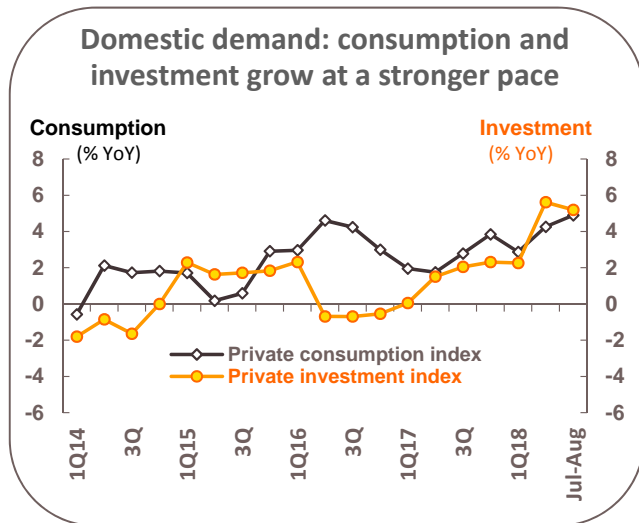
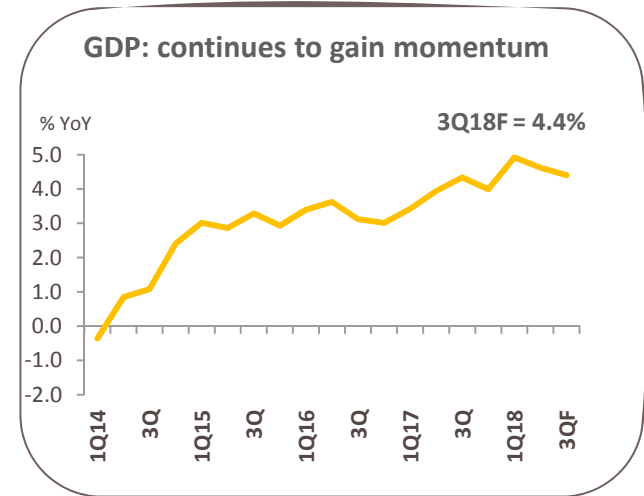
Headwinds

- Domestic political uncertainty
- Rising trade tensions, US policy uncertainties and China's economic slowdown
- Higher global risks and volatile financial markets, especially in emerging markets
- High household debt
- Structural problems e.g. labor shortage, lack of competitiveness in some sectors

Source: Krungsri Research

Recent Economic Development

- A recovery of economic activity continues and becomes broader-based
 - Private spending maintains positive momentum as household income conditions and confidence improve
 - Pro-cyclical government spending continues to buoy economic recovery
 - Exports continue to expand despite rising concern over global trade war
 - Foreign tourist arrivals grow moderately while the boat tragedy in Phuket in July could reduce the number of Chinese tourists temporarily.



Source: BOT, MOTS, Krungsri Research



Financial Performance

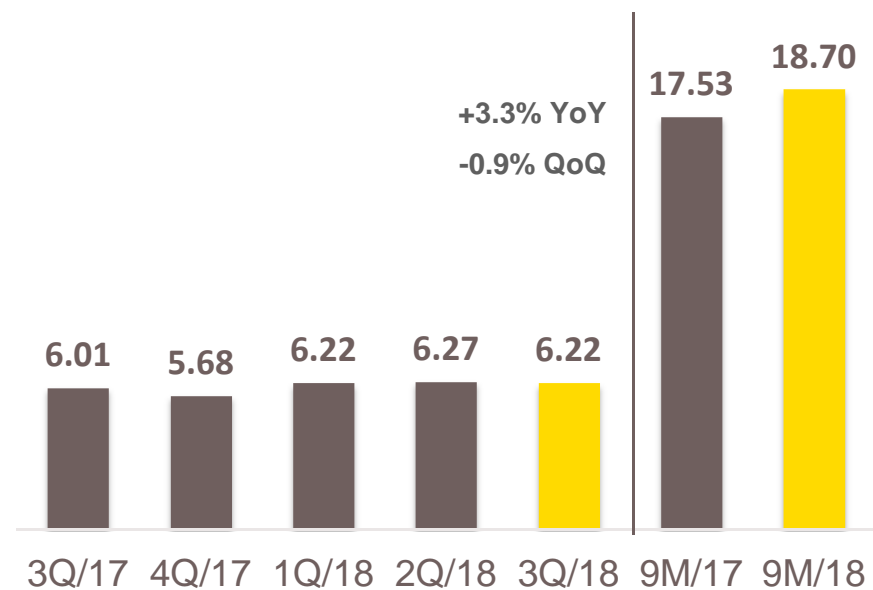
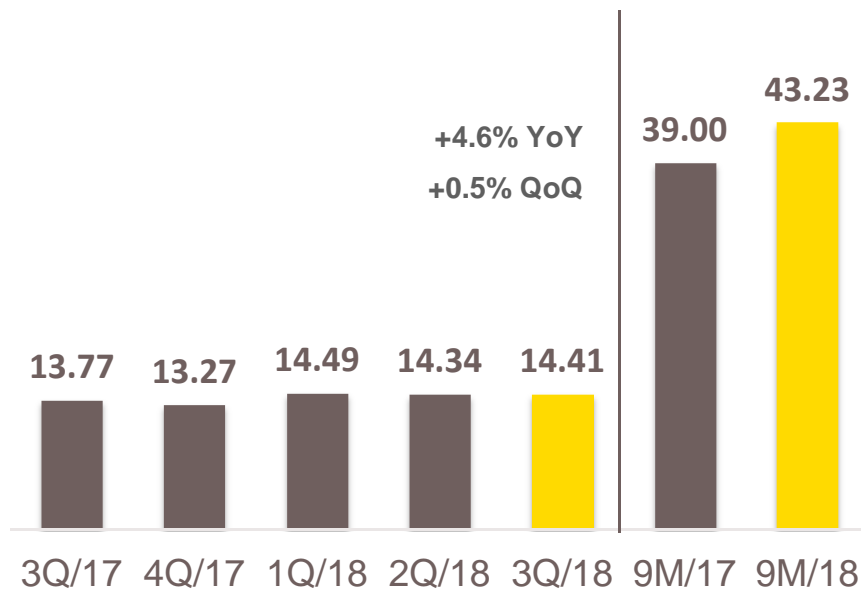
Profitability

Solid financial results were driven by higher operating profit

Profit before Provision and Tax

Net Profit

Consolidated
(Baht Billion)



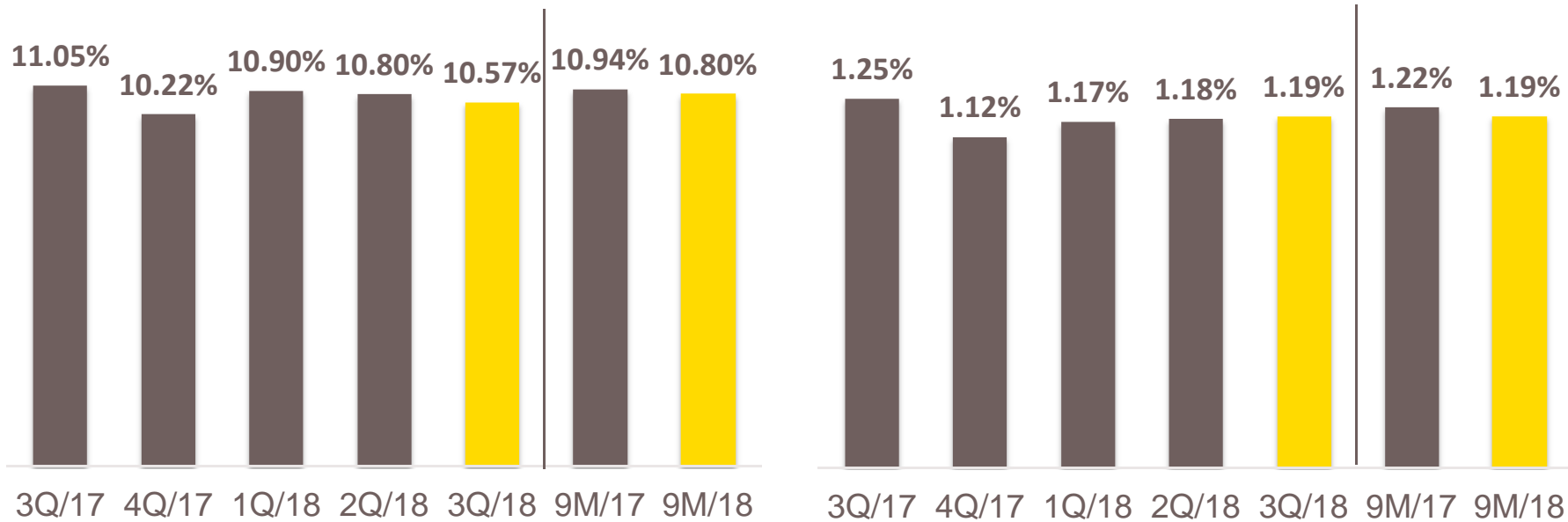
ROAE & ROAA

Reported ROAE at 10.57% and ROAA at 1.19%

ROAE

ROAA

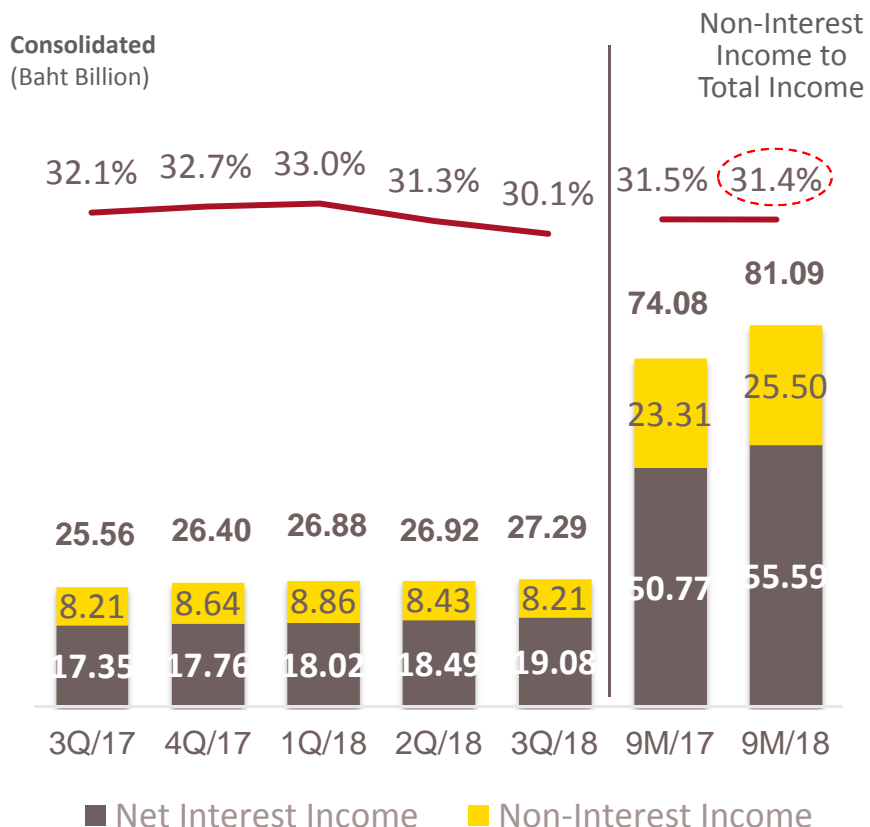
Consolidated



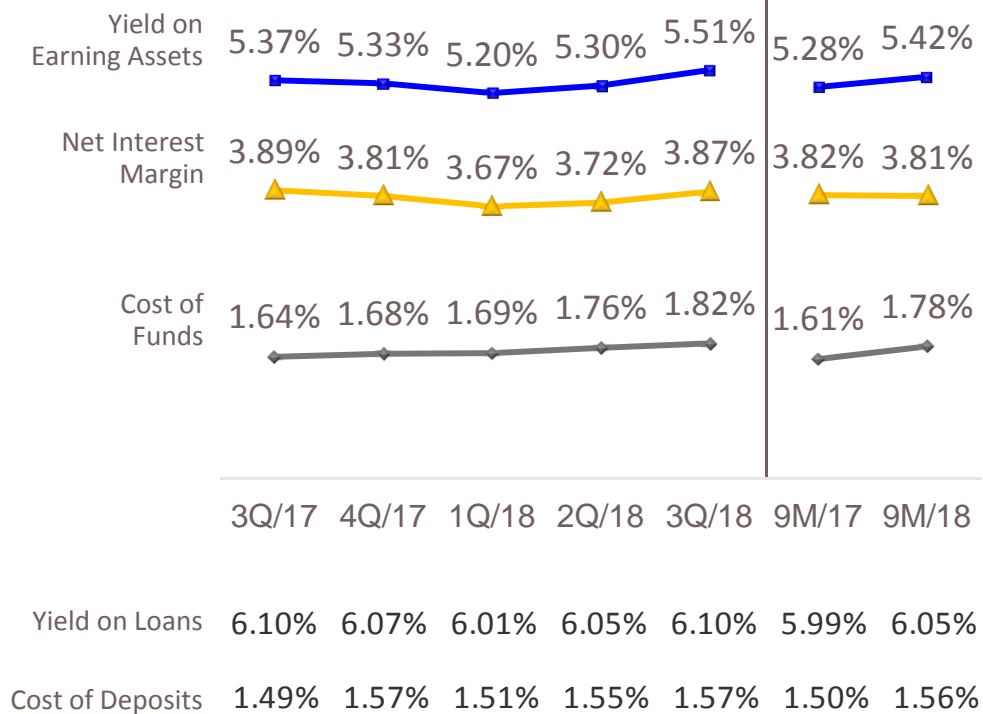
Profitability Measurement

NIM recorded at 3.87%, driven by an improvement of yield on earning assets

Total Income



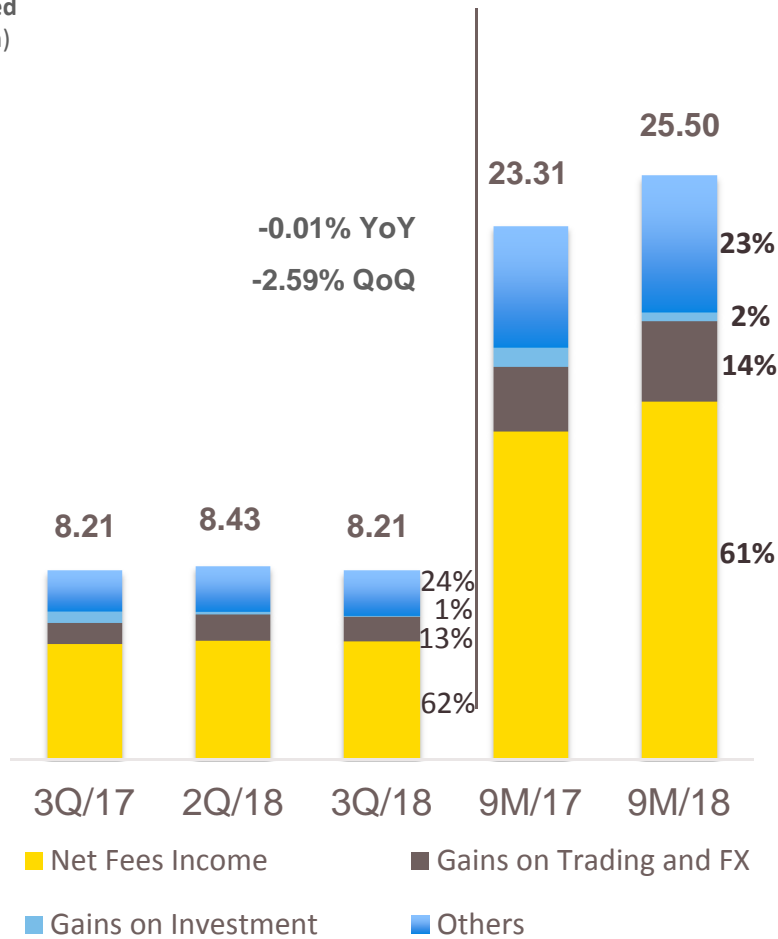
Yield & Cost of Funds



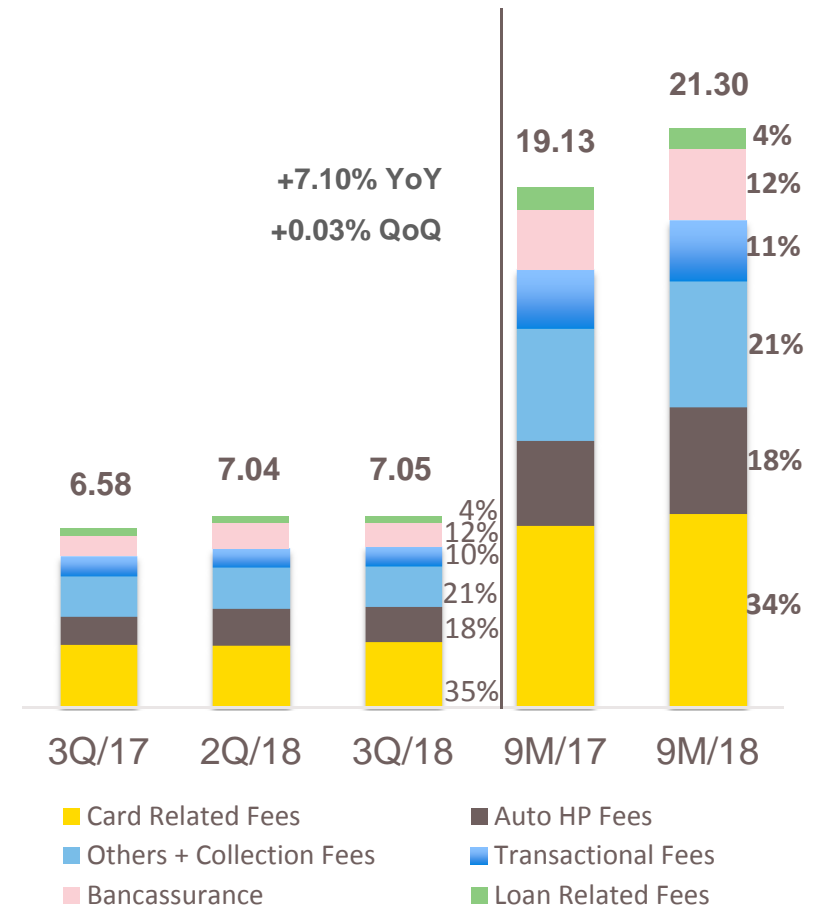
Non-Interest Income & Fees and Service Income

Consolidated
(Baht Billion)

Non-Interest Income



Fees & Service Income

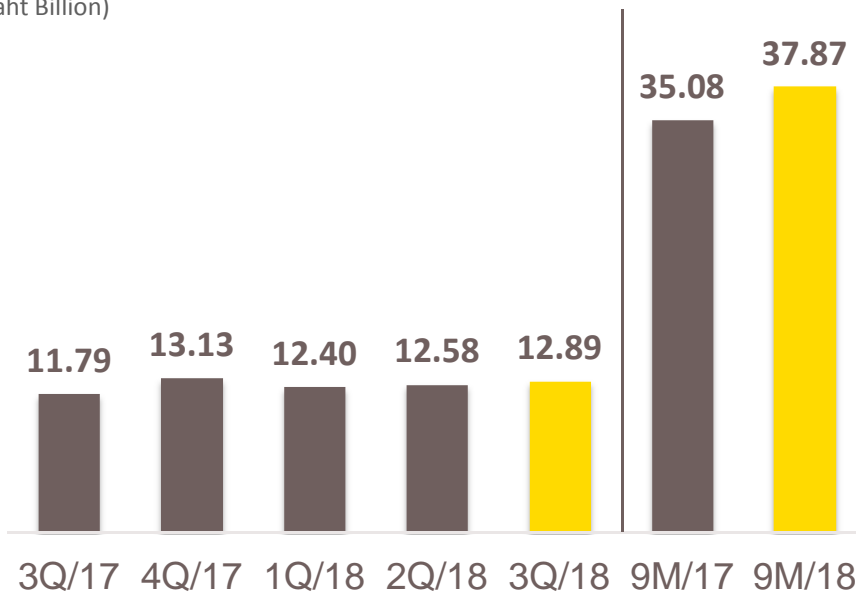


Productivity

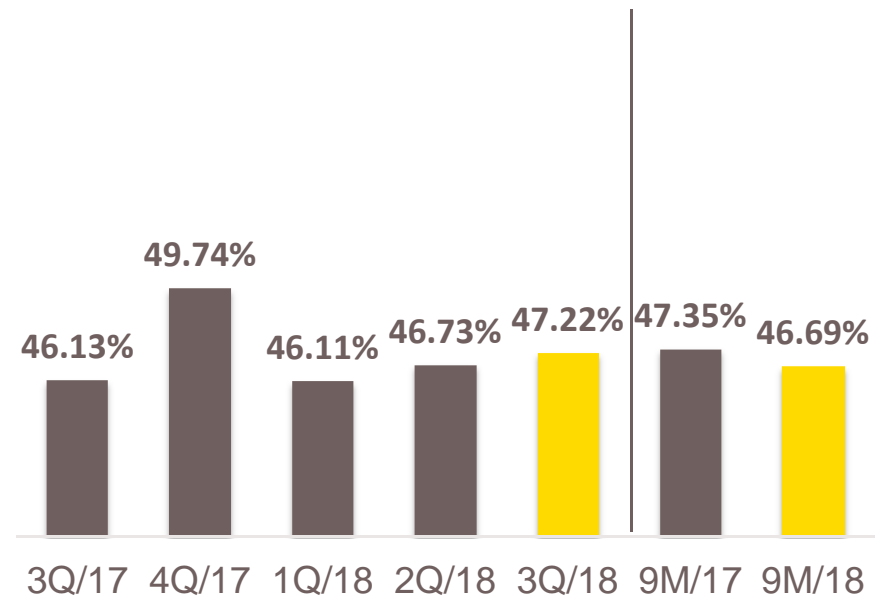
Cost to income recorded at 47.22%

Operating Expenses

Consolidated
(Baht Billion)



Cost to Income Ratio

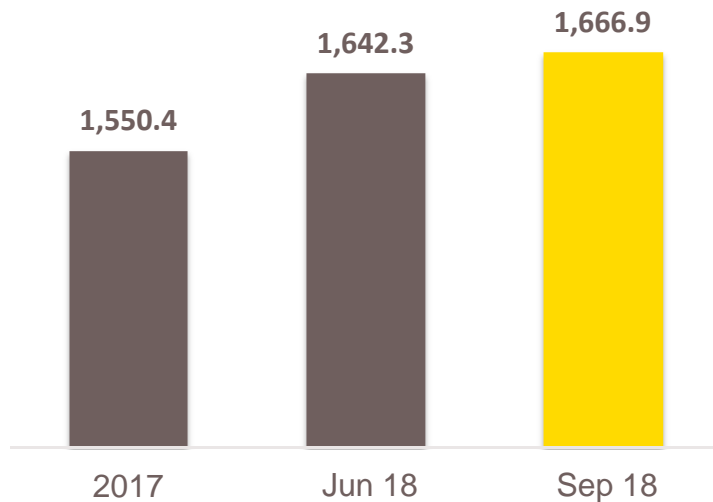


Loan Portfolio

The growth of total loans was mainly driven by retail and SME segments in 3Q 2018

Loans

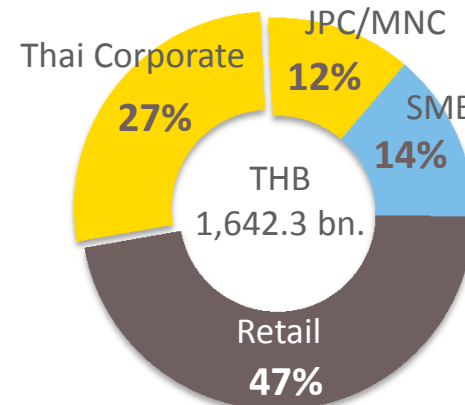
Consolidated
(Baht Billion)



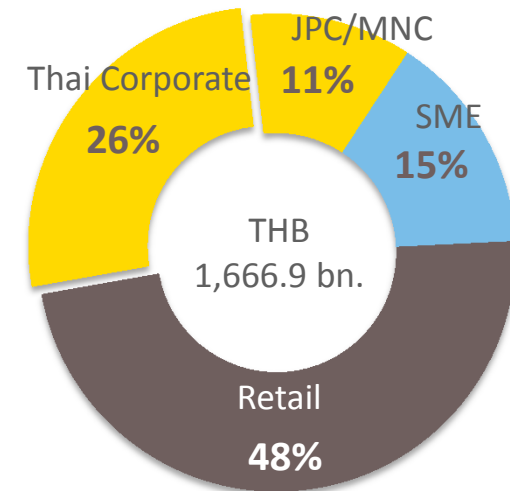
**Loan Growth +1.5% QoQ
+7.5% YtD**

Loans by Segment

June 2018



September 2018



Retail

- Auto HP 22%
- Mortgage 15%
- Credit Card & Personal Loans 11%

Loans by Segments

Corporate Loan

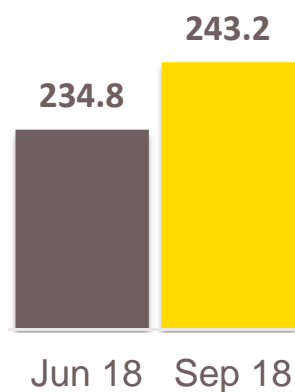
Consolidated
(Baht Billion)

-0.8%



SME Loan

+3.5%



Retail Loan

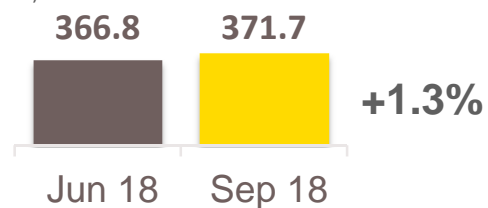
+2.8%



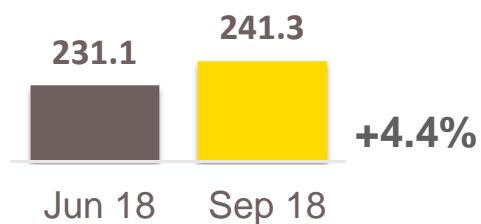
Under Retail Segment

Consolidated
(Baht Billion)

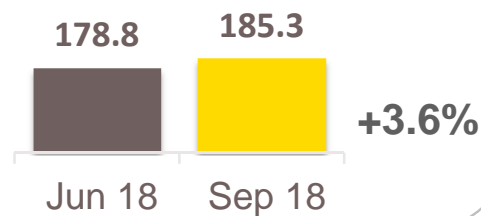
Hire Purchase



Mortgage

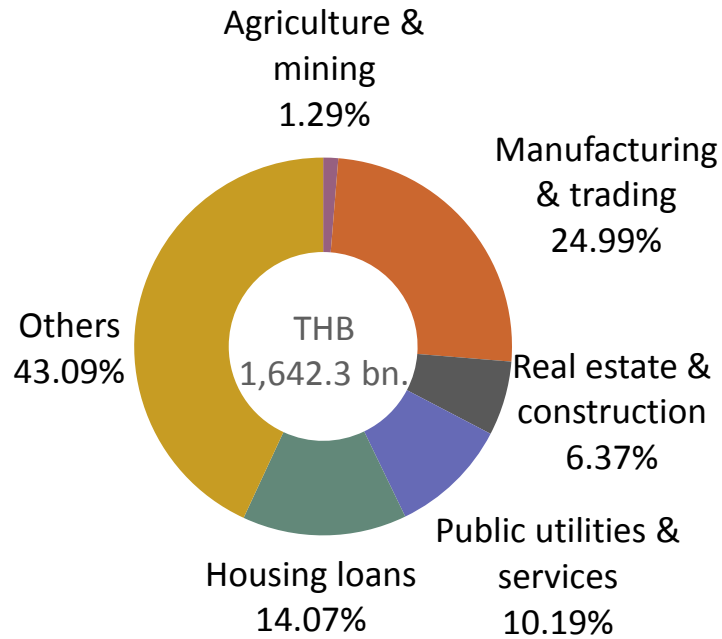


Credit Cards and Personal Loans

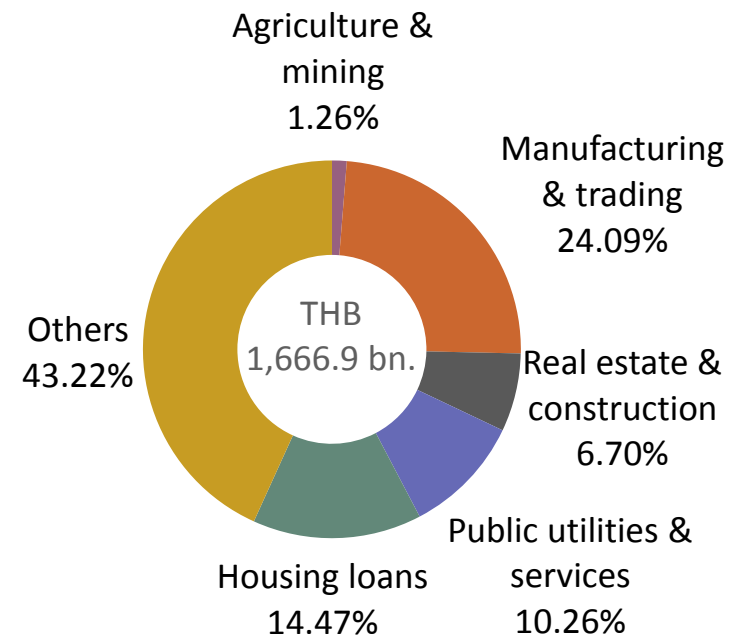


Loan by Industry

June 2018

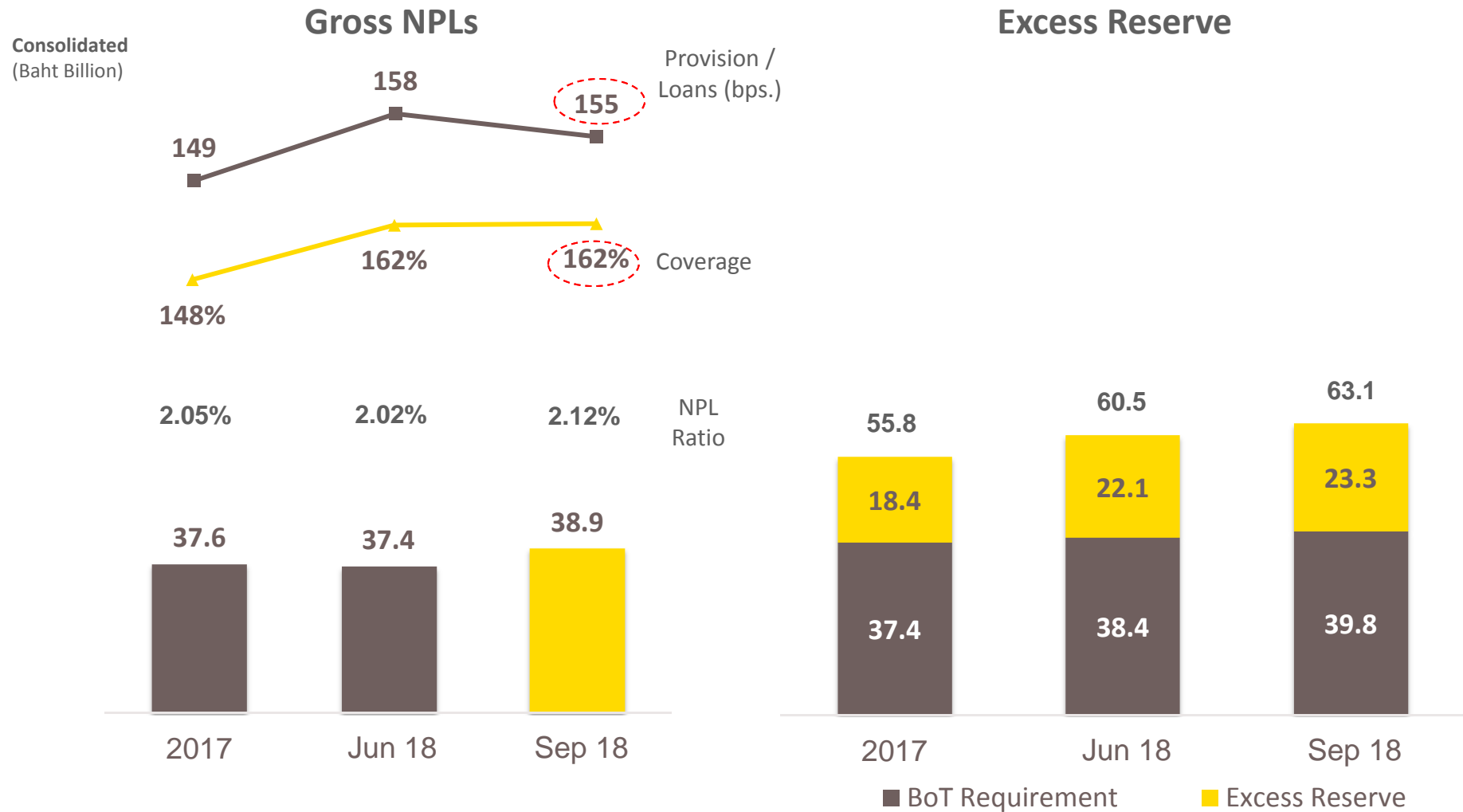


September 2018

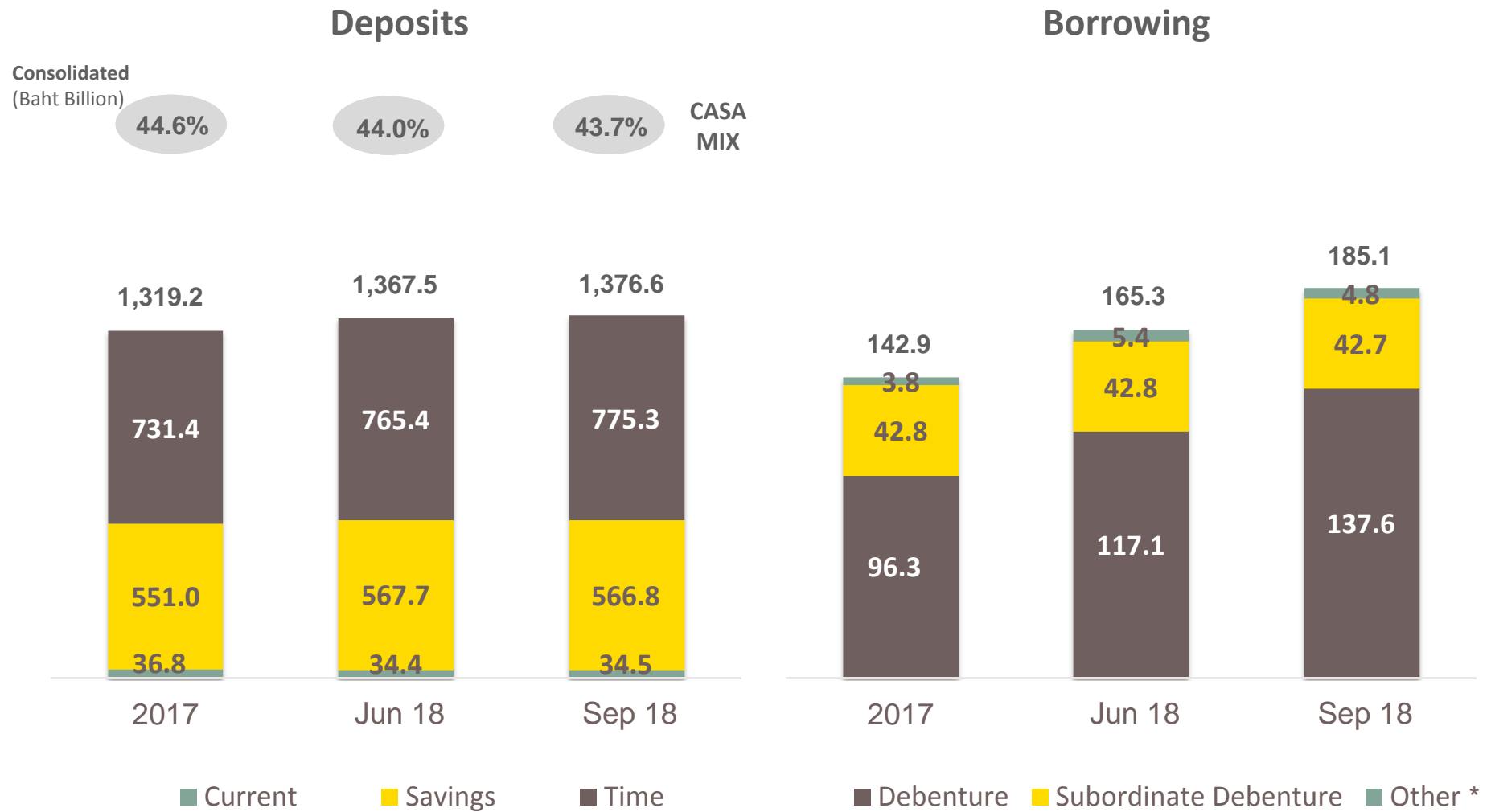


Asset Quality

NPL ratio recorded at 2.12%, with strong reserve position



Funding Base

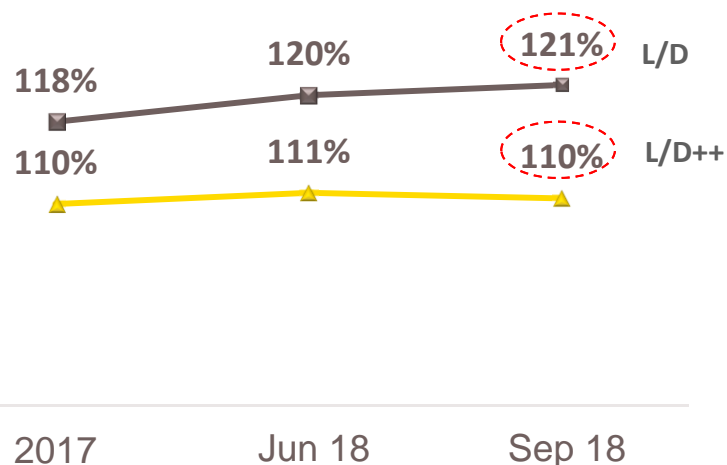


Capital and Liquidity

Solid capital position, CAR equivalent to 15.50%

Loan to Deposit

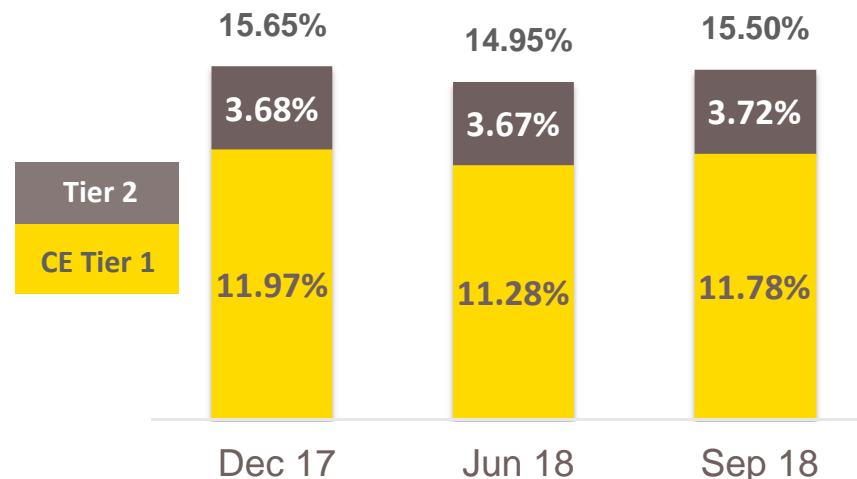
Consolidated



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

Capital Adequacy Ratio *

Bank Only



* BOT requires to maintain minimum CAR at 8.5% and gradually increases the conservation buffer at 0.625% per year since January 1, 2016 until reaching 2.5% by January 1, 2019

Baht Billion	2017	Jun 18	Sep 18
CE Tier 1	167.53	168.44	176.12
Tier 2	51.50	54.74	55.65
Total Capital	219.03	223.18	231.77

BOT has adopted supervisory framework for Domestic Systemically Important Banks (D-SIBs) by requiring qualified banks to maintain additional 1% of common equity tier 1 from the current minimum requirement, starting 0.5% on Jan 1, 2019 and 1% on Jan 1, 2020.



Krungsri Profile

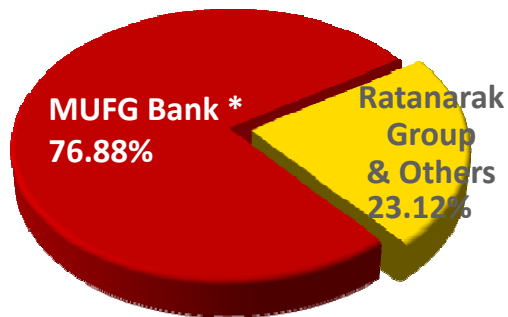
Our History



- 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 Ngern Tid Lor Co., Ltd., 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: MUFG Bank replaced GE as the strategic shareholder of Krungsri
- Jan 2015: Integration of MUFG Bank Bangkok Branch into Krungsri
- Sep 2016: Acquisition of Hattha Kaksekar Limited (HKL)
- Mar 2017: Established Krungsri Finnovate Company Limited
- Sep 2017: Recognized as “A Domestic Systemically Important Bank (D-SIB)” by the Bank of Thailand

Shareholding Structure

(as of 6 Sep 2018)



Krungsri Group Profile



In consumer finance

International Ratings

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

National Ratings

Fitch Ratings	TRIS Rating
AAA (tha)	AAA

Leadership Position

As of Aug 2018	Market Position	% Share
Consumer		
Personal Loan	1	30%
Credit Card	1	17%
Auto (HP)	2	27%
SME	5	5%
Corporate	5	12%

Extensive Franchise: 34,062 Service Outlets

As of September 2018	Number
Domestic Branches	699 *
Overseas Branches	2
Representative Office	1
ATMs	6,617
Exchange Booths	90
Krungsri Exclusive	42
Krungsri Business Centers	63

As of September 2018	Number
First Choice Branches	151 Branches
+ Dealers	+ 21,730 Dealers
Krungsri Auto Dealers	> + 9,341 Dealers
Microfinance Branches	765
Microfinance Overseas Branches (HKL)	178
Thai Post Offices	> + 1,000
EDC Machines	98,148

* Krungsri Domestic Branches = 699 Branch, of which 662 are Banking Branches and 37 are Auto Business Branches



กดเงินไม่ใช้บัตร **Krungsri Cardless**

สะดวก และง่ายสุดๆ

ใช้มือถือถอนเงินสดจากตู้ ATM ไม่ต้องใช้บัตร
ผ่าน KMA เพียง download
และลงทะเบียน KMA ก็ใช้บริการได้ทันที

- ✓ ฟรี ค่าธรรมเนียม
- ✓ ทมดปัญหาเรื่องลิ้มบัตร
- ✓ จ่ารหัสบัตร ATM ไม่ได้
- ✓ ใช้ได้ที่ตู้กรุงศรี ATM ทั่วประเทศ

This presentation has been prepared by Bank of Ayudhya Public Company Limited (the "Bank") solely for informational purposes. It does not constitute an offer or sale or a solicitation of an offer to purchase securities, nor does it constitute a prospectus within the meaning of the Securities and Exchange Act B.E. 2535 of Thailand. Neither this presentation nor any part of it shall form the basis of, or be relied on in connection with, or act as an inducement to enter into, any contract or commitment whatsoever. No person should rely on the information contained in this presentation in making an investment decision in respect of any of the Bank's securities. Any decision to purchase or subscribe for any securities of the Bank must be made on the basis of a thorough review of publicly available information of the Bank, including information made publicly available by the Bank pursuant to the requirements of the Securities Exchange of Thailand and the Thai Securities Exchange Commission. The information contained herein is only accurate as of its date.

Contact

Investor Relations Department : Telephone : (662) 296 2977

Fax : (662) 683 1341

E-mail : irgroup@krungsri.com

Krungsri Website :

www.krungsri.com