

Krungsri records net profit of 32.7 billion baht for 2019, up 32.0% from 2018

Bangkok (20 January 2020) – **Krungsri** (Bank of Ayudhya PCL and its business units) announced a record performance for 2019 with a net profit of 32.7 billion baht, a robust 32.0% increase from 2018. The increase in net profit was attributed to significant higher non-interest income, and higher net interest income, supported by a healthy loan growth of 8.7%.

Key highlights of Krungsri's consolidated 2019 results:

- **Net Profit:** Increased to 32.7 billion baht, representing a 32.0% increase from 2018. (Excluding the one-off items in 2019, the normalized net profit for the year recorded at 26.9 billion baht, an 8.6% increase from 2018.)
- **Loan Growth:** Increased by 8.7%, or 146 billion baht, compared to December 2018. Loan growth was broad-based, covering all key customer segments. Reflecting Krungsri's industry leadership position, the retail segment was the leading catalyst with a notable increase of 11.1%, followed by the commercial segment with an increase of 6.6%.
- **Deposit Growth:** Increased by 9.9%, or 141 billion baht, compared to December 2018.
- **Net Interest Margin (NIM):** Recorded a 3.60%, moderating from 3.81% in 2018.
- **Non-interest Income:** Significantly increased by 31.9% from 2018, mainly driven by the recognition of gains on investments from the Ngern Tid Lor (NTL) transaction and a share of profit from investment.
- **Cost to Income Ratio:** Improved to 42.9% from 47.2% in 2018. (Excluding the one-off items in 2019, the normalized cost to income ratio was recorded at 45.1% for the year.)
- **Non-Performing Loans (NPLs):** Recorded at 1.98%, improved from 2.08% in 2018.
- **Coverage Ratio:** Strongly stood at 163.8%.
- **Capital Adequacy Ratio:** Recorded at 16.56%.

Krungsri President and Chief Executive Officer Mr. Seiichiro Akita said, “Notwithstanding the weakening operating environment, buoyed by the strong fundamental, Krungsri delivered a record net profit of 32.7 billion baht, a 32.0 percent increase from the year before. Loan growth was also robust at 8.7 percent, exceeding the Bank’s target range of 6 - 8 percent. These reflected the Bank’s agility in realigning our loan portfolio toward high-yield segments, thus moving Krungsri closer to the target optimal portfolio mix between retail and commercial loans at a 50:50 ratio.”

Commenting on **the overall business outlook for 2020**, Mr. Akita said, “Despite the improved outlook on the global economy, uncertainties pertaining to trade tensions and geopolitical risks remain high. Continued accommodative monetary policy together with fiscal stimulus measures as well as the expected acceleration in public investment will provide support required to maintain Thailand’s economic growth momentum for 2020 at around 2.5 percent. Consequently, Krungsri prudently sets a loan growth target of 5 - 7 percent for the year.”

As of 31 December 2019, Krungsri, Thailand’s fifth largest bank in terms of assets, loans and deposits, and one of Thailand’s five Domestic Systemically Important Banks (D-SIBs), reported 1.82 trillion baht in loans, 1.57 trillion baht in deposits, and 2.36 trillion baht in total assets. The Bank’s capital was strong at 267.01 billion baht, equivalent to 16.56% of risk-weighted assets, with 11.89% in common equity tier 1 capital.

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About Krungsri

Krungsri (Bank of Ayudhya PCL and its group companies) is the fifth largest financial group in Thailand in terms of assets, loans, and deposits, and one of Thailand’s five Domestic Systemically Important Banks (D-SIBs) with 75 years of history in the country. Krungsri is a strategic member of the Mitsubishi UFJ Financial Group (MUFG), Japan’s largest financial group and one of the world’s largest financial organizations. Krungsri provides a comprehensive range of banking, consumer finance, investment, asset management, and other financial products and services to individual consumers, SMEs, and large corporations through 690 branches (650 Banking Branches and 40 Auto Business Branches) and over 34,902 service outlets nationwide. The Krungsri Group is the largest card issuer in Thailand with 9.1 million credit cards, sales finance, and personal loan accounts in its portfolio; a major automobile financing service provider (Krungsri Auto); one of the fastest growing asset management companies (Krungsri Asset Management); and a pioneer in microfinance (Ngern Tid Lor).

Krungsri is strongly committed to the highest level of integrity in conducting its business. All Krungsri Group companies have been awarded accreditation from the Private Sector Collective Action Coalition Against Corruption (CAC) in collaboration with industry peers and stakeholders on a zero tolerance approach to corruption.

About MUFG (Mitsubishi UFJ Financial Group, Inc.)

Mitsubishi UFJ Financial Group, Inc. (MUFG) is one of the world's leading financial groups. Headquartered in Tokyo with over 360 years of history, MUFG is a global network with over 3,000 offices in more than 50 markets. The Group has over 180,000 employees, and offers services including commercial banking, trust banking, securities, credit cards, consumer finance, asset management, and leasing. The Group aims to "be the world's most trusted financial group" through close collaboration among our operating companies and flexibly respond to all of the financial needs of our customers, serving society, and fostering shared and sustainable growth for a better world. MUFG's shares trade on the Tokyo, Nagoya, and New York stock exchanges. For more information, visit <https://www.mufg.jp/english>.

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