krungsri
กรุงศรี
A member of MUFG
a global financial group

Analyst Briefing
Financial Performance 2Q/2020 & 1H/2020

11 August 2020

"Make Life Simple เรื่องเงิน เรื่องง่าย"

Krungsri's 75th Anniversary

Live - WebEx

Agenda

COVID-19: Krungsri Customer Relief Programs

Financial Performance: 2Q/2020 & 1H/2020 Highlights

2H/2020 Outlook

Appendix

Krungsri Profile

COVID-19

Krungsri Customer Relief Programs

Corporate (Thai Corporate and JPC/MNC)

- Grace period on principal, tenor extension, and interest rate reduction

SME-M&S:

- Grace period on principal, tenor extension, and interest rate reduction
- Soft loans

Business Banking (SME-BB)

- Grace period on principal (Max: 6 – 12 months)
- Up to 85% installment reduction (Max: 6 – 12 months)
- Skip payments - both principal and interest (Max: 6 months)
- Revolving facility: convert outstanding to term loan and skip payments (up to 6 months)

Mortgage

- Grace period on principal (Max: 9 – 12 months)
- Up to 85% installment reduction (Max: 9 – 12 months)
- Skip payments - both principal and interest (Max: 6 months)

Auto Hire Purchase

- Skip payments up to 6 months if the income stream of the customer is temporarily impacted
- Debt restructuring to reduce up to 40% from current installment if the income of the customer is impacted in the medium and/or long term

Credit Card and Personal Loans (revolving)

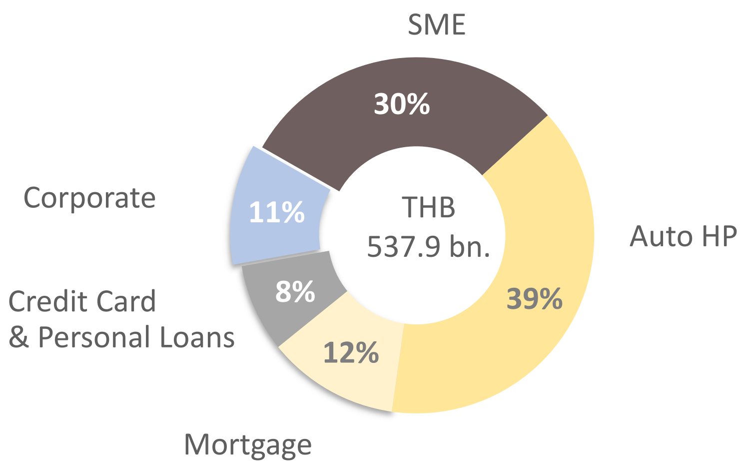
- Reduce minimum payment
  - Credit card from 10% to 5%
  - SF/PL from 5% to 3%
- Credit card refinance with 12% interest rate (48 months of tenor)
- Personal loan (revolving) convert outstanding to term loan and skip payments (up to 6 months)

Personal Loan (installment)

- Skip payments (Max: 6 – 12 months)
- Reduce maximum interest rate from 28% to 22%

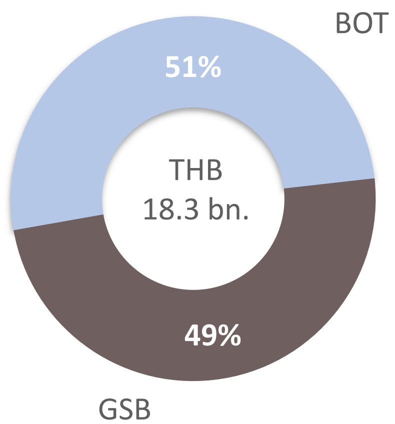
Krungsri Customer Relief Programs (Cont.)

Loans under programs



No of Customer	
Commercial (Entities)	36,490
Retail (Accounts)	1,792,820

Soft Loans



No of Customer	
SME (Entities)	5,709

Remark: Data as of 30 June 2020

Financial Performance

2Q/2020 Financial Performance

Consolidated (Baht million)	1Q/20	2Q/20	%QoQ	Key Highlights in 2Q/20
Net interest income	22,333	20,418	-8.6%	Lower interest income reflecting reduced lending rates and lower outstanding balance
Non-interest income	8,609	7,269	-15.6%	Lower fees & service income corresponding to economic lockdowns and gains on trading & FX
Operating expenses	12,689	11,577	-8.8%	Driven by a decrease in impairment of NPA and marketing promotion expenses
Expected credit loss	9,510	7,845	-17.5%	Regulatory forbearances from the Emergency Decree and the BOT's circulars
Net profit	7,033	6,508	-7.5%	Lower operating profit, partially offset by lower expected credit loss (ECL)

Key Financial Ratio	1Q/20	2Q/20	Key Highlights in 2Q/20
Loan Growth	+2.9%	-0.8%	Repayment of working capital loans and exposure management from Thai Corporate and retail loans contraction
Deposit Growth	+6.4%	+1.9%	Driven by savings deposits
NIM	3.94%	3.51%	Key lending rate cuts in the range of 0.65%-0.75%
Cost to income ratio	41.0%	41.8%	Proactive expense management in light of the current unfavorable operating environment
NPLs (Baht million)	47,556	48,014	• Stage 2 & 3 were connected to customers' relief program in accordance with the Emergency Decree and the BOT's circulars to alleviate the impacts of the coronavirus outbreak on households and business • The Bank continued to accumulate reserves for ECL impairment based on the loan repayment status in adherence to TFRS 9 standards
Coverage ratio	159.1%	156.2%	
Credit Cost	206 bps	169 bps	

1H/2020 Financial Performance

Consolidated (Baht million)	1H/19	1H/20	%YoY	Key Highlights in 1H/20
Net interest income	38,174	42,751	+12.0%	Higher interest income reflecting from loan portfolio expansion and higher EIR calculated under the TFRS9 framework and lower interest expenses, mainly from the reduced rate of contribution to the FIDF
Non-interest income	26,612	15,878	-40.3%	Mainly caused by the absence of recognition of gains on investments from NTL in 1H/19, and a decrease in net fees and service income, resulting from deteriorating retail business activities against the economic slowdown
Operating expenses	26,681	24,266	-9.1%	Mainly from the absence of the provision for compensation in personnel expenses relating to severance payment in accordance with the amended Labor Protection Act
Provision / Expected credit loss	13,074	17,355	+32.7%	Strictly adhering to TFRS9 requirements, while adjusting to the regulatory forbearances on customer relief programs
Net profit	19,747	13,540	-31.4%	Driven by lower operating profit and higher provision corresponding to higher ECL

Key Financial Ratio	1H/19	1H/20	Key Highlights in 1H/20
Loan Growth	+5.0%	+2.0%	Driven mainly by commercial segment
Deposit Growth	+5.0%	+8.4%	Driven by savings and time deposits
NIM	3.69%	3.74%	Mainly due to a decrease in cost of funds, mainly from the reduced contribution rate to FIDF and the broad-based reductions of deposit rates.
Cost to income ratio	45.4%*	41.4%	With an effective expense management amid the coronavirus pandemic
NPLs (Baht million)	38,221	48,014	Mainly due to the adoption of TFRS 9 and outbreak impact
Coverage ratio	168.5%	156.2%	
Credit Cost	149 bps	188 bps	

** Normalized cost-to-income, (excluding one-time items - gains on investments from the NTL transaction and provision in accordance with the amended Labor Protection Act).*

Key Highlights in 1H/2020

New Developments

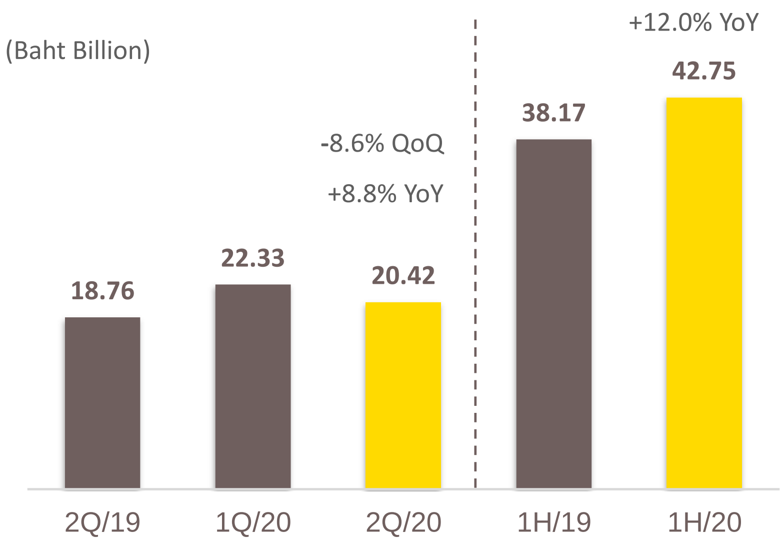
Date	New Developments	Financial Implications
1 Jan 20	The adoption of TFRS 9	**Loan** **NIM** **Fees** **Stage 3 (NPL)** **ECL (Provision)**
5 Feb 20	MPC ***cut the policy rate*** from 1.25% to 1.00%	**NIM** (5 Feb 20 – 24 Mar 20)
8 Feb 20	Krungsri ***cut MRR*** by 0.25%	
23 Mar 20	MPC ***cut the policy rate*** from 1.00% to 0.75%	
24 Mar 20	Krungsri ***cut MLR, MOR, MRR*** by 0.4%	
7 Apr 20	***Corporate Bond Stabilization Fund (BSF) established*** A additional measures to assist SMEs affected by COVID-19: ***Soft loans***	**Loan** **NIM**
10 Apr 20	FIDF fee was reduced from 0.46% to 0.23%* Krungsri ***cut MLR, MOR, MRR*** by 0.4%	**NIM**
20 May 20	MPC ***cut the policy rate*** from 0.75% to 0.50%	**NIM**
21 May 20	Krungsri ***cut MLR*** by 0.25% ***MOR*** by 0.35% ***MRR*** by 0.25%	**NIM**
19 Jun 20	***BOT reduced the ceiling rates for interest rates on credit cards, personal loans and car for cash (effective from 1 Aug 20)***	**NIM**
	Customer assistance program Phase II: *Auto HP, Mortgage, Credit card and Personal loans*	**Loan** **NIM** **ECL**
	BOT requested commercial banks to ***suspend "paying interim dividends"*** and ***"share repurchases"***	**CAR**
24 Jun 20	MPC ***maintained the policy rate*** at 0.5%	

Financial Implications

** The Bank of Thailand announced to temporarily reduce the rate of contribution to the Financial Institutions Development Fund (FIDF) from 0.46% of the deposit base per annum to 0.23%, effective from 1 Jan 20 to 31 Dec 21.*

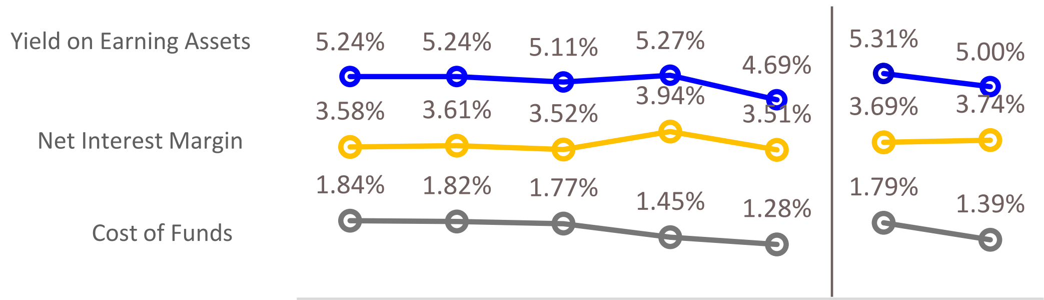
Net Interest Income & NIM

Net Interest Income



- 2Q/20 net interest income decreased by 8.6% QoQ, mainly driven by lower interest on loans, reflecting reduced lending rates and lower outstanding balance and lower interest on hire purchase and financial lease income, resulting from lower EIR due to the customer relief program.
- 1H/20 net interest income increased by 12.0% YoY, driven by higher interest income reflecting from loan portfolio expansion and higher EIR calculated under the TFRS9 framework and lower interest expenses, mainly from the reduced rate of contribution to the FIDF.

NIM

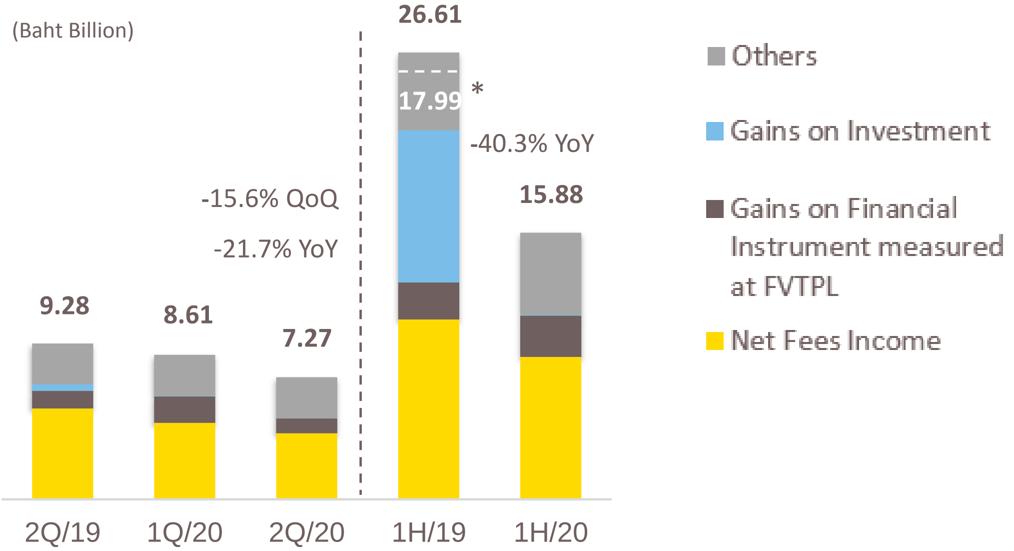


		2Q/19	3Q/19	4Q/19	1Q/20	2Q/20	1H/19	1H/20
Yield on Loans		5.86%	5.87%	5.81%	6.16%	5.71%	5.91%	5.95%
Cost of Deposits		1.73%	1.72%	1.65%	1.32%	1.16%	1.68%	1.25%
Policy rate		1.75%	1.50%	1.25%	0.75%	0.50%	1.75%	0.50%
Krungsri lending rates	MLR	6.60%	6.60%	6.35%	6.23%	5.58%	6.60%	5.58%
	MOR	7.20%	6.95%	6.95%	6.70%	5.95%	7.20%	5.95%
	MRR	7.20%	6.95%	6.95%	6.70%	6.05%	7.20%	6.05%

- Yield on earning assets in 2Q/20 decreased from 1Q/20, mainly driven by the key lending rate cuts to assist customers.
- Cost of funds continued to decrease since the beginning of this year, mainly due to the reduced FIDF contribution in 1Q/20 and the broad-based reductions of deposit rates in 2Q/20.

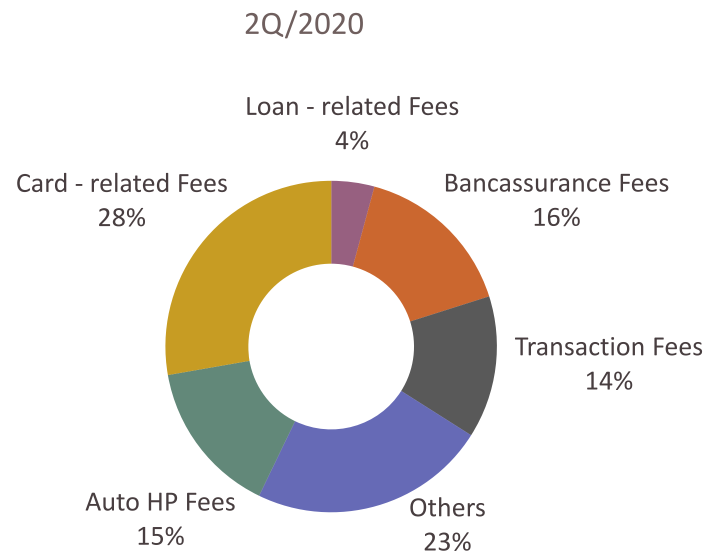
Non-Interest Income and Fees & Service Income Breakdown

Non-Interest Income



** Normalized non-interest income in 1H/19 (excluding gains on investments from the NTL transaction) was recorded at Baht 17.99 billion. Therefore, when compared to the normalized non-interest income in 1H/19, non-interest income in 1H/20 decreased by 11.7%.*

Fees & Service Income Breakdown

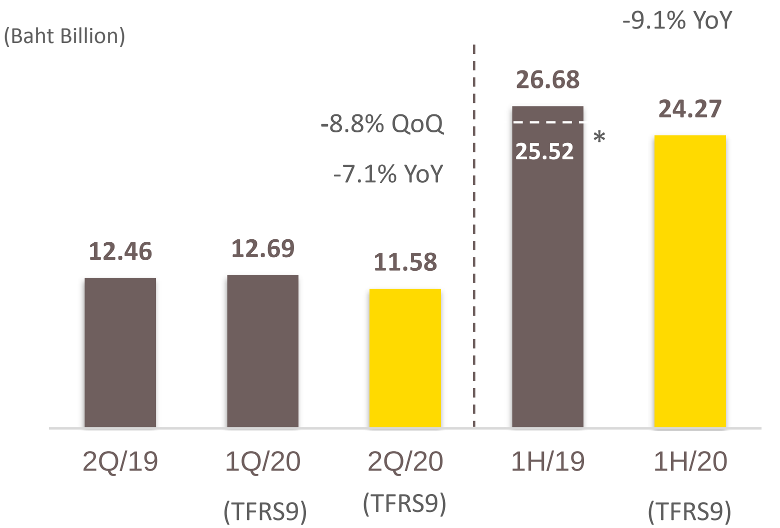


- 2Q/20 non-interest income decreased 15.6% QoQ, mainly from a decrease in net fees & service income, particularly from card-related fees and auto hire purchase, resulting from economic and business lockdowns, and lower gains on trading and FX transaction.
- 1H/20 non-interest income contracted 40.3% from 1H/19, mainly caused by the absence of one-time gains on investment in 1H/19. A decrease in net fees and service income, resulting from deteriorating retail business activities against the backdrop of faltering economy.

FVTPL: Fair value through profit or loss

Productivity

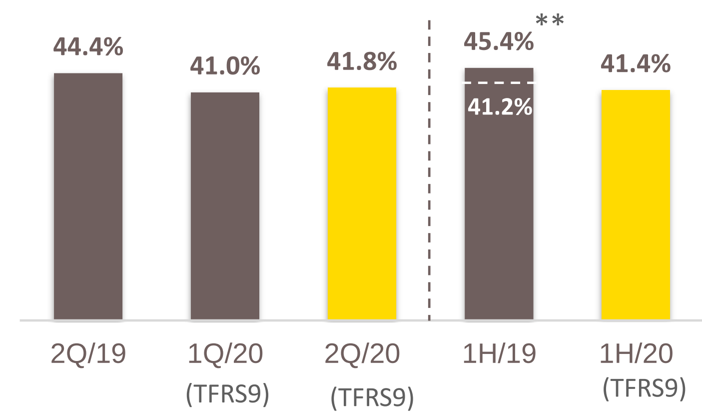
Operating Expenses



** Normalized operating expenses in 1H/19 (excluding the one-time item of provision in accordance with the amended Labor Protection Act.) was recorded at Baht 25.52 billion. Therefore, when compared to the normalized operating expenses in 1H/19, operating expenses in 1H/20 decreased by 4.9%*

- 2Q/20 operating expenses decreased by 8.8% QoQ, driven by a decrease in impairment of NPA and marketing promotion expenses.
- 1H/20 operating expenses decreased by 9.1% YoY, driven largely by the absence of the provision in accordance with the amended Labor Protection Act in 1H/19 and a decrease in marketing promotion expenses.

Cost to Income Ratio

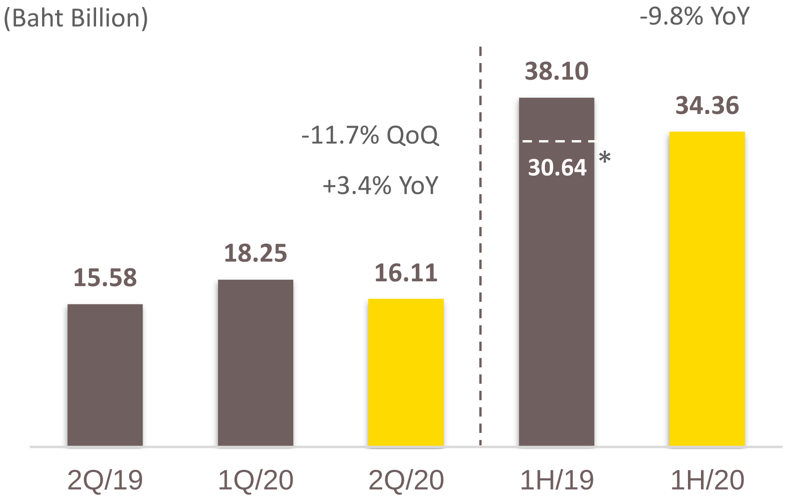


*** Normalized cost-to-income, (excluding one-time items - gains on investments from the NTL transaction and provision in accordance with the amended Labor Protection Act) was recorded at 45.4%.*

- Cost to income ratio in 2Q/20 was recorded at 41.8%, compared to 41.0% in 1Q/20.
- Cost to income ratio in 1H/20 was at 41.4%, improving from the normalized cost to income ratio of 45.4% in 1H/19, reflecting the Bank's effective expense management amid the COVID-19 pandemic.

Profitability

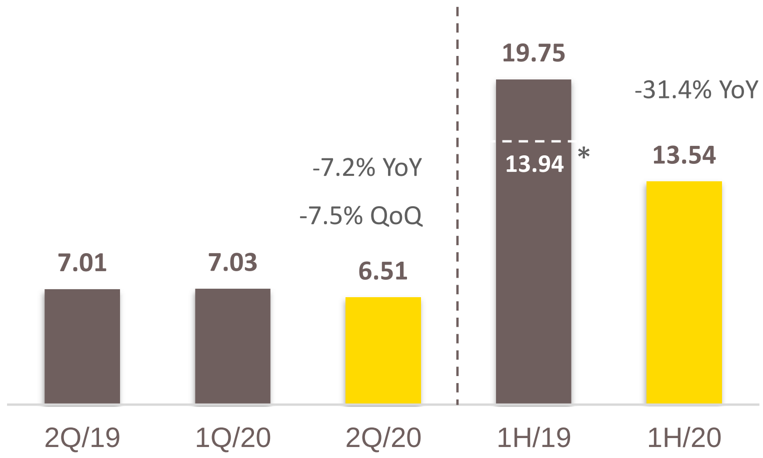
Pre-Provision Operating Profit (PPOP)



** Normalized PPOP (excluding one-time items - gains on investments from the NTL transaction and provision in accordance with the amended Labor Protection Act) was recorded at Baht 30.64 billion. Therefore, when compared to the normalized PPOP in 1H/19, PPOP in 1H/20 increased by 12.1%.*

- 2Q/20 PPOP decreased by 11.7% QoQ driven by lower net interest income and lower non-interest income.
- 1H/20 PPOP decreased by 9.8% YoY, driven largely by the absence of one-time gains on investments in 1H/19 and a decrease in net fees & service income, offset by an increase in net interest income.

Net Profit

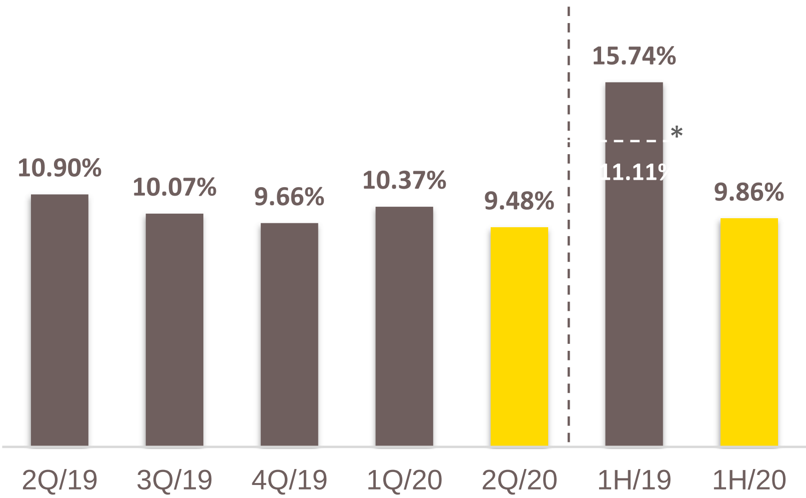


** Normalized net profit (excluding one-time items - gains on investments from the NTL transaction and provision in accordance with the amended Labor Protection Act) was recorded at Baht 13.94 billion. Therefore, when compared to the normalized net profit in 1H/19, net profit in 1H/20 decreased by 2.9%.*

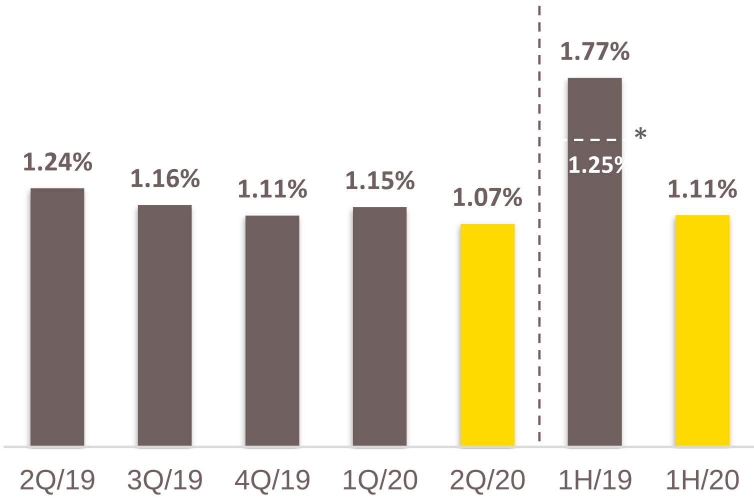
- 2Q/20 net profit decreased by 7.5% QoQ, largely attributed to lower PPOP, offset by a decrease in ECL.
- 1H/20 net profit decreased by 31.4% YoY, driven by lower PPOP and higher provision corresponding to higher ECL.
- Excluding the one-off items in 1H/19, a net profit in 1H/20 decreased by 2.9% YoY.

ROAE & ROAA

ROAE



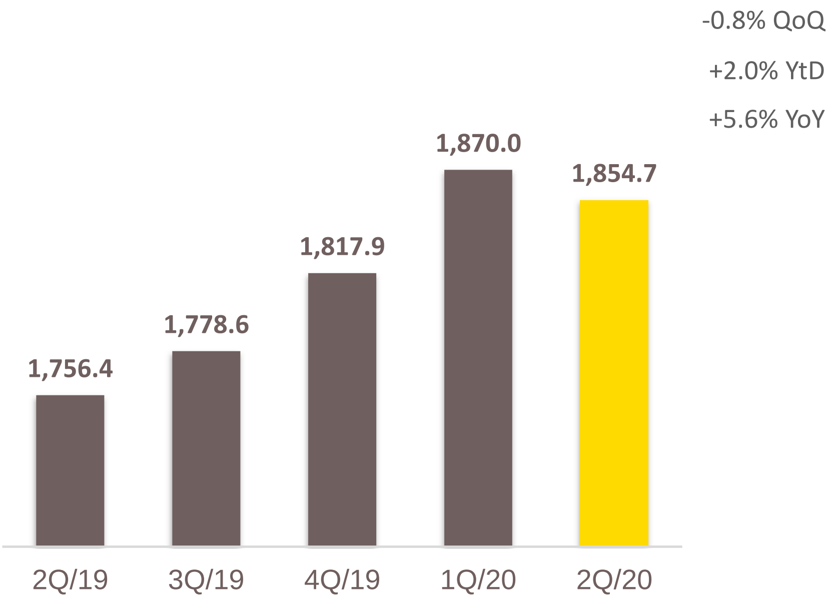
ROAA



** Normalized ROAE and ROAA (excluding the one-time items - gains on investments from the NTL transaction and provision in accordance with the amended Labor Protection Act.)*

Loan Portfolio

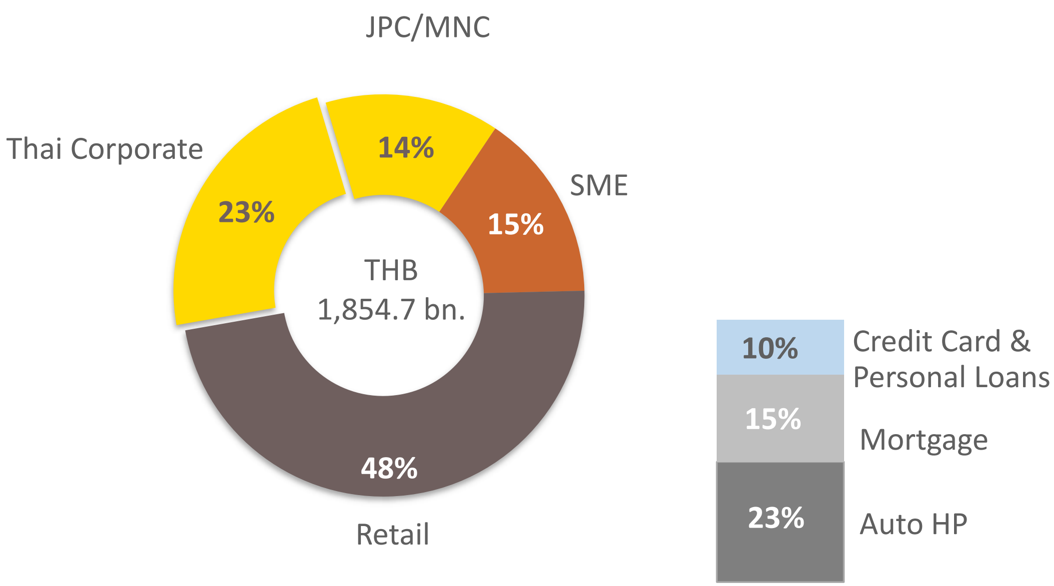
Loans



- Total loans in 2Q/20 contracted by 0.8% from 1Q/20, mainly from a decrease in Thai corporate and credit card and personal loans.
- As of 30 Jun 20, total loans increased by 2.0% from 2019, driven mainly by the growth in the commercial segment's working capital and liquidity support requirements.

Loan Breakdown

(June 2020)



- As of 1H/20, commercial loans, comprising corporate and SME customers, accounted for 52% of the total loan portfolio, while retail lending represented the remaining 48%.

Loans by Segment

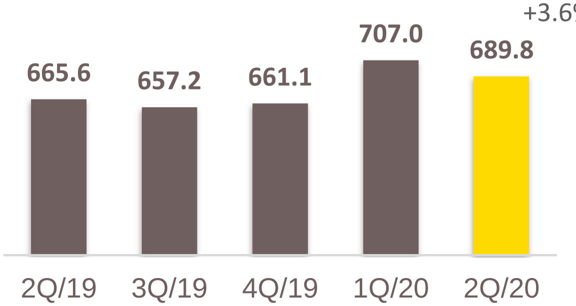
Corporate Loans

(Baht Billion)

-2.4% QoQ

+4.3% YtD

+3.6% YoY

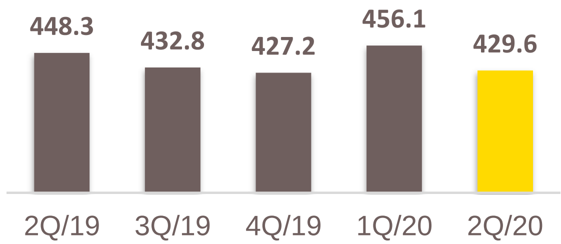


Thai Corporate Loans

-5.8% QoQ

+0.6% YtD

-4.2% YoY

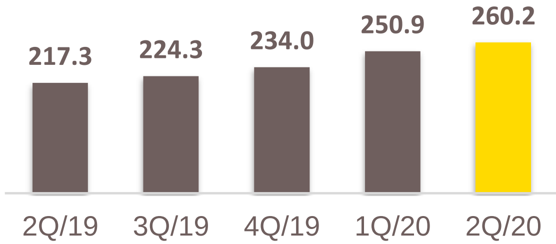


JPC/MNC

+3.7% QoQ

+11.2% YtD

+19.7% YoY



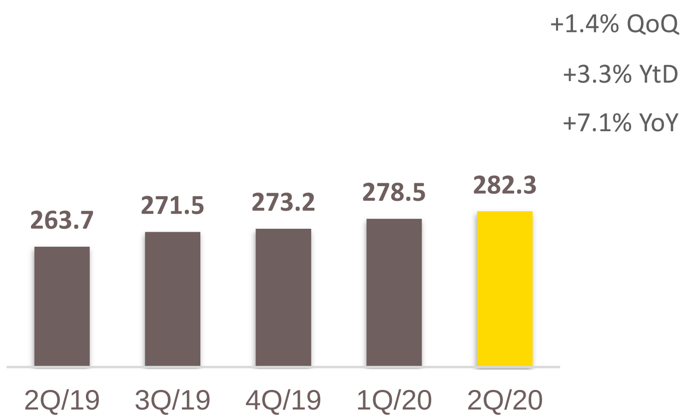
- Corporate loans decreased QoQ, resulting from the repayment of Thai corporate loans, meanwhile JPC/MNC loans increased QoQ.

- Thai corporate loans decreased QoQ, resulting from the repayment of working capital loans.

- JPC/MNC loans increased QoQ, mainly from the scheduled drawdowns.

Loans by Segment (Cont.)

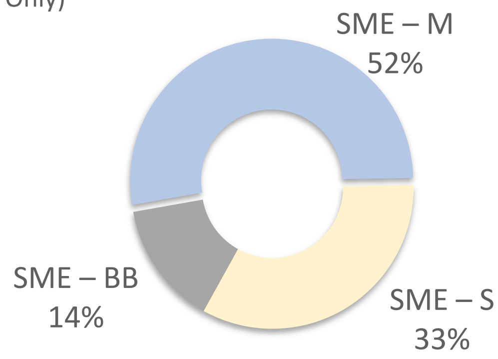
SME Loans



- SME loans continued to grow QoQ, driven by our liquidity support under the soft loan program.

SME Breakdown

(Bank Only)



SME Definition:

SME-Medium (SME-M): Company with annual sales turnover > 150 million baht to 1,000 million baht

SME-Small (SME-S): Company with annual sales turnover > 20 million baht to 150 million baht

Business Banking (SME-BB): Company with annual sales turnover < 20 million baht

Loans by Segment (Cont.)

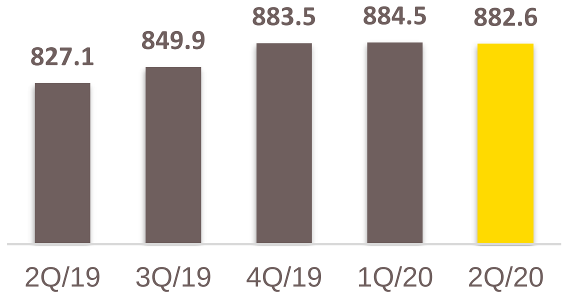
Retail Loans

(Baht Billion)

-0.2% QoQ

-0.1% YtD

+6.7% YoY



Retail loans in 2Q/20 decreased from 1Q/20, corresponding to both income shocks and tapering consumer confidence resulting from economic and business lockdowns.

- Auto HP loan growth observed was in line with tepid domestic car sales.
- Mortgage loans slightly increased reflected the Bank's ability to both retain current customers and marginally grow business.
- Credit card and personal loans continued to contract, resulting from lockdowns exacerbated by health control and social distancing measures.

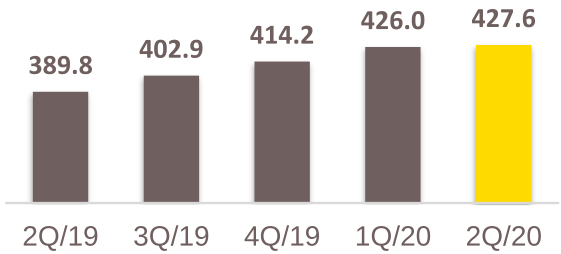
Hire Purchase

(Baht Billion)

+0.4% QoQ

+3.2% YtD

+9.7% YoY



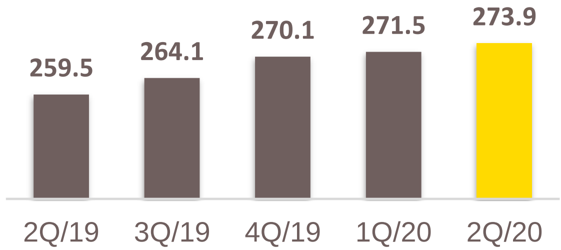
Mortgage

(Baht Billion)

+0.9 QoQ

+1.4% YtD

+5.6% YoY



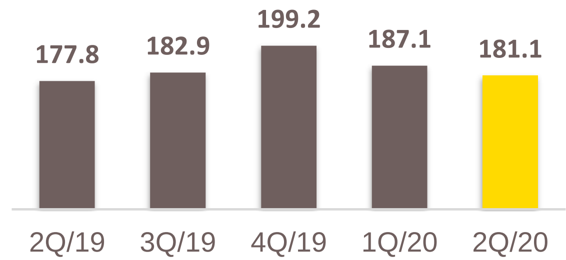
Credit Card and Personal Loans

(Baht Billion)

-3.2 QoQ

-9.1% YtD

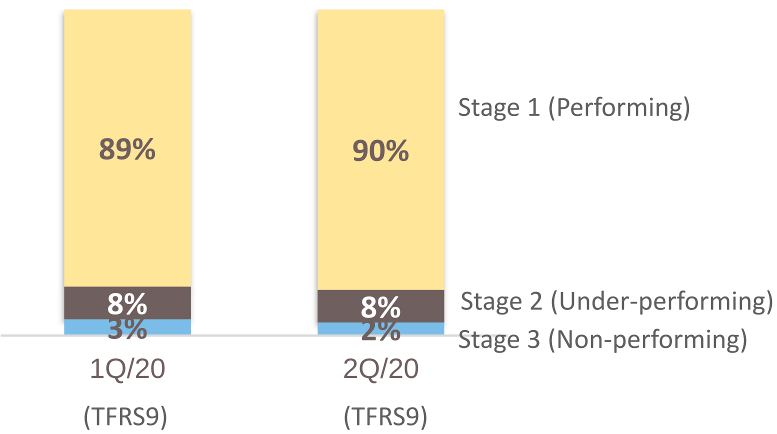
+1.9% YoY



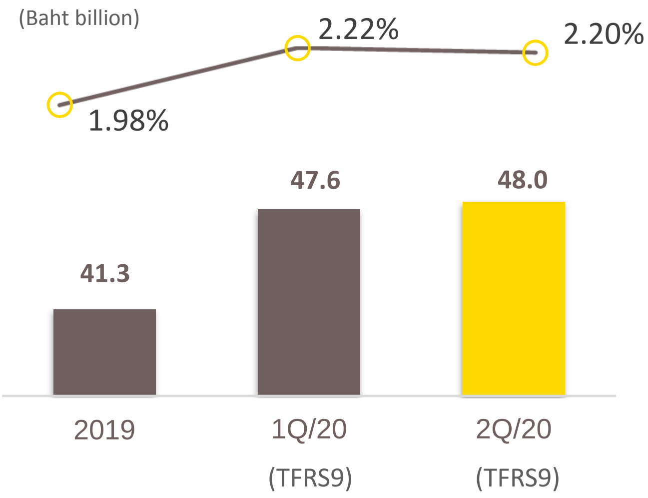
Asset Quality

Loan Classification

(% to total loans to customers and accrued interest receivable)



Gross NPLs & NPL Ratio



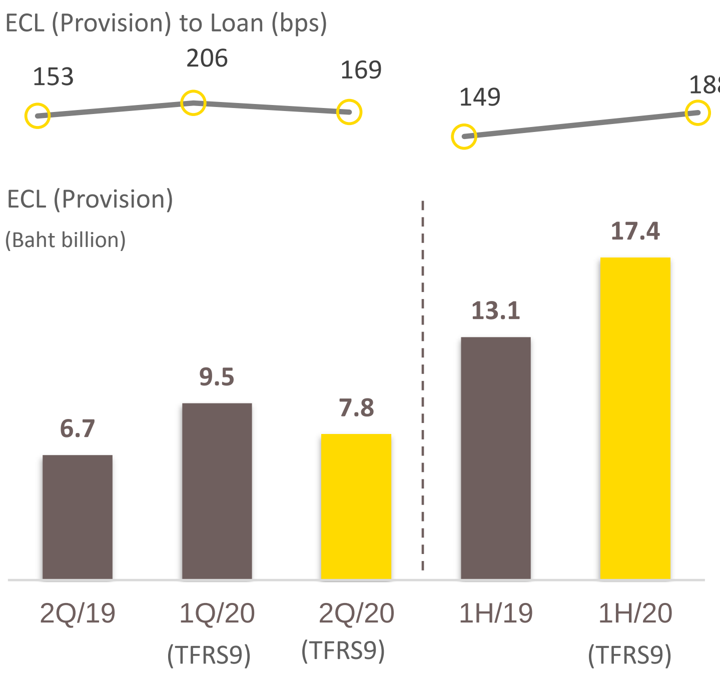
NPL by Segment

	4Q/19	1Q/20 (TFRS9)	2Q/20 (TFRS9)
Corporate	1.0%	0.9%	1.1%
SME	5.4%	5.6%	5.0%
Retail	2.3%	2.9%	3.0%
- Hire Purchase	1.9%	2.0%	1.9%
- Mortgage	3.4%	4.0%	4.3%
- Credit card & personal loans and other	1.6%	3.1%	3.4%

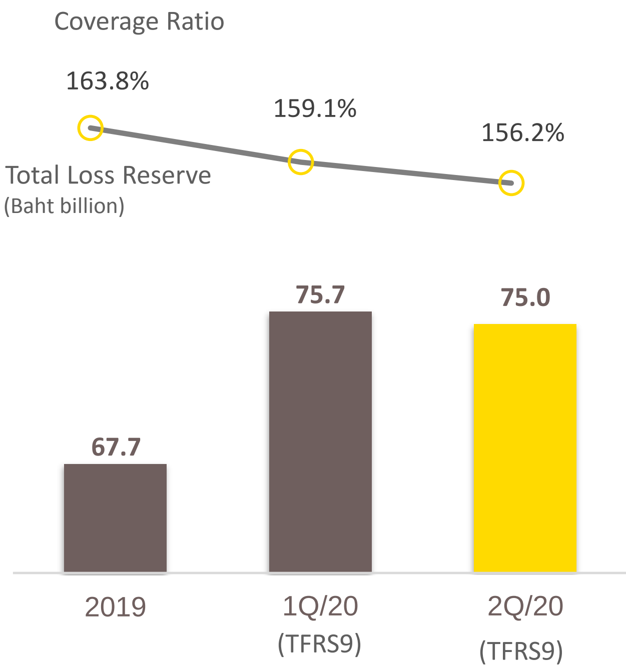
- As of 30 Jun 20, gross NPLs stood at 48 billion baht, an increase of 16.2% from the end of 2019, mainly due to the adoption of TFRS9.

Reserve and Coverage Ratio

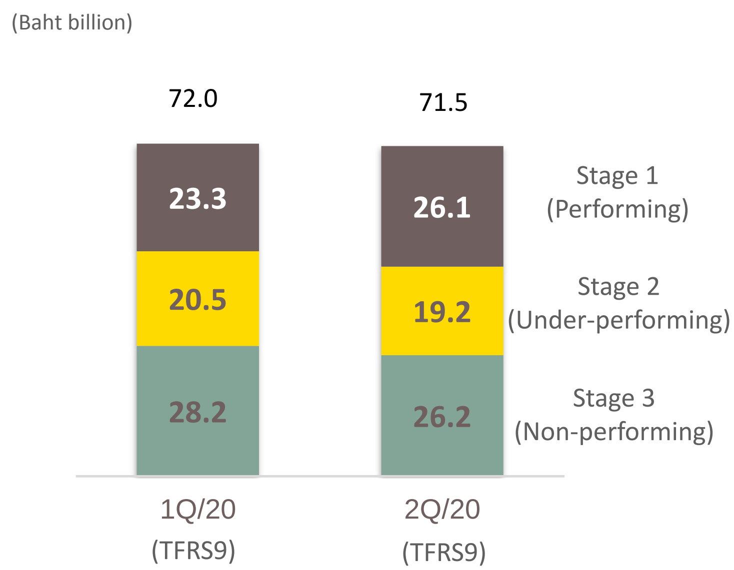
Expected Credit Loss (ECL)



Total Loss Reserve & Coverage Ratio



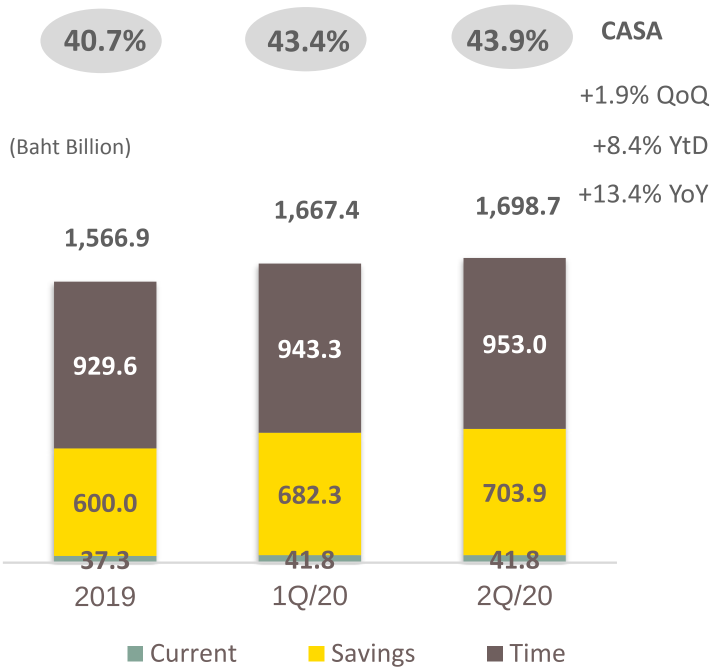
Allowance for ECL



- The ECL in 2Q/20 decreased from 1Q/20, largely due to regulatory forbearances from both the Emergency Decree on Financial Assistance to SMEs affected by COVID-19 and the BOT's circulars on both special debt restructuring and debt moratorium.
- The Bank set up extra ECL for management overlay which reflected detailed scenarios and our outlook on an exacerbated economic slowdown due to the outbreak.

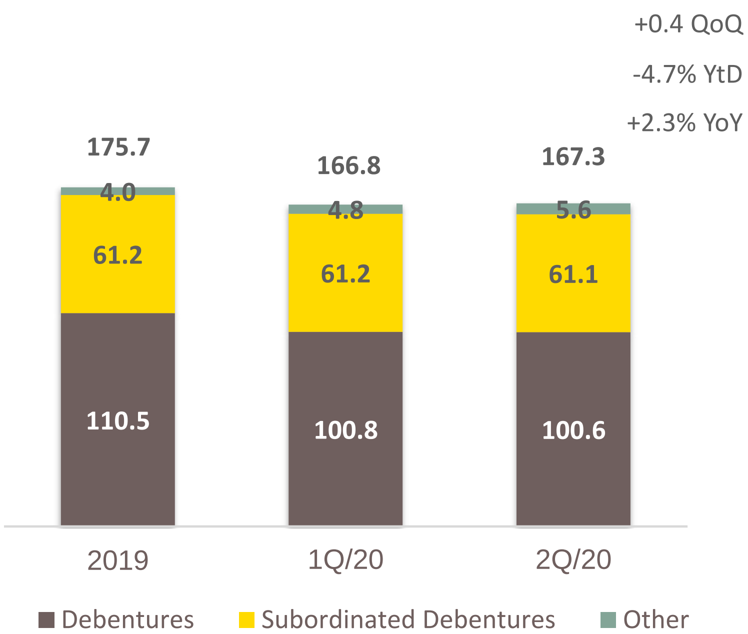
Funding Base

Deposits



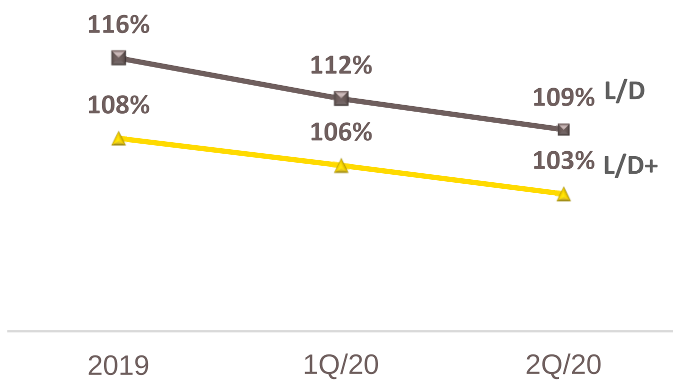
- Deposit growth of 1.9% in 2Q/20 and 8.4% from 2019, driven by savings deposits.
- The growth pattern resonates the industry's recent trend of risk-aversion sentiment amid economic deterioration.

Borrowing



- Borrowing increased by 0.4% in 2Q/20 and decreased by 4.7% from 2019, driven mainly by a decrease in debentures.
- The issuance of debentures reflected the Bank's continued effort to build stable funding as well as stringent match funding discipline.

Loan to Deposit Ratio



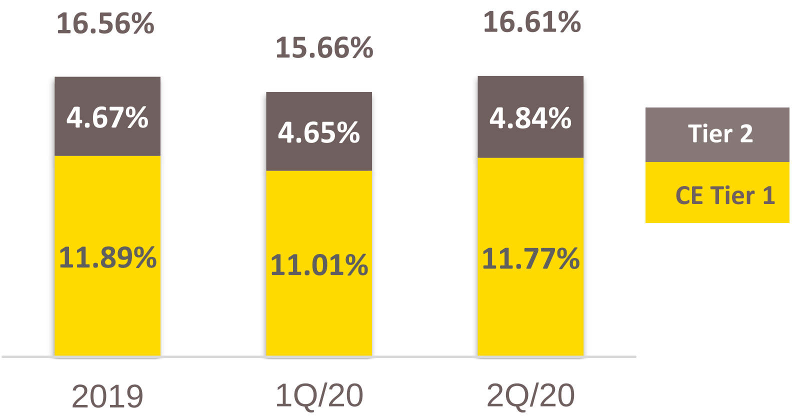
L/D+ : Loan to Deposit + Debentures

- The increase in deposits strengthens the Bank's liquidity with L/D and L/D+ improving to 109% and 103%, compared to 116% and 108% at the end of December 2019, respectively.
- Incorporating funding support from the parent company, the L/D++ was below 100%.

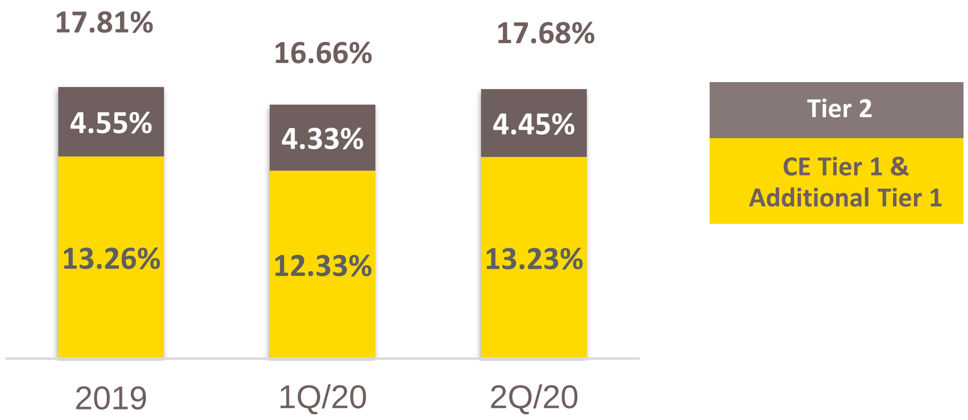
Capital

The current level of capital remains adequate to cope with the current economic uncertainty and well above the minimum regulatory capital requirements which include the capital conservation buffer and the additional CET1 requirement for D-SIBs.

Capital Adequacy Ratio (Bank Only)



Capital Adequacy Ratio (Consolidated)



Remark:

Starting January 1, 2020, the minimum regulatory capital requirements for Domestic Systemically Important Banks (D-SIBs) comprise the Common Equity Tier 1 ratio at 8.00%, the Tier 1 ratio at 9.50%, and the total capital ratio at 12.00%.

2H/2020 Outlook

Thailand Economic Outlook

2020 Outlook: U-shaped recovery ahead.

2020 Key Economic Forecasts

% YoY growth unless otherwise stated	2018A	2019A	2020F
GDP	**4.2**	**2.4**	**-10.3**
Private Consumption	4.6	4.5	-4.2
Private Investment	4.1	2.8	-14.7
Exports (in USD term)	7.5	-3.3	-12.5
Headline Inflation	1.1	0.7	-1.1
Policy Interest Rate (%, end of period)	1.75	1.25	0.50

Note: 2020 forecast by Krungsri Research

Krungsri Research's view:

- Thai economic growth is projected at a new low of -10.3% this year, compared to the previous forecast of -5.0%.
- The global pandemic is more severe than previously expected, meaning international travel bans will not be lifted soon. Foreign tourist arrivals could tumble by 83% this year. There is a greater downside risk to the Thai economy due to delayed fiscal stimulus measures and inadequate monetary policy transmission mechanism.

Sources: NESDC, MOC, BOT, Krungsri Research

Headwinds

- Impacts of the coronavirus outbreak on tourism, supply disruption (at home and abroad), and income effect
- Global economic recession
- Delays in infrastructure investments
- Worse-than-expected drought
- Downward spiral of lower confidence and weaker growth
- Other risks: rising debts, EU-Vietnam FTA
- Structural problems e.g. labor shortage and eroding competitiveness in some sectors

Tailwinds

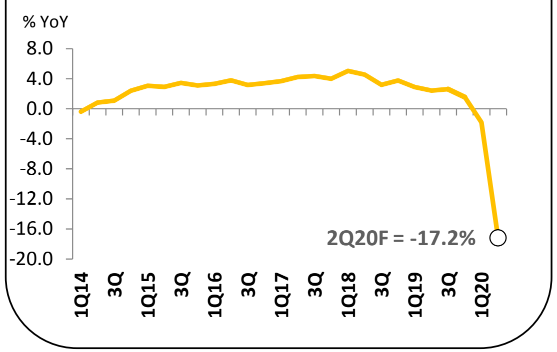
- Global massive easing of fiscal and monetary policies
- Domestic stimulus measures worth THB1.9 trn to alleviate COVID-19 impacts
- Thailand's sound economic fundamentals

Recent Economic Developments

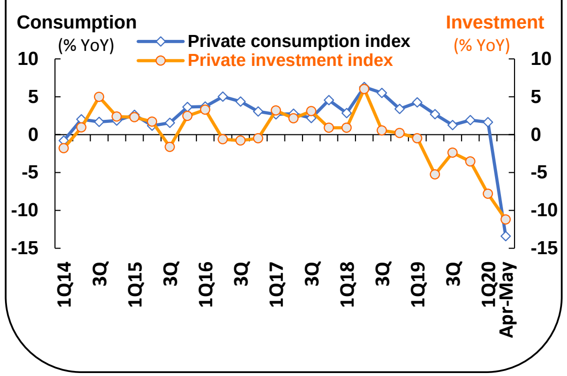
The COVID-19 pandemic is expected to cause a 17.2 % contraction of 2Q/20 Thai GDP due to the crippled tourism industry and multiplier effect.

- Foreign tourist arrivals fell by 100% in 2Q/20, hit by the coronavirus pandemic.
- Exports were dragged by global lockdown and demand shock.
- Easing lockdown measures helped to nudge up confidence but household consumption and business investment continued to tumble.
- Much weaker labor market might undermine economic recovery in the next period.

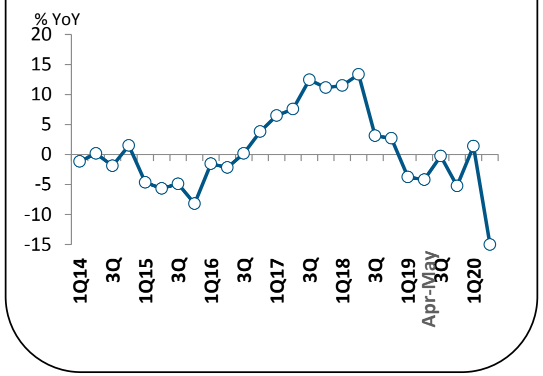
GDP: plunging economic activity amid deteriorating confidence



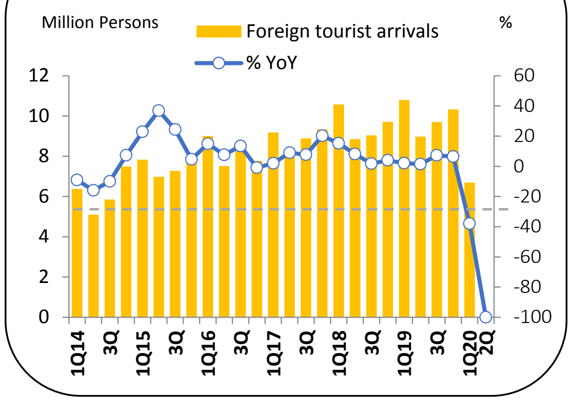
Domestic demand: shrinking consumption and investment



Exports: dragged by global lockdown and demand shock



Tourism: hit by COVID-19 outbreak



Sources: NESDC, BOT, MOTS, Krungsri Research

2020 Business Initiatives

Internal Process Improvement

Products / Services Processes Applying RPA

- Increasing operational efficiency
- Reducing manual operations
- Improving services to customers

124,325 hour saved

New Products Launch

Green & ESG Bonds

ptt
SPCG
MINISTRY OF FINANCE

Kept by Krungsri

Kept by krungsri

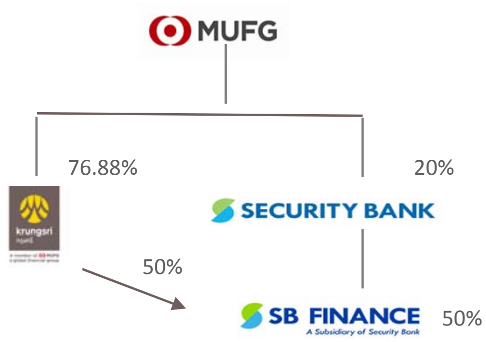
Krungsri i-CONFIRM

Strategic alliance with Grab

Krungsri Finnovate – New Investment

CHOCOCRM
SILOT
omise
ICON Framework
FINNOMENA
Baania
SBI Holdings

Business Acquisition - SBF



2020 Financial Targets

	2019A	1H/2020A	2020F (Original)	Current Outlook
Loan Growth	8.7%	2.0%	5-7%	Moderating from original target given the ongoing global pandemic
Loan Mix: Retail	49%	48%	~ 50%	
NIM	3.6%	3.74%	3.4-3.6%	
Non-Interest Income Growth (%YoY)	6.7%*	-11.7%**	-3% to 3%**	Downside risks from original target due to sharp downturn in consumer spending and business activities
Cost to Income Ratio	45.1%***	41.4%	< 50%	
Provisions	156 bps	188 bps	130-150 bps	Elevated from original target to reflect higher ECL
NPL Ratio	1.98%	2.20%	< 2.5%	
Loan Loss Coverage Ratio	164%	156%	140-150%	

* *Normalized non-interest income growth which excluded the one-time gains on investments from NTL transaction in 1Q/2019. Incorporating the one-time gains on investment from NTL transaction, the non-interest income increased by 31.9% from 2018.*

** *Based on the normalized growth rate in 2019.*

*** *Normalized cost to income ratio (excluding one-time items)*

Appendix

Bank of Thailand and Government Relief Measures
– Credit Relief Measures

Corporate

- Additional working capital loans
- Debt restructuring

SME

- Additional working capital
- Debt restructuring
- Emergency decree
  - ✓ Loan payment holiday for SMEs with total group limit < 100 million baht and non-NPL (as of 31 Dec 19) for 6 months, starting 7 Apr 20
  - ✓ Soft loans for SMEs with total group limit < 500 million baht and non-NPL (as of 31 Dec 19)
    - Maximum limit is 20% of the loan outstanding (as of 31 Dec 19)
    - Interest rate at 2.0% for the period not over 2 years.
- For SMEs with credit limit up to 20 million baht
  - ✓ 3-month grace period on principal
  - ✓ Interest rate reduction at the lender's discretion (starting 1 Apr 20)

Mortgage Loan

Phase I

(Credit limit up to 3 million baht)

- 3-month grace period on principal and interest
- Interest rate reduction at the lender's discretion

Phase II

- 3-month grace period on principal and interest or
- 3-month grace period on principal and interest rate reduction at the lender's discretion or
- Reduce installment amount by extending the term

Hire Purchase

Phase I

(Motorcycles with credit limit up to 35,000 baht, other types of vehicle with credit limit up to 250,000 baht)

- 3-month grace period on principal and interest or
- 6-month grace period on principal

Phase II

- 3-month grace period on principal and interest or
- Reduce installment amount by extending the term

Bank of Thailand and Government Relief Measures
– Credit Relief Measures (Cont.)

Credit Card

Phase I

- Minimum payment will be reduced to 5% in 2020-2021, 8% in 2022 and 10% in 2023
- Change to long-term loans with lower interest rates (starting 1 Apr 20)

Phase II

- Change to long-term loans with 48 installments or extend the term according to borrowers' ability to pay at an interest rate of up to 12% (starting 1 Jul 20)

Personal Loans with Revolving

Phase I

- Change credit card loans to long-term loans with lower interest rates

Phase II

- Reduce minimum payment according to borrowers' ability to pay or
- Change to term loans with 48 installments or extend the term according to borrowers' ability to pay at an interest rate of up to 22%

Personal Loans with Installment and Car for Cash

Phase I

- 3-month grace period on principal and interest or
- Reduction of installment amount by 30% for 6 months (starting 1 Apr 20)

Phase II

- Reduce installment amount by at least 30% with an interest rate of up to 22%

Bank of Thailand and Government Relief Measures (Cont.)

Interest Rate Measures

- The MPC cut the policy rate three times from 1.25% to 0.50% to mitigate the impacts on the economy and reduce interest burdens for borrowers
- Temporarily reduce the rate of contribution to the Financial Institutions Development Fund (FIDF) from 0.46% of deposit base per annum to 0.23%, effective from 1 Jan 20 – 31 Dec 21
- Reduce interest rate ceiling for credit card and personal loans (Effective 1 Aug 20)
  - Credit cards: Reduce to 16% from 18%
  - Personal loan
    - Revolving & installment loans: Reduce to 25% from 28%
    - Car for cash: Reduce to 24% from 28%

Market Liquidity Enhancement to Stabilize the Corporate Bond Market

- The BOT and the Ministry of Finance establish the Corporate Bond Stabilization Fund (BSF) to provide bridge financing to high quality firms with bonds maturing during 2020-2021

Loan Reclassification Measures

- A loan in Stage 2 become performing under the restructuring plans can be reclassified to Stage 1
- An NPL borrower that can make repayments in accordance with the restructuring plan for three consecutive months or period can be reclassified to Stage 1 (previously 12 consecutive payments are required)

Capital Measures

- To suspend interim dividend payments for 2020 and halt share buybacks to preserve capitals amid economic uncertainties going forward
- To propose a comprehensive capital planning and stress testing for the next one to three years, amid concerns over the impact of the pandemic on asset quality, by taking into account economic trends and the potential of debtors' business viability post-pandemic

Krungsri Profile

History of Krungsri

1945
Officially established

2007
BAY and GE became strategic partners

2008
Acquisition of GE Capital Auto Lease, subsequently renamed to Krungsri Auto

2009
Acquisition of
- AIG Retail Bank Pcl.
- AIG Card (Thailand) Co., Ltd.
- Ngern Tid Lor Co., Ltd.
- GE Money Thailand

2012
Acquisition of HSBC Thailand's retail banking businesses

2013
MUFG Bank replaced GE as the strategic shareholder of Krungsri

2015
Integration of MUFG Bank Bangkok Branch into Krungsri

2016
Acquisition of Hattha Kaksekar Limited (HKL)

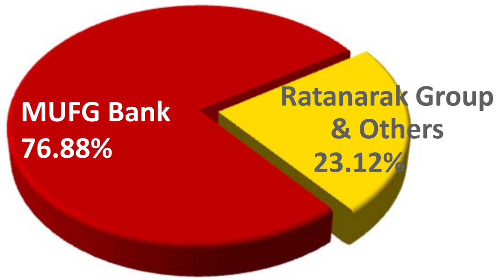
2017
- Established Krungsri Finnovate Company Limited
- Recognized as "A Domestic Systemically Important Bank (D-SIB)" by the BOT

2019
- Announced a plan to acquire 50% of shares of SB Finance Company Inc. (SBF)
- Established Krungsri Nimble Company Limited

Krungsri Group Profile

Shareholding Structure

(as of 11 June 2020)



Krungsri Group

Auto HP	Ayudhya Capital Auto Lease Plc. (AYCAL) Krungsri Leasing Services Co., Ltd. (KLS)
Microfinance	Ngern Tid Lor Co., Ltd. (NTL) Hattha Kaksekar Limited (HKL) Krungsri Non-Deposit Taking Microfinance Institution Co., Ltd. (KSM)
Securities	Krungsri Securities Plc. (KSS)
Investment	Krungsri Asset Management Co., Ltd. (KSAM)
Leasing	Ayudhya Development Leasing Co., Ltd. (ADLC)
IT Services	Krungsri Nimble Co., Ltd. (KSN)
Asset Mgmt.	Krungsri Ayudhya AMC Ltd. (KAMC)
Credit Card, Personal Loan & Sales Finance	Krungsriayudhya Card Co., Ltd. (KCC) Ayudhya Capital Services Co., Ltd. (AYCAP) Tesco Lotus Money Services Ltd. (TMS) General Card Services Ltd. (GCS)
Debt Collection	Total Services Solutions Plc. (TSS)
Support	Siam Realty and Services Security Co., Ltd. (SRS) Hattha Services Co., Ltd. (HSL)
Life Insurance Broker	Krungsri Life Assurance Broker Ltd. (KLAB) Tesco Life Assurance Broker Ltd. (TLAB)
Non-Life Insurance Broker	Krungsri General Insurance Broker Ltd. (KGIB) Tesco General Insurance Broker Ltd. (TGIB)
Venture Capital	Krungsri Finnovate Co. Ltd. (KFin)

International Ratings

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

National Ratings

Fitch Ratings (Thailand)	TRIS Rating
AAA (tha)	AAA

Workforce: **Krungsri Group 33,282 / BAY 15,083**

Leadership Position

As of June 2020	Market Position	% Share
Consumer		
Personal Loan	1	30%
Credit Card	1	16%
Auto (HP)	1	29%
SME	5	5%
Corporate	5	12%

Extensive Franchise: 33,461 Service Outlets

As of June 2020	Number
Domestic Branches	683 *
Overseas Branches	2
Representative Office	1
ATMs	6,638
Exchange Booths	82
Krungsri Exclusive / Krungsri The Advisory	42 / 5
Krungsri Business Centers	62

As of June 2020	Number
First Choice Branches	138 Branches
+ Dealers	+ 22,365 Dealers
Krungsri Auto Dealers	> 8,848 Dealers
Microfinance Branches	1,056
Microfinance Overseas Branches (HKL)	177
EDC Machines	85,192
Banking Agents Touch Points **	> 135,126

* *Krungsri domestic branches = 683 branches, of which 643 are Banking Branches and 40 are Auto Business Branches*

** *Banking agents' touch points: Thai Post Offices, Boonterm Kiosks, Counter Service 7-11, Max Mart in PT gas stations, Bank of Agriculture and Agricultural Cooperatives, and Big C*

Best Sustainable Bank in Thailand

First time FinanceAsia has bestowed this award in Thailand

Contact

Corporate Affairs Department

Telephone : (662) 296 2977

Fax : (662) 683 1341

E-mail : irgroup@krungsri.com

Krungsri Website :

www.krungsri.com