

# Krungsri's Business Strategy

6 April 2015

This document contains forward-looking statements in regard to forecasts, targets and plans of Bank of Ayudhya Public Company Limited (“KS”) and its group companies (collectively, “the group”). These forward-looking statements are based on information currently available to the group and are stated here on the basis of the outlook at the time that this document was produced. In addition, in producing these statements certain assumptions (premises) have been utilized. These statements and assumptions (premises) are subjective and may prove to be incorrect and may not be realized in the future. Underlying such circumstances are a large number of risks and uncertainties. Please see other financial disclosure and public filings made or will be made by KS and the other companies comprising the group, for additional information regarding such risks and uncertainties. The group has no obligation or intent to update any forward-looking statements contained in this document

In addition, information on companies and other entities outside the group that is recorded in this document has been obtained from publicly available information and other sources. The accuracy and appropriateness of that information has not been verified by the group and cannot be guaranteed

The financial information used in this material was prepared in accordance with accounting standards generally accepted in Thailand

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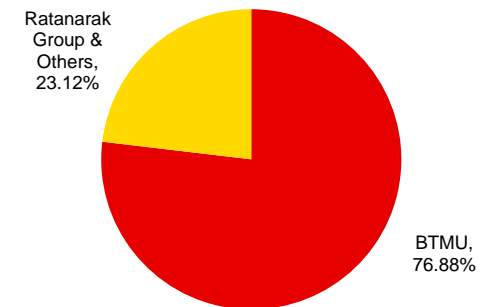
# Who is Krungsri

# Our History

<b>1945</b>	Officially established
<b>2007</b>	Bank of Ayudhya, “ <b>Krungsri</b> ” and GE became strategic partners
<b>2008</b>	Acquisition of GE Capital Auto Lease, subsequently renamed to Krungsri Auto
<b>2009</b>	Acquisition of AIG Retail Bank Pcl. and AIG Card (Thailand) Co., Ltd. Acquisition of CFG Services Co., Ltd. (Srisawad), a micro finance business from AIG Acquisition of GE Money Thailand, a consumer finance company
<b>2012</b>	Acquisition of HSBC Thailand's retail banking businesses
<b>Dec 2013</b>	<b>BTMU replaced GE as the strategic shareholder of Krungsri</b>
<b>Jan 2015</b>	<b>Integration of BTMU Bangkok Branch into Krungsri</b>



**Shareholding Structure**



# Facts about Krungsri

## 1 Personal Loan

- 3.2 million accounts
- 27% market share



## 1 Credit Card

- 3.7 million accounts
- 15% market share



## 2 Auto (HP)

- # 1 in used car financing
- 18% market share



## Global Ranking

1,259

**Forbes**  
**The Global 2000**  
*Sales, Profits, Assets*  
*and Market Capitalization*

## SET Ranking

11

THB 271.8 bn\*  
**Market Capitalization**

\* Stock Exchange of Thailand (30 December 2014)

## Thai Banks Ranking

5

**Commercial**  
**Banks**

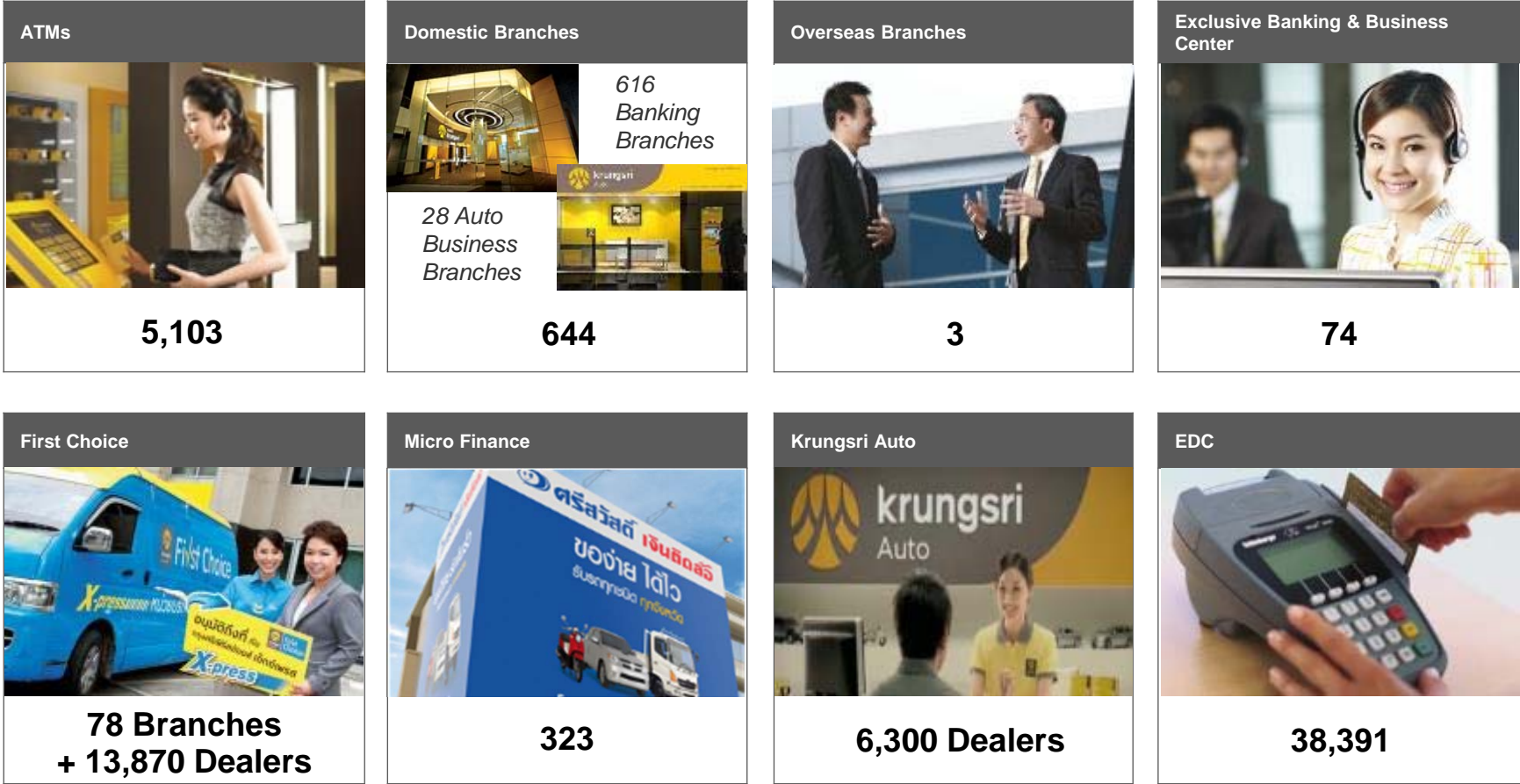
*by Assets, Deposits and Loans*

## Credit Ratings

1

*Highest rating (A-)*  
*among top banks in*  
*Thailand by Fitch Ratings*

# Our Strong and Broad Franchise



# Our Broad-Based Alternative Channels


  
**Strong alternative  
channel expansion**

**SMS Banking**




**1.4 Million Users**

**Internet Banking**




**700,000 Users**

**Krungsri Mobile**




**800,000 Users**

**Krungsri Website**



**50 Million Page View**










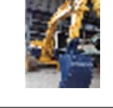
**Social Networks**



**1,150,000 Users**



# Krungsri Group Companies

	<p><b>Credit Card, Personal Loan &amp; Sale Finance</b></p> <ul style="list-style-type: none"> <li>• Krungsriyudhya Card Co., Ltd (KCC) - 99.99%</li> <li>• Ayudhya Capital Services Co., Ltd. (AYCAP) - 99.99%</li> <li>• Tesco Card Services Ltd. (TCS) - 50.00%</li> <li>• General Card Services Ltd. (GCS) - 99.99%</li> </ul>	<p><b>Asset Management</b></p> <ul style="list-style-type: none"> <li>• Krungsri Ayudhya AMC Ltd. (KAMC) - 99.99%</li> </ul>	
	<p><b>Auto Hire Purchase and Leasing</b></p> <ul style="list-style-type: none"> <li>• Ayudhya Capital Auto Lease Plc. (AYCAL) - 99.99%</li> </ul>	<p><b>Investment Management</b></p> <ul style="list-style-type: none"> <li>• Krungsri Asset Management Co., Ltd. (KSAM) - 76.59%</li> </ul>	
	<p><b>Collection Services</b></p> <ul style="list-style-type: none"> <li>• Total Services Solutions Plc. (TSS) - 99.99%</li> </ul>	<p><b>Securities</b></p> <ul style="list-style-type: none"> <li>• Krungsri Securities Plc. (KSS) - 98.71%</li> </ul>	
	<p><b>Micro Finance</b></p> <ul style="list-style-type: none"> <li>• CFG Services Co., Ltd. (CFGS) - 99.99%</li> </ul>	<p><b>Support Business</b></p> <ul style="list-style-type: none"> <li>• Siam Realty and Services Co., Ltd. (SRS) - 99.99%</li> </ul>	
	<p><b>Leasing</b></p> <ul style="list-style-type: none"> <li>• Ayudhya Development Leasing Co., Ltd. (ADLC) - 99.99%</li> </ul>		
	<p><b>Factoring</b></p> <ul style="list-style-type: none"> <li>• Krungsri Factoring Co., Ltd. (KSF) - 99.99%</li> </ul>		

# Krungsri Credit Ratings

- After Krungsri became a strategic member of MUFG/BTMU in late 2013, credit ratings were upgraded with the rationale that Krungsri is strategic importance to BTMU and thus will benefit from parental support from BTMU.
- Krungsri's ratings are now on par with other top banks in Thailand.

International Ratings						
	Fitch Ratings		Moody's		Standard & Poor's	
	Foreign currency Long Term	Outlook	Foreign Long Term Deposit	Outlook	Issuer Credit Rating Long Term	Outlook
<b>Krungsri</b>	A-	Stable	Baa1	Stable	BBB+	Stable

National Ratings				
	Fitch Ratings		TRIS Rating	
	Foreign currency Long Term	Outlook	Foreign Long Term Deposit	Outlook
<b>Krungsri</b>	AAA (tha)	Stable	AAA	Stable
<b>Krungsri Auto<sup>1</sup></b>	na	na	AA-	Stable
<b>CFGS<sup>2</sup></b>	na	na	A-	Stable

<sup>1</sup> Ayudhya Capital Auto Lease Pcl. (AYCAL)

<sup>2</sup> CFG Services Co., Ltd. (CFGS)

# What Guides Krungsri



## Krungsri MISSION

“To be a leading regional financial institution with global reach, committed responsibly to meeting the needs of our customers and serving society through sustainable growth.”

## Krungsri VISION

“Highly qualified team of professionals providing innovative products and services, dedicated to becoming our customers’ number one preferred financial group.”

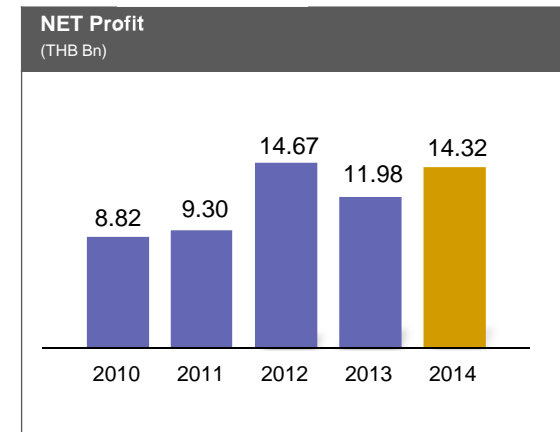
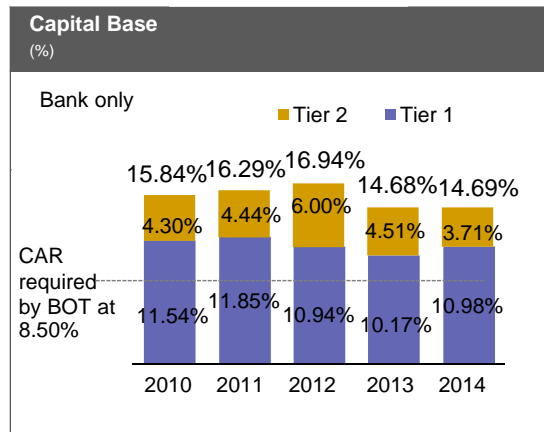
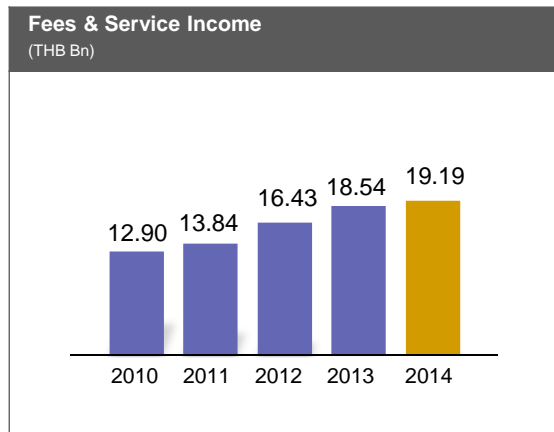
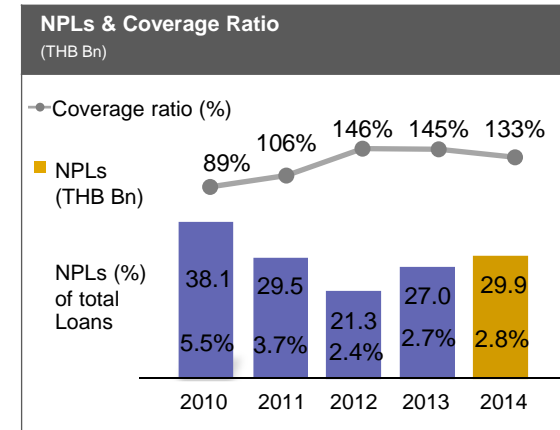
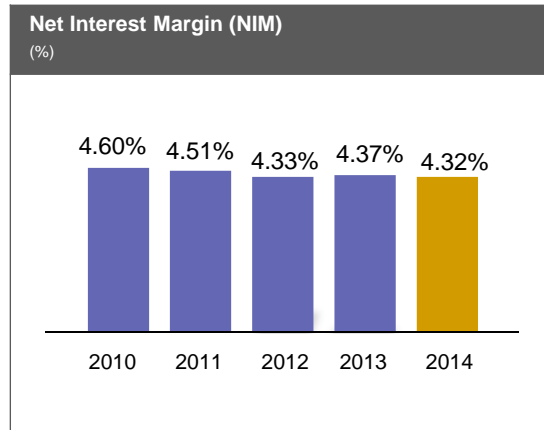
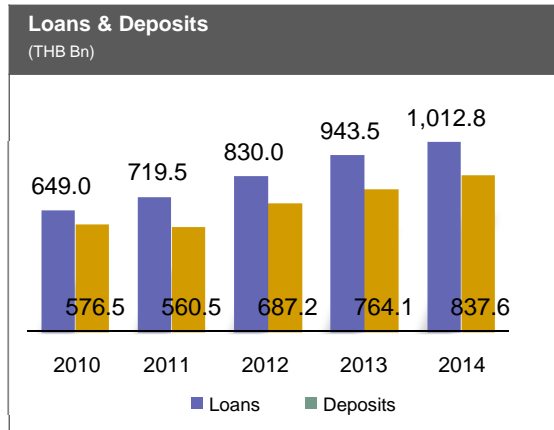
## Krungsri VALUES

- Integrity
- Team Spirit
- Customer Centricity
- Passion for Excellence
- Embracing Changes
- Global Awareness

# Key Financials & Development Highlights

# 5 Year Financial Highlights

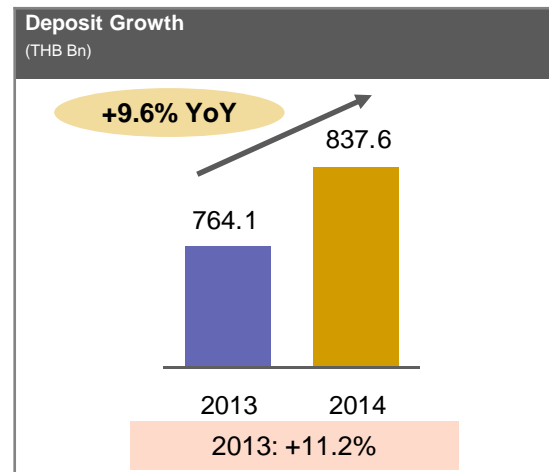
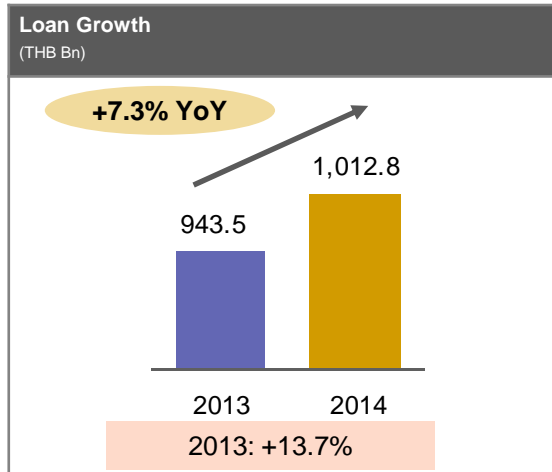
Consolidated



(Note) 1. Bank only (BASEL III effective in January 2013)

# 2014 Key Financial Highlights

Consolidated

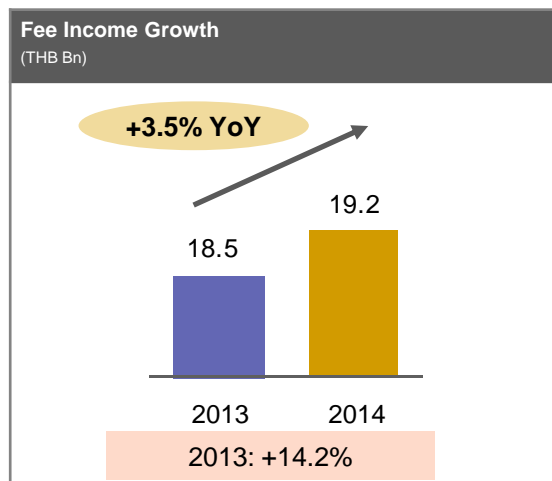


**CASA**

**51%**

**NIM**

**4.32%**



**Cost-to-Income Ratio**

**48.47%**

2013: 48.91%

**NPL**

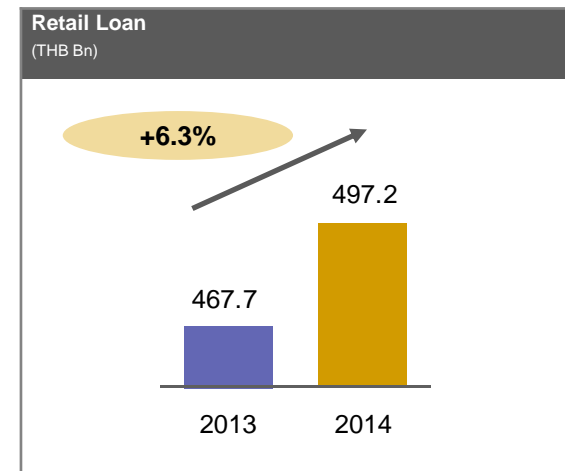
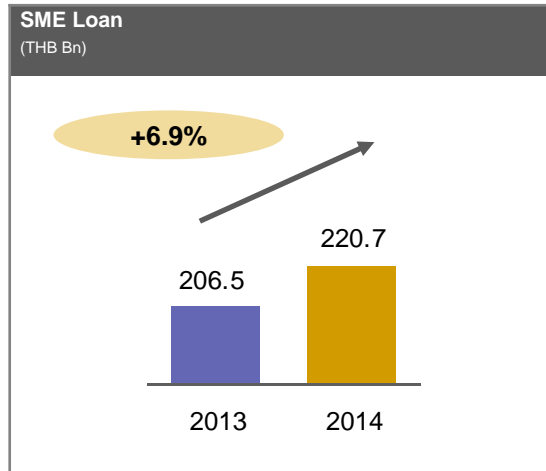
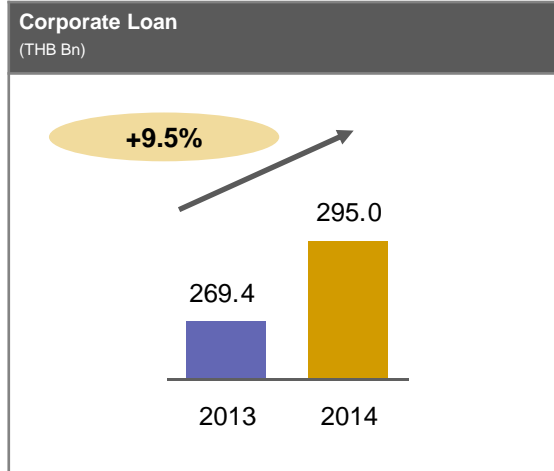
**2.79%**

**Coverage**

**133%**

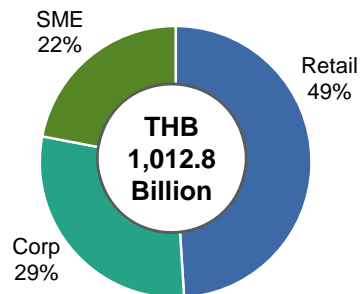
# Broad-Based Growth Across All Business Segments in 2014

Consolidated

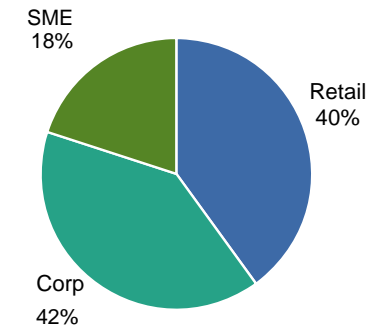


December 2014

After BTMU Integration



Retail	
Auto HP	24%
Mortgage	13%
Credit Card & Personal Loans	12%



## Satisfactory Performance Despite Challenging Environment

	2014	2014 Targets	
Loan Growth (Net)	+7.3%	+7%	✓
NPLs Ratio	2.79%	~ 2.9%	✓
Deposit Mix: Savings and Current	51%	~ 50%	✓
Loan Mix : Retail	49%	n.d.	✓
L/D Ratio	121%	n.d.	✓
L/Deposit+Debentures+B/E	106%	100%	~
NIM	4.32%	~ 4.2%	✓
Fee Income Growth (YoY)	3.5%	5%	~
Cost to Income Ratio	48.47%	< 49%	✓
Provisions	179 bps	~ 170 bps	~
Loan Loss Coverage	133%	125-130%	✓
CAR (Bank Only)	14.7%	n.d.	✓



## Thai economy is expected to return to more normal growth in 2015

% y-o-y growth unless otherwise stated	2013	2014	2015F Forecast *
<b>GDP</b>	<b>2.9</b>	<b>0.7</b>	<b>3.8 - 4.8</b>
Private Consumption	0.3	0.3	2.7 - 3.7
Private Investment	-2.8	-1.9	6.0 - 8.0
Exports ( In USD terms)	-0.2	-0.3	2.0 - 4.0
Headline Inflation	2.2	1.9	0.8 - 1.3
Policy Interest Rate (% , end of period)	2.25	2.00	1.75 - 2.00

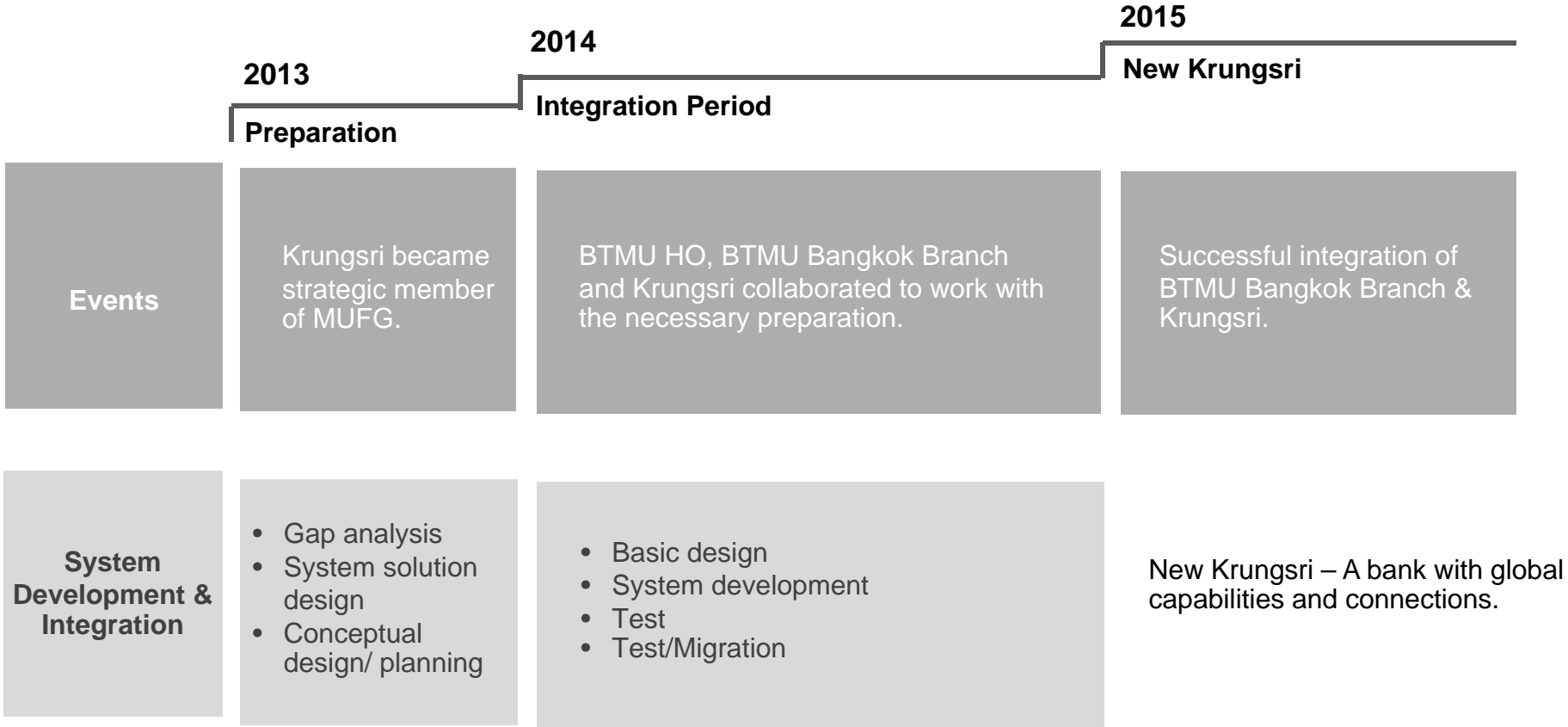
Note: \* 2014-2015 forecast by Krungsri Research (as of December 2014)

**Economic growth is projected to improve moderately to 4.3% in 2015 from 0.7% in 2014.**

- Accelerating public spending, stimulus measures, infrastructure projects
- Recovering household spending, business investment and tourism sector
- Moderate global economic recovery and plunging global oil prices

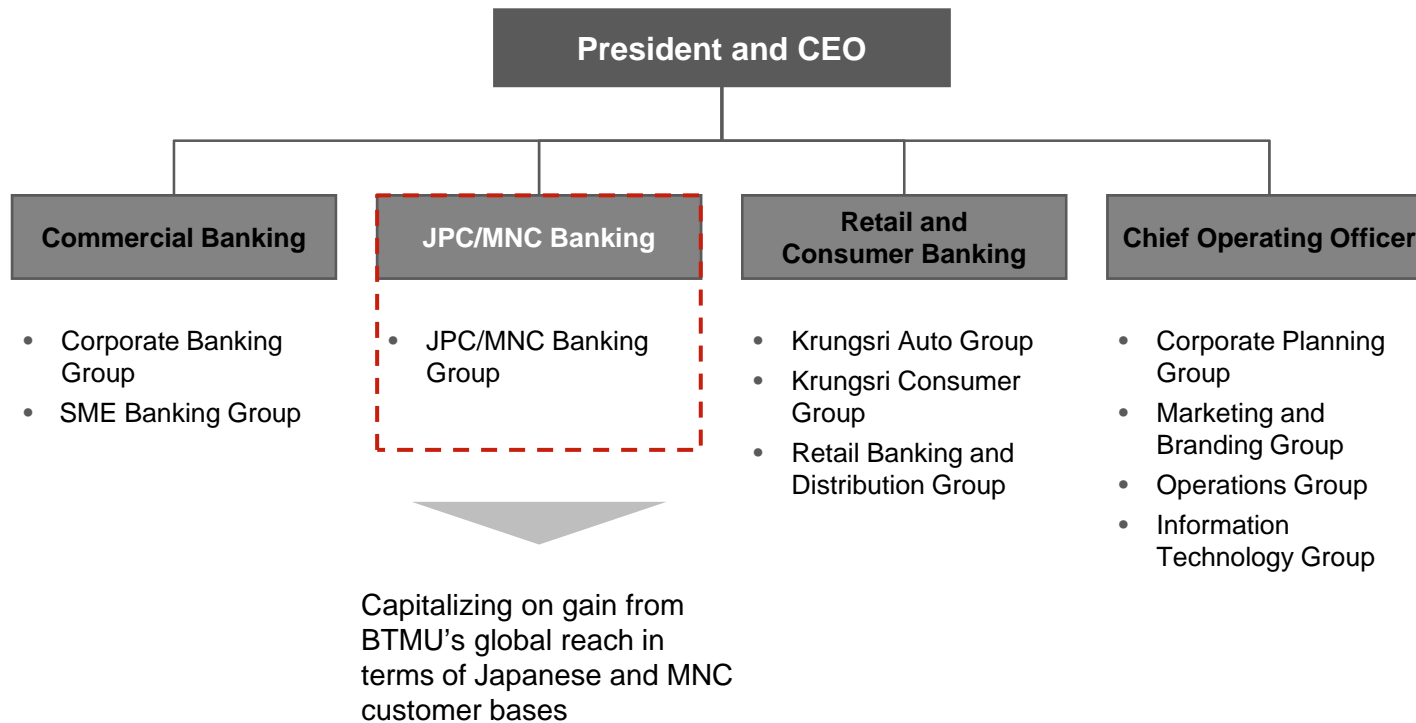
# New Krungsri - Integration and Synergies with BTMU

# Krungsri & BTMU Integration



# Successful Integration with BTMU Bangkok Branch



- MUFG's ownership in Krungsri through BTMU increased from 72.01% to 76.88%
- JPC/MNC Banking Group was established as a result of the integration of BTMU Bangkok Branch with Krungsri.



# Krungsri & BTMU Synergies started in 2014

**Distribution Strategies**


- Japanese desks
- New branches in industrial estates
- ATMs with Japanese language


- お預け入れ (ฝาก)
- お引き出し (ถอน)

**Krungsri Thai Benefit Package – Launched July 2014**


Unique financial package and services



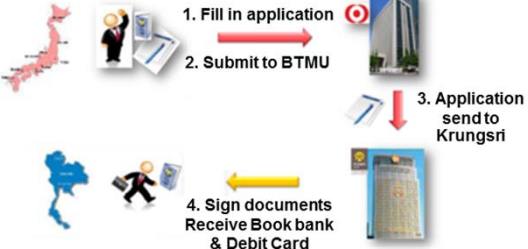
Krungsri Thai Saving



Krungsri Thai Debit




Krungsri Visa Platinum Credit Card





**Business Matching - September 2014**

Opened up opportunities for our clients to tap BTMU's global networks





Thai Customers  
(as sellers / buyers)



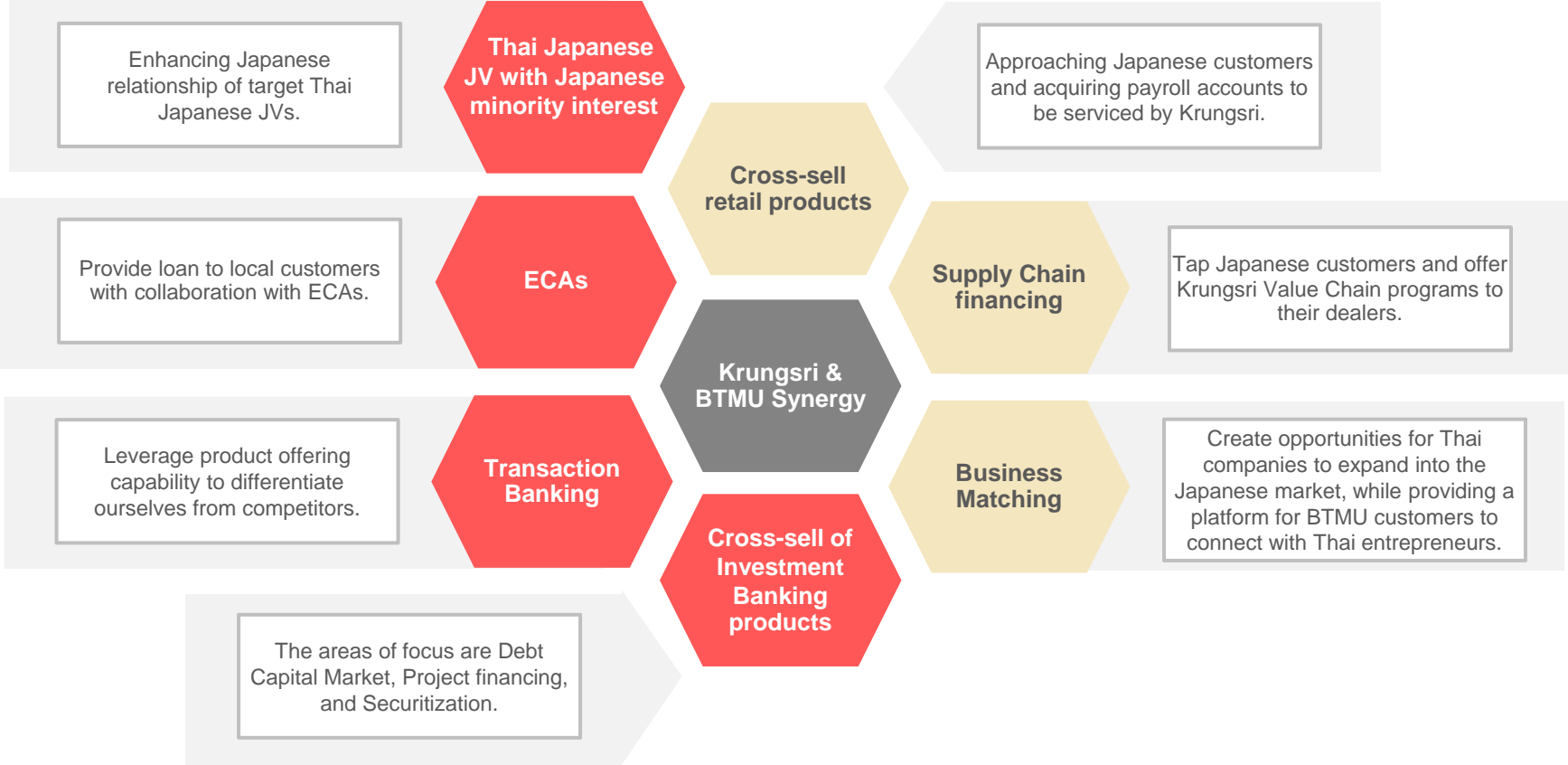


Japanese Customers  
(as sellers / buyers)





# Synergy with BTMU will be developed over the coming years



# Complementary Benefits of the Combined Entity



# New Krungsri – A bank with global capabilities and connections

- Internationalization strategies of the Thai corporate
- Market entry and the search of opportunities of international MNCs interested in investing and/or transacting businesses in Thailand





# Regional Expansion - Promote business in Mekong Region

- Krungsri and BTMU together are already presented in CMLV, through the establishments of branches, representative offices, joint ventures, and strategic investment
- BTMU and Krungsri together will expand its footprint across the Greater Mekong area, bringing in further diversification of geographical mix and capturing Asian growth into the group

Krungsri	
<b>Laos</b>	<ul style="list-style-type: none"> <li>• Continue branch operation</li> <li>• Start up the Consumer Finance JV</li> </ul>
<b>Myanmar</b>	<ul style="list-style-type: none"> <li>• Open rep office</li> <li>• Explore local partners</li> </ul>
<b>Cambodia</b>	<ul style="list-style-type: none"> <li>• Explore local partners</li> </ul>

Leverage MUFG's Existing Presence and Network	
<b>Myanmar</b>	<ul style="list-style-type: none"> <li>• Rep Office in Yangon</li> <li>• Alliance with CB Bank</li> </ul>
<b>Cambodia</b>	<ul style="list-style-type: none"> <li>• Rep Office in Phnom Penh</li> </ul>
<b>Vietnam</b>	<ul style="list-style-type: none"> <li>• Branch in Hanoi and Ho Chi Minh</li> <li>• VietinBank --- BTMU holds 20% share</li> </ul>



# 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 In consumer finance		
As of December 2014	Market Position	Share
<b>Consumer</b>		
Personal Loan	1	27%
Credit Card	1	15%
Auto (HP)	2	18%
SME	5	7%
Corporate	5	8%

Extensive Franchise: 22,383 Service Outlets			
As of December 2014		Number	
Domestic Branches		644 <sup>1</sup>	
Overseas Branches		3	
ATMs		5,103	
Exchange Booths		91	
Exclusive Banking Zones		19	
As of December 2014		Number	
Krungsri Business Centers		55	
First Choice Branches		78 Branches	
+ Dealers		+ 13,870 Dealers	
Krungsri Auto Dealers		6,300 Dealers	
Micro Finance Branches		323	
Thai Post Offices		> + 1,000	

<sup>1</sup> Krungsri Domestic Branches = 644 Branch, of which 616 are Banking Branches and 28 are Auto Business Branches

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