



1Q2024 Financial Results

Analyst Meeting Presentation

April 2024

Agenda



1Q2024 Operating Environment



1Q2024 Key Financial Highlights



1Q2024 Operating Environment



The Thai economic recovery continues but remains uneven with the rebound in exports and improvement in the number of foreign tourists as main drivers.



	2023	2024F
GDP Thai (%YoY)	1.9	2.7
Consumption		
Private (%YoY)	7.1	2.9
Public (%YoY)	-4.6	2.1
Investment		
Private (%YoY)	3.2	3.4
Public (%YoY)	-4.6	2.0
Exports USD (%YoY)	-1.7	1.8
Imports USD (%YoY)	-3.1	2.0
Inflation (%)	1.2	1.0
Foreign Tourists (mn)	28.2	34.5
Interest rate (%)	2.50	2.00 - 2.50
USD/THB (Year Range)	33.2-36.5	32.5-36.0

Private consumption growth is likely to be limited due to high level of household debt

Public consumption to normalize following the disbursement after FY2024 budget approval

Private investment further expand in line with a recovery in exports.

Public investment may bounce back after the materialization of FY2024 budget disbursement

Exports growth driven by some markets, e.g. Asia, and the revival of electronic cycle

Imports growth may turn positive aligned with improving exports and investment

Inflation rate stay low from cost-of-living alleviation measures

Foreign tourists continue to improve which may reach 34-35 million in 2024

Policy rate possibility of rate cut

USD/THB expected to be volatile given uncertain US monetary policy expectation

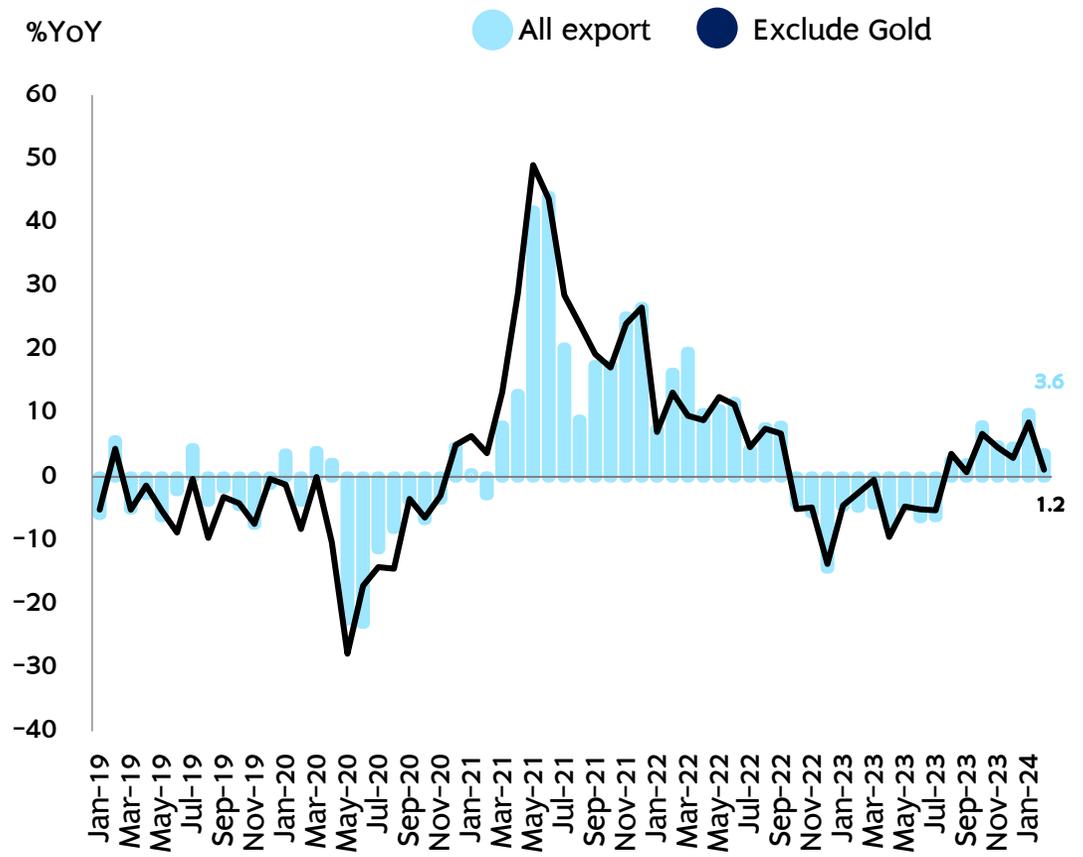
- Continuously rising number of foreign tourists, supported by Thai-China visa exemption and visa-free scheme for targeted travelers
- Improvement of labor market in line with the resumption of economic activities especially services sectors
- Implementation of government measures to stimulate growth and ease economic difficulties for vulnerable groups
- Moving towards BCG economy and ESG enhancing business transformation and investment

- Tightening financial condition could limit global economic growth
- Likely protracted wars will push up transportation and logistics costs and pose risks to exports
- US economic policy pivot and intensifying trade war poses downside risks to major economies esp. China
- Fragile Thai household and SMEs remain burdened by high debt amid incomplete recovery
- The drought from El Nino could cause a reduction in agricultural production

Risks to exports amid geopolitical reset

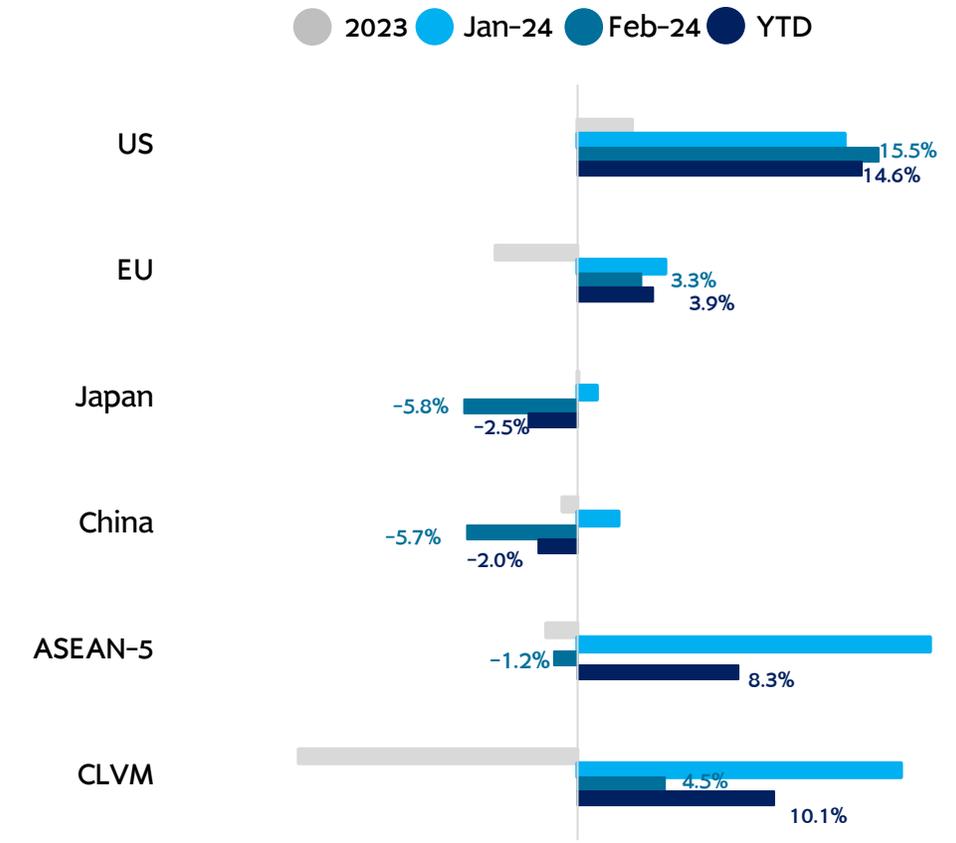
Apart from the escalated geopolitical tension, exports recovery also face headwinds from structural problems and competitiveness in the global markets.

Thai merchandise export growth



Source: Ministry of Commerce

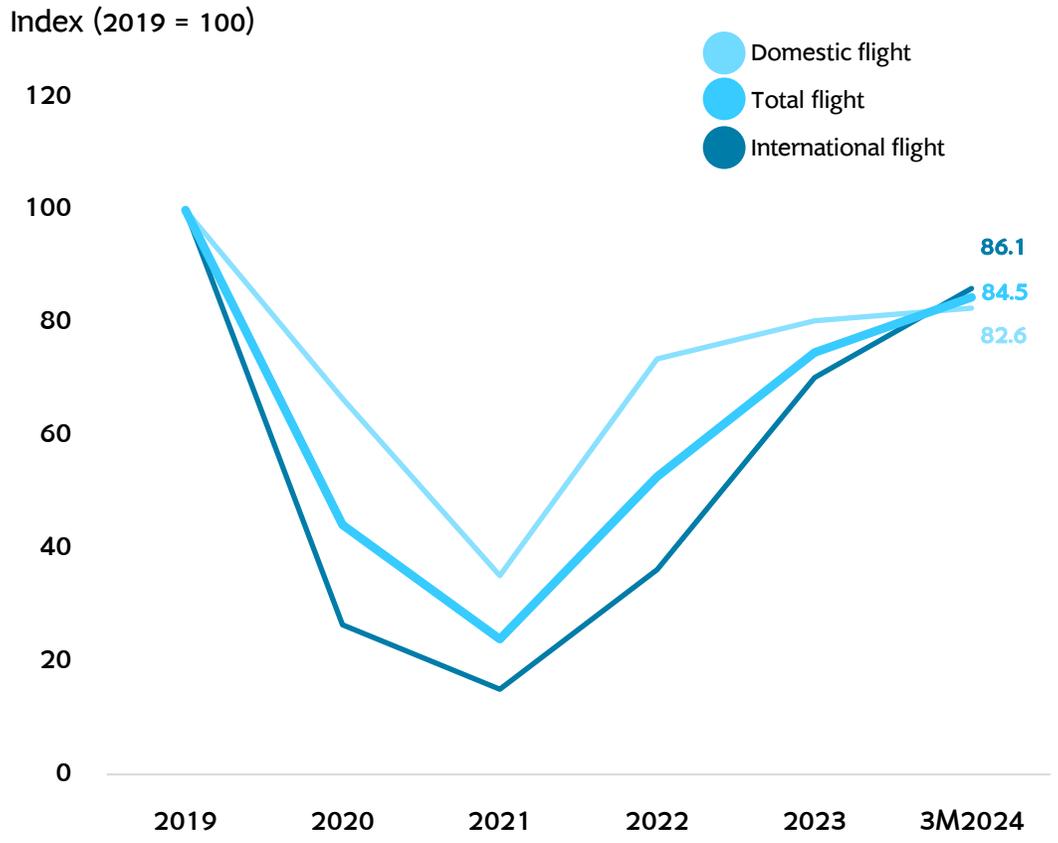
Thai exports classified by major markets



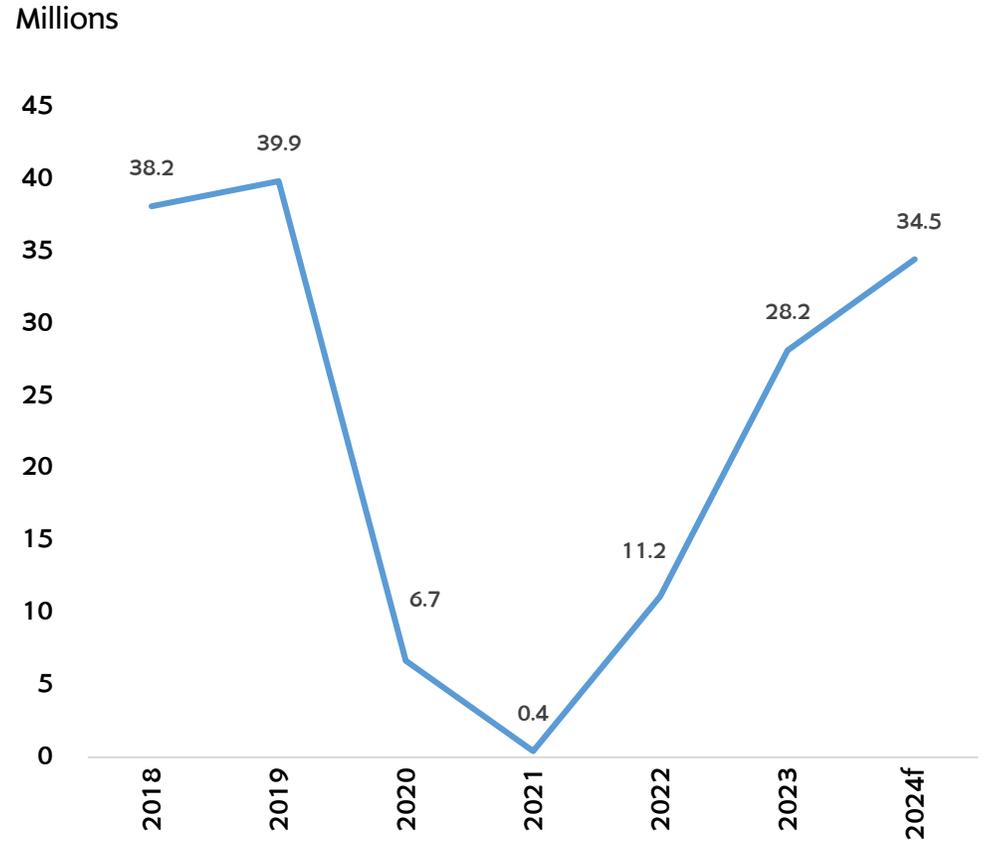
Tourism supports further economic recovery

Tourism sector has rebounded continually as the flights are returning to the pre-pandemic level. Implementation of visa-free measures have bolstered the recovery of the tourism-related activities. The number of foreign tourists in 2024 is projected to be around 34-35 million.

Average number of flights per month



Number of foreign tourists

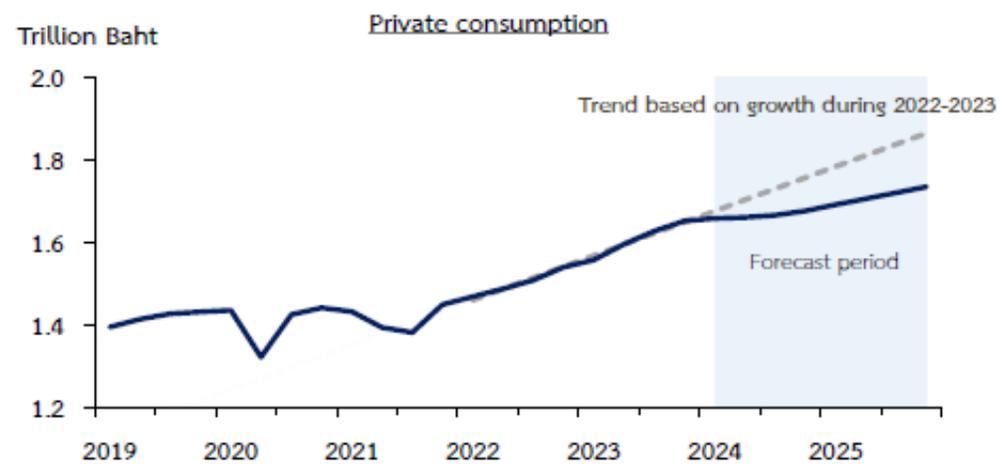


Source: Ministry of Tourism and Sports, forecasted by Krungthai COMPASS

Possibility of BOT relaxing monetary policy

The Bank of Thailand (BOT)'s latest assessment in April 2024 views that the Thai economy is expected to experience a limited growth by 2.6% in 2024. In terms of inflation, the BOT projects that headline inflation in 2024 will be around 0.6% on average, below the lower bound of target range. Given the likely below potential growth associated with muted inflation in 2024, policy rate cuts are a possibility this year.

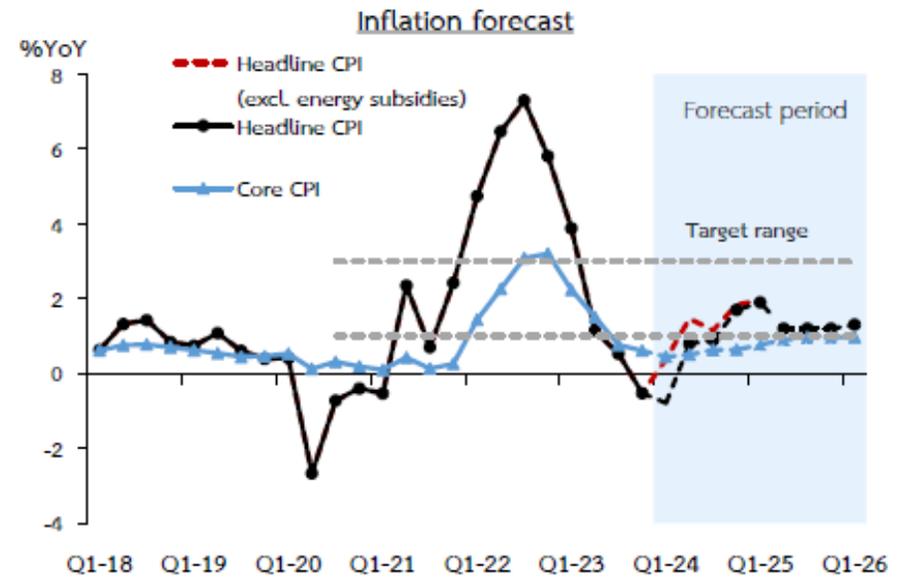
Likely weakening demand momentum suggests private consumption to grow below the previous trend



Private consumption (Real Term)	2023	2024F	2025F
%YoY	7.1	3.5	2.9
%QoQ sa	1.8	0.4	0.8

Note: Average of 2015-19: %YoY = 3.4, %QoQsa = 0.9

The annual average of headline inflation in 2024 is expected to stay underneath the target range



%YoY	2023	2024F	2025F
Core CPI	1.3	0.6	0.9
Headline CPI	1.2	0.6	1.3
- Excluding energy subsidies		1.2	



1Q2024 Key Financial Highlights

Sustainable performance reflecting our strategy : Reshaping Client Value Proposition



Growing together for SUSTAINABILITY

With sustainable financial results

- Loan expansion from portfolio optimization
- Sustainable income growth as we grow in alignment with our transformation journey
- Effective Cost to Income management in place with NPA prudent management and IT investment for future
- Prudent and flexible asset quality management with high coverage ratio for uncertainties

Empowering BETTER LIFE for all Thai

Leveraging innovation for financial inclusion

Paotang



40 million
users

Krungthai
NEXT



18 million
users

Tung Ngern



2 million
merchants

Krungthai
CONNEXT



22 million
users

1Q2024 Financial Performance



Financial Performance

(Baht bn)

	2022	2023	%YoY	1Q24	%YoY	%QoQ
Income	125.4	149.5	19%	40.7	15%	3%
NII	90.4	113.4	25%	29.6	15%	-3%
Non NII	35.0	36.0	3%	11.1	15%	21%
Net Fee Income	20.3	20.9	3%	5.6	9%	3%
Non-Fee Income	14.7	15.2	3%	5.6	23%	47%
OPEX	54.8	62.2	13%	17.7	30%	0%
Operating Profit	70.6	87.3	24%	23.0	6%	5%
ECL Expenses	24.3	37.1	52%	8.0	-1%	-39%
Net Profit	33.7	36.6	9%	11.1	10%	81%
Loan	2,592.8	2,576.5	-0.6%	2,618.2	1.4%	1.6%
Loan ex Gov	2,165.4	2,198.6	1.5%	2,194.3	1.2%	-0.2%

Key Ratios

	2022	2023	%YoY	1Q24	%YoY	%QoQ
Profitability						
%NIM	2.60%	3.22%	0.62%	3.31%	0.31%	-0.10%
%Cost/Income	43.7%	41.6%	-2.1%	43.6%	4.9%	-1.2%
%ROE ^{1/}	9.15%	9.40%	0.25%	10.87%	0.21%	4.76%
%ROA ^{1/}	0.94%	1.01%	0.07%	1.21%	0.07%	0.55%
Asset Quality						
%NPL	3.26%	3.08%	-0.18%	3.14%	-0.08%	0.06%
%Coverage ^{2/}	179.7%	181.3%	1.5%	181.8%	-1.4%	0.5%
%Credit cost	0.93%	1.43%	0.50%	1.24%	-0.03%	-0.75%
Capital (Bank only)						
% CET 1	15.59%	16.54%	0.95%	16.42%	0.79%	-0.12%
%CAR	19.68%	20.64%	0.96%	20.50%	0.75%	-0.14%

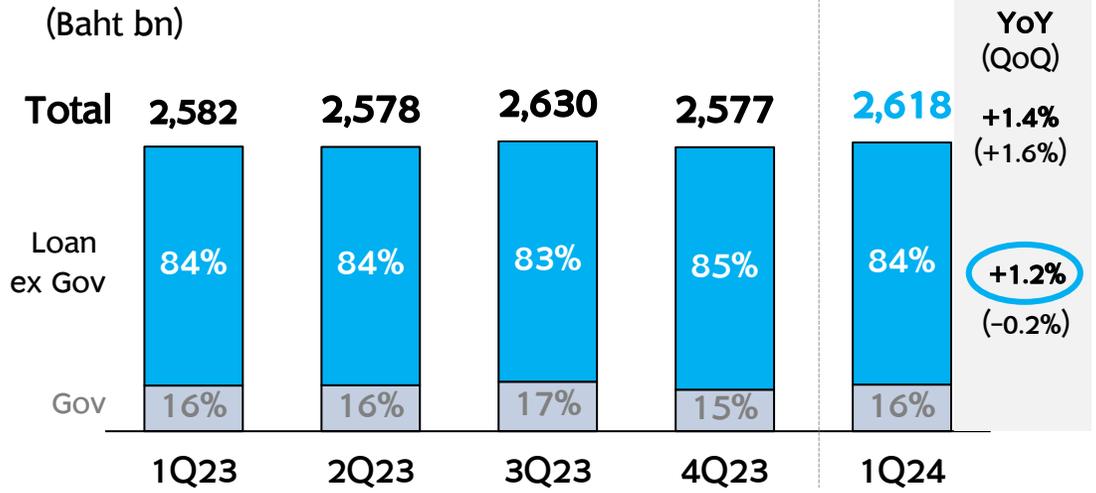
1/ Net profit, ROE, ROA represented for equity holders of the bank

2/ Coverage ratio = Allowance for expected credit losses (loans, interbank & money market items, loan commitments and financial guarantee contracts) / gross NPLs.

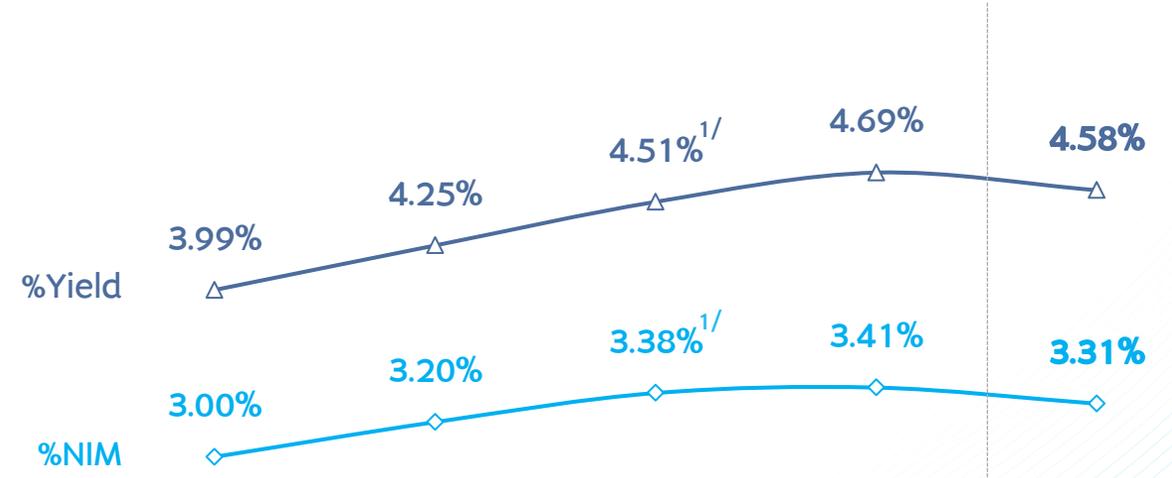
From 2Q23, coverage ratio presented in net allowance of expected credit losses stage 3

A humble loan growth in line with our strategy

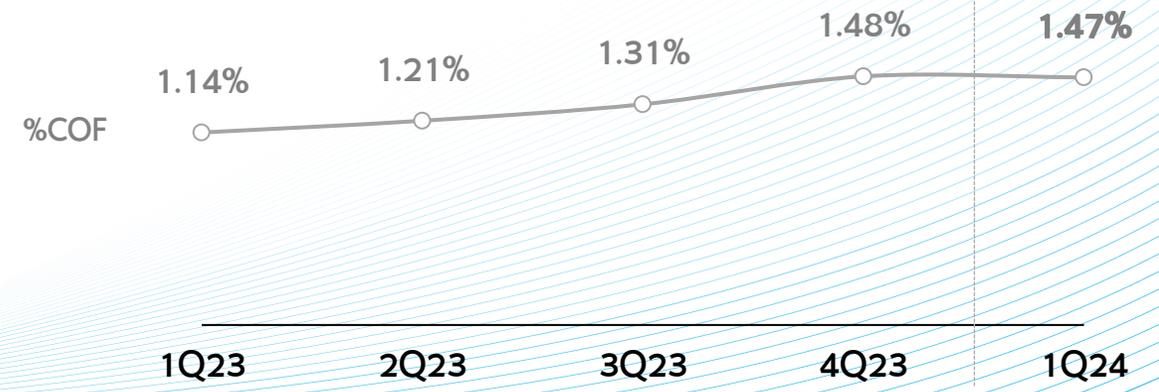
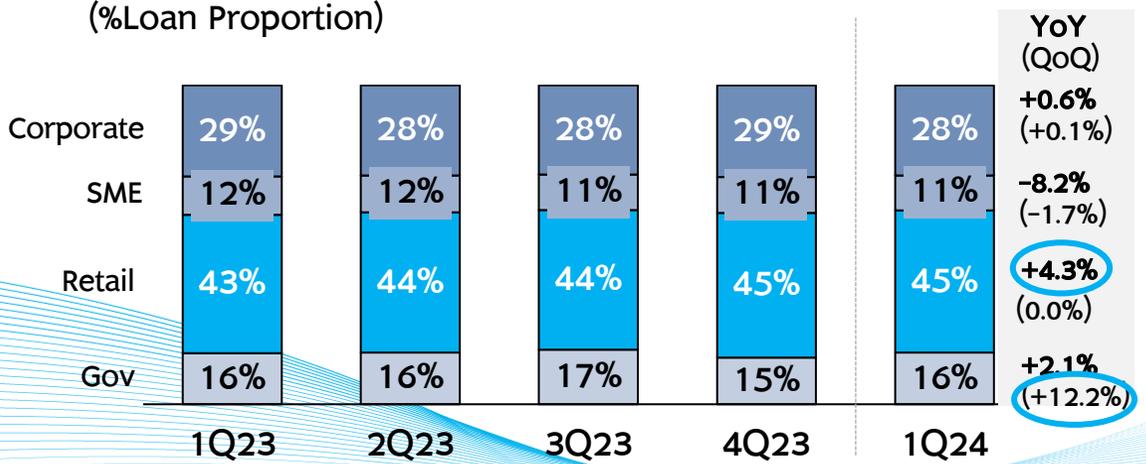
Continuing loan growth from portfolio optimization



NIM decline vs previous quarter from a justified risk adjusted return



Key driver being Government in economic challenges



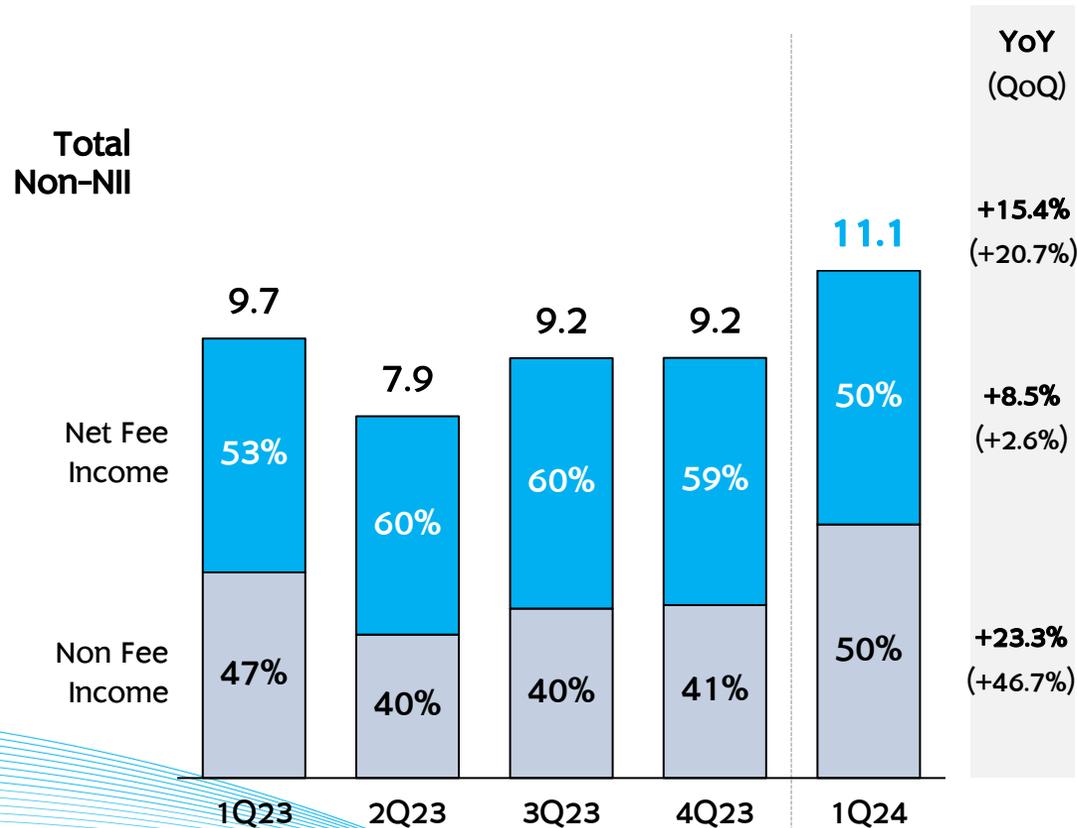
1/ 3Q23 Yield and NIM inclusive of special interest income from Corporate client

Fee continuing expansion from Banca and Credit Card amid customer behavior shift

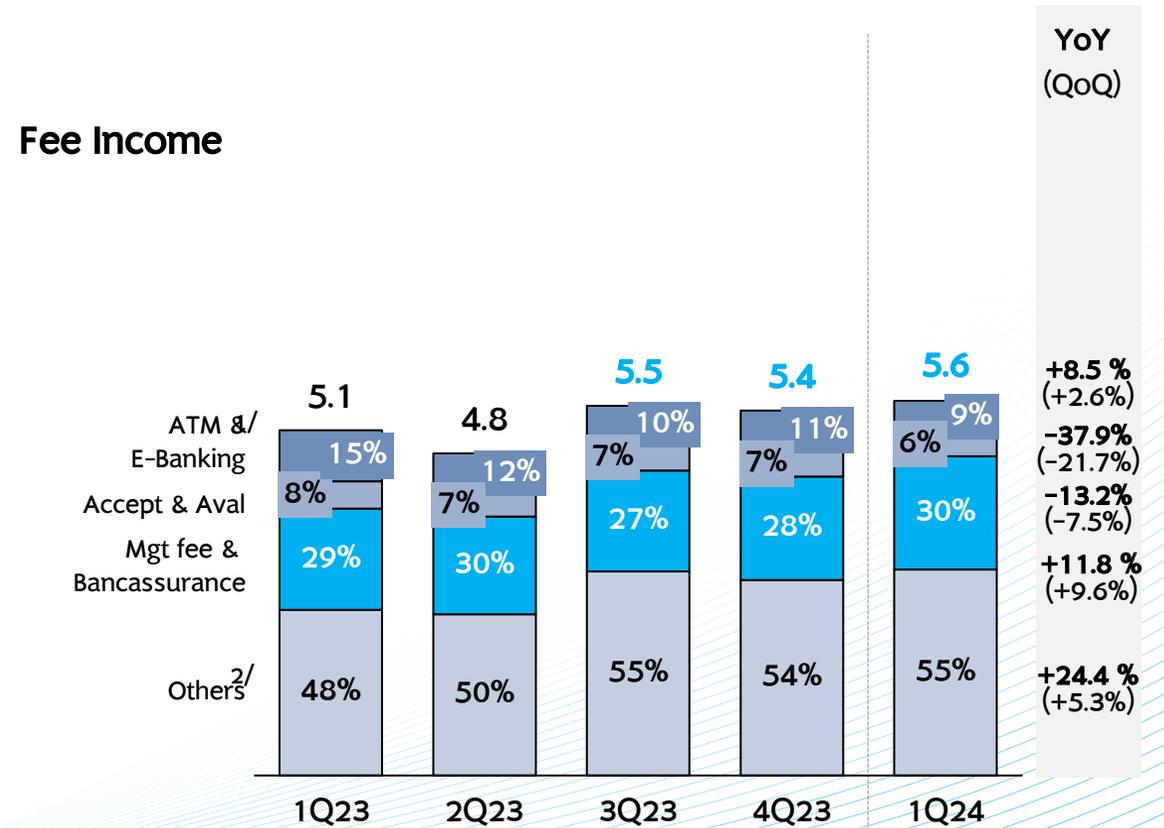


➤ Non-NII uplifted from recovery income (Baht bn)

➤ Fee income growth from Banca and credit card though soft transactional fee (Baht bn, % Proportion Fee Income)



Note: 2023 total Non-NII +3.0%YoY



Note: 2023 Net fee income +2.7%YoY

1/ ATM & E-Banking fee less total fee expenses

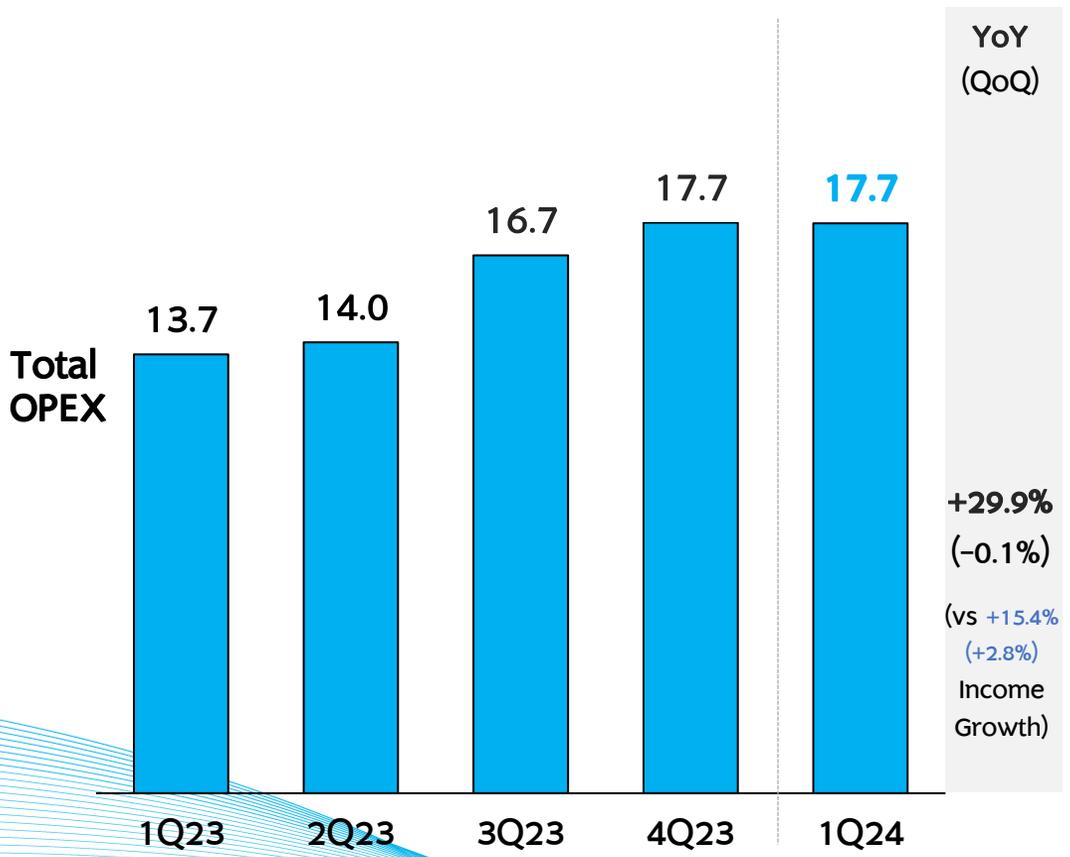
2/ Others fee includes fee from KTC, Global Market, and other services

Effective comprehensive cost to income management



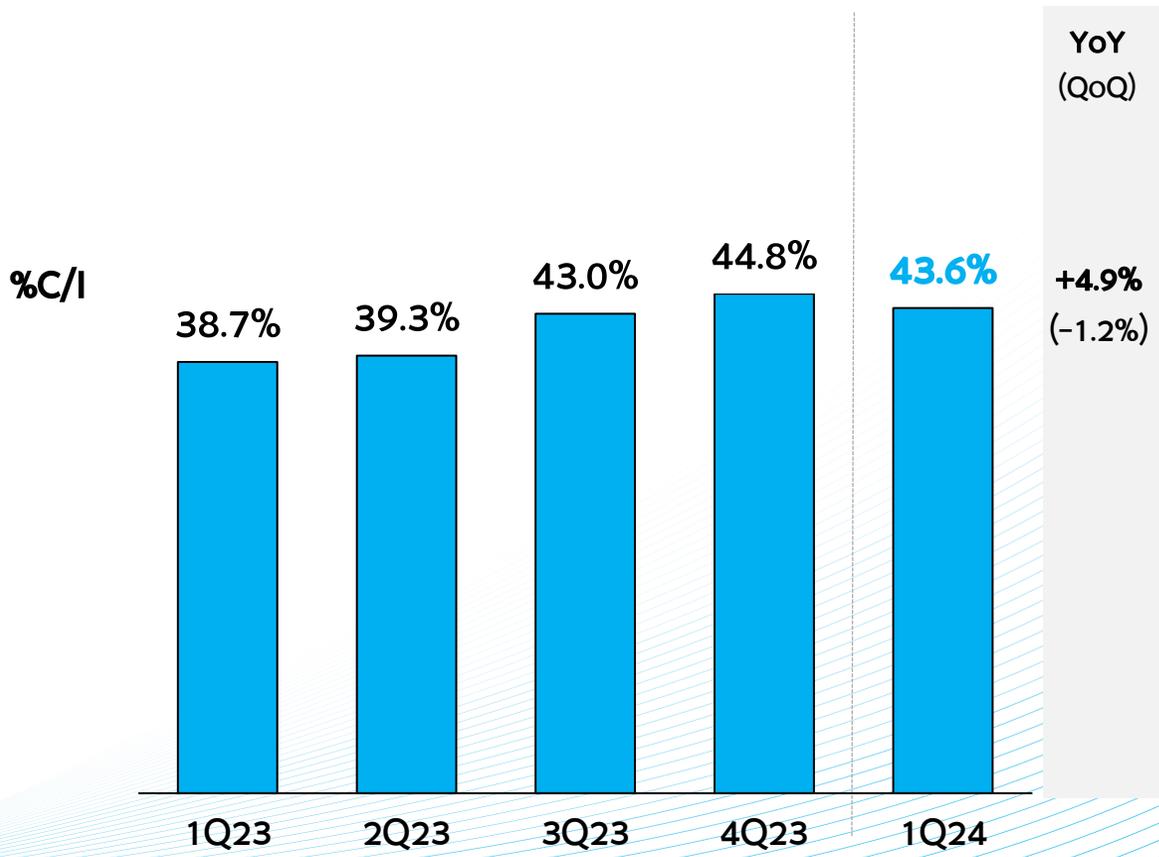
➤ Cost focus on NPA management and IT investment for future

(Baht bn)



➤ In an effective cost to income management

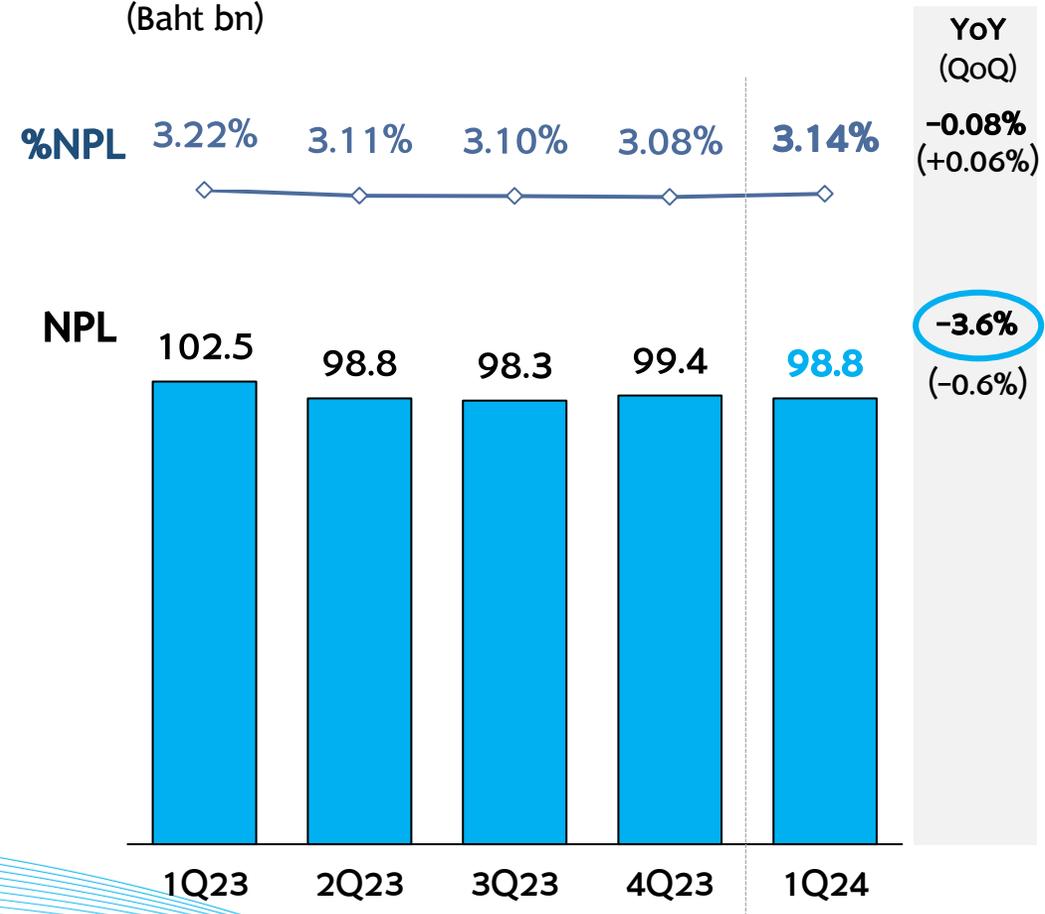
(%Cost to income)



Prudent and flexible asset quality management with high coverage ratio

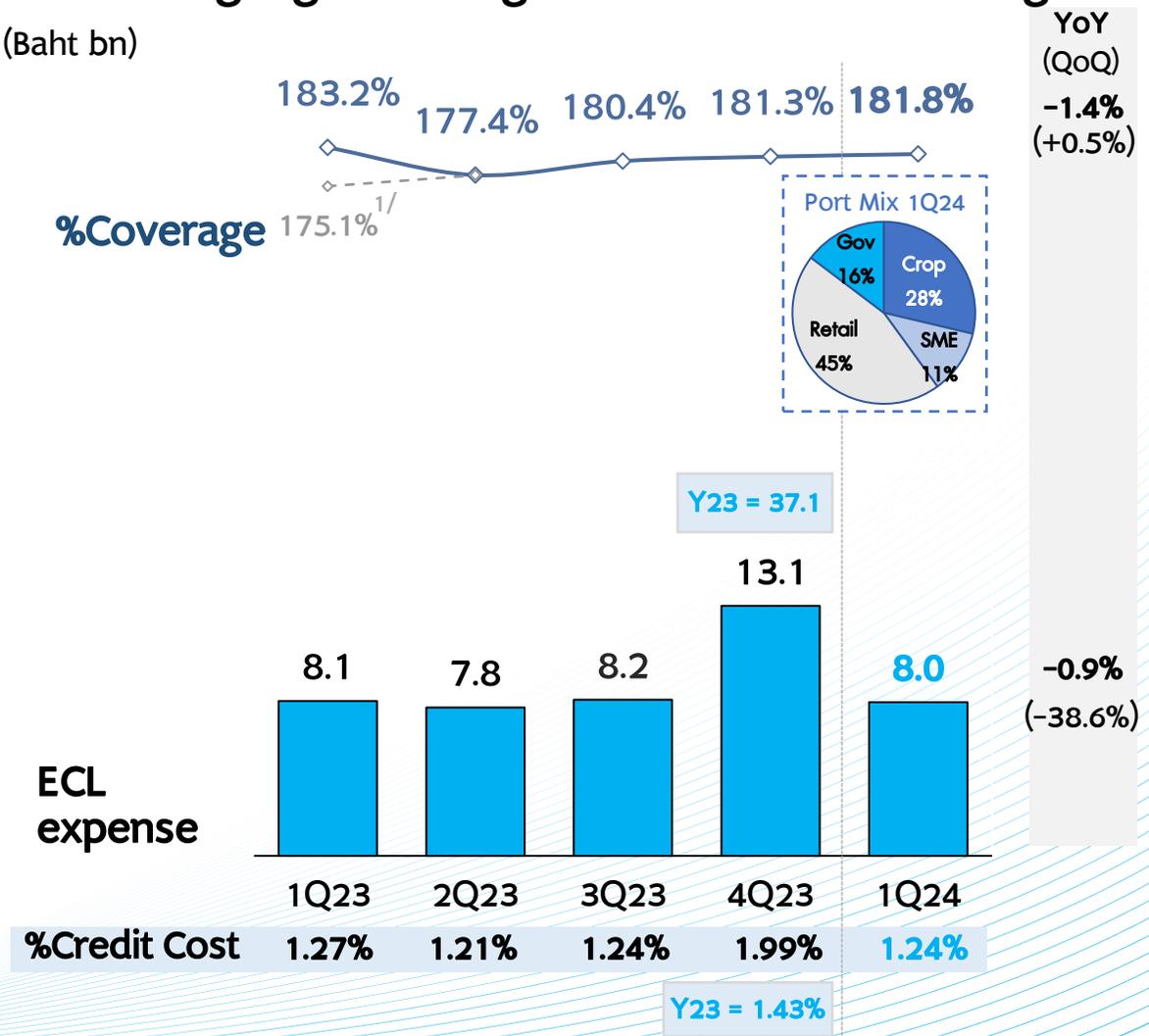
➤ NPL continued to improve

(Baht bn)



➤ Maintaining high coverage ratio in macro challenges

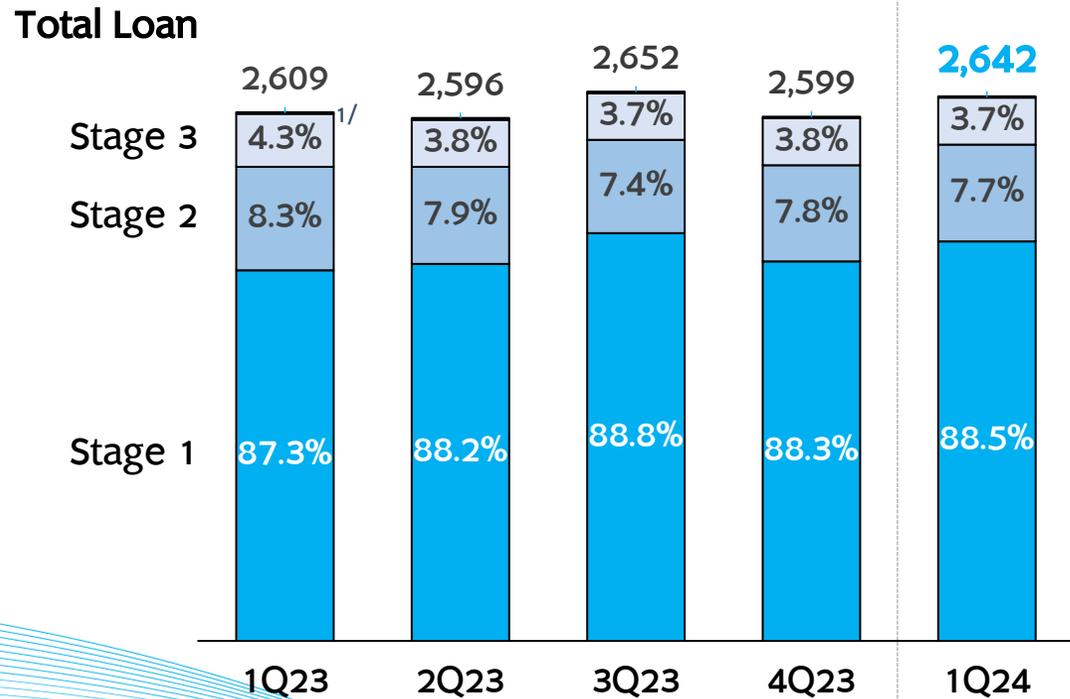
(Baht bn)



1/ Coverage ratio adjusted presentation of net allowance for stage 3 accrued interest

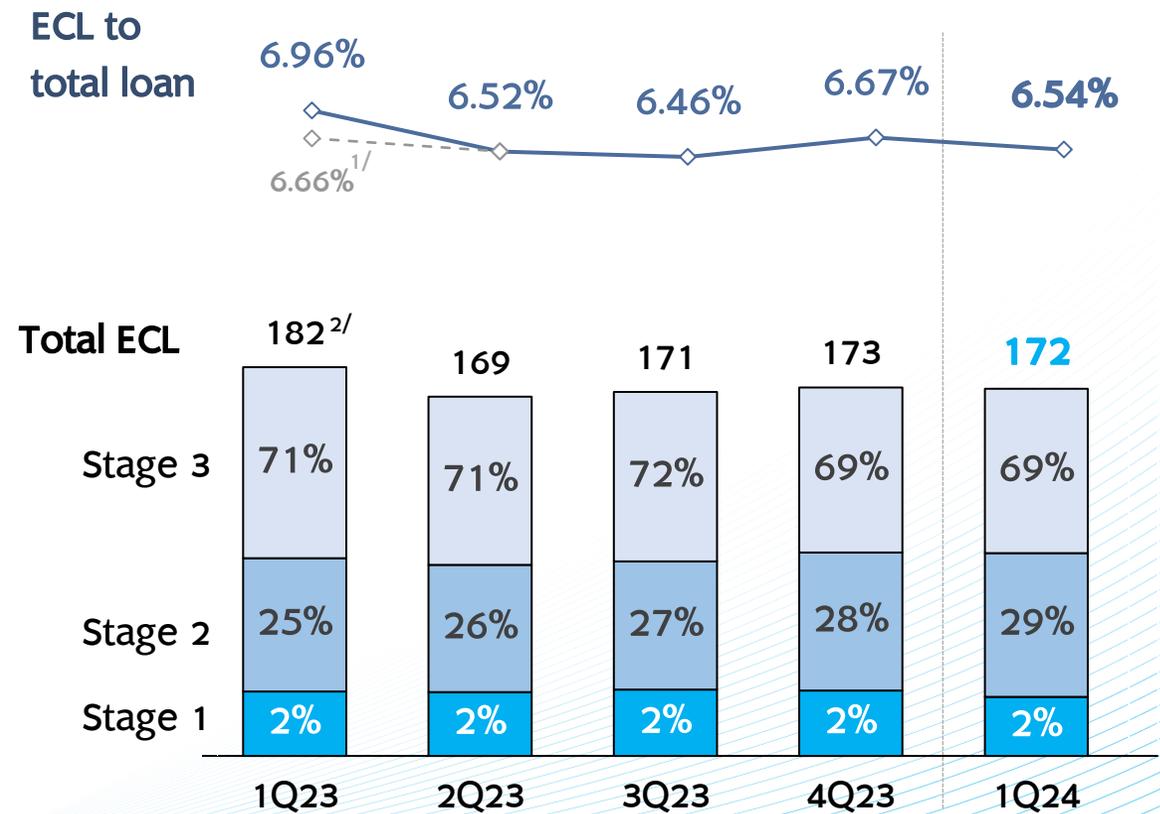
Actively and vigilantly managed portfolio by stage

➤ **Loan and accrued interest by stage**
(Baht bn)



1/ %stage 3 to Loan would be 3.9% respectively for 1Q23 with adjusted presentation of net allowance for stage 3 accrued interest

➤ **ECL on loan and accrued interest by stage**
(Baht bn, %ECL to loan)

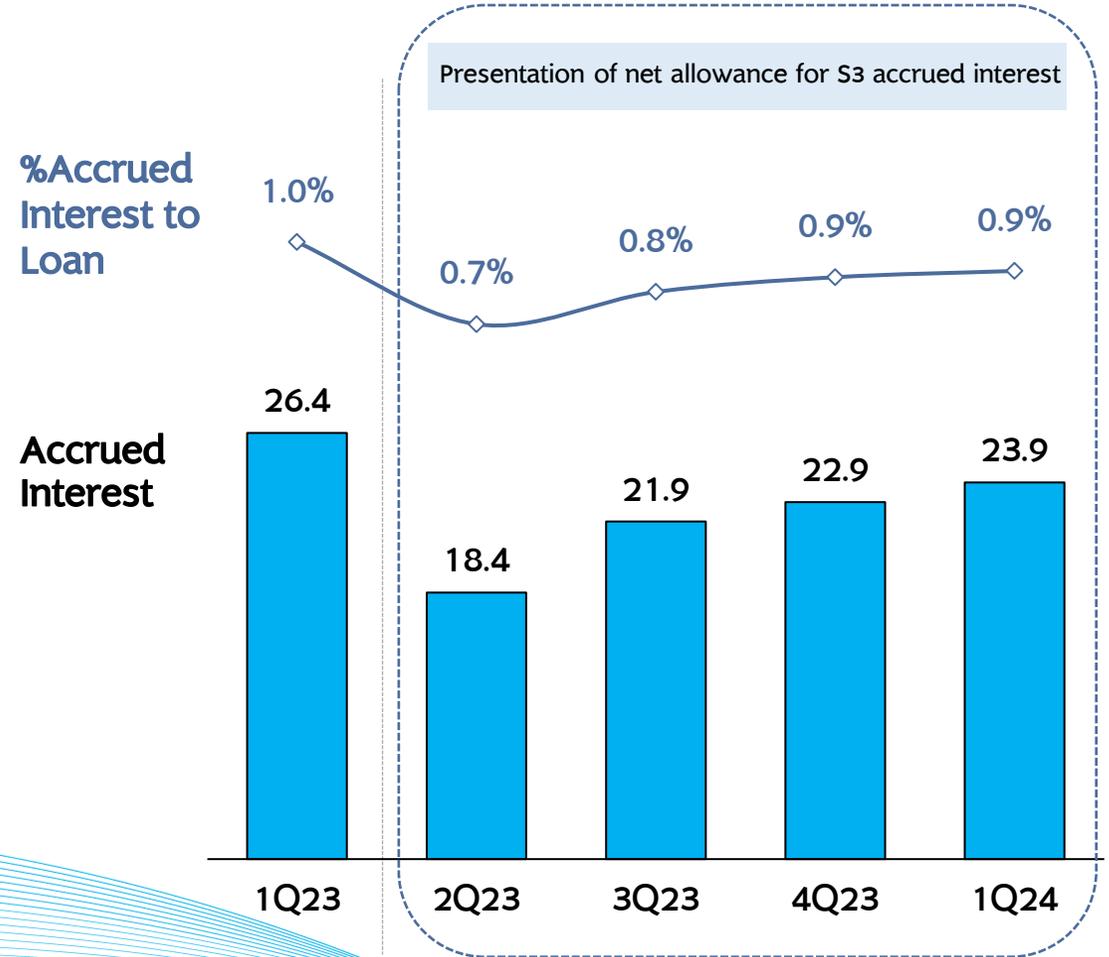


1/ %ECL to loan with adjusted presentation of net allowance for stage3 accrued interest

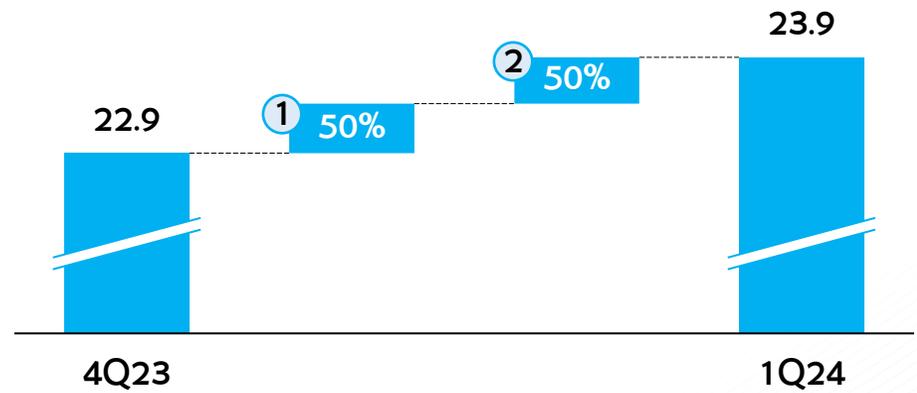
2/ ECL would be 173bn for 1Q23 respectively if with adjusted presentation of net allowance for stage 3 accrued interest

Accrued Interest increases from normal loan

Accrued Interest (Baht bn)



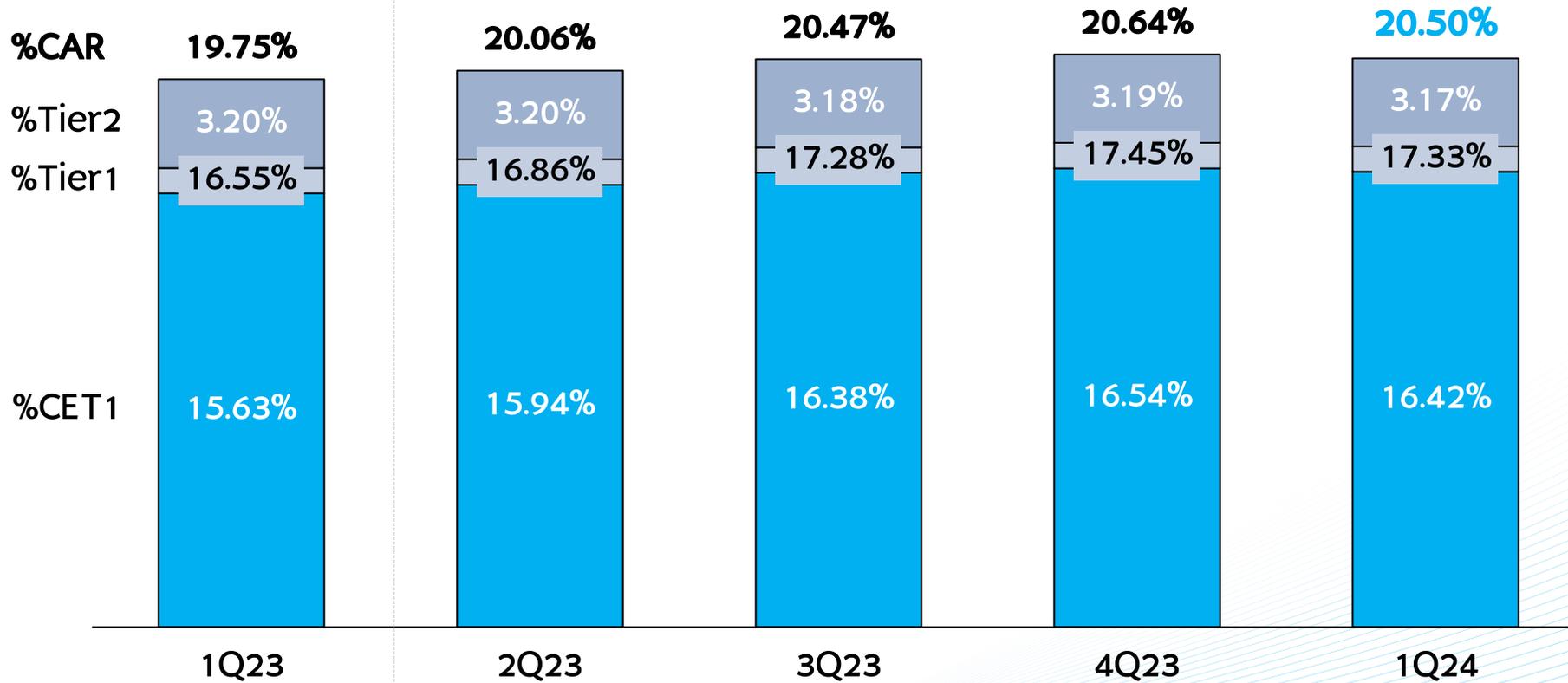
Accrued Interest movement (Baht bn)



Strong capital position to support growth



➤ %Capital Ratio *(bank only)*



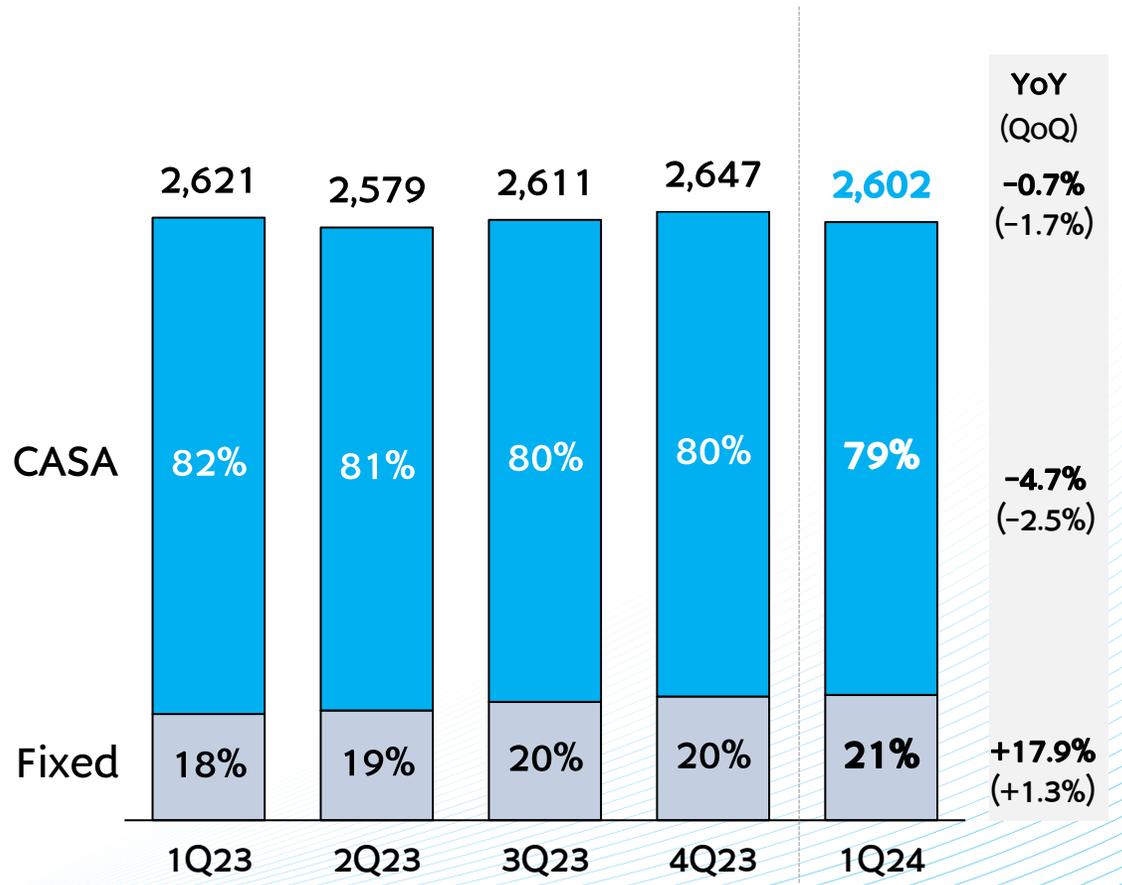
Maintaining liquidity position with high %CASA

Loan to Deposit Ratio



Deposit by type

(Baht bn)



YoY (QoQ)
 -0.7% (-1.7%)
 -4.7% (-2.5%)
 +17.9% (+1.3%)

2024 Financial Targets vs 1Q2024 Performance



	1Q2024 Actual	2024 Targets
Loan Growth (%YoY)	1.4%	Around 3%
Net Interest Margin (%)	3.31%	3.0% - 3.3%
Fee Income Growth (%YoY)	8.5%	Low to mid Single Digit
Cost to Income Ratio (%)	43.6%	Low to Mid 40s
NPL (%)	3.14%	< 3.25%
Credit Cost (bps)	124 bps	120 - 130 bps
Coverage Ratio (%)	181.8%	170% +



Thank you

Krungthai Bank PCL

Website : krungthai.com/th/investor-relations

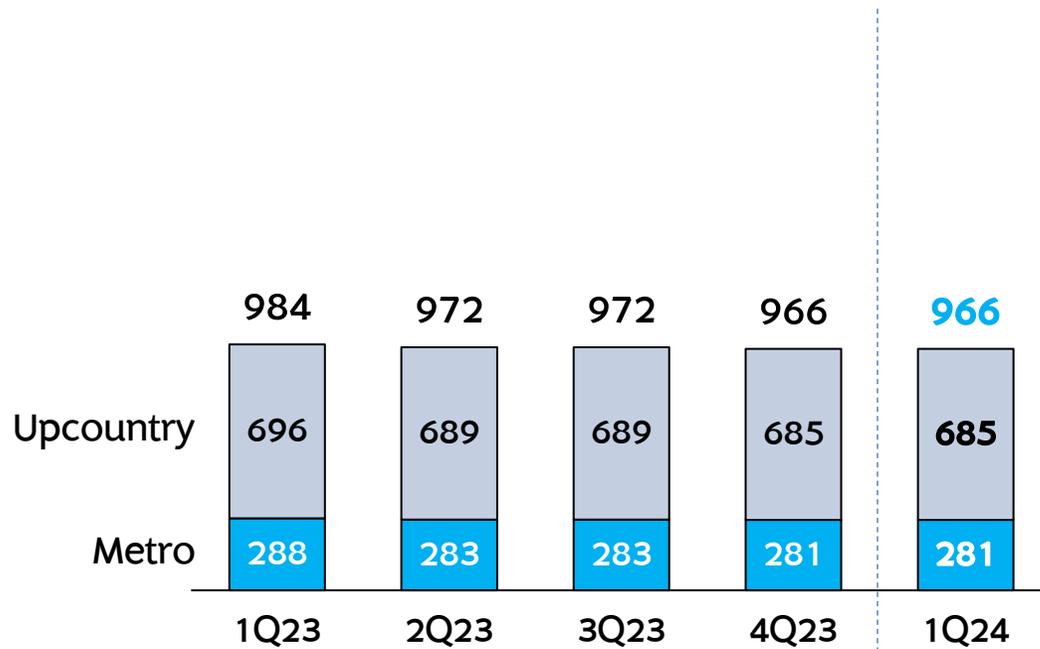
Tel : 0-2208-3668-9

Email : IR@krungthai.com

Appendix

Branches*

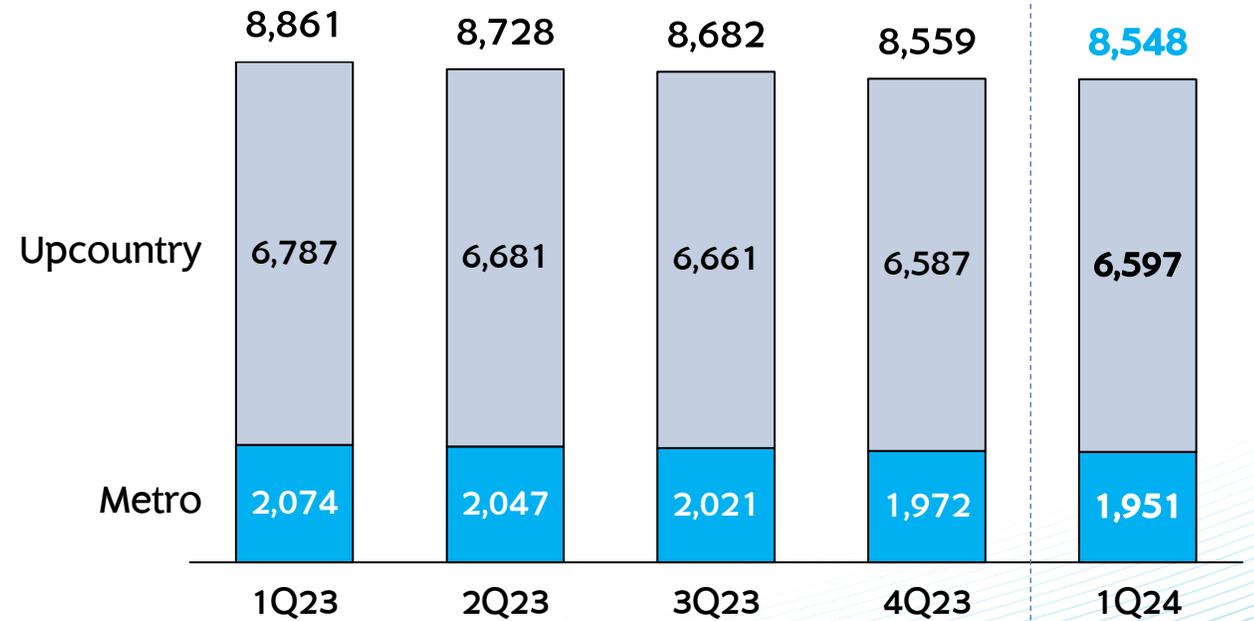
(unit: branches)



* Including Head Office

ATMs*

(unit: machines)



* Including all cash withdrawal machines

Disclaimer

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In addition, the information contains projections and forward-looking statements that reflect the company's current views with respect to future events and financial performance.

These views are based on assumptions subject to various risks. No assurance can be given that future events will occur, that projections will be achieved, or that the company's assumptions are correct.

Actual results may differ materially from those projected.