



Mitsubishi UFJ Financial Group

BTMU/Bank of Ayudhya Strategic Partnership

July 2, 2013

Quality for You

This document contains forward-looking statements in regard to forecasts, targets and plans of Mitsubishi UFJ Financial Group, Inc. ("MUFG") 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 disclosure and public filings made or will be made by MUFG and the other companies comprising the group, including the latest kessantanshin, financial reports, Japanese securities reports and annual reports, 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 document was prepared in accordance with accounting standards generally accepted in Japan, or Japanese GAAP

Definitions of figures used in this document

Consolidated	Mitsubishi UFJ Financial Group (consolidated)
Non-consolidated	Bank of Tokyo-Mitsubishi UFJ (non-consolidated) + Mitsubishi UFJ Trust and Banking Corporation (non-consolidated) (without any adjustments)
Commercial bank consolidated	Bank of Tokyo-Mitsubishi UFJ (consolidated)

1. Transaction Summary

2. Strategic Rationale

3. Bank of Ayudhya Overview

4. Financial Impact

Appendix

1. Transaction Summary

Outline of the Transaction



Acquisition of a majority stake in BAY

- Acquisition of a majority stake in BAY through Voluntary Tender Offer (VTO)
- GE Capital has agreed to tender its entire stake
- Ratanarak Group (an existing group of major shareholders in BAY) will remain as a significant minority shareholder

VTO offer price

- THB 39 per share
 - Implied premium of 15.1% over 3months VWAP as of Jun 28th
 - Implied P/B of 2.02x Mar-2013

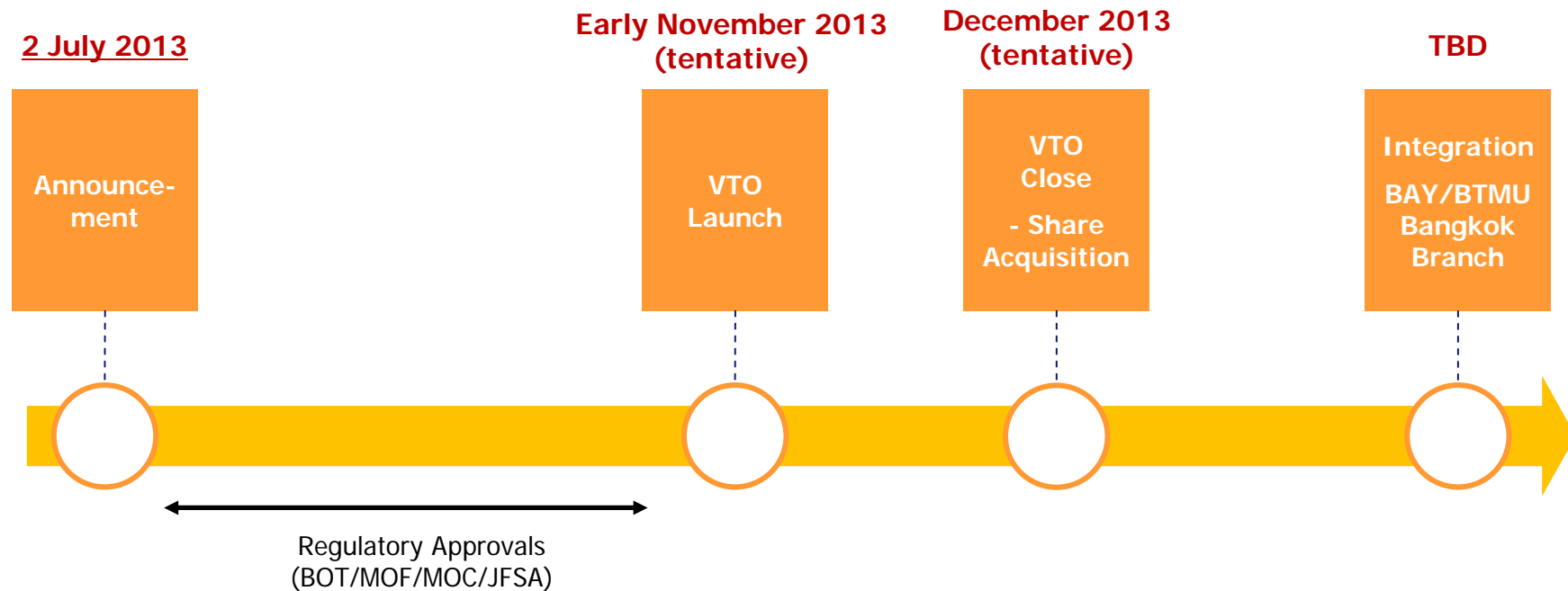
Acquisition process

- Expected Timeline of the VTO
 - Aiming to launch early November, 2013 and close December, 2013
 - Subject to satisfactory regulatory approvals, corporate approvals and fulfillment of certain conditions

Timeline of the Transaction



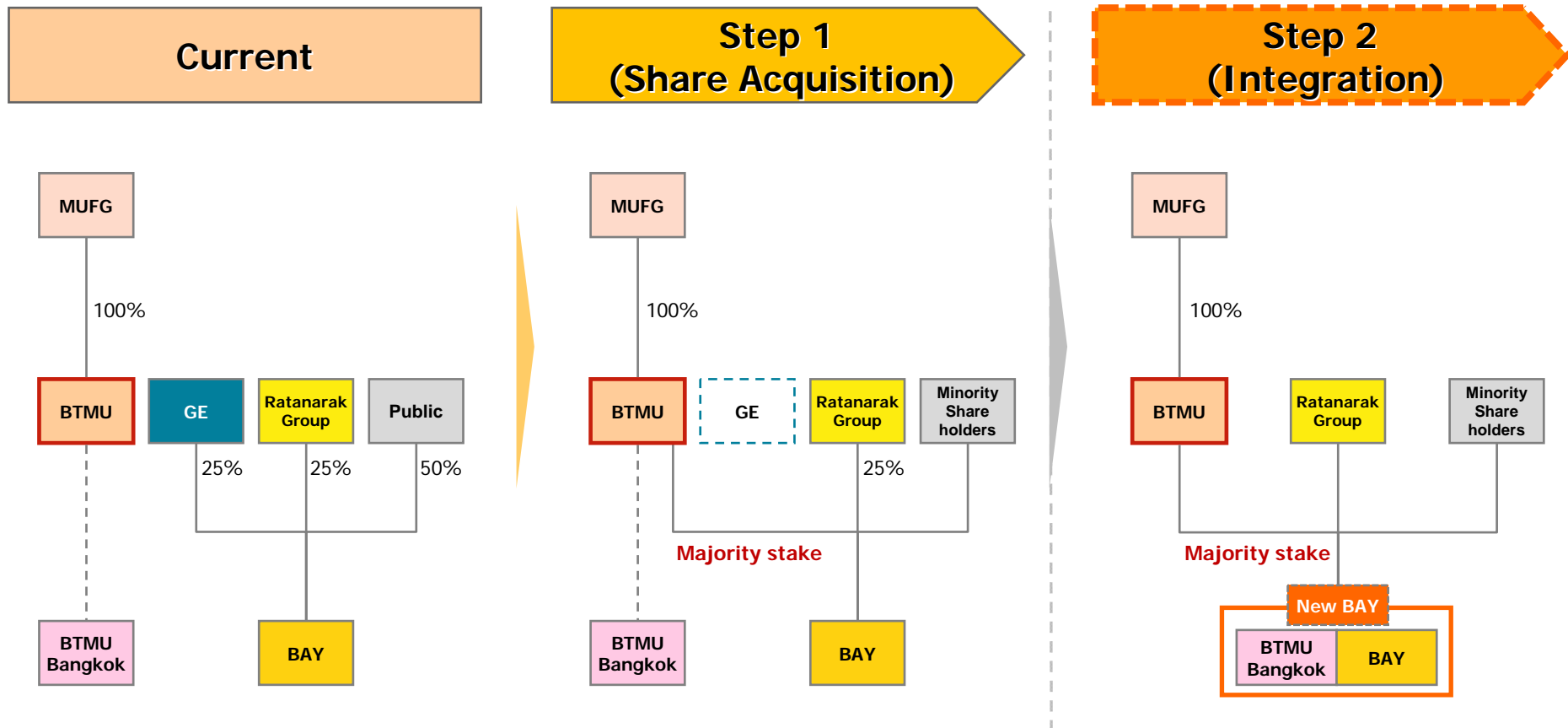
- We're aiming to launch VTO early November, 2013



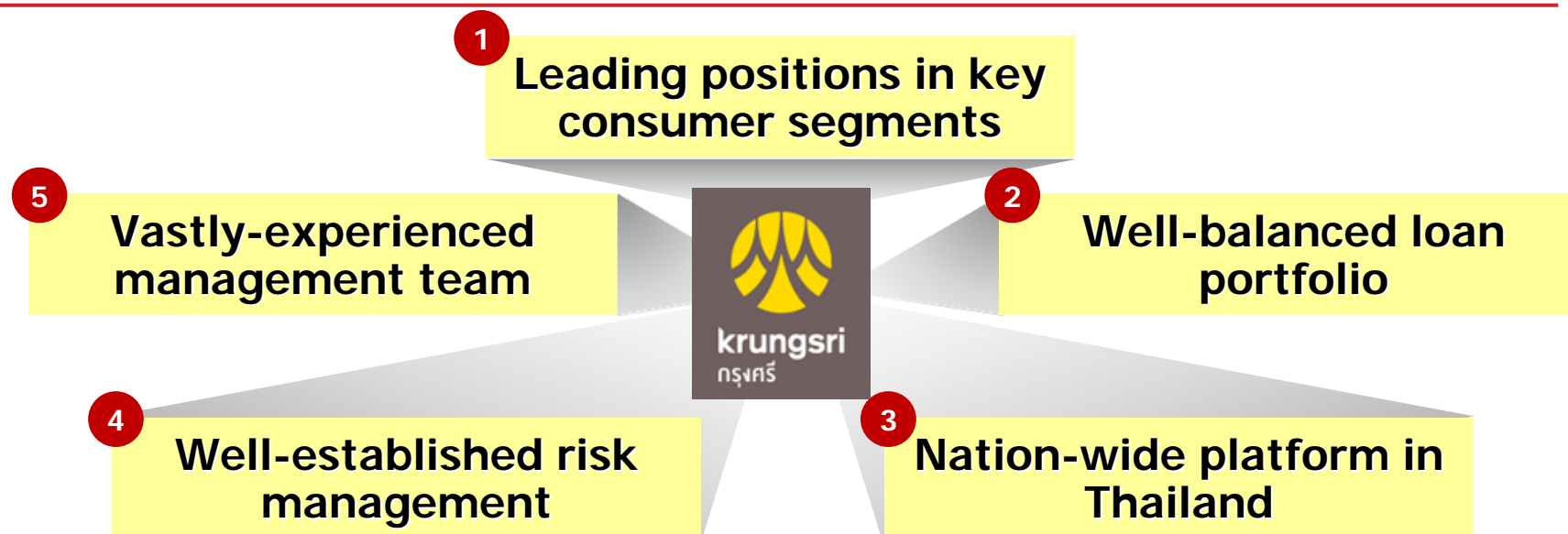
Transaction Structure



- We're aiming to take a majority stake in BAY through VTO
- We will be in discussion on the potential integration of BTMU Bangkok Branch with BAY



Key Strengths of BAY (Krungsri)



Market Position (1)

	Position	Market Share
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Consumer

Personal Loan	#1	29%
Credit Card	#1	18%
Auto Hire Purchase	#2	17%

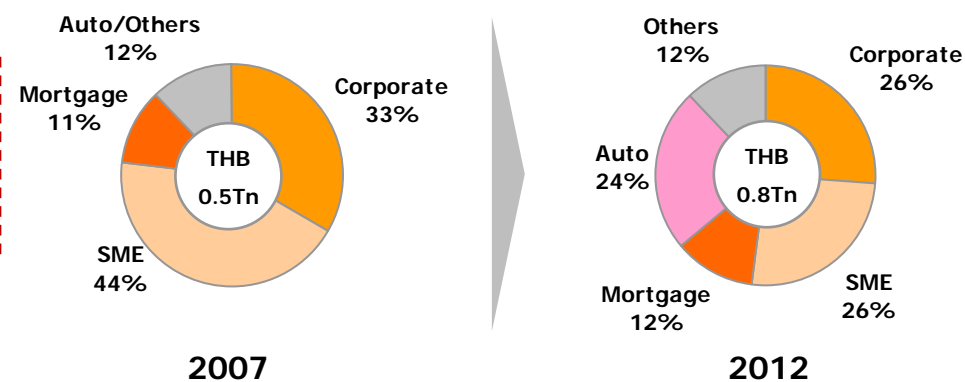
SME	#5	8%
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Corporate	#5	7%
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Branch Network	#6	605
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(1) As of Mar, 2013 (2) Number of Branches

Loan Portfolio



2. Strategic Rationale

Accelerated Asian Growth Strategy



- We strengthen our position as a leading bank in Asia through this transaction

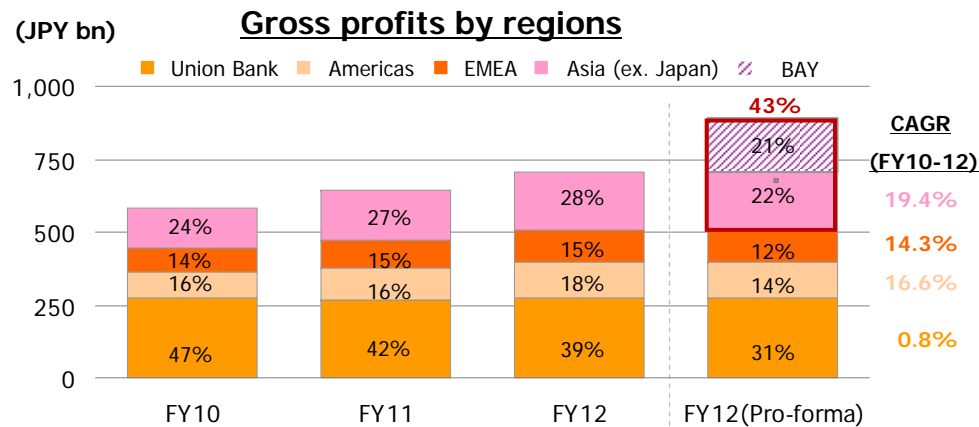
- 1 Further Diversifies Geographic Mix
- Capturing Asian Growth
- 2 Establishes Full-fledged Commercial Banking Platform in Asia
- 3 Implements Hybrid Global-Local Bank Model in Thailand

Further Diversifies Geographic Mix- Capturing Asian Growth



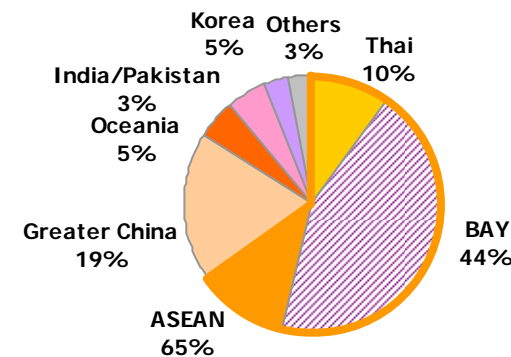
- Acquisition of BAY bring in further diversification of geographic mix
- Leveraging BAY platform, we would expand our footprint across the Greater Mekong

Diversified geographic mix



Significant footprint in ASEAN

Gross profits by regions in Asia (FY2012 Pro-forma)



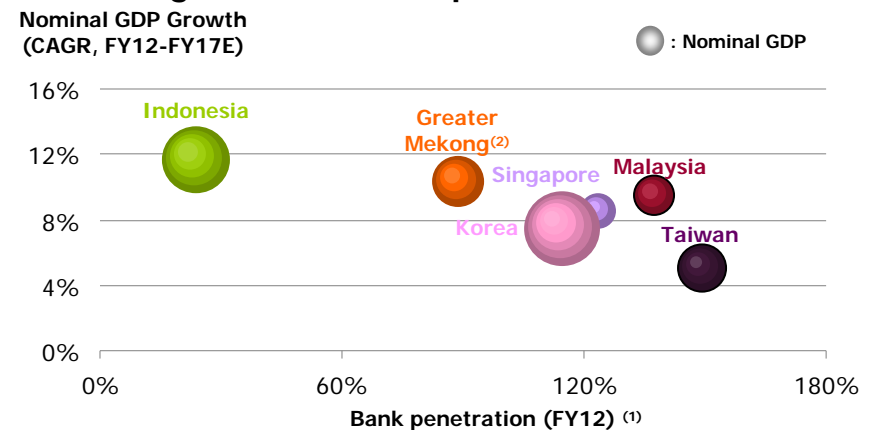
Expansion of business in Greater Mekong with high growth potential



Thailand as Investment Destination

- *Industrial center "Detroit of the East"*
- *Leading role in establishing AEC 2015*
- *Historically deep relationship with Japan*

GDP growth and bank penetration⁽¹⁾ in Asia



(Source) EIU, SNL, (1) Total loan amount / Nominal GDP (2) Thailand and Vietnam

Establishes Full-fledged Commercial Banking Platform in Asia



- We can enter into the Retail/SME banking through the acquisition of BAY(Krungsri)
- By mutually complementing each other, we can achieve well-balanced loan portfolio and unique position in Thailand

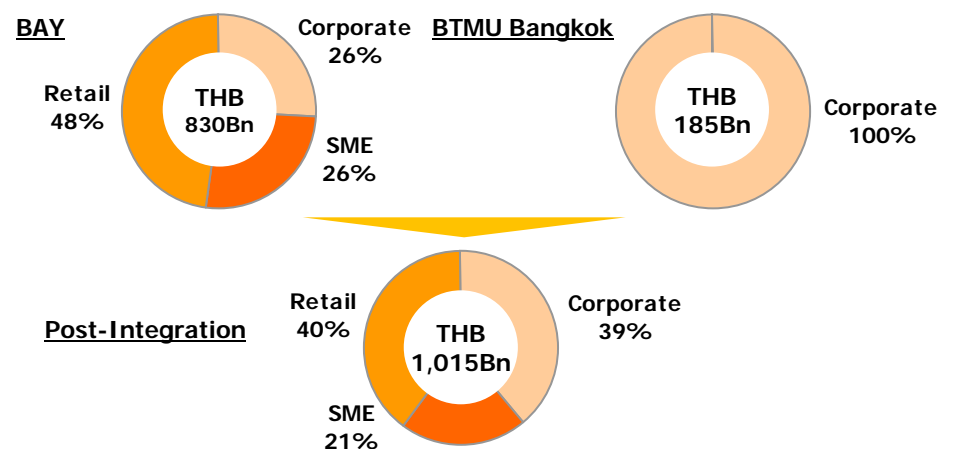
Acquiring a platform for Retail/SME banking in Asia

	Japan	Asia	US	EMEA
Corporate Banking				
SME Banking				
Retail Banking				

Strong Footprint
 Focus to Grow
 Present but Subscale

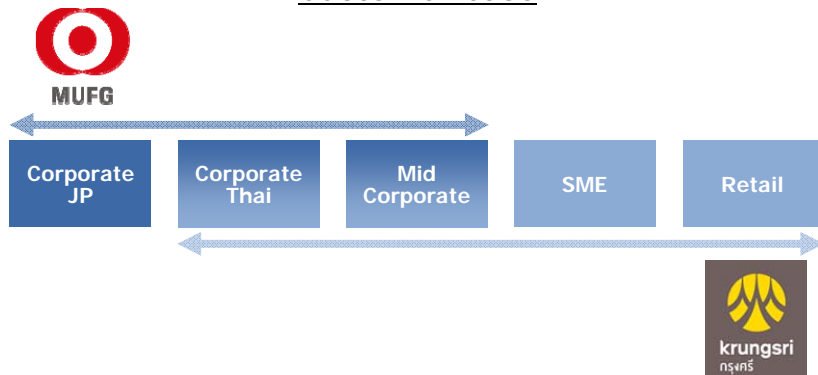


Well-balanced loan portfolio mix

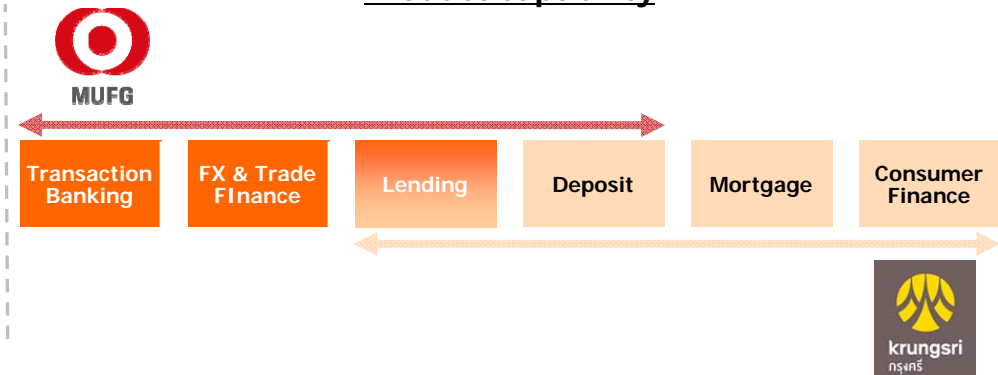


Complementary strengths by customer base and products

Customer base



Product capability

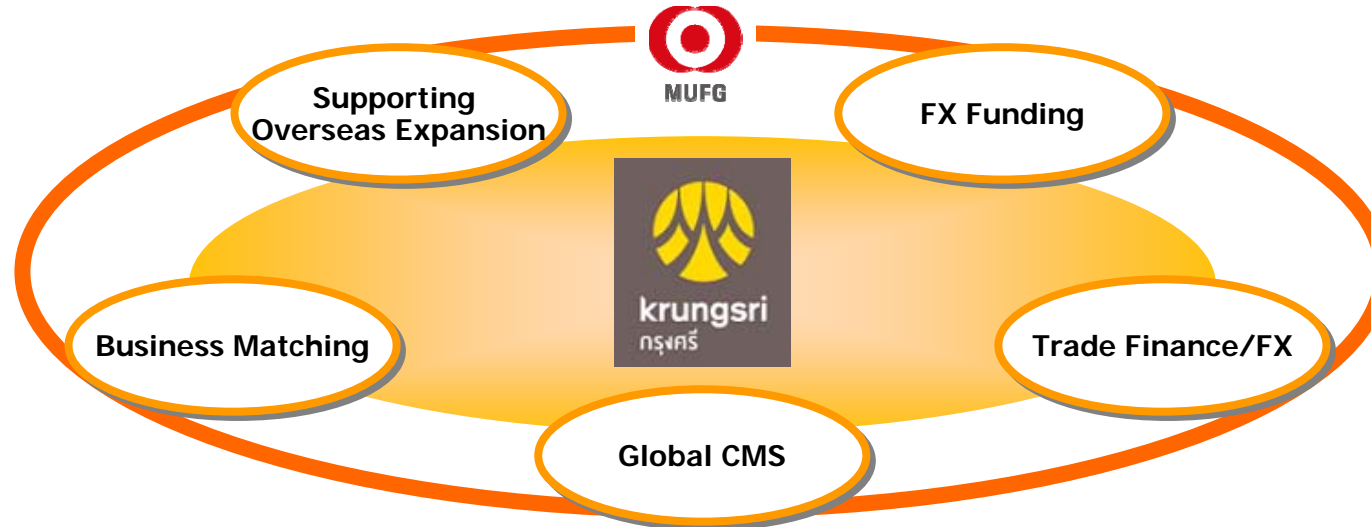


Implements Hybrid Global-Local Bank Model in Thailand



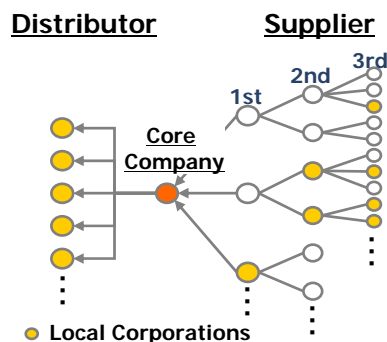
- The combination of BTMU and BAY (Krungsri) will bring in lots of synergy

MUFG's global capability to BAY's existing customers

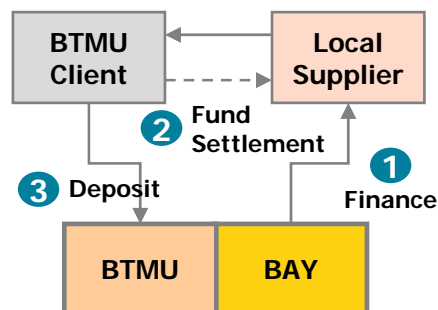


Supply Chain Approach

Pattern of supply chain

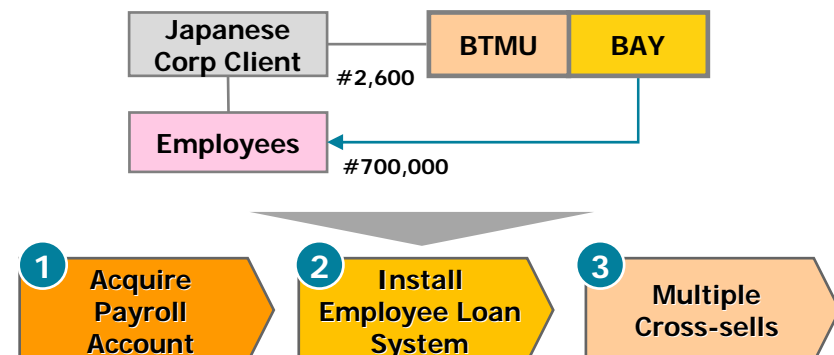


Targeted synergy areas



Cross-sell retail banking service

Business flows & targeted opportunities



3. Bank of Ayudhya Overview

BAY (Krungsri) at a Glance



- Ranked fifth largest bank by total assets, BAY offers a range of financial products and services to corporate, SMEs, and individual customers

Basic Information*

Establishment	1945
Workforce	18,515 staff
Branches	605 (4 overseas)
ATMs	4,388
Exchange Booths	80
First Choice Branches + Dealers	27 + 10,686
Krungsri Auto Branches + Dealers	43 + 6,300
Micro Finance CFGS Branches	250

Awards

 2011 Top Corporate Governance Report Award 2011	 2012 Top Corporate Governance Report Award 2012	 2012 Annual Recognition Award 2012	 2013 Great Work Place Award 2013	 2013 Best CFO and CSR Award 2013
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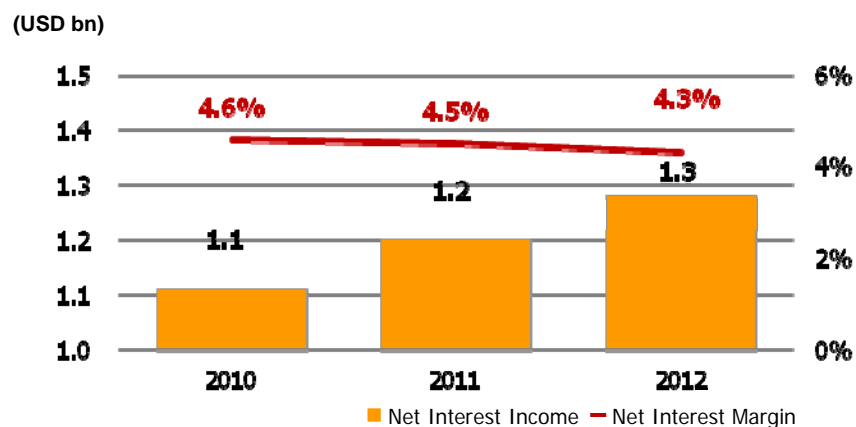
*As of Mar, 2013

Key Financials Highlights – 1/3

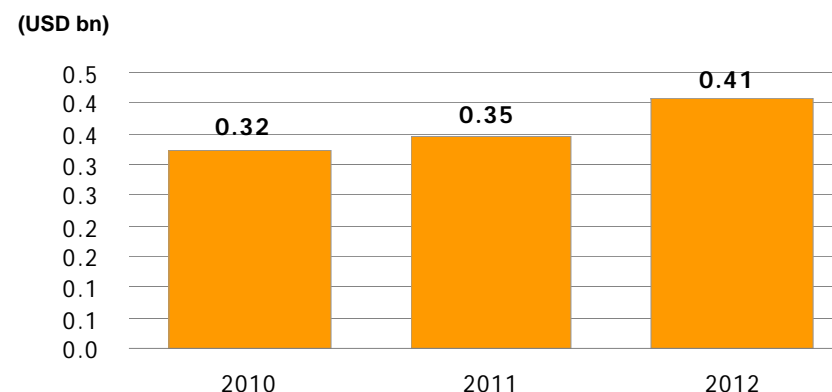


- BAY has demonstrated strong income growth and maintained an attractive level of profitability in recent years

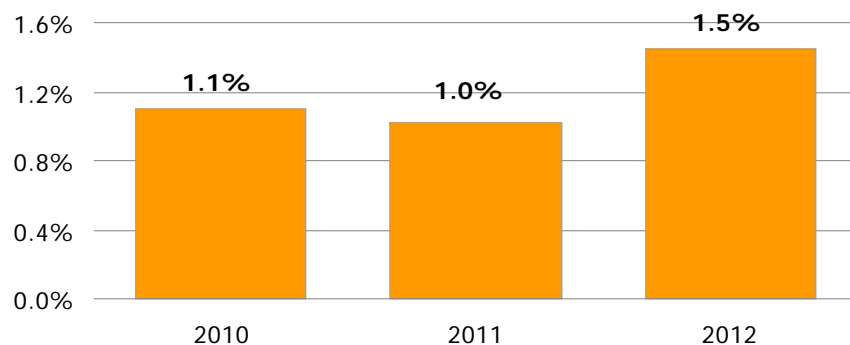
Net Interest Income



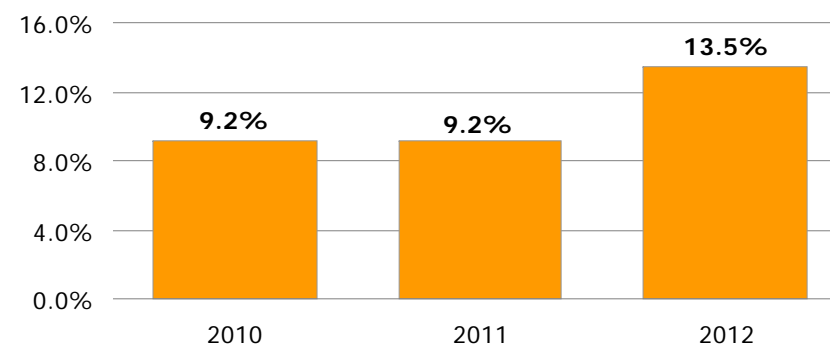
Net Fees & Service Income



ROA^{*2}



ROE^{*2}



*Exchange rate \$1/THB=31.20

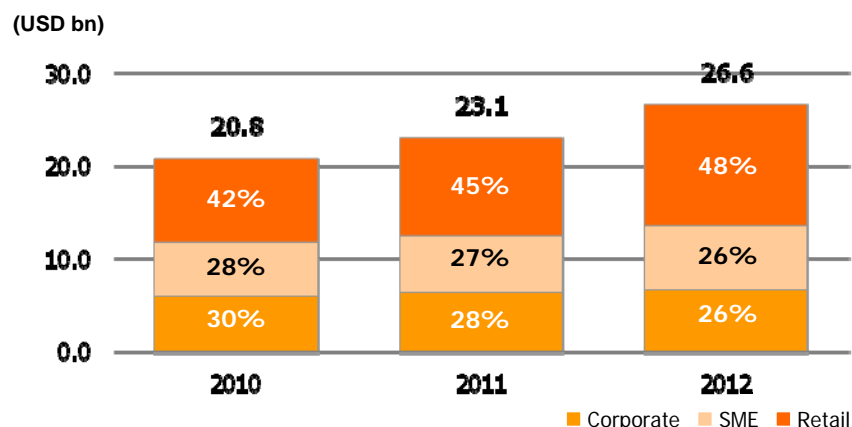
^{*2} In 2011, our ROA and ROE were impacted by "floods and deferred tax assets devaluation"

Key Financials Highlights – 2/3

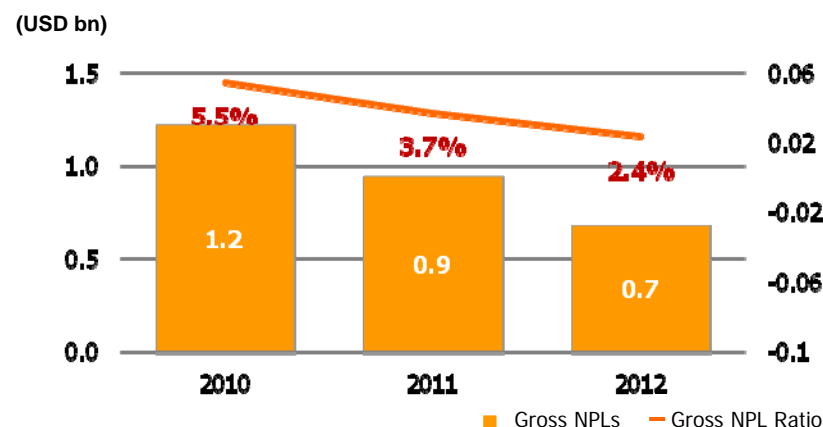


- BAY has achieved solid loan and deposit growth while maintaining strong asset quality and high levels of capital adequacy

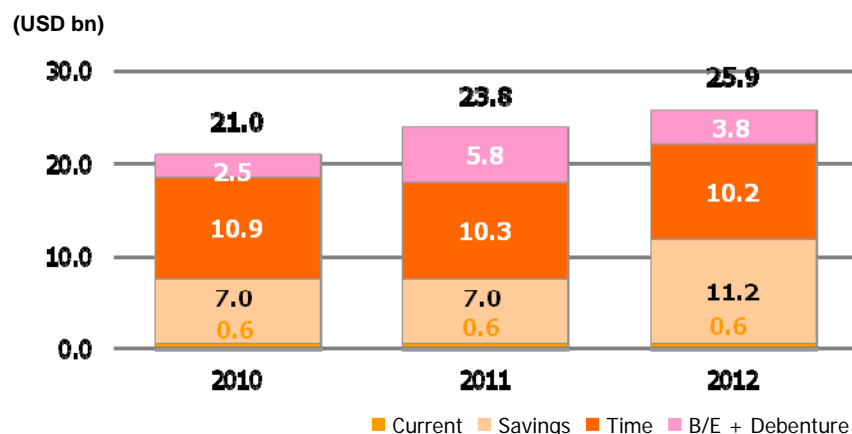
Loan Portfolio



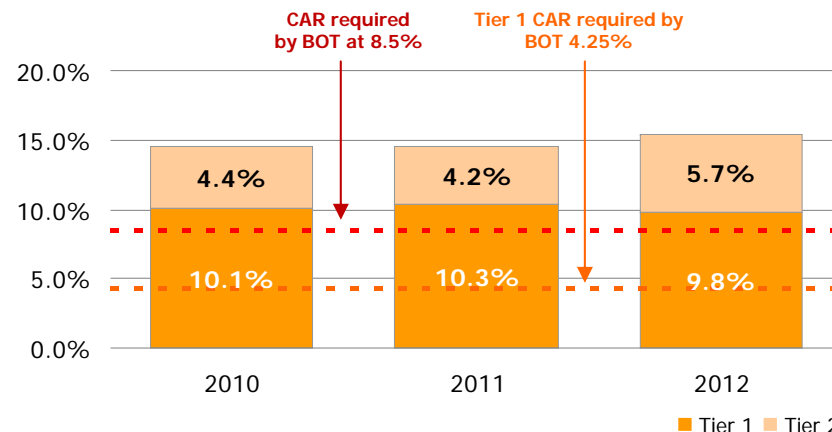
Asset Quality



Funding Base



Capital Base



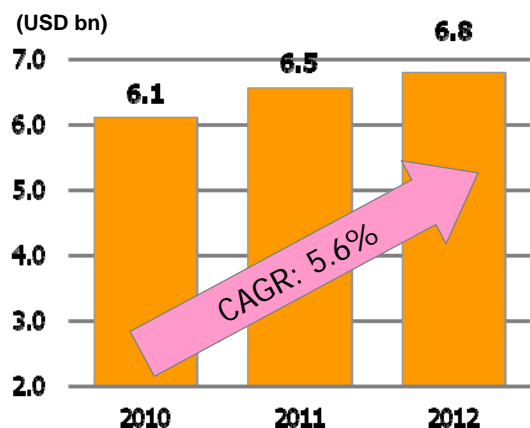
*Exchange rate \$1/THB=31.20

Key Financials Highlights – 3/3

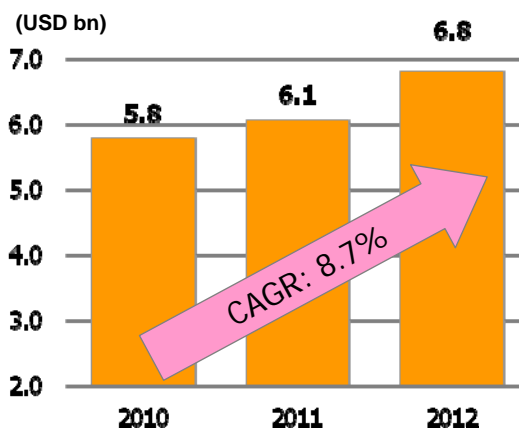


- Dramatic growth in the retail sector mainly focusing on consumer loans and auto loans

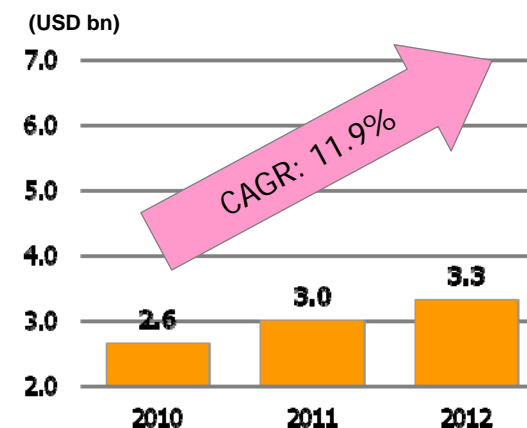
Corporate



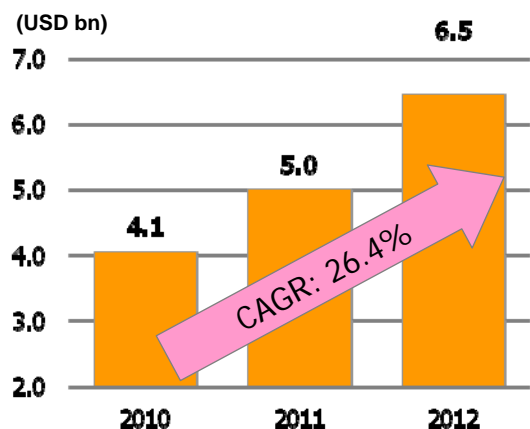
SME



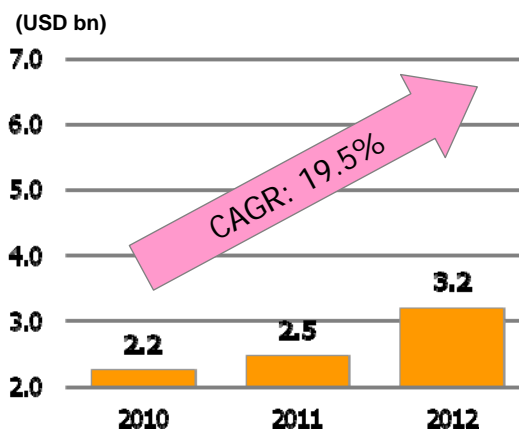
Mortgage



Auto Loan



Personal & Credit Card



4. Financial Impact

MUFG Capital Position Remains Strong post Transaction



Estimated Capital Impact

- Common Equity Tier1 ratio: -50~60 b.p.
(Full implementation*)

Assuming BTMU holds 50.1% stake in BAY VTO

*Based on the regulations applied at the end of March 2019

EPS and ROE Impact

- Financing for the Acquisition
 - All cash, no equity finance
- Positive impact on EPS and ROE

Appendix

BAY - Financials



(THB mm)	FY2010*	FY2011*	FY2012*	CAGR(FY 10-12)
PL				
Total Operating Income	51,527	55,305	61,189	9.0%
Other Operating Expenses	26,796	27,477	30,798	7.2%
Operating Income Before Provision	24,731	27,828	30,391	10.9%
Net Income Attributable to Shareholders	8,793	9,264	14,625	29.0%
BS				
Loan	648,960	719,507	830,008	13.1%
Corporate	190,046	204,286	211,914	5.6%
SME	180,104	188,955	212,834	8.7%
Retail	278,810	326,266	405,260	20.6%
Deposit	576,479	560,540	687,159	9.2%
Total Assets	869,834	947,797	1,071,965	11.0%
Total Shareholder's Equity	99,104	102,696	113,486	7.0%
	FY2010*	FY2011*	FY2012*	CAGR(FY 10-12)
Key Indicators				
NIM	4.6%	4.5%	4.3%	
CIR	52.0%	49.7%	50.3%	
NPL	5.5%	3.7%	2.4%	
LDR	99.0%	96.9%	102.9%	
Tier 1 Ratio (Basel II)	10.1%	10.3%	9.8%	
ROA	1.1%	1.0%	1.5%	
ROE	9.2%	9.2%	13.5%	
Others				
# of Branches	590	588	605	1.3%
# of Employees (Bank)	9,727	10,077	10,410	3.5%

*Fiscal Year End December

BTMU Bangkok Branch - Financials



(THB mm)	FY 2009*	FY 2010* ⁽¹⁾	FY 2011*	CAGR(FY 09-11)
PL				
Total Operating Income	5,207	5,967	6,911	15.2%
Other Operating Expenses	2,032	1,396	1,875	-3.9%
Operating Income Before Provision	3,175	4,570	5,036	25.9%
Net Income	2,218	3,096	3,168	19.5%
BS				
Loan	155,333	160,048	184,709	9.0%
Deposit	113,152	111,134	125,958	5.5%
Deposit (including B/E)	221,791	233,162	181,985	-9.4%
Total Assets	330,813	449,267	500,218	23.0%
	FY 2009*	FY 2010* ⁽¹⁾	FY 2011*	CAGR(FY 09-11)
Key Indicators				
NIM	1.2%	1.0%	1.5%	
CIR	56.2%	33.7%	25.4%	
ROA	0.8%	0.8%	0.7%	

*Fiscal Year End March (FY2011=FY end March 2012)
 (1) New accounting policy has been applied since 2010