

AEON Thana Sinsap (Thailand) Public Company Limited

Full Rating Report

Ratings

National

Long-Term Rating	A-(tha)
Short-Term Rating	F2(thai)

Outlook

National Long-Term Rating	Stable
---------------------------	--------

Financial Data

AEON Thana Sinsap (Thailand) Public Company Limited

	31 May 16	20 Feb 16
Total assets (USDm)	2,059.2	1,982.1
Total assets (THBbn)	73.6	70.7
Total equity (THBbn)	12.8	12.1
Net income (THBbn)	0.5 ^a	2.5
ROA (%)	2.9 ^b	3.7
ROE (%)	16.7 ^b	21.9
Equity/assets (%)	17.4	17.1

^a 3-months

^b Annualised

Key Rating Drivers

Solid Consumer Lending Franchise: AEON Thana Sinsap (Thailand) Public Company Limited's (AEONTS) ratings are driven by its standalone profile. AEONTS is one of the largest consumer finance companies in Thailand, with extensive expertise in credit cards and personal loans, and a nationwide branch network. AEONTS is part of Japan's AEON group, and benefits from the group's operational and risk management expertise in the consumer loan sector.

Capital Generation Boosts Buffers: AEONTS' capitalisation has been improving consistently over the past three years due to profit retention, which has increased the buffer for the company to cope with any unexpected downturns and Thailand's high levels of economic volatility. In Fitch Ratings' view, the recent capital enhancements are sustainable because we expect asset growth to be muted over the next few years and the company to continue its financial performance.

Ongoing Competitive Pressures: The ratings also reflect AEONTS' less diversified asset and revenue base compared with larger financial institutions, such as banks, and its reliance on the unsecured retail lending segment. Furthermore, there is significant competition in this segment in Thailand, from other non-bank financial institutions as well as from some commercial banks.

Muted Economic Backdrop: Thailand's operating environment remains unfavourable, as economic growth looks likely to remain muted with low consumer confidence. Furthermore, the level of household debt in Thailand remains relatively high (at 81% of GDP as of 1Q16), which leads to significant downside risks for asset quality in consumer lending should economic growth decelerate sharply and unemployment rates rise.

Funding Relatively Diverse: AEONTS is a non-bank financial institution that does not take deposits, but the company has relatively diverse funding sources that mitigate its refinancing risks. AEONTS has extensive banking relationships with both Thai and foreign banks. The company has also shown the ability to consistently access debt capital markets (for both senior debt and structured products).

Rating Sensitivities

Wider Buffers; Bigger Scale: AEONTS's National Long-Term Ratings were upgraded in April 2016. Positive rating action could result from further sustained material improvements in capitalisation, as well as increased revenue diversification and scale. However, Fitch views this as unlikely to occur in the short term.

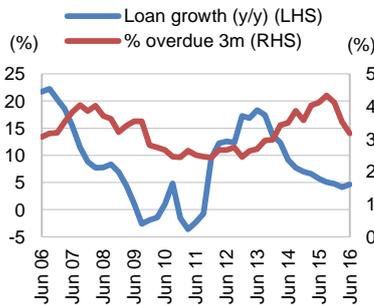
Weaker Capitalisation; Increased Risk Appetite: A sharp decline in existing capital buffers, and/or an increase in risk appetite that leads to much weaker asset quality could lead to a ratings downgrade. A material and sustained deterioration in AEONTS' financial performance could also lead to negative rating action.

Analysts

Parson Singha
+66 2108 0151
parson.singha@fitchratings.com

Jackerin Jeeradit
+66 2108 0163
jackerin.jeeradit@fitchratings.com

Thai Credit Cards and Personal Loans



Source: Bank of Thailand, Fitch

Operating Environment

Thailand’s economic growth has been relatively weak since 2013, due to a combination of political instability, weak domestic demand and low investment. Fitch forecasts Thai GDP growth of 2.9% in 2016 and 3.2% in 2017, which would be in line with levels of the past several years.

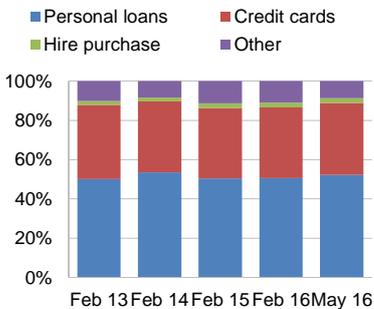
Delinquencies in the Thai credit card and personal loan segments remain high compared to 2010-2012, and while there have been some improvements over the past two quarters, these may be difficult to sustain if the economy remains weak. Credit growth has slowed significantly since 2013 as lenders have become more cautious. Labour markets have remained reasonably sound with low levels of unemployment – which is helping to prevent the build-up of excessive risks. However, Thailand’s high household debt levels mean there are significant downside risks should labour market conditions deteriorate.

Company Profile

AEONTS has grown to be one of the largest non-bank consumer finance companies in Thailand since it was founded in 1992. It has a nationwide network of 120 branches and 467 ATMs, which is larger than the networks of some commercial banks. AEONTS has generally targeted relatively lower-income persons compared to commercial banks, but it also has products aimed at wealthier segments. The company’s core businesses are personal loans and credit cards, with the relative contributions to revenue little changed in the recent past.

AEONTS benefits from the operational and risk management expertise of its parent, AEON Financial Service Company Limited of Japan. AEONTS operates as the regional hub for the group, with consumer lending subsidiaries in Myanmar, Laos, and Cambodia. However, while these are promising markets, these subsidiaries will still make up only a small portion of the company’s revenues over the next several years.

AEONTS Revenue Breakdowns



Source: AEONTS

Management and Strategy

AEONTS’ senior management team has been stable, has a high degree of experience, and has successfully executed the company’s strategy over the past several years, which are evident in the company’s sound financial profile. The company’s management capabilities are supported by the Japanese parent.

Risk Appetite

AEONTS operates almost entirely in unsecured consumer lending, and has more limited segment diversification compared with larger banks. Nevertheless, both AEONTS and its parent group have extensive expertise in this segment. We view the company’s risk controls and underwriting standards as being in line with regional standards. The company’s level of risk management is also reflected in AEONTS’ generally profitable financial performance through the business cycle.

Financial Profile

Asset Quality

Pressures from Weak Operating Environment

(%)	May 16	Feb 16	Feb 15	Feb 14
Growth of gross loans	2.4	7.1	7.0	21.0
Impaired loans/gross loans	3.0	3.4	3.4	3.0
Reserves for impaired loans/impaired loans	121.8	114.1	121.9	117.0
Impaired loans less reserves for impaired loans/ Fitch Core Capital	-3.6	-2.7	-4.7	-3.5
Loan impairment charges/average gross loans	7.1	6.9	7.6	6.2

Source: AEONTS

Related Criteria

[Global Non-Bank Financial Institutions Rating Criteria \(July 2016\)](#)

[National Scale Ratings Criteria \(October 2013\)](#)

AEONTS' loan growth has usually been in line with sector trends, with some periods of higher growth due to new partnerships and special promotions. Growth has been matched by the company's internal capital generation, but has recently been slowing, which should help prevent excessive pressures from building up as loans age.

Fitch considers AEONTS' asset quality to be generally in line with industry trends. Delinquencies and write-offs have increased in recent months due to the weak operating environment, but reserve coverage buffers have remained stable and robust, and asset quality figures remain in better shape compared with those in early-2012 when central Thailand was hurt by flooding and the economy entered a recession.

Earnings and Profitability

Performance Remains Sound

(%)	May 16	Feb 16	Feb 15	Feb 14
Net interest income/average earning assets	20.5	21.3	22.2	23.2
Non-interest expense/gross revenues	51.3	50.0	48.0	49.6
Loans and securities impairment charges/ pre-impairment operating profit	63.1	57.8	59.2	50.2
Operating profit/average total assets	3.6	4.6	4.8	5.6
Net income/average assets	2.9	3.7	3.8	4.5
Net income/average equity	16.7	21.9	25.0	31.0

Source: AEONTS

Fitch expects AEONTS to maintain sound levels of profitability, even if local economic conditions were to deteriorate further, because of greater economies of scale. However, the weak operating environment and the likely increase in credit costs are likely to constrain AEONTS' financial performance in the near term.

Capitalisation and Leverage

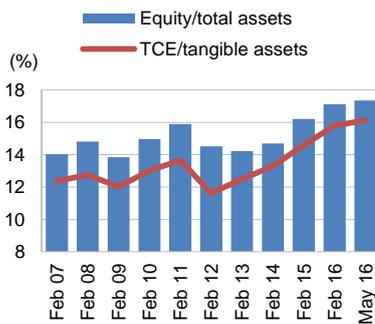
Recent Improvements in Capital

(%)	May 16	Feb 16	Feb 15	Feb 14
Equity/assets	17.4	17.1	16.2	14.7
Tangible common equity/tangible assets	16.1	15.8	14.6	13.3
Internal capital generation	16.3	13.2	14.9	18.4

Source: AEONTS

AEONTS' key leverage ratios have improved substantially over the past several years. The improved buffers provided by AEONTS' capitalisation levels have been key drivers of the company's ratings. Fitch expects these improved capital levels to be sustainable, because of the company's relatively low levels of loan growth and continued internal capital generation.

Long-Term Capitalisation Trends



Source: AEONTS

Funding and Liquidity

Key Liquidity Ratios

(%)	May 16	Feb 16	Feb 15	Feb 14
Short-term funding/total funding	28.9	32.9	26.8	24.2
Liquid assets/total funding	22.7	15.8	20.0	20.4
Dividends/net income	n.a.	35.1	35.7	34.5

Source: AEONTS

AEONTS' liquidity and funding is supported by its holdings of liquid assets, as well as a consistent track record of cash generation. AEONTS' relatively diverse funding sources, which include long-standing banking relationships and a history of consistent access to capital markets, should help mitigate refinancing risks.

AEON Thana Sinsap (Thailand) Public Company Limited
Income Statement

	31 May 2016			20 Feb 2016			20 Feb 2015			20 Feb 2014			20 Feb 2013		
	3 Months - 1st Quarter		As % of Earning Assets	Year End		As % of Earning Assets	Year End		As % of Earning Assets	Year End		As % of Earning Assets	Year End		As % of Earning Assets
	USDm	THBm		THBm	THBm		THBm	THBm		THBm	THBm		THBm	THBm	
	Reviewed	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified	
1. Interest Income on Loans	110.5	3,949.4	21.46	15,527.4	23.88	15,248.0	25.94	13,961.6	24.94	10,988.1	23.44				
2. Other Interest Income	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	
3. Dividend Income	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	
4. Gross Interest and Dividend Income	110.5	3,949.4	21.46	15,527.4	23.88	15,248.0	25.94	13,961.6	24.94	10,988.1	23.44				
5. Interest Expense on Customer Deposits	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	
6. Other Interest Expense	15.4	551.6	3.00	2,302.9	3.54	2,358.3	4.01	2,060.9	3.68	1,780.5	3.80				
7. Total Interest Expense	15.4	551.6	3.00	2,302.9	3.54	2,358.3	4.01	2,060.9	3.68	1,780.5	3.80				
8. Net Interest Income	95.1	3,397.8	18.46	13,224.5	20.34	12,889.7	21.93	11,900.7	21.26	9,207.6	19.64				
9. Net Gains (Losses) on Trading and Derivatives	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	
10. Net Gains (Losses) on Other Securities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	
11. Net Gains (Losses) on Assets at FV through Income Statement	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	
12. Net Insurance Income	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	
13. Net Fees and Commissions	4.8	170.6	0.93	679.6	1.05	460.4	0.78	372.2	0.66	306.8	0.65				
14. Other Operating Income	2.8	99.1	0.54	691.6	1.06	870.7	1.48	221.3	0.40	937.7	2.00				
15. Total Non-Interest Operating Income	7.5	269.7	1.47	1,371.2	2.11	1,331.1	2.26	593.5	1.06	1,244.5	2.66				
16. Personnel Expenses	0.9	33.1	0.18	2,530.9	3.89	2,106.9	3.58	1,665.8	2.98	1,307.2	2.79				
17. Other Operating Expenses	51.7	1,847.1	10.04	4,762.7	7.32	4,720.5	8.03	4,528.0	8.09	3,660.6	7.81				
18. Total Non-Interest Expenses	52.6	1,880.2	10.22	7,293.6	11.22	6,827.4	11.62	6,193.8	11.07	4,967.8	10.60				
19. Equity-accounted Profit/ Loss - Operating	0.0	0.5	0.00	4.0	0.01	20.4	0.03	n.a.	-	n.a.	-	n.a.	-	n.a.	
20. Pre-Impairment Operating Profit	50.0	1,787.8	9.71	7,306.1	11.24	7,413.8	12.61	6,300.4	11.26	5,484.3	11.70				
21. Loan Impairment Charge	31.6	1,127.7	6.13	4,221.6	6.49	4,386.1	7.46	3,164.6	5.65	3,129.1	6.68				
22. Securities and Other Credit Impairment Charges	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	
23. Operating Profit	18.5	660.1	3.59	3,084.5	4.74	3,027.7	5.15	3,135.8	5.60	2,355.2	5.02				
24. Equity-accounted Profit/ Loss - Non-operating	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	
25. Non-recurring Income	n.a.	n.a.	-	0.2	0.00	n.a.	-	1.4	0.00	n.a.	-	n.a.	-	n.a.	
26. Non-recurring Expense	0.1	1.8	0.01	n.a.	-	0.0	0.00	n.a.	-	0.4	0.00	n.a.	-	n.a.	
27. Change in Fair Value of Own Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	
28. Other Non-operating Income and Expenses	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	
29. Pre-tax Profit	18.4	658.3	3.58	3,084.7	4.74	3,027.7	5.15	3,137.2	5.61	2,354.8	5.02				
30. Tax expense	3.8	137.0	0.74	625.2	0.96	611.2	1.04	635.7	1.14	598.4	1.28				
31. Profit/Loss from Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	
32. Net Income	14.6	521.3	2.83	2,459.5	3.78	2,416.5	4.11	2,501.5	4.47	1,756.4	3.75				
33. Change in Value of AFS Investments	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	
34. Revaluation of Fixed Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	
35. Currency Translation Differences	(0.1)	(3.1)	(0.02)	(14.9)	(0.02)	(11.1)	(0.02)	10.3	0.02	(0.5)	(0.00)				
36. Remaining OCI Gains/(losses)	n.a.	n.a.	-	7.4	0.01	(5.5)	(0.01)	(1.7)	(0.00)	(5.4)	(0.01)				
37. Fitch Comprehensive Income	14.5	518.2	2.82	2,452.0	3.77	2,399.9	4.08	2,510.1	4.48	1,750.5	3.73				
38. Memo: Profit Allocation to Non-controlling Interests	0.2	5.4	0.03	13.1	0.02	(1.0)	(0.00)	0.0	0.00	68.0	0.15				
39. Memo: Net Income after Allocation to Non-controlling Interests	14.4	515.9	2.80	2,446.4	3.76	2,417.5	4.11	2,501.5	4.47	1,688.4	3.60				
40. Memo: Common Dividends Relating to the Period	n.a.	n.a.	-	862.4	1.33	862.3	1.47	862.4	1.54	749.8	1.60				
41. Memo: Preferred Dividends Related to the Period	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	

Exchange rate USD1 = THB35.72630 USD1 = THB35.67900 USD1 = THB32.56300 USD1 = THB32.60900 USD1 = THB29.80460

AEON Thana Sinsap (Thailand) Public Company Limited
Balance Sheet

	31 May 2016			20 Feb 2016		20 Feb 2015		20 Feb 2014		20 Feb 2013	
	3 Months - 1st Quarter	1st Quarter	As % of	Year End	As % of						
	USDm	THBm	Assets								
Assets											
A. Loans											
1. Residential Mortgage Loans	n.a.	n.a.	-								
2. Other Mortgage Loans	n.a.	n.a.	-								
3. Other Consumer/ Retail Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	19,553.2	32.25	15,578.7	30.54
4. Corporate & Commercial Loans	n.a.	n.a.	-								
5. Other Loans	1,803.0	64,412.9	87.56	62,936.5	88.99	58,777.3	91.28	35,375.7	58.34	29,815.3	58.45
6. Less: Reserves for Impaired Loans	66.0	2,356.6	3.20	2,403.3	3.40	2,428.5	3.77	1,912.1	3.15	1,620.0	3.18
7. Net Loans	1,737.0	62,056.3	84.35	60,533.2	85.59	56,348.8	87.51	53,016.8	87.43	43,774.0	85.81
8. Gross Loans	1,803.0	64,412.9	87.56	62,936.5	88.99	58,777.3	91.28	54,928.9	90.59	45,394.0	88.98
9. Memo: Impaired Loans included above	54.1	1,934.5	2.63	2,105.7	2.98	1,992.2	3.09	1,634.0	2.69	1,174.8	2.30
10. Memo: Loans at Fair Value included above	n.a.	n.a.	-								
B. Other Earning Assets											
1. Loans and Advances to Banks	n.a.	n.a.	-								
2. Reverse Repos and Cash Collateral	n.a.	n.a.	-								
3. Trading Securities and at FV through Income	n.a.	n.a.	-								
4. Derivatives	82.6	2,950.3	4.01	3,024.1	4.28	965.2	1.50	1,510.8	2.49	66.9	0.13
5. Available for Sale Securities	n.a.	n.a.	-								
6. Held to Maturity Securities	n.a.	n.a.	-								
7. Equity Investments in Associates	1.2	41.8	0.06	41.2	0.06	37.2	0.06	43.5	0.07	43.5	0.09
8. Other Securities	0.7	26.7	0.04	26.7	0.04	26.7	0.04	n.a.	-	n.a.	-
9. Total Securities	84.5	3,018.8	4.10	3,092.0	4.37	1,029.1	1.60	1,554.3	2.56	110.4	0.22
10. Memo: Government Securities included Above	n.a.	n.a.	-								
11. Memo: Total Securities Pledged	n.a.	n.a.	-								
12. Investments in Property	n.a.	n.a.	-								
13. Insurance Assets	6.1	218.4	0.30	n.a.	-	n.a.	-	n.a.	-	n.a.	-
14. Other Earning Assets	39.2	1,399.4	1.90	1,399.4	1.98	1,399.4	2.17	1,399.4	2.31	2,988.0	5.86
15. Total Earning Assets	1,866.8	66,692.9	90.66	65,024.6	91.95	58,777.3	91.28	55,970.5	92.30	46,872.4	91.88
C. Non-Earning Assets											
1. Cash and Due From Banks	107.4	3,835.3	5.21	2,924.5	4.14	2,769.4	4.30	2,434.7	4.02	2,186.6	4.29
2. Memo: Mandatory Reserves included above	n.a.	n.a.	-								
3. Foreclosed Real Estate	n.a.	n.a.	-								
4. Fixed Assets	25.4	908.8	1.24	953.8	1.35	1,029.8	1.60	716.9	1.18	534.2	1.05
5. Goodwill	n.a.	n.a.	-								
6. Other Intangibles	17.3	619.6	0.84	655.5	0.93	737.4	1.15	620.2	1.02	707.7	1.39
7. Current Tax Assets	n.a.	n.a.	-								
8. Deferred Tax Assets	12.5	446.9	0.61	453.3	0.64	481.2	0.75	354.7	0.58	297.9	0.58
9. Discontinued Operations	n.a.	n.a.	-								
10. Other Assets	29.8	1,063.4	1.45	709.3	1.00	597.0	0.93	539.6	0.89	414.5	0.81
11. Total Assets	2,059.2	73,566.9	100.00	70,721.0	100.00	64,392.1	100.00	60,636.6	100.00	51,013.3	100.00
Liabilities and Equity											
D. Interest-Bearing Liabilities											
1. Customer Deposits - Current	n.a.	n.a.	-								
2. Customer Deposits - Savings	n.a.	n.a.	-								
3. Customer Deposits - Term	n.a.	n.a.	-								
4. Total Customer Deposits	n.a.	n.a.	-								
5. Deposits from Banks	n.a.	n.a.	-								
6. Repos and Cash Collateral	n.a.	n.a.	-								
7. Commercial Paper and Short-term Borrowings	473.1	16,902.6	22.98	18,452.1	26.09	13,848.5	21.51	11,941.8	19.69	13,635.6	26.73
8. Total Money Market and Short-term Funding	473.1	16,902.6	22.98	18,452.1	26.09	13,848.5	21.51	11,941.8	19.69	13,635.6	26.73
9. Senior Unsecured Debt (original maturity > 1 year)	1,151.4	41,136.1	55.92	36,947.6	52.24	35,107.6	54.52	36,314.2	59.89	26,343.2	51.64
10. Subordinated Borrowing	1.0	35.3	0.05	29.9	0.04	n.a.	-	n.a.	-	n.a.	-
11. Covered Bonds	n.a.	n.a.	-								
12. Other Long-term Funding	n.a.	n.a.	-								
13. Total LT Funding (original maturity > 1 year)	1,152.4	41,171.4	55.96	36,977.5	52.29	35,107.6	54.52	36,314.2	59.89	26,343.2	51.64
14. Derivatives	10.3	366.2	0.50	668.1	0.94	2,731.9	4.24	1,135.4	1.87	1,817.3	3.56
15. Trading Liabilities	n.a.	n.a.	-								
16. Total Funding	1,635.8	58,440.2	79.44	56,097.7	79.32	51,688.0	80.27	49,391.4	81.45	41,796.1	81.93
E. Non-Interest Bearing Liabilities											
1. Fair Value Portion of Debt	n.a.	n.a.	-								
2. Credit impairment reserves	n.a.	n.a.	-								
3. Reserves for Pensions and Other	2.7	95.0	0.13	88.5	0.13	76.2	0.12	59.0	0.10	44.7	0.09
4. Current Tax Liabilities	10.5	376.8	0.51	238.2	0.34	314.5	0.49	372.0	0.61	167.9	0.33
5. Deferred Tax Liabilities	n.a.	n.a.	-								
6. Other Deferred Liabilities	n.a.	n.a.	-	131.2	0.19	105.9	0.16	n.a.	-	n.a.	-
7. Discontinued Operations	n.a.	n.a.	-								
8. Insurance Liabilities	n.a.	n.a.	-								
9. Other Liabilities	53.0	1,891.8	2.57	2,060.2	2.91	1,762.7	2.74	1,906.8	3.14	1,746.6	3.42
10. Total Liabilities	1,701.9	60,803.8	82.65	58,615.8	82.88	53,947.3	83.78	51,729.2	85.31	43,755.3	85.77
F. Hybrid Capital											
1. Pref. Shares and Hybrid Capital accounted for as Debt	n.a.	n.a.	-								
2. Pref. Shares and Hybrid Capital accounted for as Equity	n.a.	n.a.	-								
G. Equity											
1. Common Equity	355.5	12,701.8	17.27	12,036.8	17.02	10,445.3	16.22	8,895.7	14.67	7,258.2	14.23
2. Non-controlling Interest	2.1	75.2	0.10	84.2	0.12	0.6	0.00	1.7	0.00	0.1	0.00
3. Securities Revaluation Reserves	n.a.	n.a.	-								
4. Foreign Exchange Revaluation Reserves	(0.4)	(13.9)	(0.02)	(15.8)	(0.02)	(1.1)	(0.00)	10.0	0.02	(0.3)	(0.00)
5. Fixed Asset Revaluations and Other Accumulated OCI	n.a.	n.a.	-								
6. Total Equity	357.2	12,763.1	17.35	12,105.2	17.12	10,444.8	16.22	8,907.4	14.69	7,258.0	14.23
7. Total Liabilities and Equity	2,059.2	73,566.9	100.00	70,721.0	100.00	64,392.1	100.00	60,636.6	100.00	51,013.3	100.00
8. Memo: Fitch Core Capital	327.4	11,696.6	15.90	10,996.4	15.55	9,226.2	14.33	7,932.5	13.08	6,252.4	12.26

Exchange rate USD1 = THB35.72630 USD1 = THB35.67900 USD1 = THB32.56300 USD1 = THB32.60900 USD1 = THB29.80460

AEON Thana Sinsap (Thailand) Public Company Limited Summary Analytics

	31 May 2016 3 Months - 1st Quarter	20 Feb 2016 Year End	20 Feb 2015 Year End	20 Feb 2014 Year End	20 Feb 2013 Year End
A. Interest Ratios					
1. Interest Income on Loans/ Average Gross Loans	24.68	25.52	26.49	27.53	26.05
2. Interest Expense on Customer Deposits/ Average Customer Deposits	n.a.	n.a.	n.a.	n.a.	n.a.
3. Interest Income/ Average Earning Assets	23.86	25.04	26.27	27.16	25.33
4. Interest Expense/ Average Interest-bearing Liabilities	3.83	4.27	4.61	4.53	4.57
5. Net Interest Income/ Average Earning Assets	20.52	21.33	22.21	23.15	21.23
6. Net Int. Inc Less Loan Impairment Charges/ Av. Earning Assets	13.71	14.52	14.65	17.00	14.01
7. Net Interest Inc Less Preferred Stock Dividend/ Average Earning Asset	20.52	21.33	22.21	23.15	21.23
B. Other Operating Profitability Ratios					
1. Non-Interest Income/ Gross Revenues	7.35	9.39	9.36	4.75	11.91
2. Non-Interest Expense/ Gross Revenues	51.27	49.97	48.01	49.57	47.53
3. Non-Interest Expense/ Average Assets	10.37	10.81	10.80	11.11	10.43
4. Pre-impairment Op. Profit/ Average Equity	57.20	65.09	76.58	78.09	80.20
5. Pre-impairment Op. Profit/ Average Total Assets	9.86	10.83	11.73	11.30	11.51
6. Loans and securities impairment charges/ Pre-impairment Op. Profit	63.08	57.78	59.16	50.23	57.06
7. Operating Profit/ Average Equity	21.12	27.48	31.27	38.87	34.44
8. Operating Profit/ Average Total Assets	3.64	4.57	4.79	5.62	4.94
9. Operating Profit / Risk Weighted Assets	n.a.	n.a.	n.a.	n.a.	n.a.
C. Other Profitability Ratios					
1. Net Income/ Average Total Equity	16.68	21.91	24.96	31.00	25.68
2. Net Income/ Average Total Assets	2.87	3.65	3.82	4.49	3.69
3. Fitch Comprehensive Income/ Average Total Equity	16.58	21.85	24.79	31.11	25.60
4. Fitch Comprehensive Income/ Average Total Assets	2.86	3.64	3.80	4.50	3.68
5. Taxes/ Pre-tax Profit	20.81	20.27	20.19	20.26	25.41
6. Net Income/ Risk Weighted Assets	n.a.	n.a.	n.a.	n.a.	n.a.
D. Capitalization					
1. FCC/FCC-Adjusted Risk Weighted Assets	n.a.	n.a.	n.a.	n.a.	n.a.
2. Tangible Common Equity/ Tangible Assets	16.13	15.80	14.60	13.30	12.50
3. Tier 1 Regulatory Capital Ratio	n.a.	n.a.	n.a.	n.a.	n.a.
4. Total Regulatory Capital Ratio	n.a.	n.a.	n.a.	n.a.	n.a.
5. Common Equity Tier 1 Capital Ratio	n.a.	n.a.	n.a.	n.a.	n.a.
6. Equity/ Total Assets	17.35	17.12	16.22	14.69	14.23
7. Cash Dividends Paid & Declared/ Net Income	n.a.	35.06	35.68	34.48	42.69
8. Internal Capital Generation	16.25	13.23	14.88	18.40	13.83
E. Loan Quality					
1. Growth of Total Assets	4.02	9.83	6.19	18.86	15.98
2. Growth of Gross Loans	2.35	7.08	7.01	21.00	17.14
3. Impaired Loans/ Gross Loans	3.00	3.35	3.39	2.97	2.59
4. Reserves for Impaired Loans/ Gross Loans	3.66	3.82	4.13	3.48	3.57
5. Reserves for Impaired Loans/ Impaired Loans	121.82	114.13	121.90	117.02	137.90
6. Impaired loans less Reserves for Impaired Loans/ Fitch Core Capital	(3.61)	(2.71)	(4.73)	(3.51)	(7.12)
7. Impaired Loans less Reserves for Impaired Loans/ Equity	(3.31)	(2.46)	(4.18)	(3.12)	(6.13)
8. Loan Impairment Charges/ Average Gross Loans	7.05	6.94	7.62	6.24	7.42
9. Net Charge-offs/ Average Gross Loans	8.10	7.85	7.82	6.61	9.49
10. Impaired Loans + Foreclosed Assets/ Gross Loans + Foreclosed Ass	3.00	3.35	3.39	2.97	2.59
F. Funding and Liquidity					
1. Loans/ Customer Deposits	n.a.	n.a.	n.a.	n.a.	n.a.
2. Interbank Assets/ Interbank Liabilities	n.a.	n.a.	n.a.	n.a.	n.a.
3. Customer Deposits/ Total Funding (excluding derivatives)	n.a.	n.a.	n.a.	n.a.	n.a.
4. Liquidity Coverage Ratio	n.a.	n.a.	n.a.	n.a.	n.a.
5. Net Stable Funding Ratio	n.a.	n.a.	n.a.	n.a.	n.a.

The ratings above were solicited by, or on behalf of, the issuer, and therefore, Fitch has been compensated for the provision of the ratings.

ALL FITCH CREDIT RATINGS ARE SUBJECT TO CERTAIN LIMITATIONS AND DISCLAIMERS. PLEASE READ THESE LIMITATIONS AND DISCLAIMERS BY FOLLOWING THIS LINK: [HTTPS://FITCHRATINGS.COM/UNDERSTANDINGCREDITRATINGS](https://fitchratings.com/understandingcreditratings). IN ADDITION, RATING DEFINITIONS AND THE TERMS OF USE OF SUCH RATINGS ARE AVAILABLE ON THE AGENCY'S PUBLIC WEB SITE AT WWW.FITCHRATINGS.COM. PUBLISHED RATINGS, CRITERIA, AND METHODOLOGIES ARE AVAILABLE FROM THIS SITE AT ALL TIMES. FITCH'S CODE OF CONDUCT, CONFIDENTIALITY, CONFLICTS OF INTEREST, AFFILIATE FIREWALL, COMPLIANCE, AND OTHER RELEVANT POLICIES AND PROCEDURES ARE ALSO AVAILABLE FROM THE CODE OF CONDUCT SECTION OF THIS SITE. FITCH MAY HAVE PROVIDED ANOTHER PERMISSIBLE SERVICE TO THE RATED ENTITY OR ITS RELATED THIRD PARTIES. DETAILS OF THIS SERVICE FOR RATINGS FOR WHICH THE LEAD ANALYST IS BASED IN AN EU-REGISTERED ENTITY CAN BE FOUND ON THE ENTITY SUMMARY PAGE FOR THIS ISSUER ON THE FITCH WEBSITE.

Copyright © 2016 by Fitch Ratings, Inc., Fitch Ratings Ltd. and its subsidiaries. 33 Whitehall Street, NY, NY 10004. Telephone: 1-800-753-4824, (212) 908-0500. Fax: (212) 480-4435. Reproduction or retransmission in whole or in part is prohibited except by permission. All rights reserved. In issuing and maintaining its ratings and in making other reports (including forecast information), Fitch relies on factual information it receives from issuers and underwriters and from other sources Fitch believes to be credible. Fitch conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction. The manner of Fitch's factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors. Users of Fitch's ratings and reports should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information Fitch relies on in connection with a rating or a report will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to Fitch and to the market in offering documents and other reports. In issuing its ratings and its reports, Fitch must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings and forecasts of financial and other information are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings and forecasts can be affected by future events or conditions that were not anticipated at the time a rating or forecast was issued or affirmed.

The information in this report is provided "as is" without any representation or warranty of any kind, and Fitch does not represent or warrant that the report or any of its contents will meet any of the requirements of a recipient of the report. A Fitch rating is an opinion as to the creditworthiness of a security. This opinion and reports made by Fitch are based on established criteria and methodologies that Fitch is continuously evaluating and updating. Therefore, ratings and reports are the collective work product of Fitch and no individual, or group of individuals, is solely responsible for a rating or a report. The rating does not address the risk of loss due to risks other than credit risk, unless such risk is specifically mentioned. Fitch is not engaged in the offer or sale of any security. All Fitch reports have shared authorship. Individuals identified in a Fitch report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only. A report providing a Fitch rating is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer and its agents in connection with the sale of the securities. Ratings may be changed or withdrawn at any time for any reason in the sole discretion of Fitch. Fitch does not provide investment advice of any sort. Ratings are not a recommendation to buy, sell, or hold any security. Ratings do not comment on the adequacy of market price, the suitability of any security for a particular investor, or the tax-exempt nature or taxability of payments made in respect to any security. Fitch receives fees from issuers, insurers, guarantors, other obligors, and underwriters for rating securities. Such fees generally vary from US\$1,000 to US\$750,000 (or the applicable currency equivalent) per issue. In certain cases, Fitch will rate all or a number of issues issued by a particular issuer, or insured or guaranteed by a particular insurer or guarantor, for a single annual fee. Such fees are expected to vary from US\$10,000 to US\$1,500,000 (or the applicable currency equivalent). The assignment, publication, or dissemination of a rating by Fitch shall not constitute a consent by Fitch to use its name as an expert in connection with any registration statement filed under the United States securities laws, the Financial Services and Markets Act of 2000 of the United Kingdom, or the securities laws of any particular jurisdiction. Due to the relative efficiency of electronic publishing and distribution, Fitch research may be available to electronic subscribers up to three days earlier than to print subscribers.

For Australia, New Zealand, Taiwan and South Korea only: Fitch Australia Pty Ltd holds an Australian financial services license (AFS license no. 337123) which authorizes it to provide credit ratings to wholesale clients only. Credit ratings information published by Fitch is not intended to be used by persons who are retail clients within the meaning of the Corporations Act 2001.