



Krungthai
กรุงไทย

UBS Asian Investment Conference

Krungthai's Investor Presentation
29 – 30 May 2024

Agenda



Overview of Krungthai



Business Strategy



2024 Financial Plan

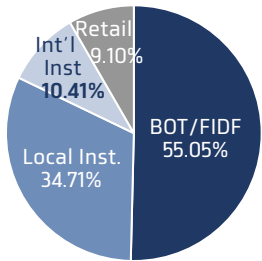
Krungthai Bank – A top tier Thai Commercial Bank



Growing together for sustainability



Over 58 years of operations
(Listed since 1989)



Shareholding Structure

The only state commercial bank in Thailand, 55.05%* owned by BOT



Over 30 years as the sole government cash management bank



Largest branch network with strong ATM presence and digital platforms



Strong capital position

99 (#3)
US\$, bn Ranked

Asset

70 (#2)
US\$, bn Ranked

Loan

9.4 (#1)
% Ranked

%ROE

966 (#1)
Ranked

Branch

20.7 (#1)
% Ranked

%CAR

Note: Information as of Dec23

* % of the Bank's outstanding ordinary and preferred shares

Our Transformation Journey since 2014 & continuing



DERISKING BY DRIVING RETAIL ASSET ORIGINATION

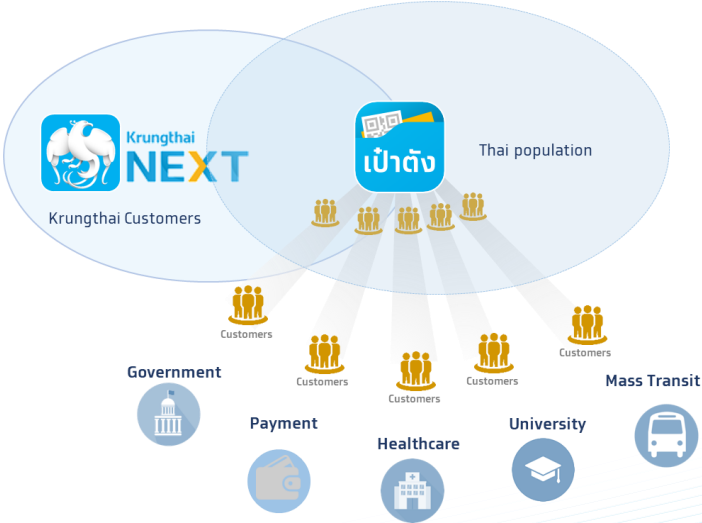
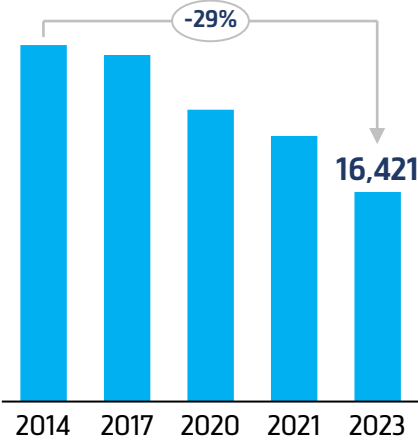
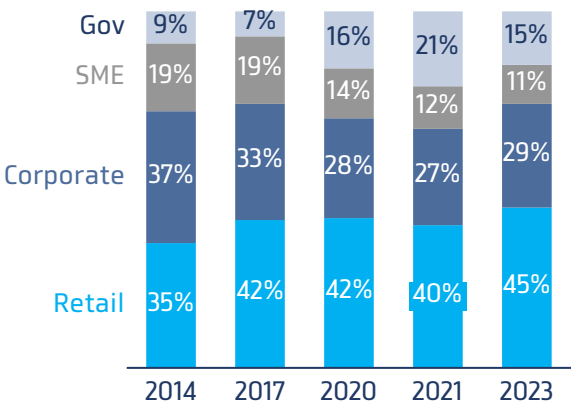
STREAMLINING OPERATIONS

DIGITAL TRANSFORMATION "OPEN FINANCE"

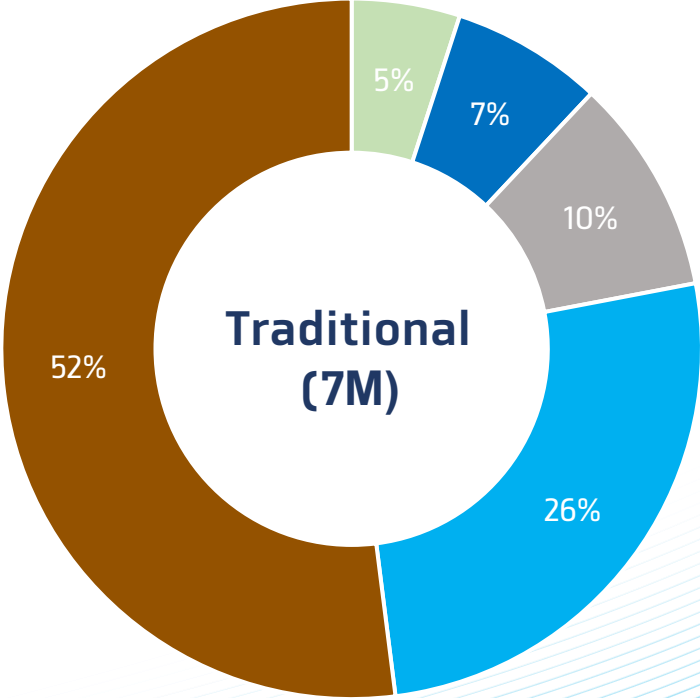
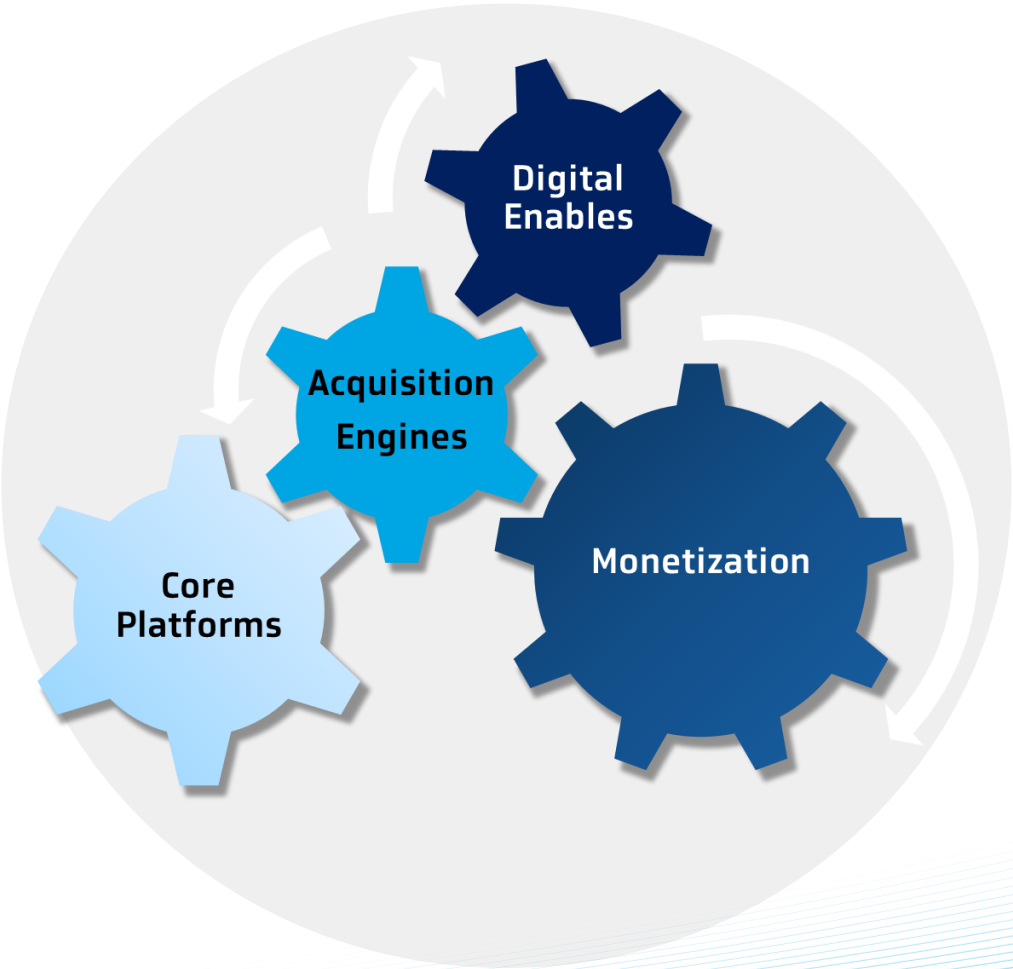
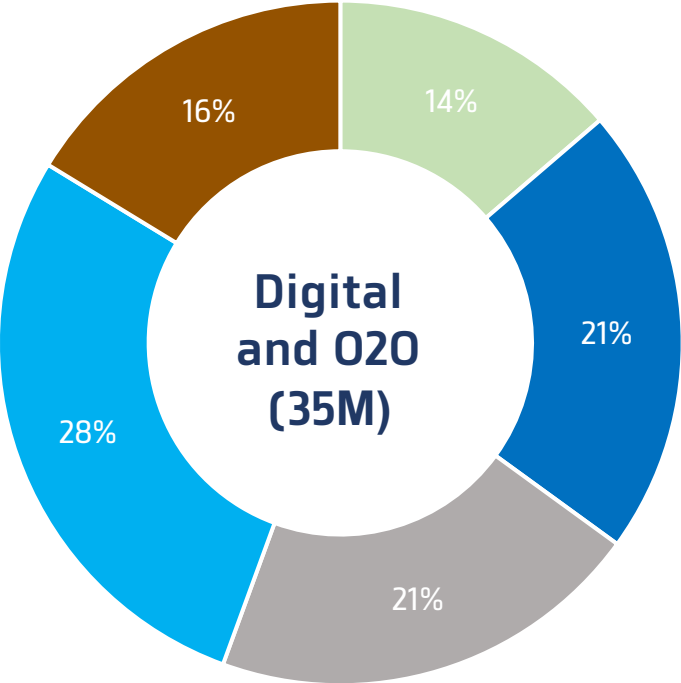
GROWING NEW BUSINESSES

Loan Portfolio Evolution

Workforce Rationalization



Successful & Synergized O2O Migration



■ Student (18-25Y) ■ First Jobber (26-35Y) ■ Young adult (36-45Y) ■ Middle Age (45-60Y) ■ Senior (>60Y)

Engage, Enhance, and Deepen



18

Mn Users



40

Mn Users



20

Mn Users



2

Mn Merchants



15

'000 Corporates

Note: Information as of Dec23

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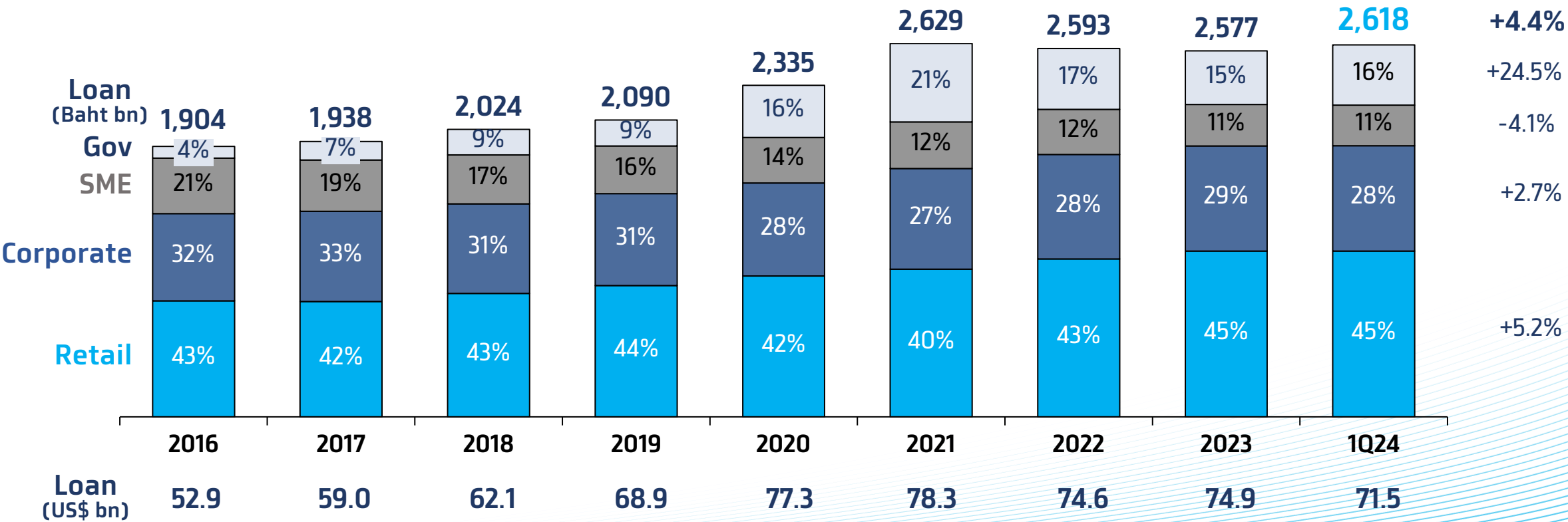
Balance sheet rationalization – transitory journey

De-risk with continuing Enhanced Risk Management Framework

Covid 19 Pandemic

K-Shape Recovery

%CAGR
2016-2023

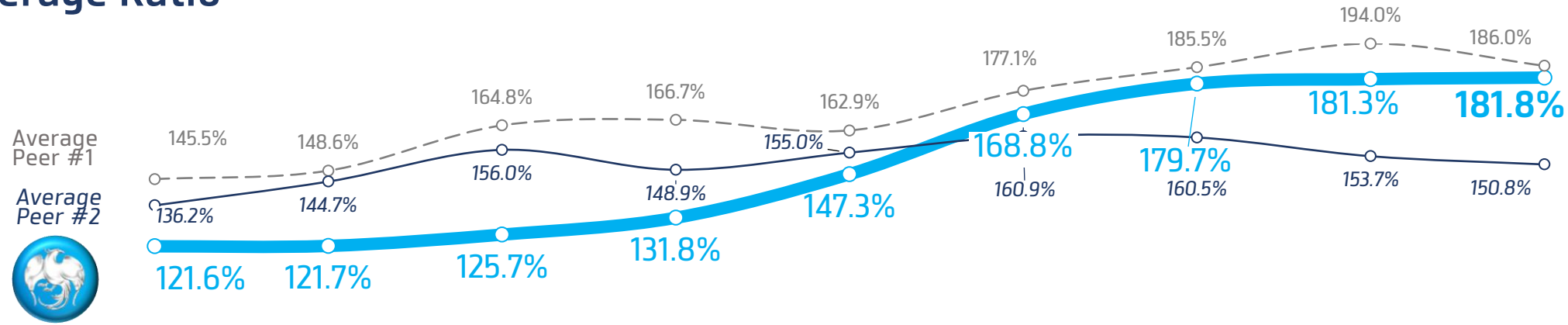


Note : Exchange rate as at last working day of the year from Bank of Thailand average selling rates
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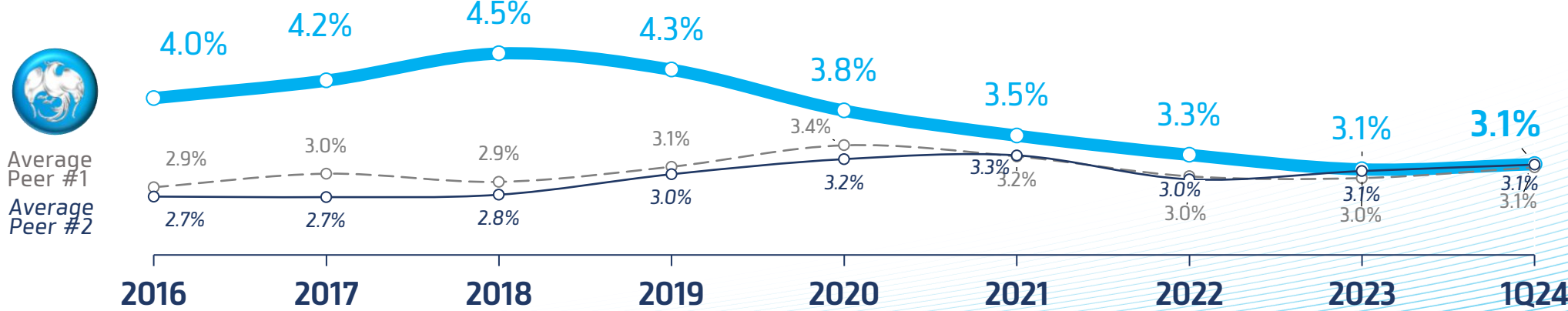
Prudent Balance Sheet Management



Coverage Ratio (%)



NPL Ratio (%)

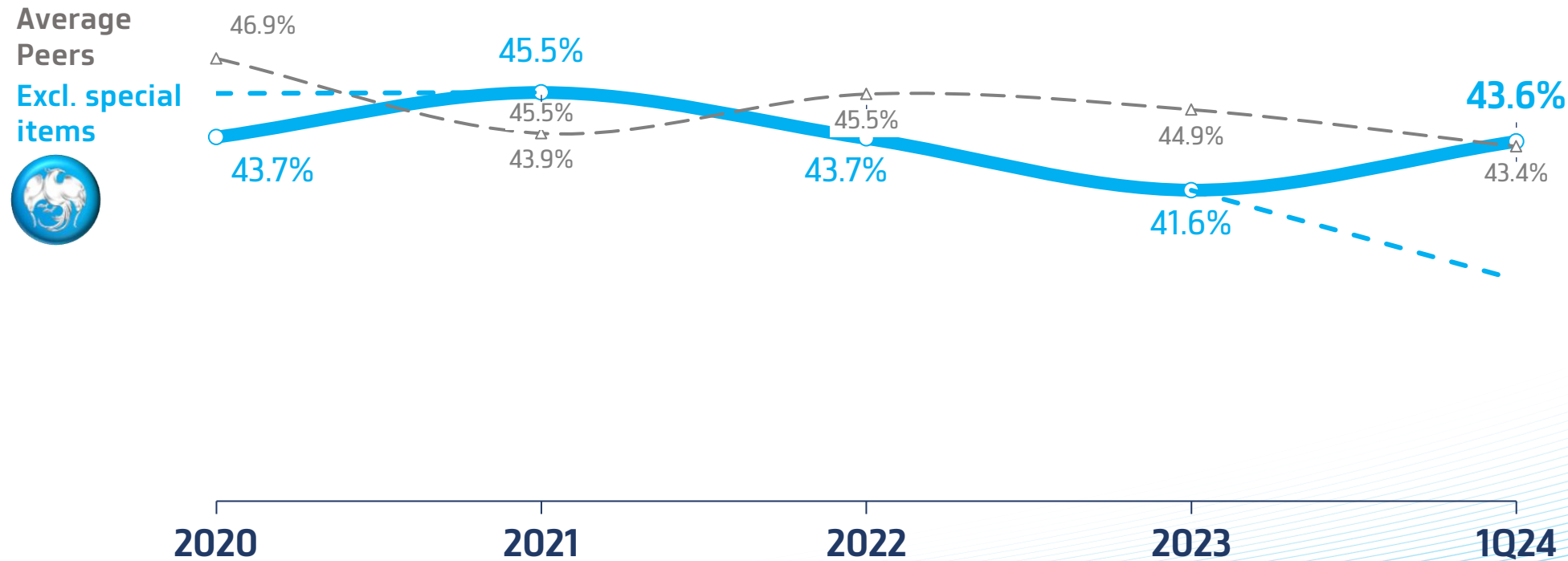


Average Peer #1 denote Average 4 Banks i.e. KBank, SCB, BBL, BAY

Average Peer #2 denote Average 3 Banks i.e. KBank, SCB, BAY

Investment for future growth with disciplined cost efficiency

Cost to Income (%)

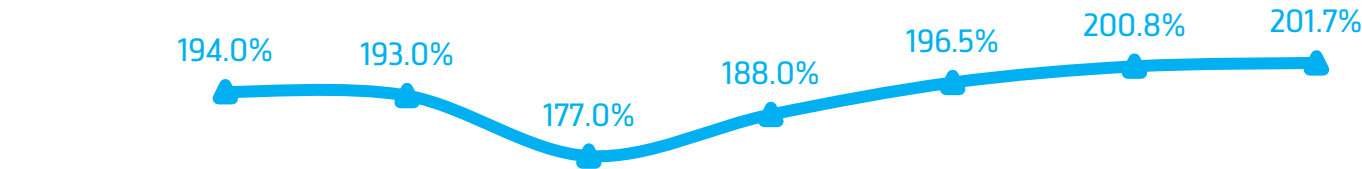


Average Peers denote Average 4 Banks i.e. KBank, SCB, BBL, BAY

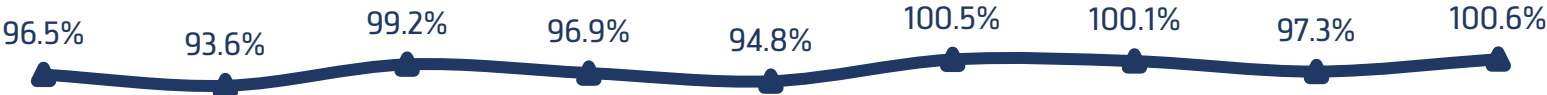
Strong liquidity position



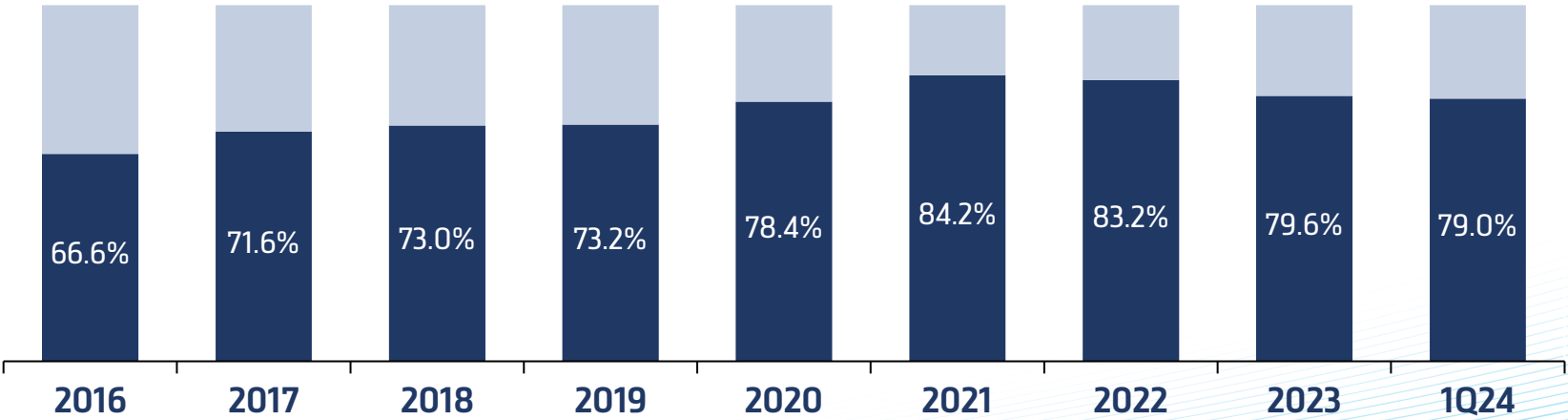
Liquidity Coverage Ratio (% LCR)



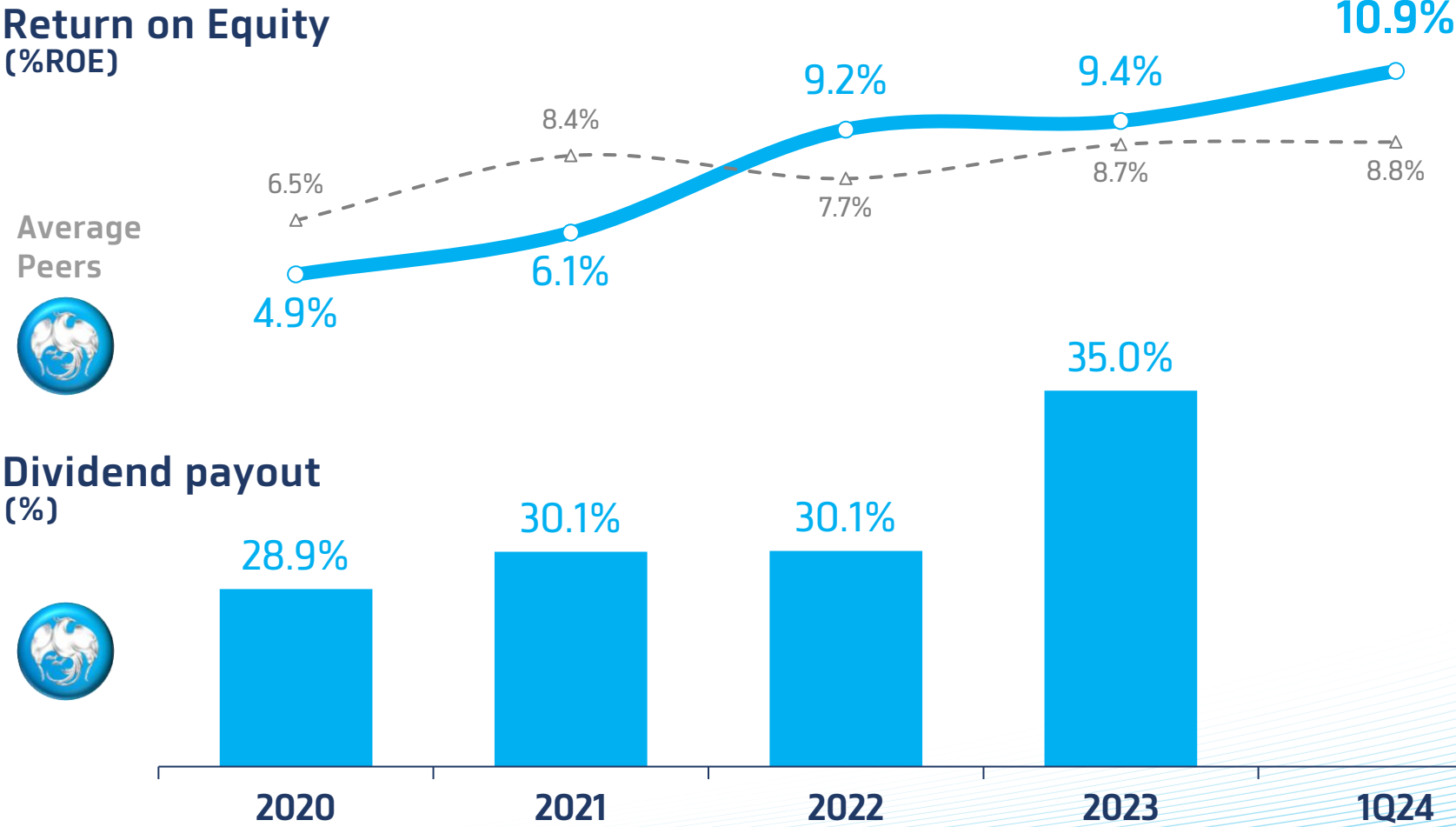
Loan to Deposit (% L/D)



CASA portion (%)



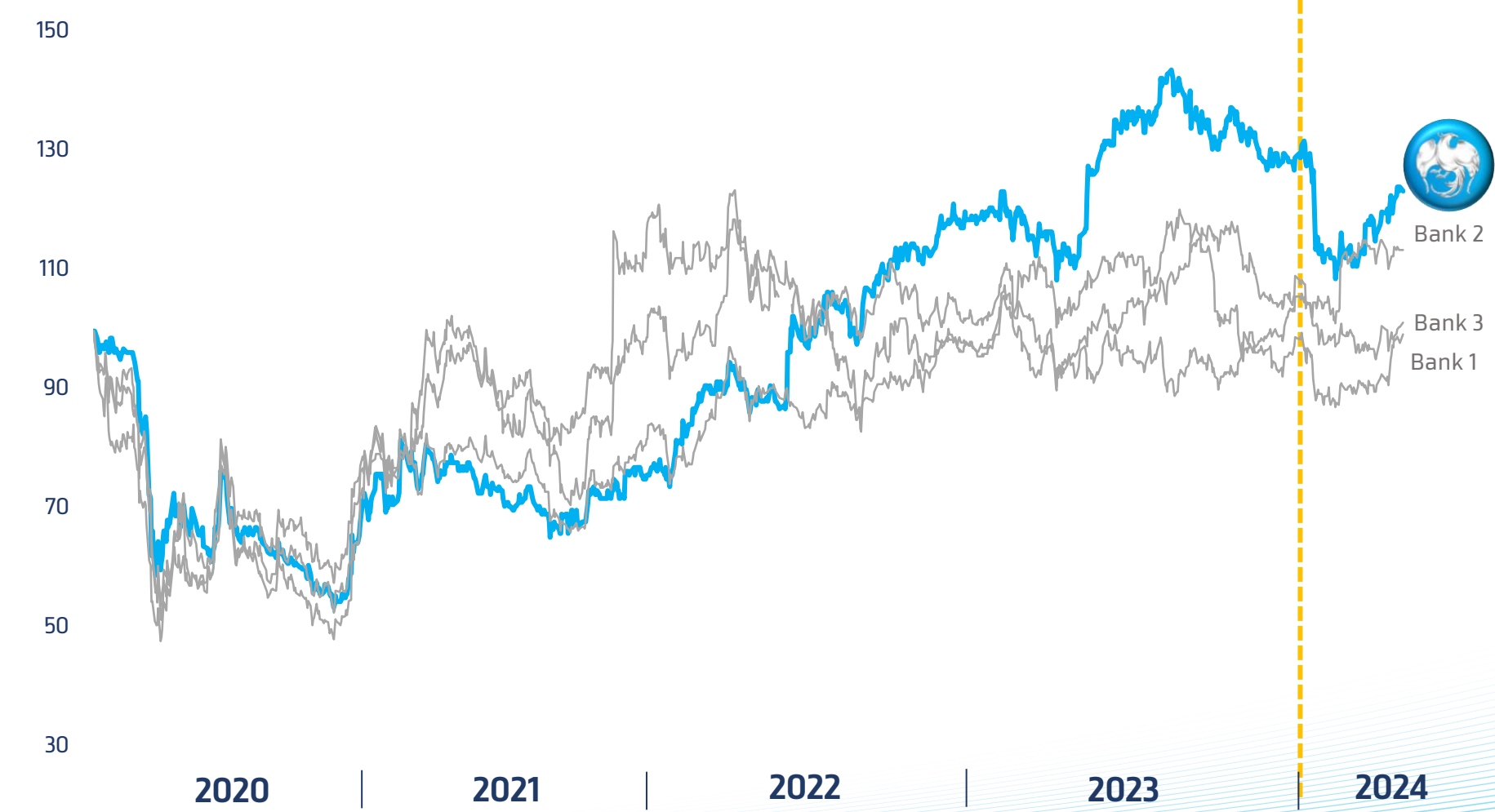
Sustainable shareholders' value creation



Average Peers denote Average 4 Banks i.e. KBank, SCB, BBL, BAY

Recognized on consistently improving performance

Total Return Index* 2 Jan 2020 – 7 May 2024



Note: * Gross dividend

- Improved profitability
- Good capital buffer
- Strong funding
- High probability of government support



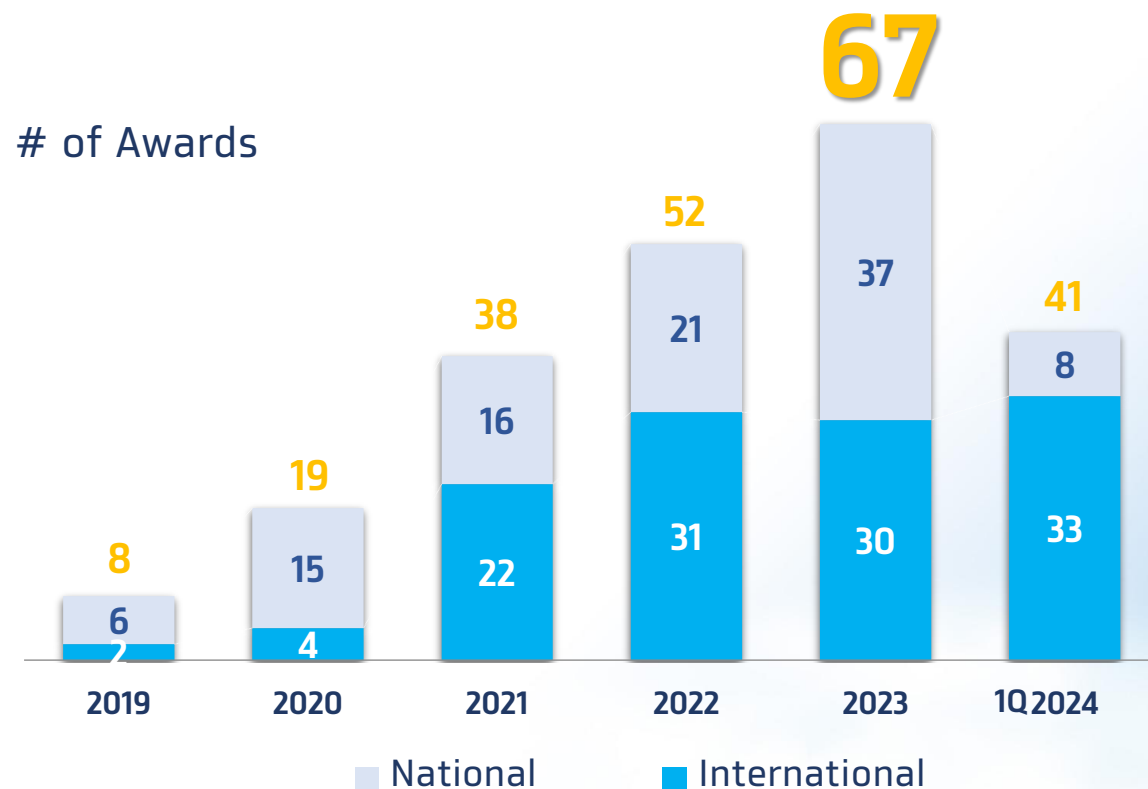
- Strengthen business position
- Improved risk management
- Ability to sustain its improvement



- Sound franchise with State ties
- Improved earnings
- Adequate capital buffer



Awarded by renowned agencies



Agenda

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2024 Financial Plan

Challenges & Inflection points

Global challenges



Geopolitical risk



Climate change



Technology disruption



Aging society



Inflection points



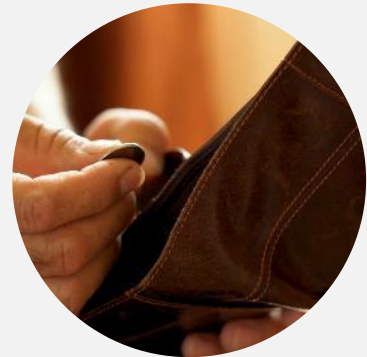
**Low potential growth &
Pre-mature new S-Curve**



**High
Inequality**



**Large Informal
economy**



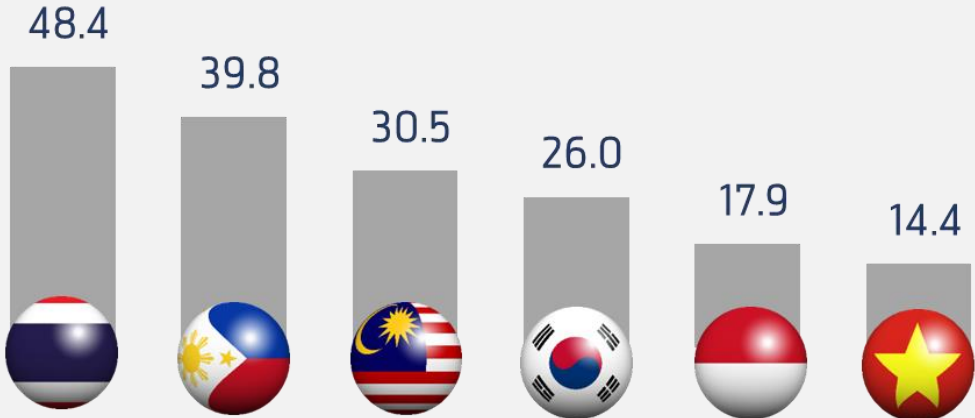
**High
Household debt**

Country's inflection points present new opportunities

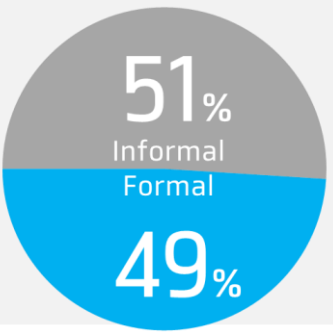


Large informal economy

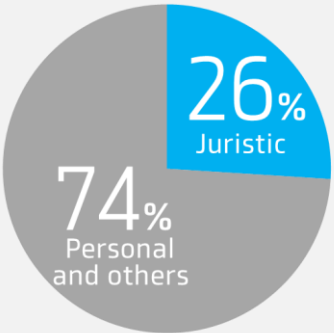
Informal economy (% of GDP)



No. of Labor force



No. of SME



Large number of unbanked and under-banked population and SMEs present rooms for greater financial inclusion



27% of households had no access to loan service provided by formal-sector financial Institutions.



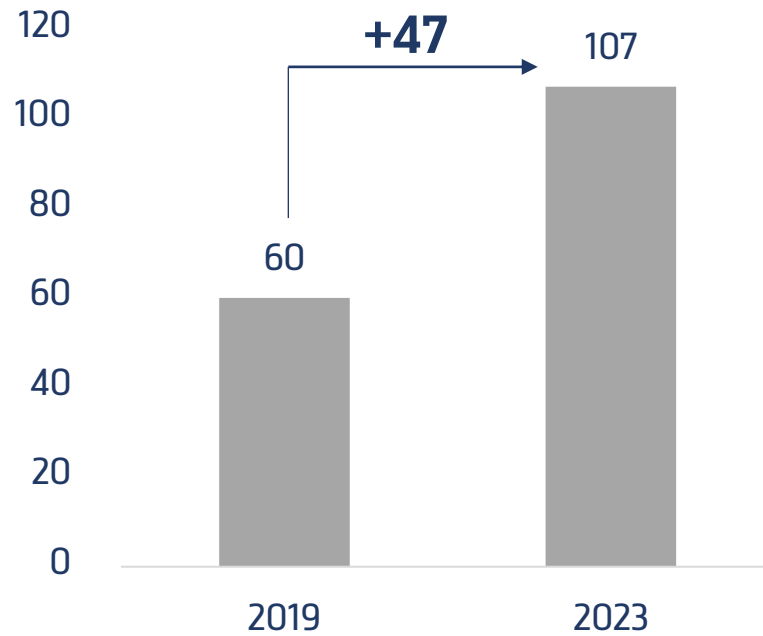
17% of SMEs had access to loan in the commercial banking system.

Source: World Bank, NSO, OSMEP, BoT, PIER

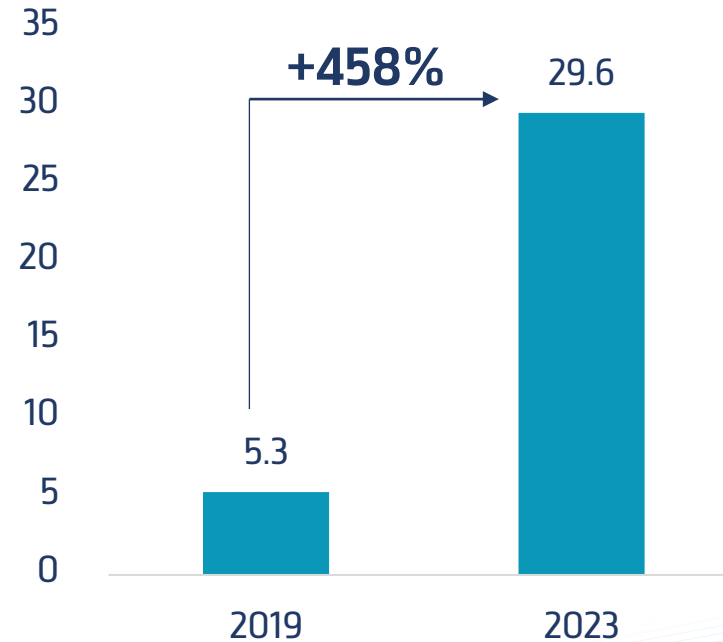
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Ready digital payment infrastructure

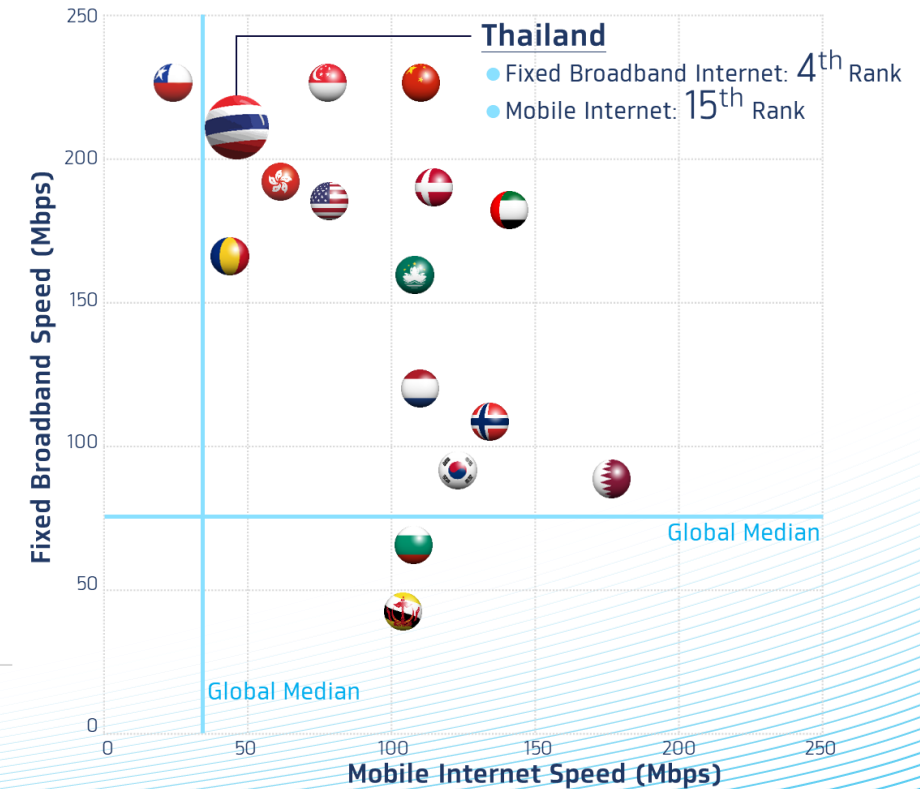
107 Mn Mobile A/C vs 70 Mn population



Broad & Active Usage (Bn. Trc)



World-class Quality Infrastructure

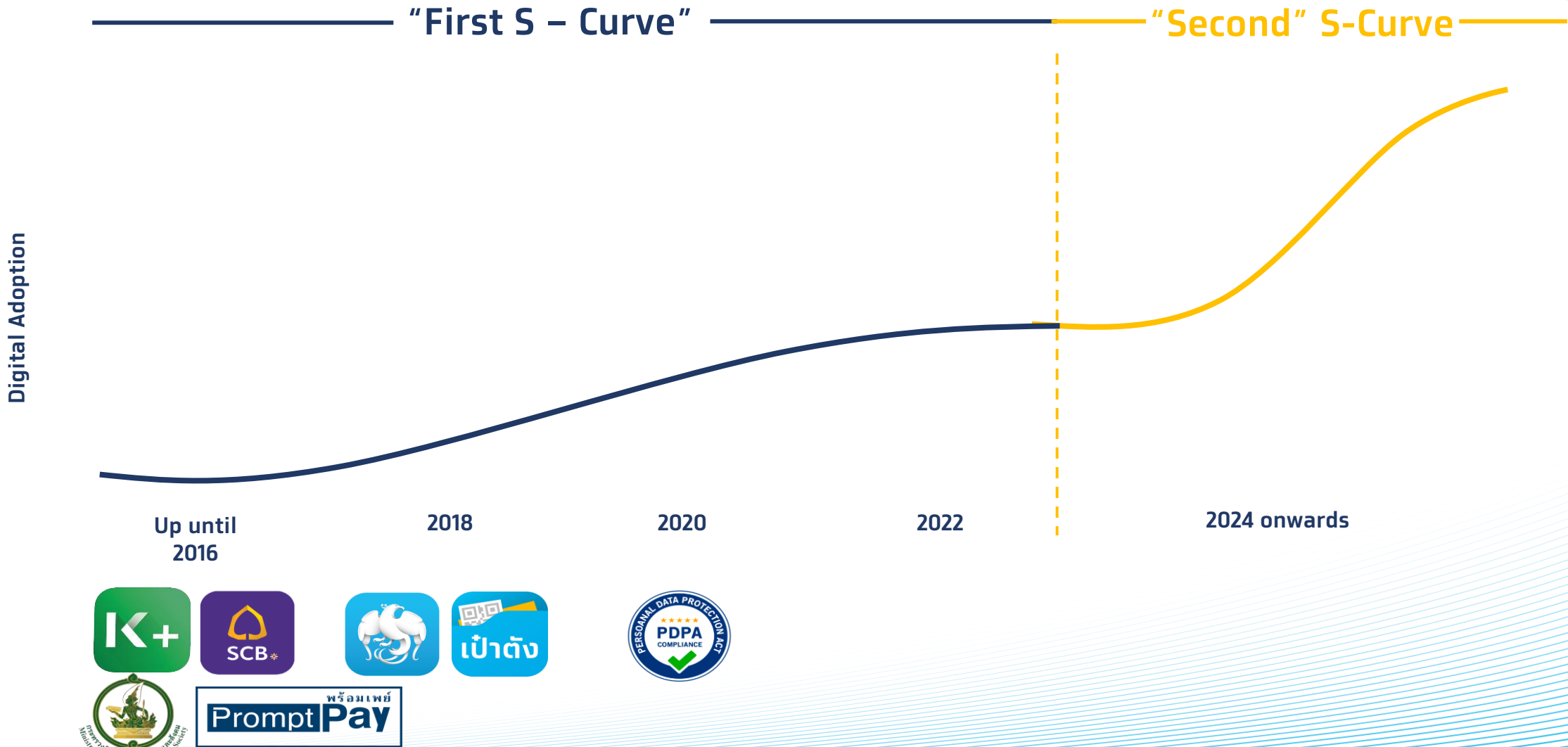


Source: BoT, Ookla (2022)

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Ready to thrive on Gen AI disruption



Our 7 Strategic Focuses

1 Unlock Disproportionate Value from X2G2X

- Deepen connections across B2B, B2C, G2B, and G2C segments.
- Provide platforms that meet customer partners' needs.
- Offer products and services as total solutions.

2 Leverage Digital and Data to Drive Efficiency

- Augment operations with AI.
- Enhance capabilities with robotic process automation (RPA).
- Make full use of proprietary data.

3 Launch New Growth Platforms

- Develop platforms that support all activities in the digital age.
- Ensure financial inclusion for people from all walks of life.

4 Support Sustainable and Inclusive Growth

- Drive business growth and expand reach to retail customers.
- Facilitate the transition towards climate finance.
- Empower SMEs in the digital economy.

5 Build Future Ready Capabilities

- Upgrade organizational risk management.
- Strengthen capabilities with data analytics.
- Collaborate with Krungthai Group companies for enhanced competitiveness.

6 Upgrade Core Technology Infrastructure

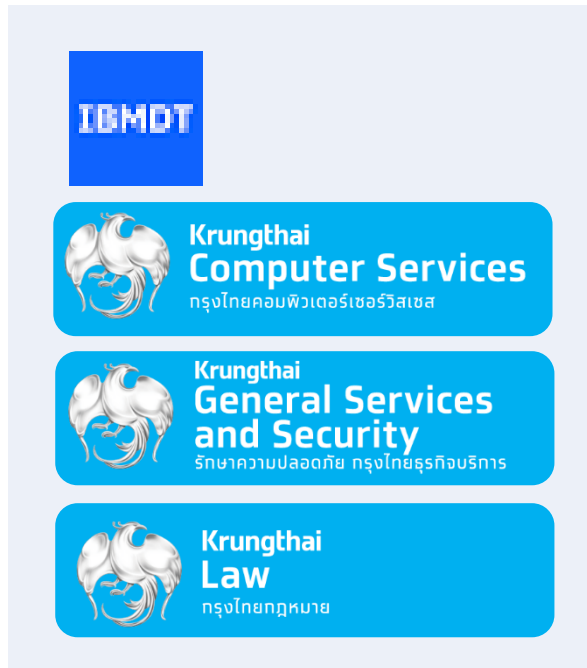
- Invest in IT infrastructure and digitalization.
- Ensure scalability to accommodate future increases in users.

7 Drive Organization Agility

- Enhance employee capabilities.
- Adopt an agile way of working.
- Groom top talents.

Continuing drive for quality and inclusive growth

| TRANSFORM THE CORE



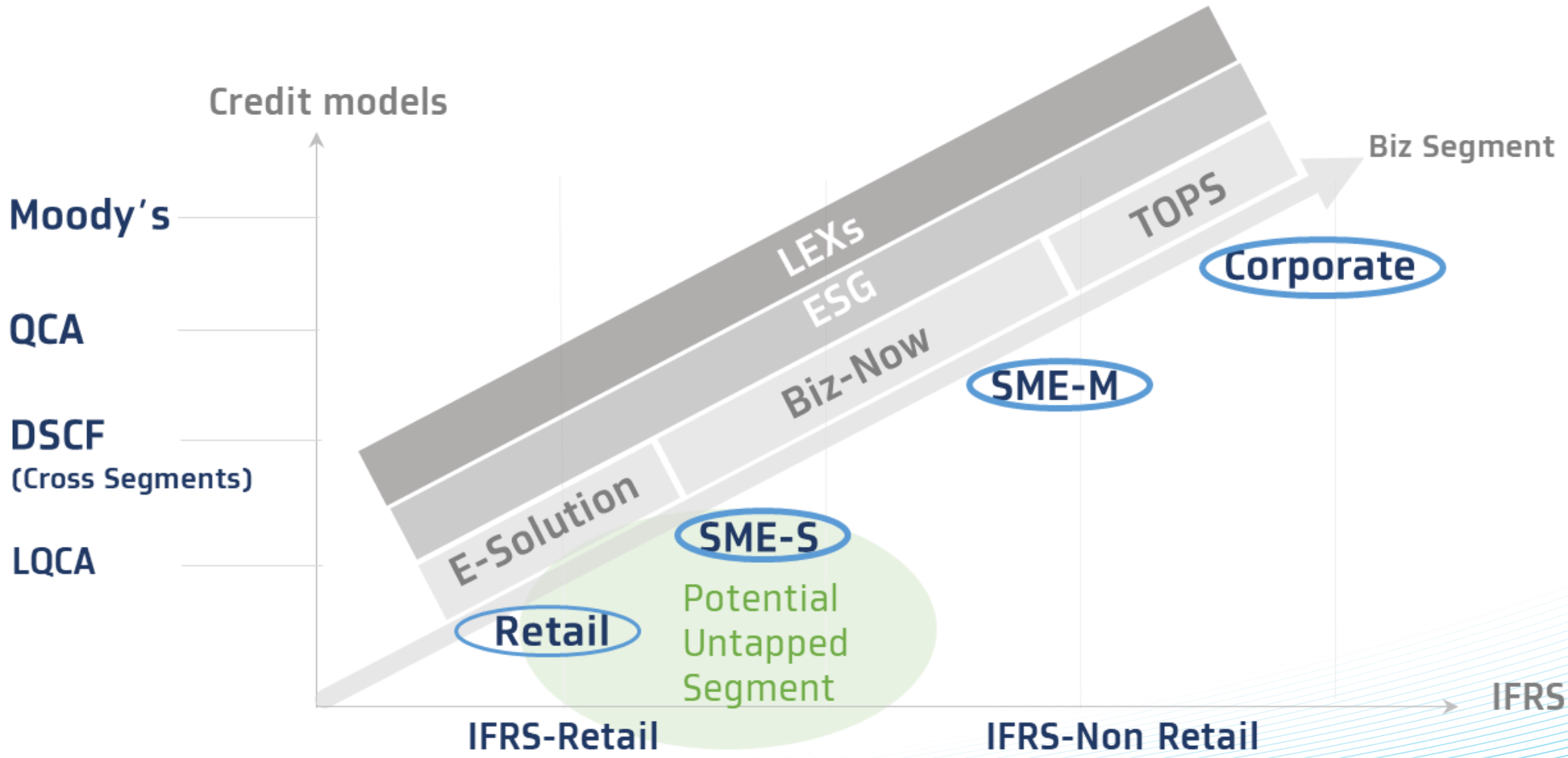
| STRENGTHEN CURRENT BUSINESSES



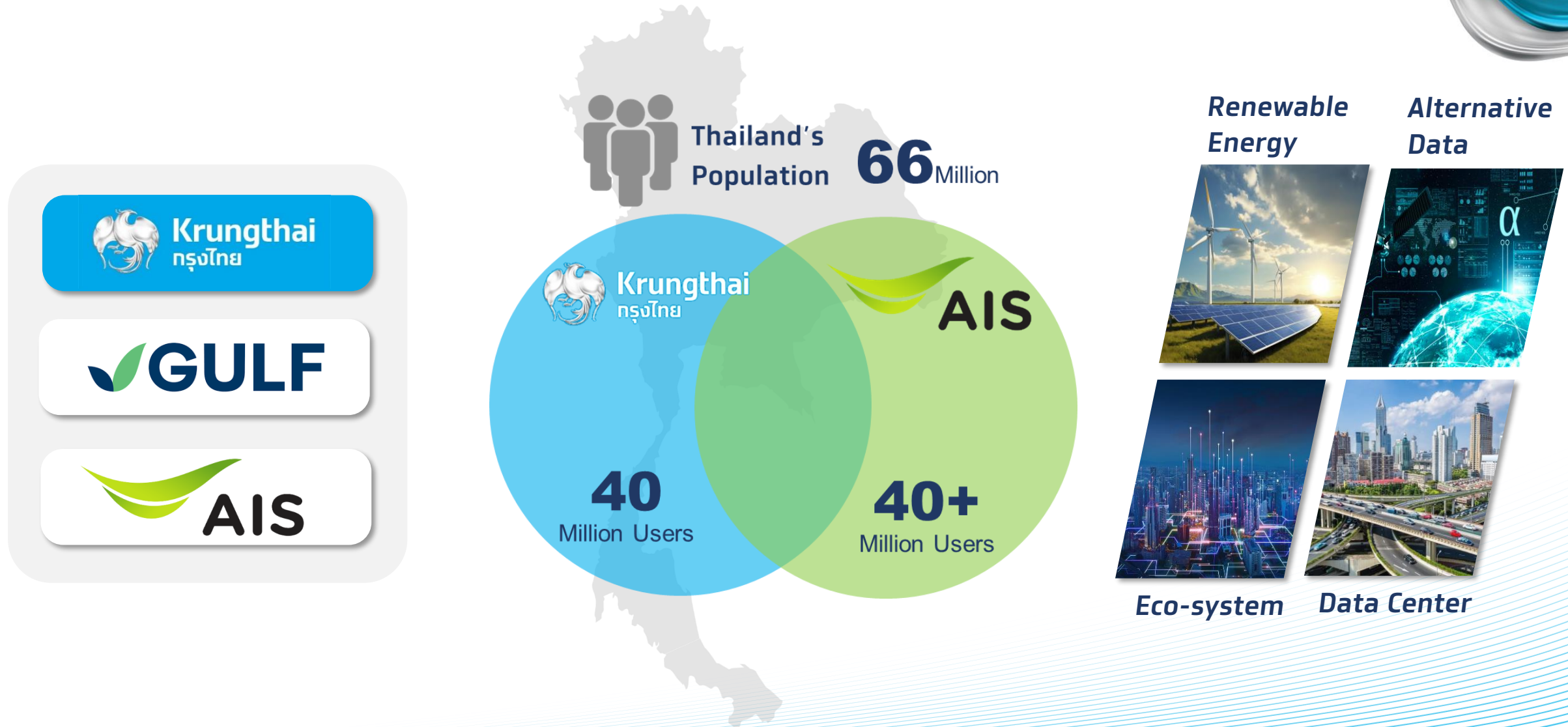
| GROW NEW BUSINESSES



Sharpening and modernizing risk foundation



Virtual Banking* - Collaborative integration of existing core business



Note: * Subject to Bank of Thailand's approval for the virtual banking license

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Being state-owned commercial bank, ESG is in our DNA!

E
Environmental

Sustainability in Internal Operations



Solar Roof an CO2
156,870 tCO2/Year
EV car & EV Charger



Pilot Human Rights
Risk Assessment



Corporate Governance
3 Lines of Defense

Sustainability for Clients



ESG-linked Derivatives
\$1,032 Mn.
Green/Sustainability Loan
9,518 Mn Baht
Solar Roof 600 Mb
Green Deposit (Mar 24)



Digital Platform 40 M
Health Wallet
Welfare card scheme
Covid-19 Gov-relief
Programs



Charitable
Donations

Sustainability Infrastructure



Carbon Credit
Trading Platform



Launch Micro SME
loan products



e-GP Transformation
















G
Governance

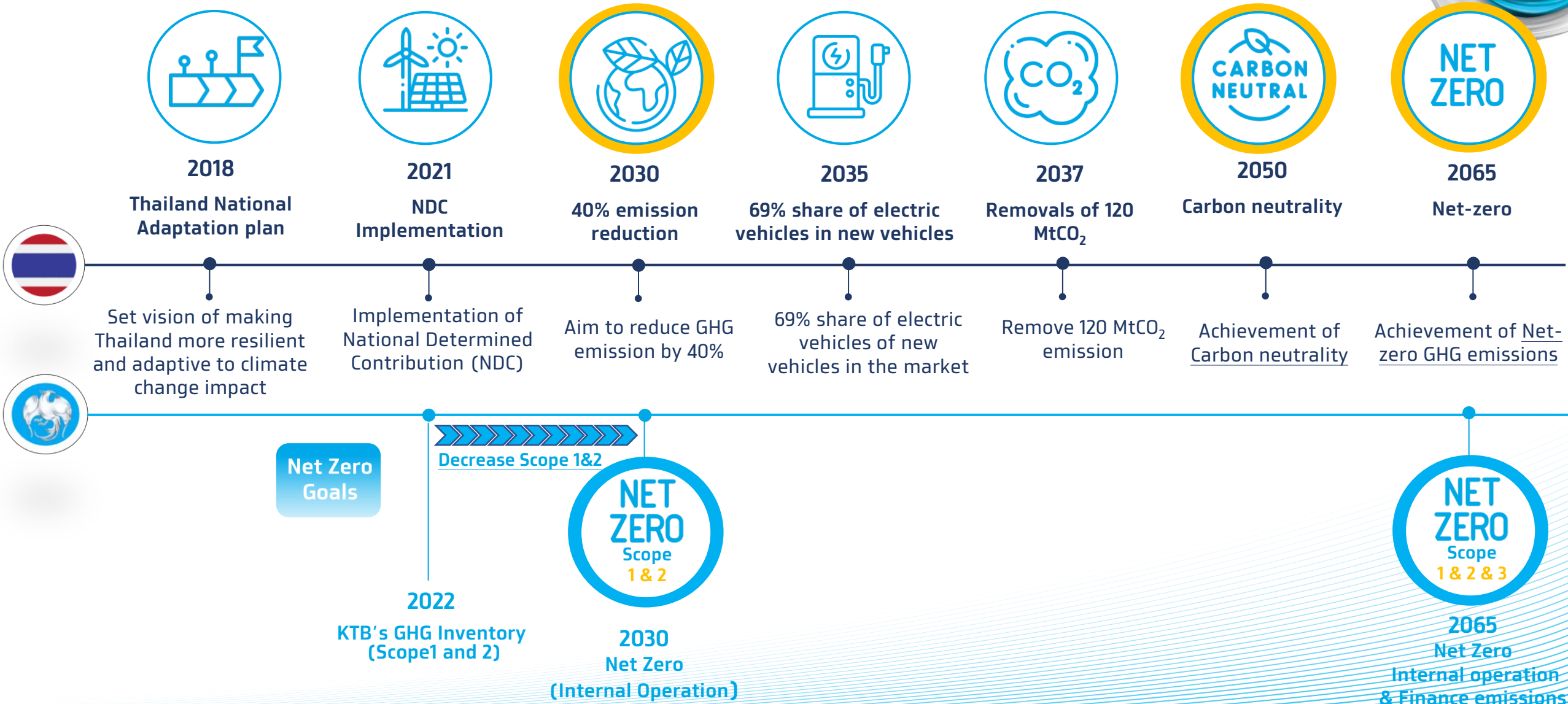
Source : Internal information as of 2023

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5 Priority Sectors to be developed transition plans in 2024

Categorization		Sectors				
<div>Priority #1 (2024 focus)</div>	Sectors where KTB either needs to transition, develop selective exposure policies or explore transition opportunities in future	<div> Power Generation</div>	<div> Oil & Gas</div>	<div> Real Estate</div>	<div> Coal</div>	<div> Chemical</div>
<div>Priority #2 (Watch List-1)</div>	Sectors which are next in line for transition and need to be monitored in the short term	<div> Transport</div>	<div> Metal</div>	<div> Food & Beverage</div>	<div><i>Sandbox with BOT</i> <div> Sugar</div></div>	
<div>Priority #3 (Watch List-2)</div>	Sectors which need to be re-evaluated over time (low materiality)	<div> Rice Mill</div>	<div> Commerce</div>	<div> Cement</div>	<div> Construction</div>	

Align with Thailand Net-zero emissions target



Transforming our human capital and work environment



FUTURE OF WORKFORCE AND WORKPLACE

Organize work & lay out to optimize **collaboration, engagement, and productivity in hybrid workplace**

Embrace new ways of working, communicate purpose, **deliver 360 value across all key stakeholders**



RESHAPE THE WORKFORCE

Reimagine staffing models through the right mix

Optimize **employee experience**

Adapt upskilling & team player to meet the constantly changing needs

Foster agile behaviors and continuous learning new things



NEW LEADERSHIP AND CULTURE PARADIGM

Support **leaders to manage performance and people** in the new remote world

Build a strong, **unified culture across a diverse workforce**

Create a sense of **people empowerment**

Embrace culture of **Corporate Governance commitment**



LEVERAGE OF AI AND DATA ANALYTICS

Leverage **data analytics** for **real-time insights and personalized experiences**

Make the best use of **human + machine** to **accelerate strategic decision making**

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2024 Financial Guidance

2024 Financial Guidance vs 1Q24 Performance

	Y2023 Actual	2024 Targets	1Q2024 Actual
Loan Growth (%YoY)	-0.6%	Around 3%	1.4%
Net Interest Margin (%)	3.22%	3.0% - 3.3%	3.31%
Fee Income Growth (%YoY)	2.7%	Low to mid Single Digit	8.5%
Cost to Income Ratio (%)	41.6%	Low to Mid 40s	43.6%
NPL (%)	3.08%	< 3.25%	3.14%
Credit Cost (bps)	143 bps ^{1/}	120 – 130 bps	124 bps
Coverage Ratio (%)	181.3%	170% +	181.8%

1/ Including ECL set up for one corporate customer and related companies with possibility of credit deterioration in 4Q23



Krungthai
กรุงไทย

THANK YOU

Krungthai's Investor Presentation
29 – 30 May 2024



Our Strategic Focus to Date



Krungthai Group Structure



1Q2024 Financial Performance

Appendix A: Our Strategic Focus to Date



REPOSITIONING AS
ธนาคารพาณิชย์ของรัฐ

Fast to the Future

2018



INVISIBLE BANKING
& ECOSYSTEMS

Invisible Banking

2019



DUAL PLATFORM X2G2X

Better Life...Everyday

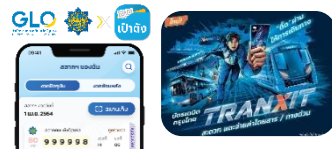
2020



SYNERGIZE CARRIER &
SPEEDBOAT

Execution Through
The Perfect Storm

2021



DIGITIZE, MONETIZE,
SYNERGIZE

Courage to Change

2022



STRENGTHEN, SCALE UP,
SOLIDIFY

Accelerating Sustainable
Value Creation

2023

RESHAPING
CLIENT
VALUE
PROPOSITION

2024



Digital Disruption

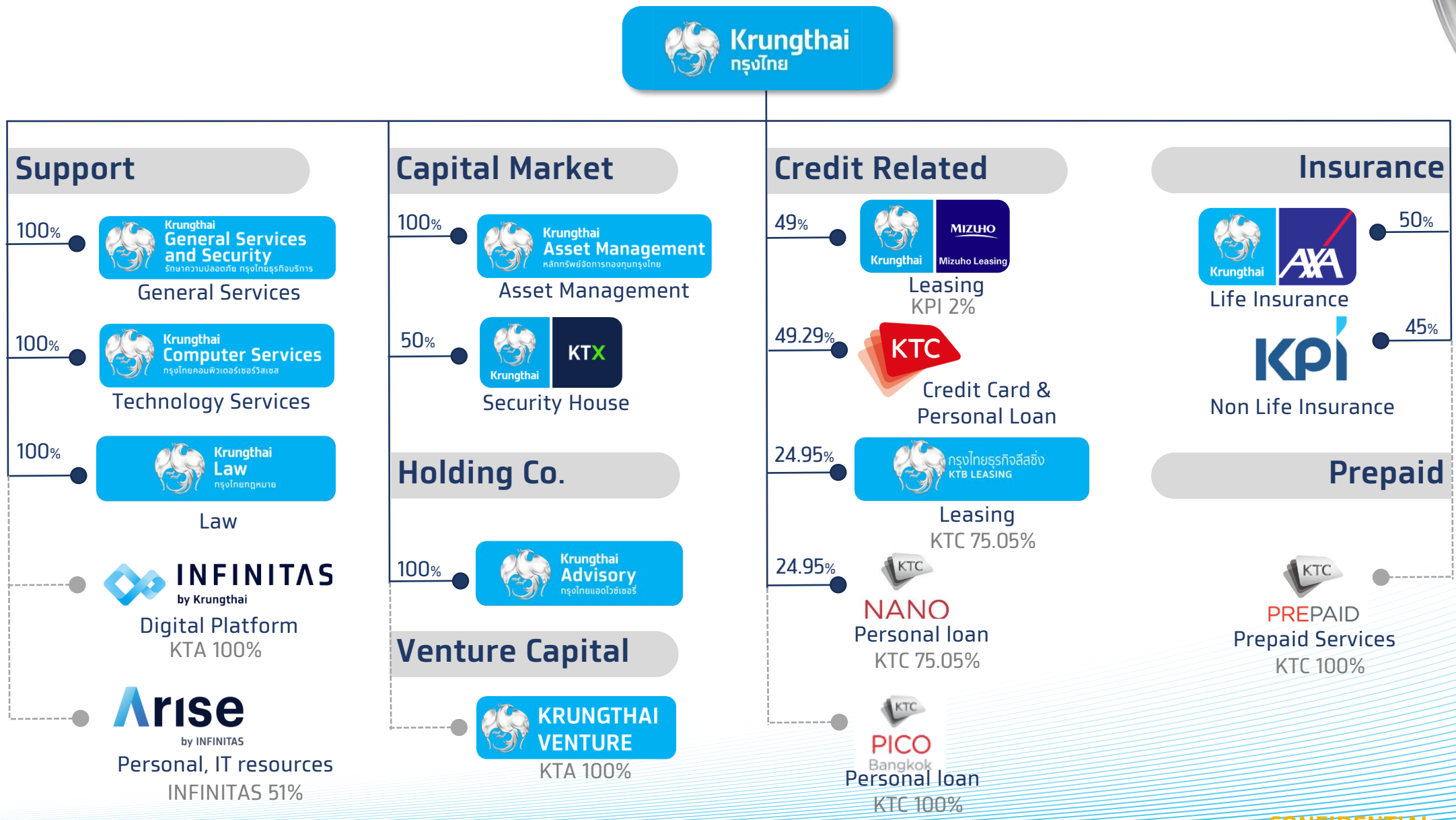


COVID-19



GEO-POLITICAL RISKS

Appendix B: Krungthai Group Structure



Appendix C: 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