



krungsri
กรุงศรี

A member of  MUFG
a global financial group

Financial Performance 1Q 2019

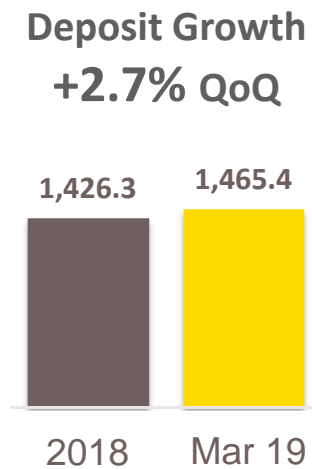
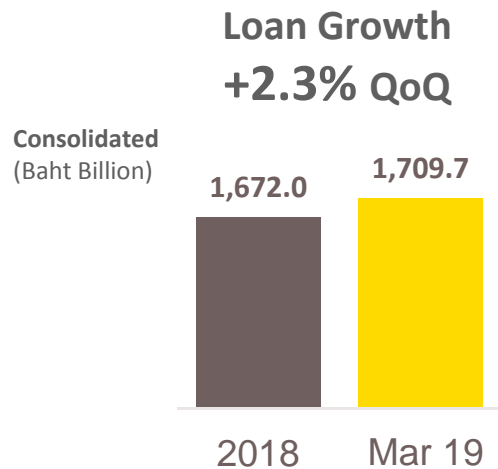
19 April 2019

"Make Life Simple เรื่องเงิน เรื่องง่าย"



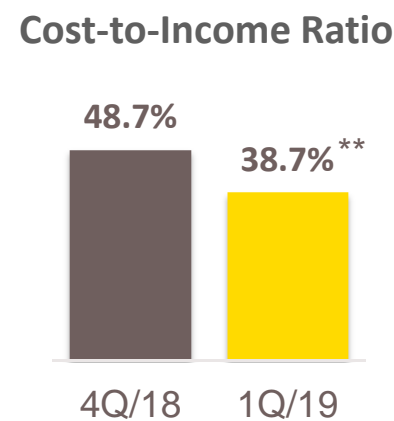
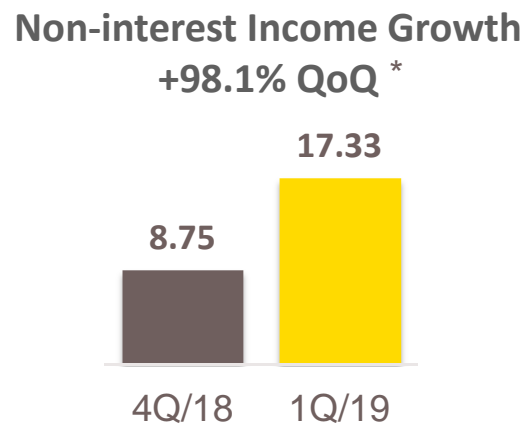
Highlights

1Q 2019 Key Financial Highlights



CASA
42.8%

NIM
3.79%



NPL Ratio

1.99%

Coverage Ratio

166%

* Adjusting the extraordinary gains from investments from NTL transaction, non-interest income decreased by Baht 40 million, or 0.5%

** Adjusting the extraordinary gains from investments and provision in accordance to the amended Labor Protection Act, cost to income ratio recorded at 46.4%

Thailand Economic Outlook

2019 Outlook: Rotating from external to domestic demand

2019 Key Economic Forecasts

% YoY growth unless otherwise stated	2017A	2018A	2019F*
GDP	4.0	4.1	3.8
Private Consumption	3.0	4.6	4.1
Private Investment	2.9	3.9	4.6
Exports (in USD term)	9.8	7.2	3.5
Headline Inflation	0.7	1.1	1.1
Policy Interest Rate (% , end of period)	1.50	1.75	1.75

Note: * 2019 forecast by Krungsri Research

Key drivers:

- Exports would decelerate following slowing external demand but tourism sector is likely to recover.
- Private investment is entering an upward cycle, boosted by EEC & infrastructure projects, PPP fast track, historically-tight capacity utilization in several industries
- Private consumption would keep growth momentum with more spending during and after election period, a rise in wages, and state welfare policy.
- Clearer policy after election should encourage domestic and foreign sentiment.
- Policy interest rate is expected to be steady throughout the year 2019.

Tailwinds

- More spending during and after election period and measures to help low-income earners
- Improving wage and employment
- Infrastructure and EEC projects
- Expansion cycle of global trade
- Resilient tourism sector
- Sound economic fundamentals

Headwinds

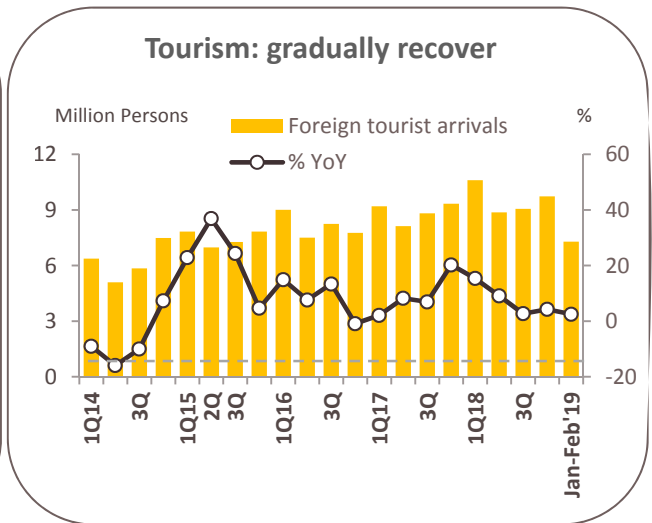
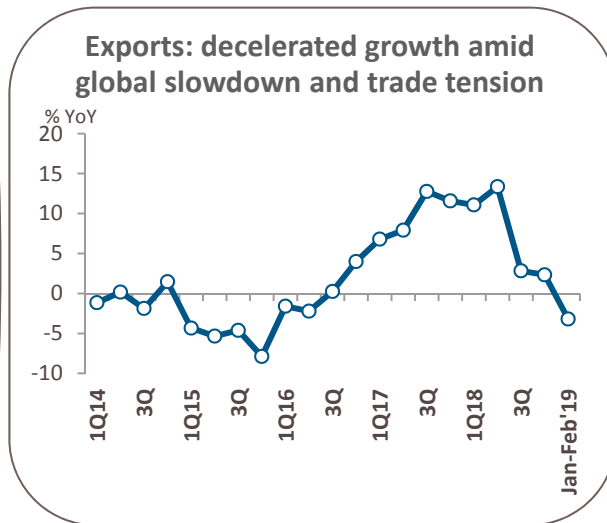
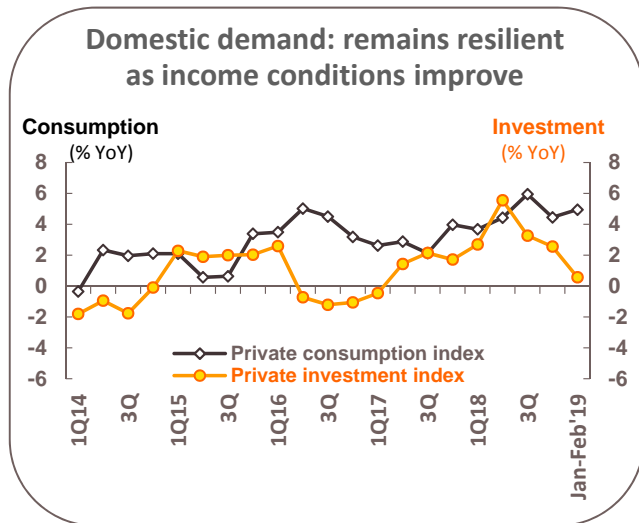
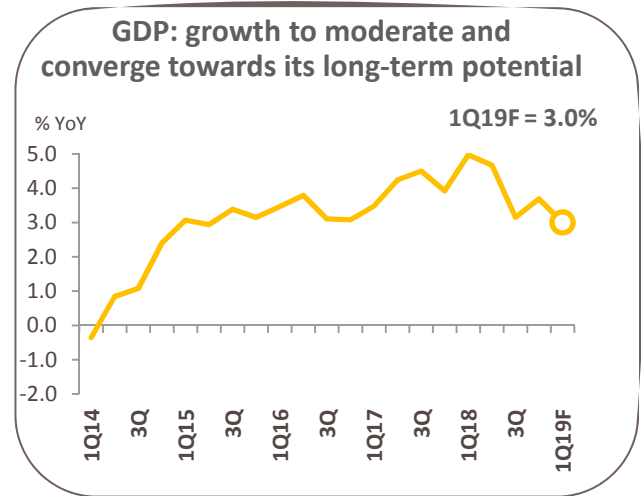
- Trade protectionism, US policy uncertainty, Brexit concern, and China's economic slowdown
- Higher global risks and volatile financial markets
- Domestic political uncertainty
- High household debt
- Structural problems e.g. labor shortage and lack of competitiveness in some sectors

Source: Krungsri Research

Recent Economic Development

● A recovery of economic activity continues with a soft patch of 1Q19 economic data in specific sector, not broad-based

- Private spending maintains positive momentum as household income conditions improves.
- Pro-cyclical government spending continues to buoy economic recovery.
- Export growth decelerated amid global slowdown and trade protectionism
- Tourism sector has recovered after Phuket boat tragedy previously deterred Chinese visitors. Measure to waive fees for Visa-on-Arrival (VOA) up to April provides some assistance.



Source: NESDC, BOT, MOTS, Krungsri Research



Financial Performance

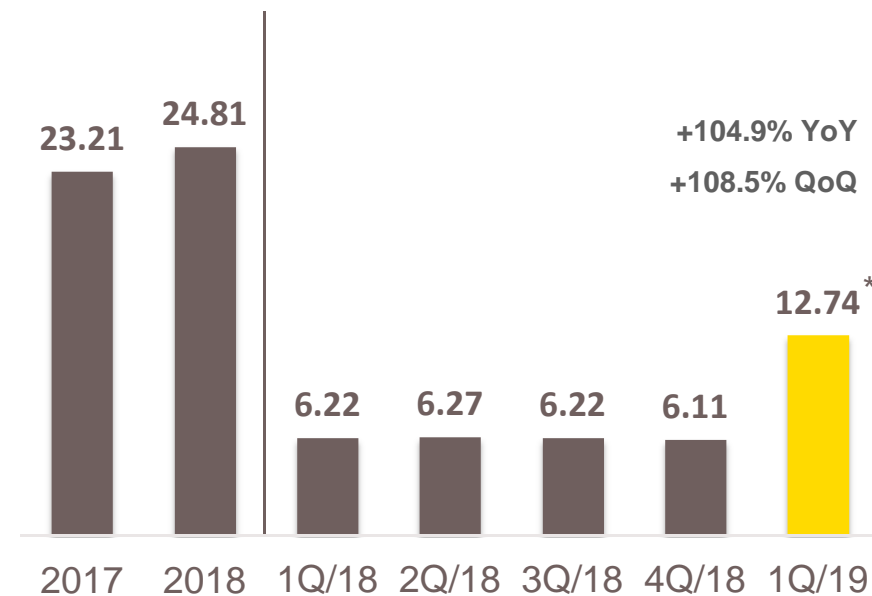
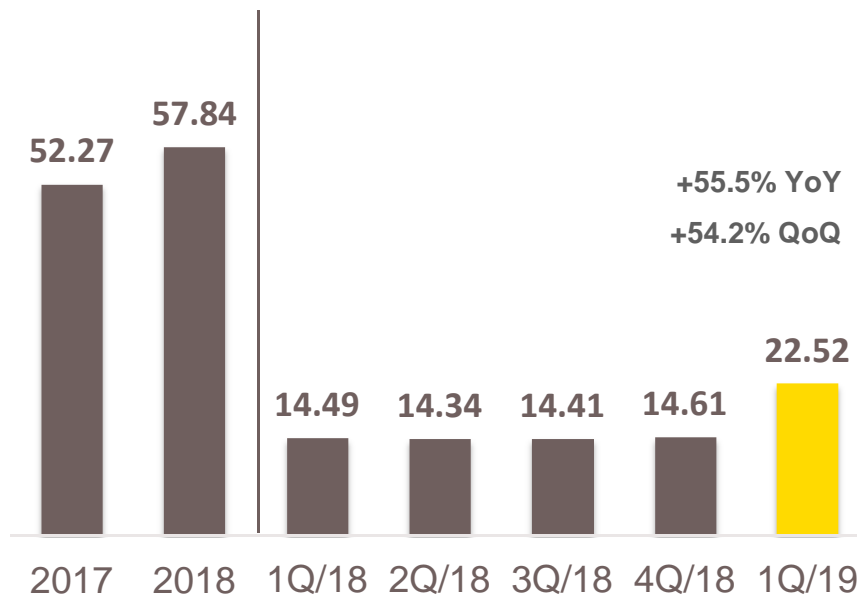
Profitability

Delivered an exceptional net profit of Baht 12.74 billion, driven mainly by the recognition of gains on investments from NTL transaction

Profit before Provision and Tax

Net Profit

Consolidated
(Baht Billion)



* Adjusting the extraordinary gains from investments and provision in accordance to the amended Labor Protection Act, net profit increased by Baht 819 million, or 13.4% from 4Q/18, and Baht 714 million, or 11.5% from 1Q/18

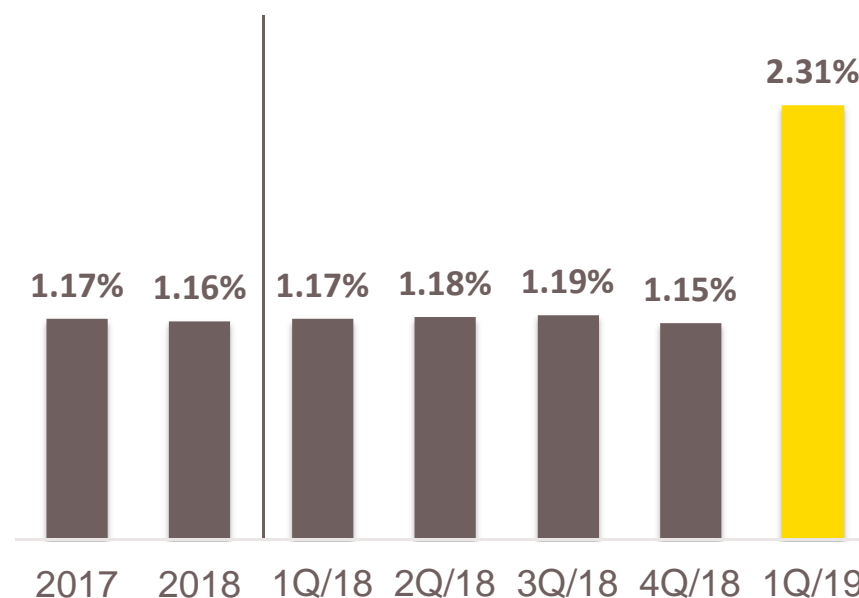
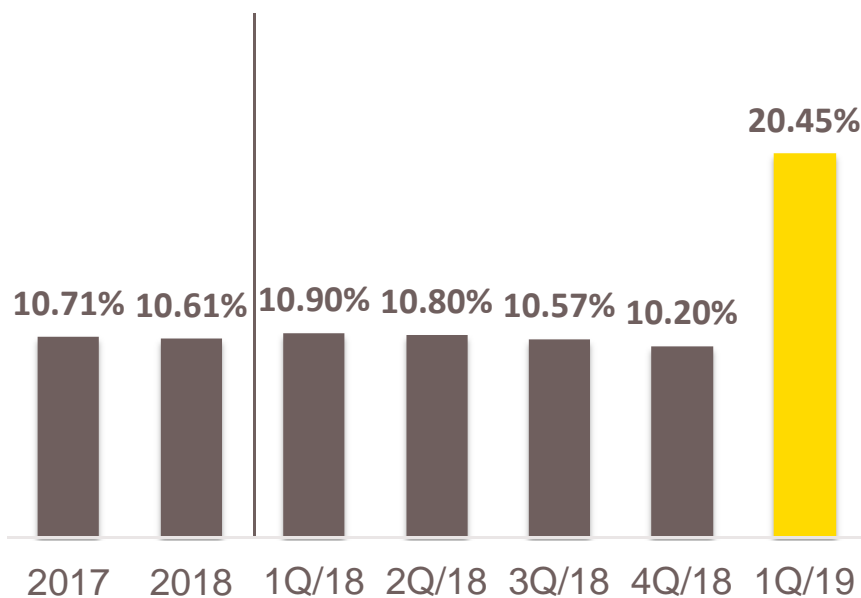
ROAE & ROAA

Reported ROAE at 20.45% and ROAA at 2.31%

ROAE

ROAA

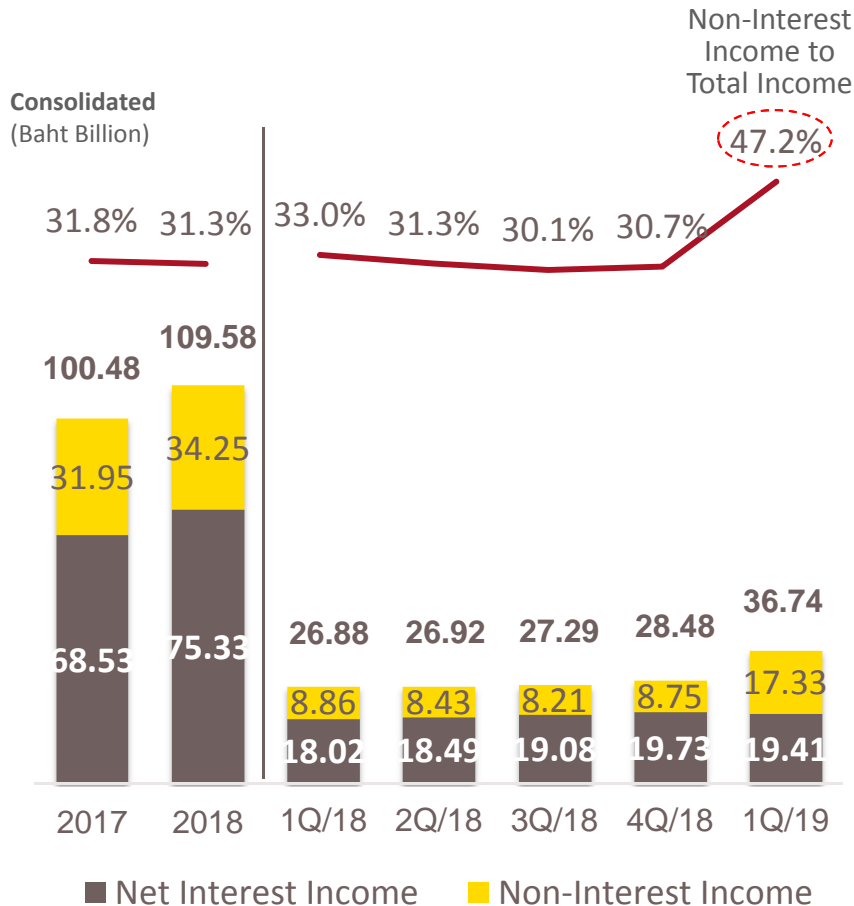
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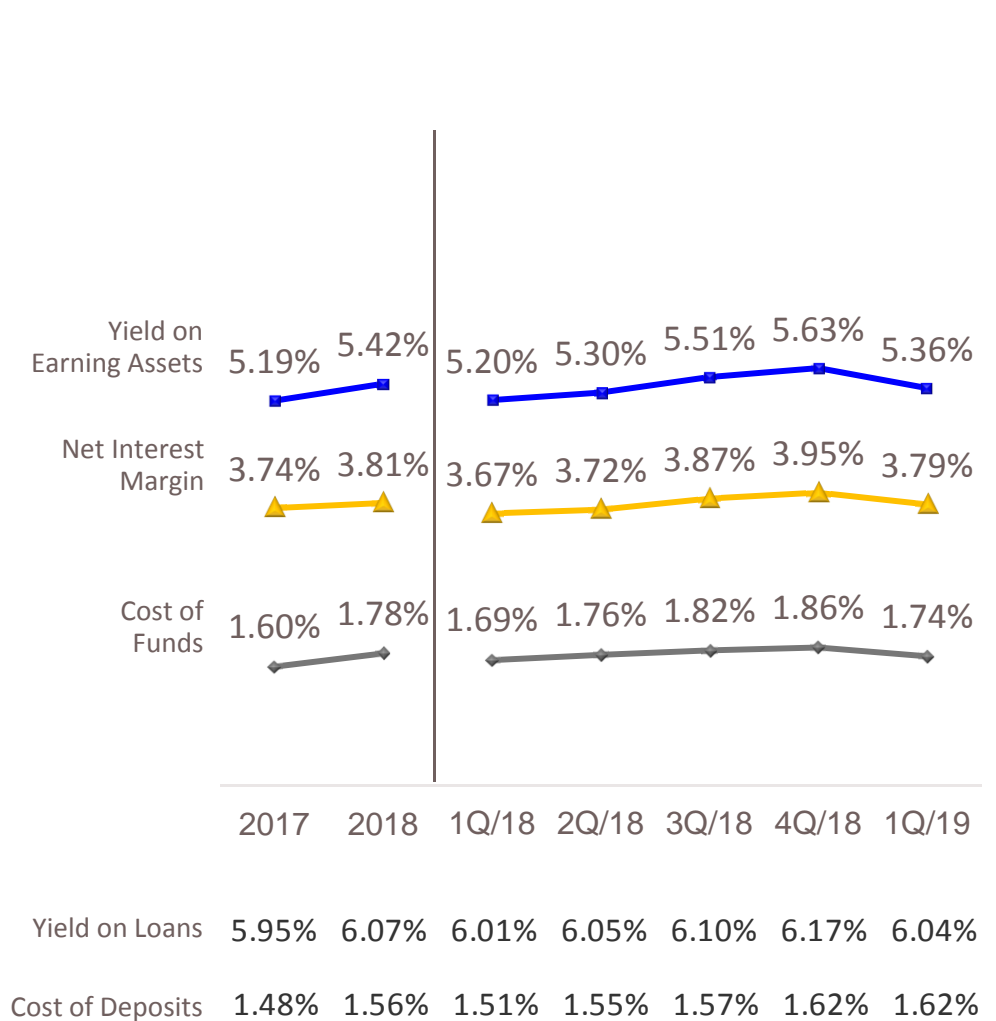
Profitability Measurement

NIM recorded at 3.79%, mirroring the portfolio rebalance toward commercial lending

Total Income



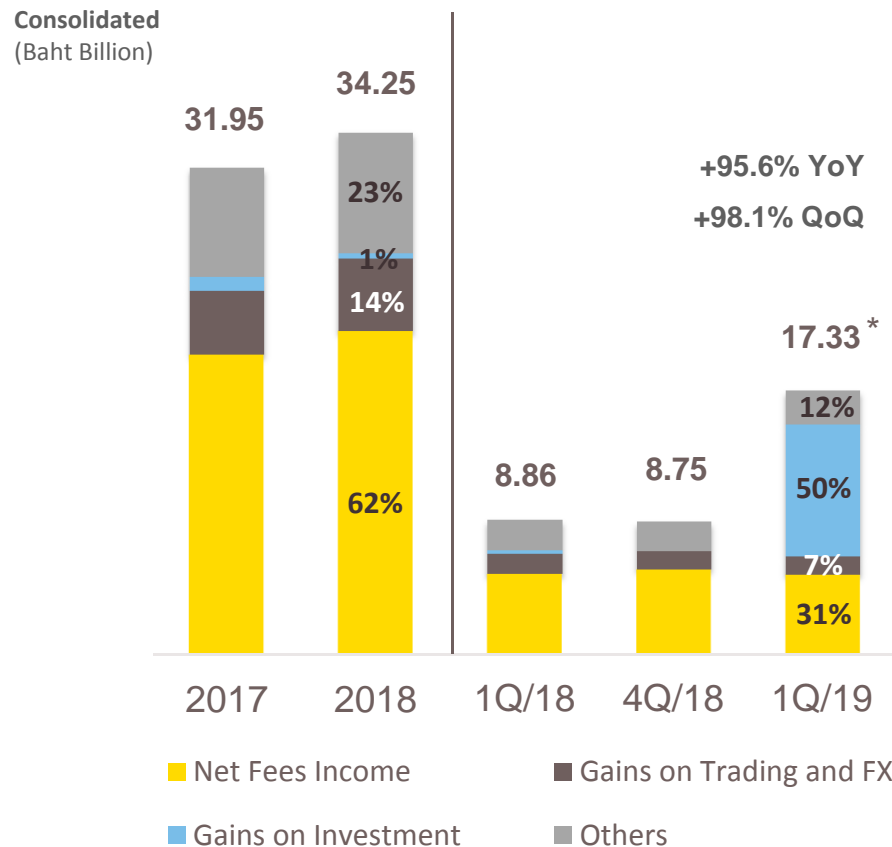
Net Interest Margin (NIM)



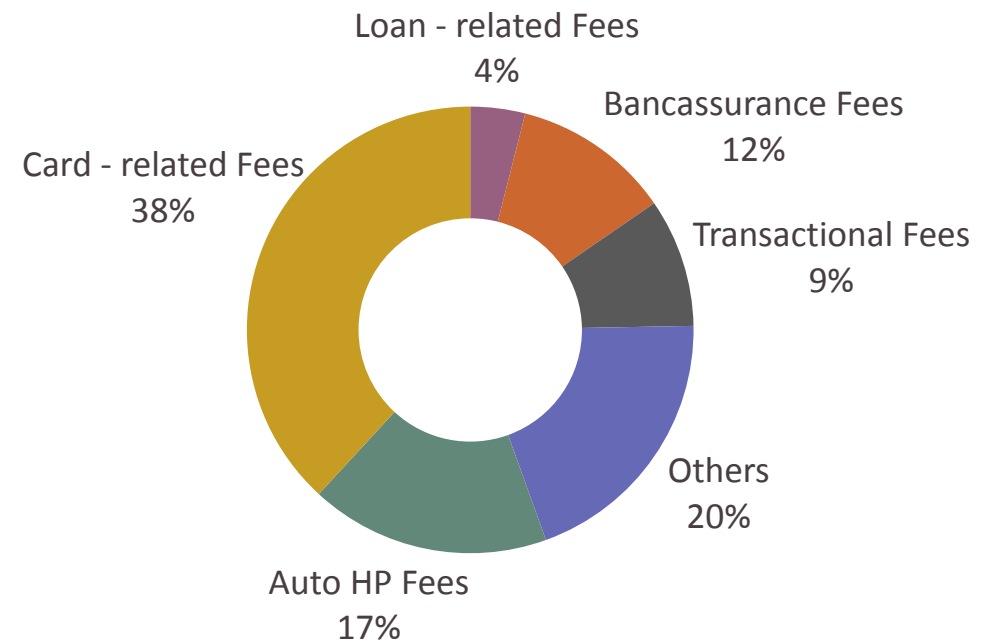
Non-Interest Income & Fees and Service Income

Significantly increased mainly driven by the recognition of gains from investments from NTL transaction

Non-Interest Income



Fees & Service Income



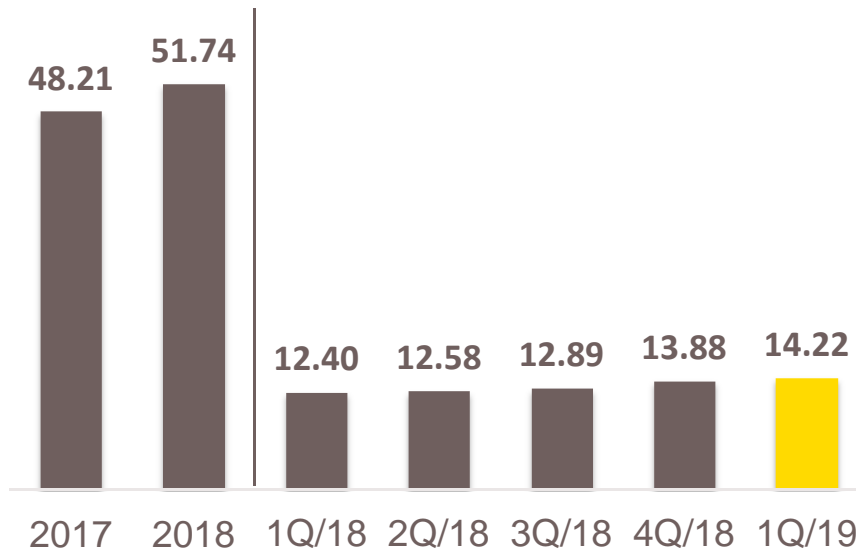
* Adjusting the extraordinary gains from investments from NTL transaction, non-interest income decreased by Baht 40 million, or 0.5% from 4Q/18, and Baht 155 million, or 1.7% from 1Q/18

Productivity

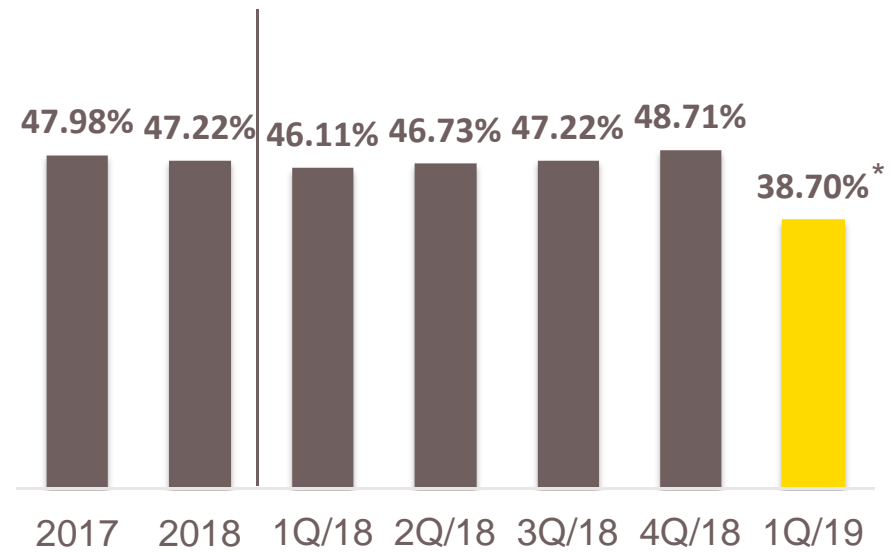
Cost to income ratio substantially improved to 38.70%

Operating Expenses

Consolidated
(Baht Billion)



Cost to Income Ratio



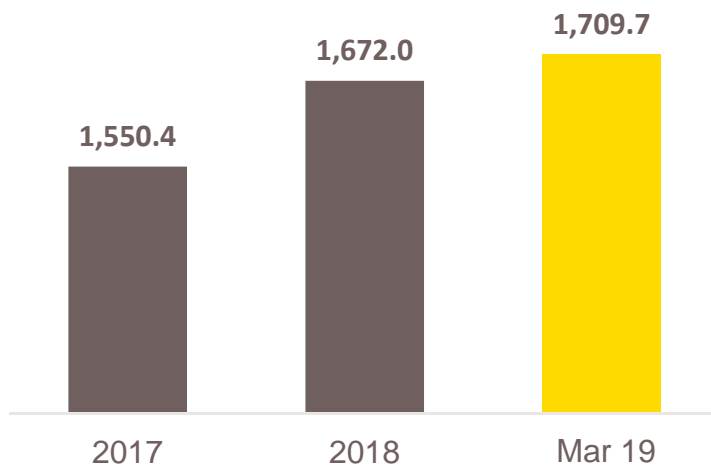
* Adjusting the extraordinary gains from investments and provision in accordance to the amended Labor Protection Act, cost to income recorded at 46.4%

Loan Portfolio

A broad-based expansion with Corporate, auto hire-purchase, SME, and mortgage loans as growth drivers

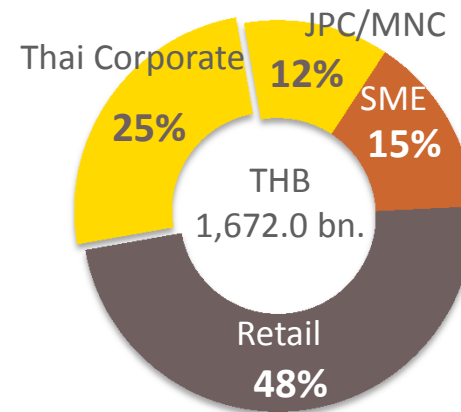
Loans

Consolidated
(Baht Billion)

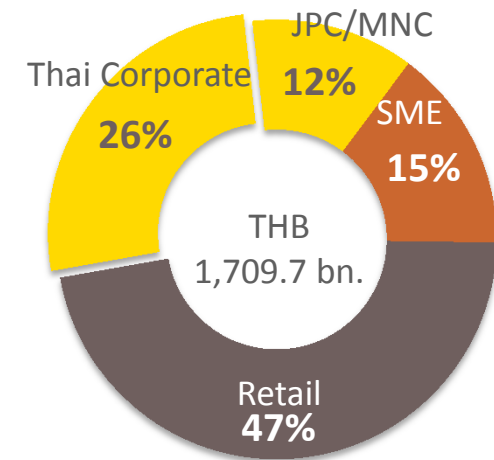


Loans by Segment

Dec 2018



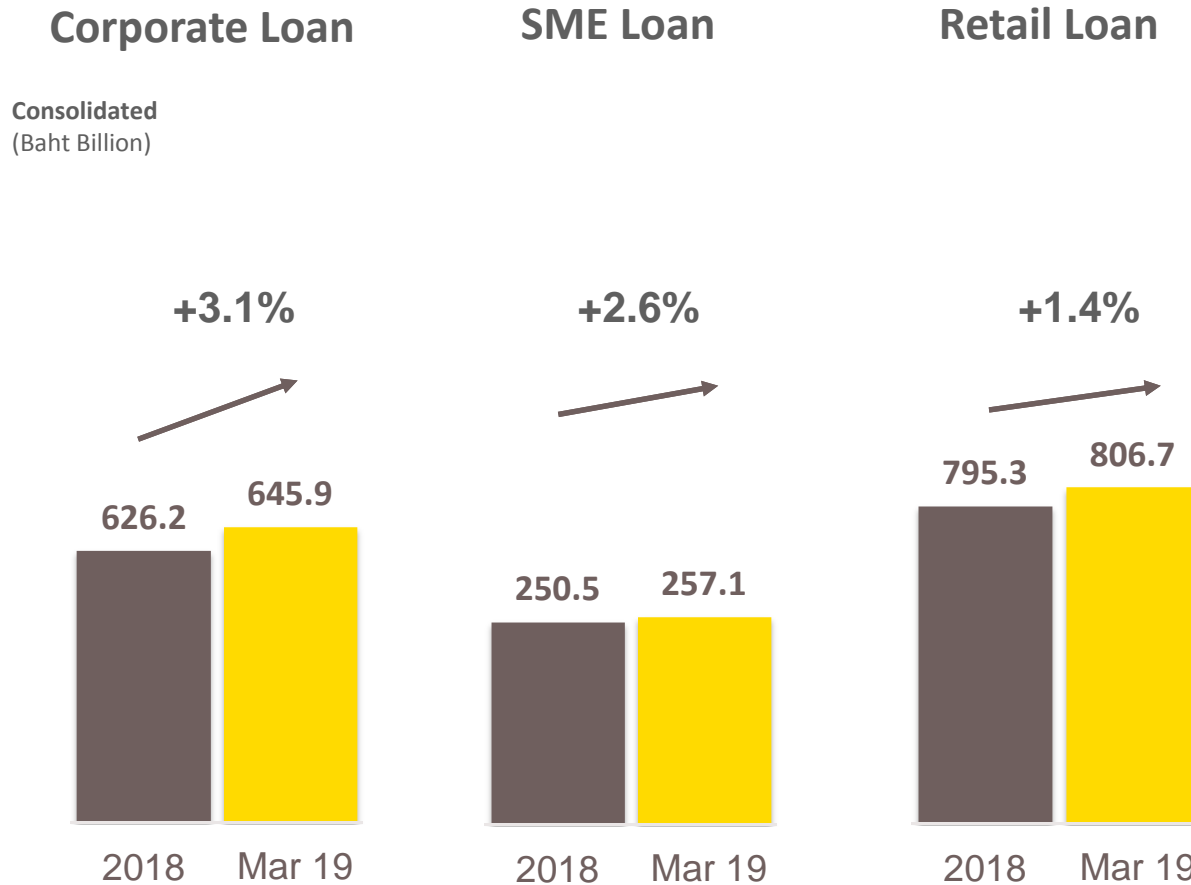
Mar 2019



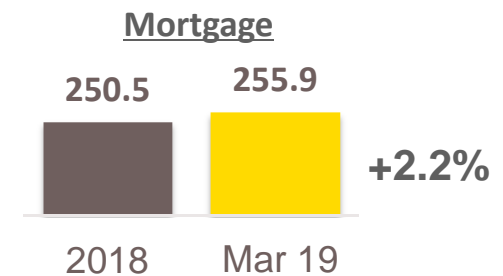
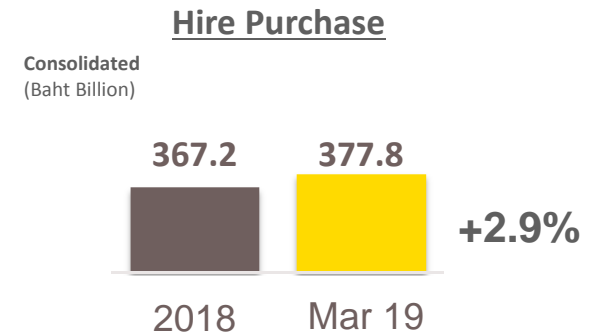
Retail

- Auto HP 22%
- Mortgage 15%
- Credit Card & Personal Loans 10%

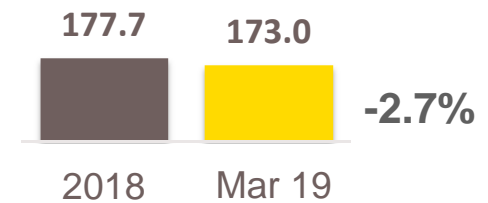
Loans by Segments



Under Retail Segment

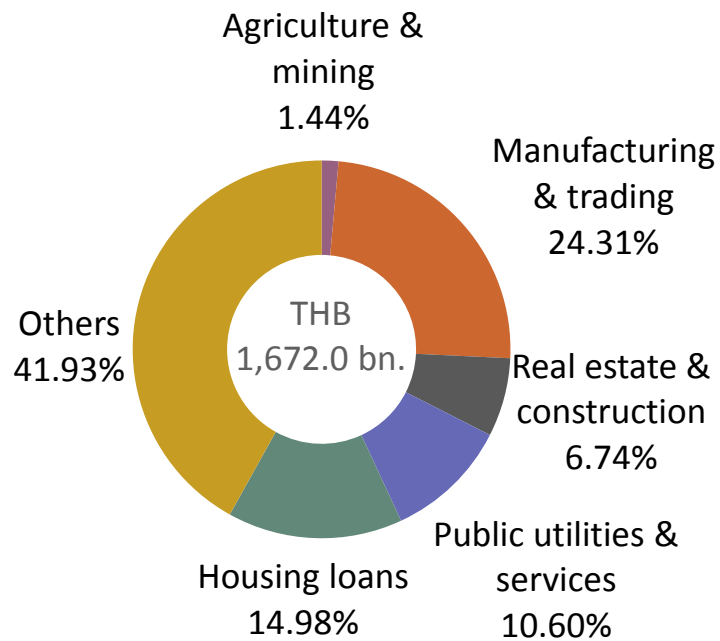


Credit Cards and Personal Loans

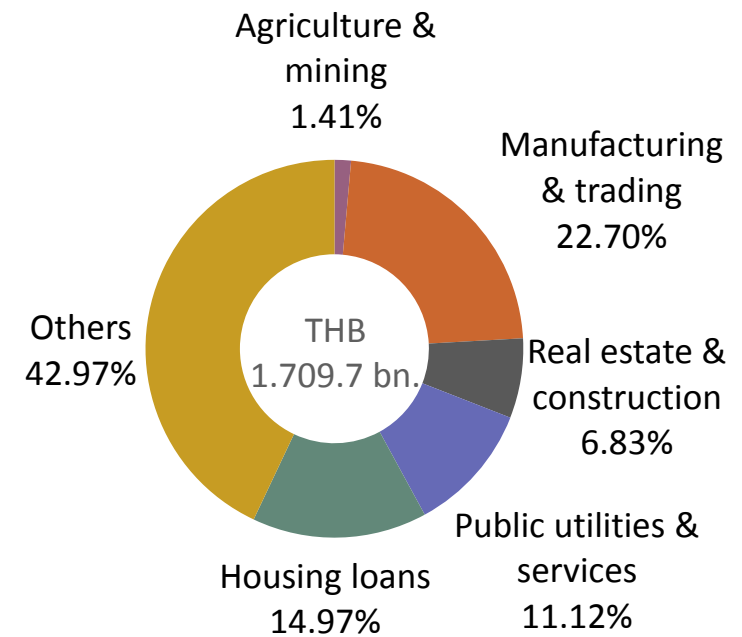


Loan by Industry

December 2018

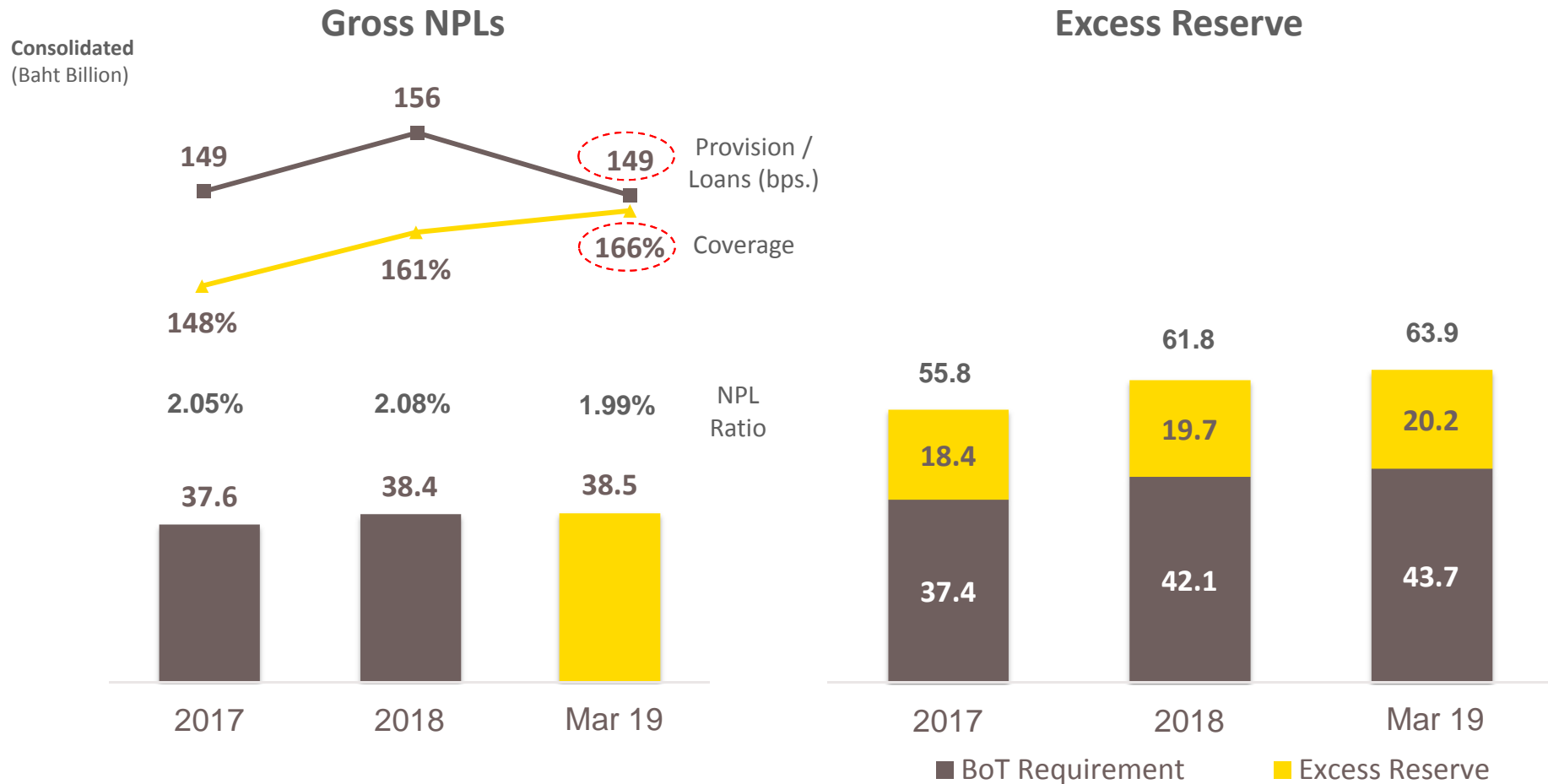


March 2019

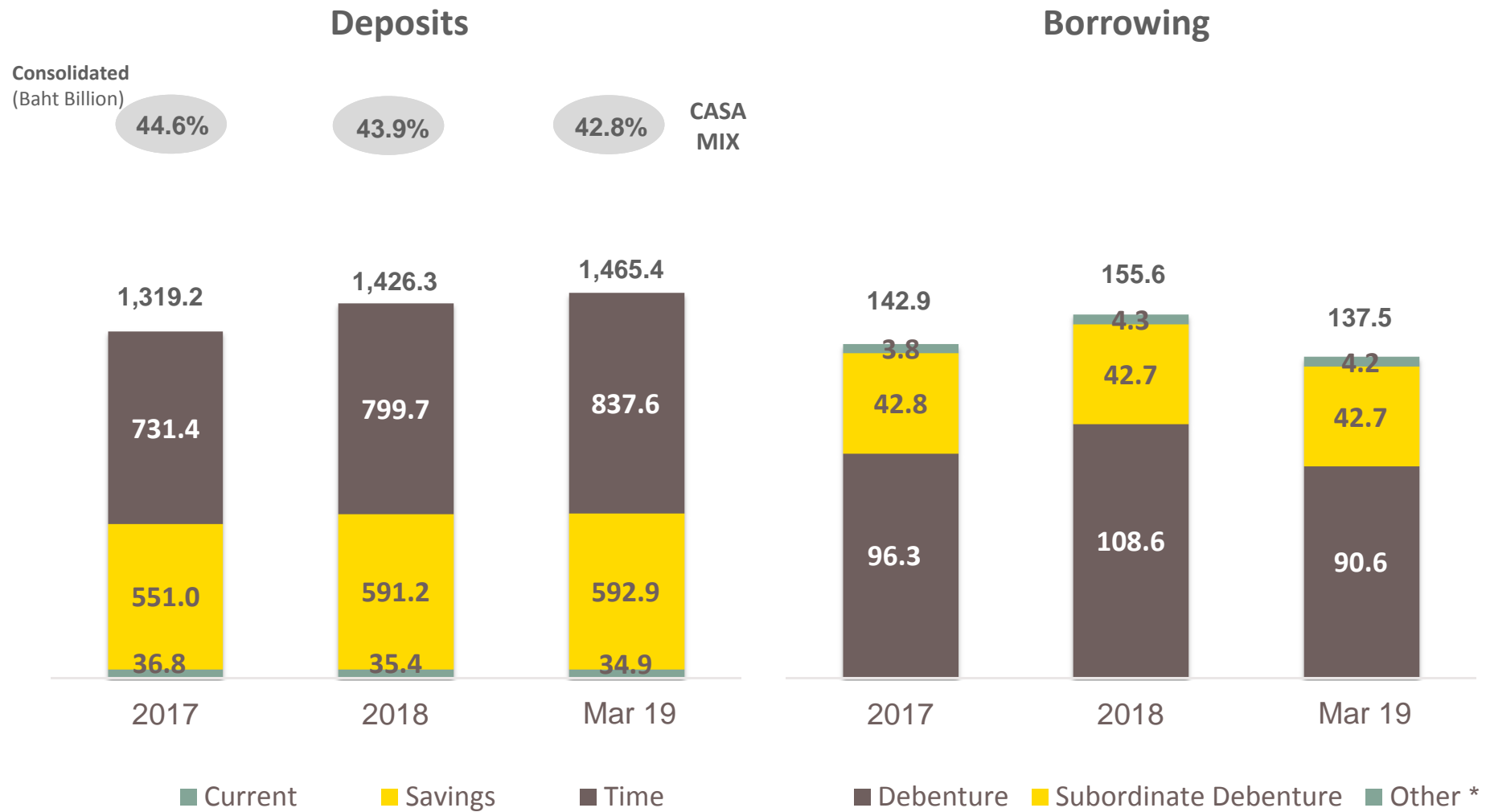


Asset Quality

NPL ratio improved to 1.99%, with strong reserve position



Funding Base



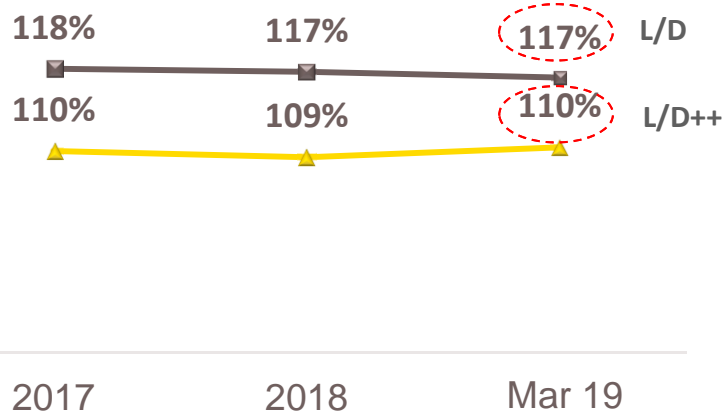
* Including B/E Baht 1 million

Capital and Liquidity

Strong capital position, CAR equivalent to 14.91%

Loan to Deposit

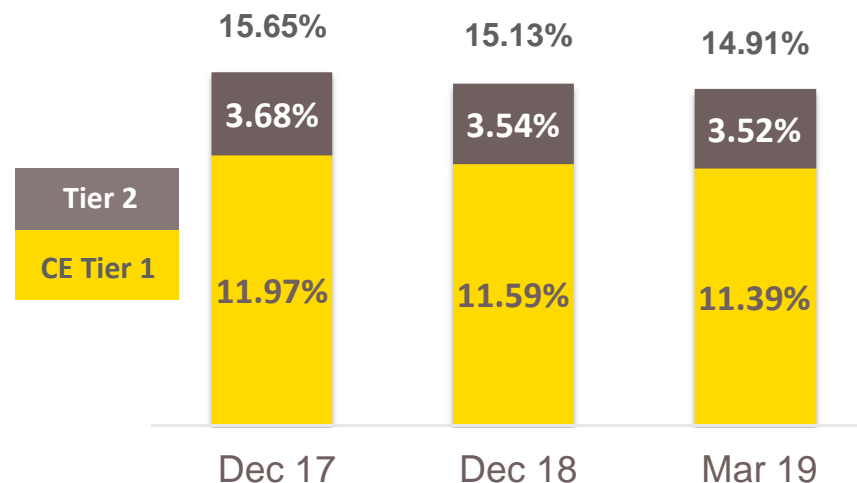
Consolidated



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	Dec 17	Dec 18	Mar 19
CE Tier 1	167.53	175.38	175.62
Tier 2	51.50	53.60	54.18
Total Capital	219.03	228.98	229.80

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.



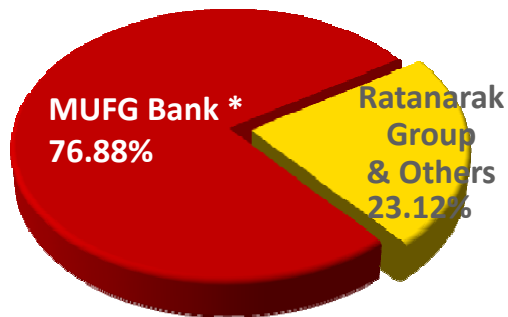
Krungsri Profile

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 14 March 2019)



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 February 2019	Market Position	% Share
Consumer		
Personal Loan	1	30%
Credit Card	1	16%
Auto (HP)	2	27%
SME	5	5%
Corporate	5	12%

Workforce: Krungsri group 31,755 / BAY 15,178

Extensive Franchise: 34,732 Service Outlets

As of March 2019	Number	As of March 2019	Number
Domestic Branches	699 *	First Choice Branches	149 Branches
Overseas Branches	2	+ Dealers	+ 22,492 Dealers
Representative Office	1	Krungsri Auto Dealers	> + 9,159 Dealers
ATMs	6,688	Microfinance Branches	858
Exchange Booths	90	Microfinance Overseas Branches (HKL)	178
Krungsri Exclusive	42	Thai Post Offices	> + 1,000
Krungsri Business Centers	62	EDC Machines	99,447

* Krungsri Domestic Branches = 699 Branch, of which 660 are Banking Branches and 39 are Auto Business Branches



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