



9M24 & 3Q24 Financial Results

Analyst Meeting Presentation

November 2024

Agenda



3Q24 Operating Environment



9M24 & 3Q24 Financial Highlights



3Q24 Operating Environment



The Thai economy continues to recover, mainly driven by the improvement in the tourism sector. Nonetheless, GDP growth in 2024 is expected to remain below potential.



	2023	2024F
GDP Thai (%YoY)	1.9	2.4
Consumption		
Private (%YoY)	7.1	3.8
Public (%YoY)	-4.6	1.7
Investment		
Private (%YoY)	3.2	0.5
Public (%YoY)	-4.6	0.2
Exports USD (%YoY)	-1.7	2.4
Imports USD (%YoY)	-3.1	3.1
Inflation (%)	1.2	0.5
Foreign Tourists (mn)	28.2	36.5
Interest rate (%)	2.50	2.00 - 2.25
USD/THB (Year Range)	33.2-36.5	32.0-37.0

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

Public consumption normalizes following the disbursement after FY2024 budget approval

Private investment slows down due to declining sales of key manufacturing products amid heightened competition

Public investment bounces back following the disbursement after FY2024 budget approval

Exports experience a restricted recovery amid intensifying geopolitical tension and competitiveness issues

Imports in line with the expansion of exports and private consumption

Inflation rate stays low from sluggish demand and cost-of-living alleviation measures

Foreign tourists continue to improve to reach 36-37 million in 2024

Policy rates further cut possible, given below potential GDP growth, Fed cut, and muted inflation

USD/THB volatile given uncertainty in timing and magnitude of Fed's rate cuts

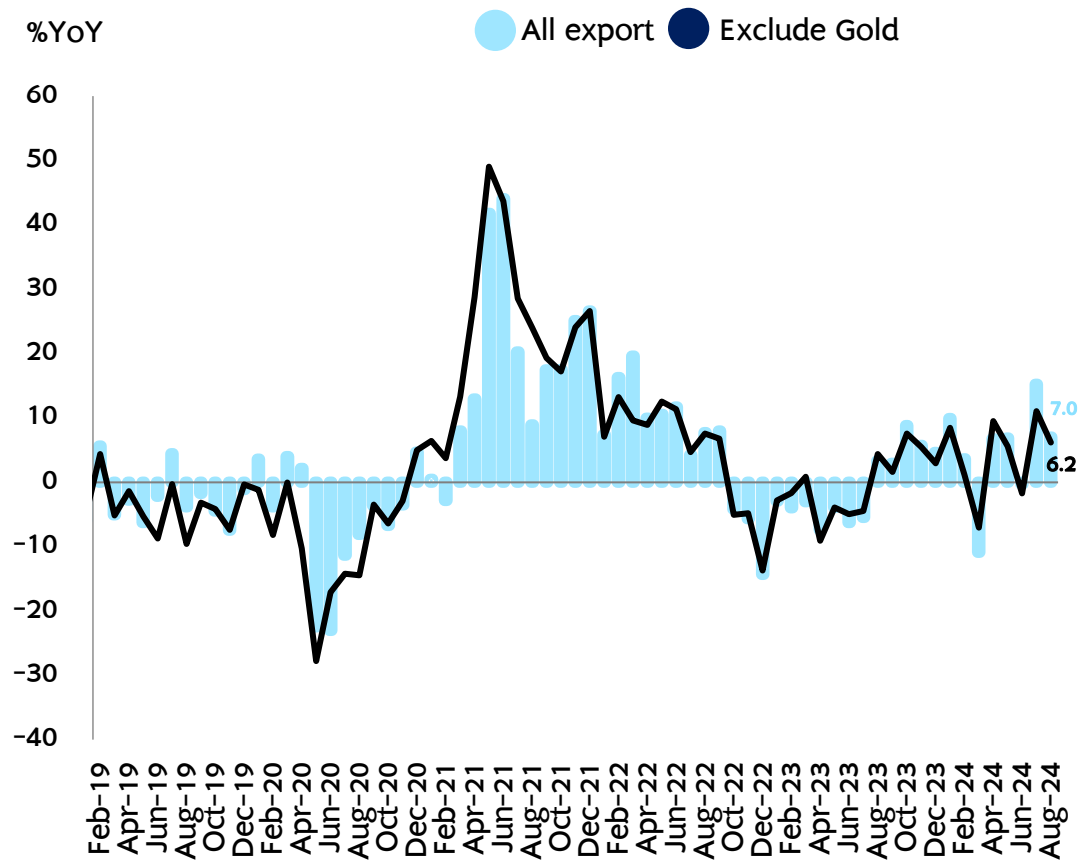
- Continuously rising number of foreign tourists, supported by visa-free scheme for targeted travelers
- Improvement of labor market in line with the economic activities especially tourism and services sectors
- Government measures to stimulate growth, accelerating budget disbursement, and supports for vulnerable groups
- Growing FDI investment

- Likely protracted wars will push up transportation and logistics costs, pose risks to exports and commodities prices
- US economic policy pivot and intensifying trade tension poses downside risks to global growth and major trade partners esp. China
- Fragile Thai household and SMEs remain burdened by high debt amid sluggish recovery
- Flooding increases risks to production, particularly in the agricultural sectors

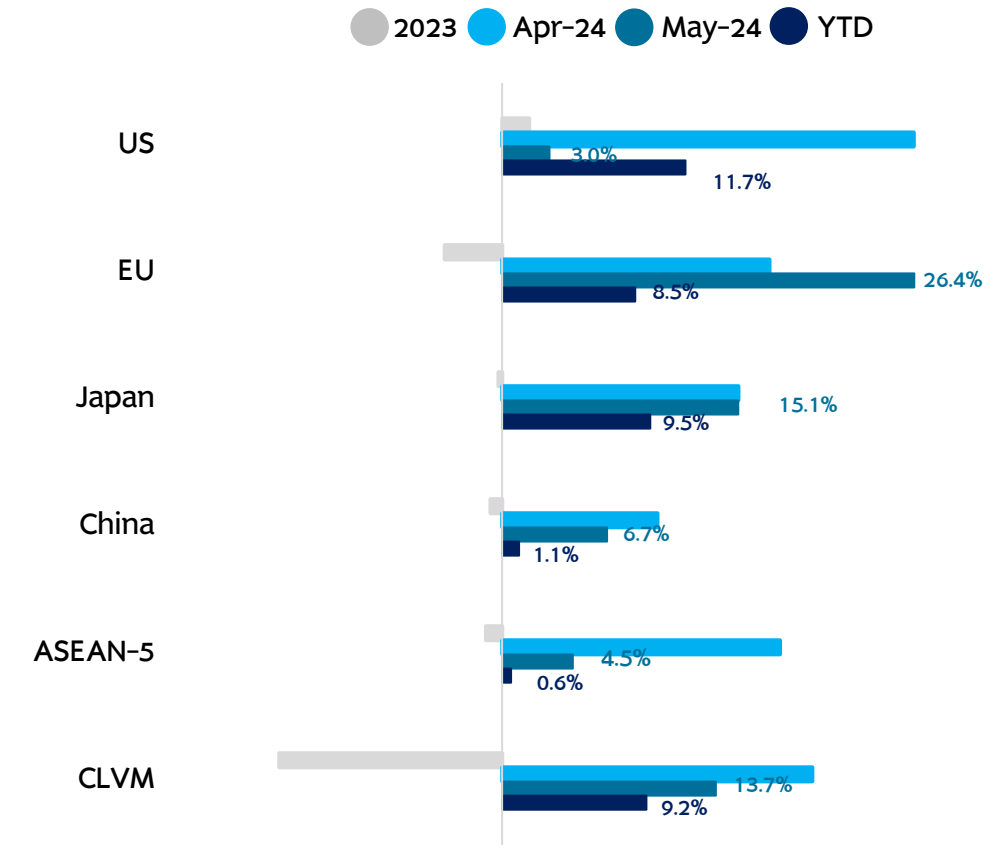
Risks to exports amid heightened geopolitical tension

The recovery of exports is limited by the sluggish global trade, alongside the relatively low world GDP growth. Additionally, headwinds from structural problems that impede competitiveness and worsening geopolitical tension could exacerbate pressure on Thai exports going forward.

Thai merchandise export growth



Thai exports classified by major markets

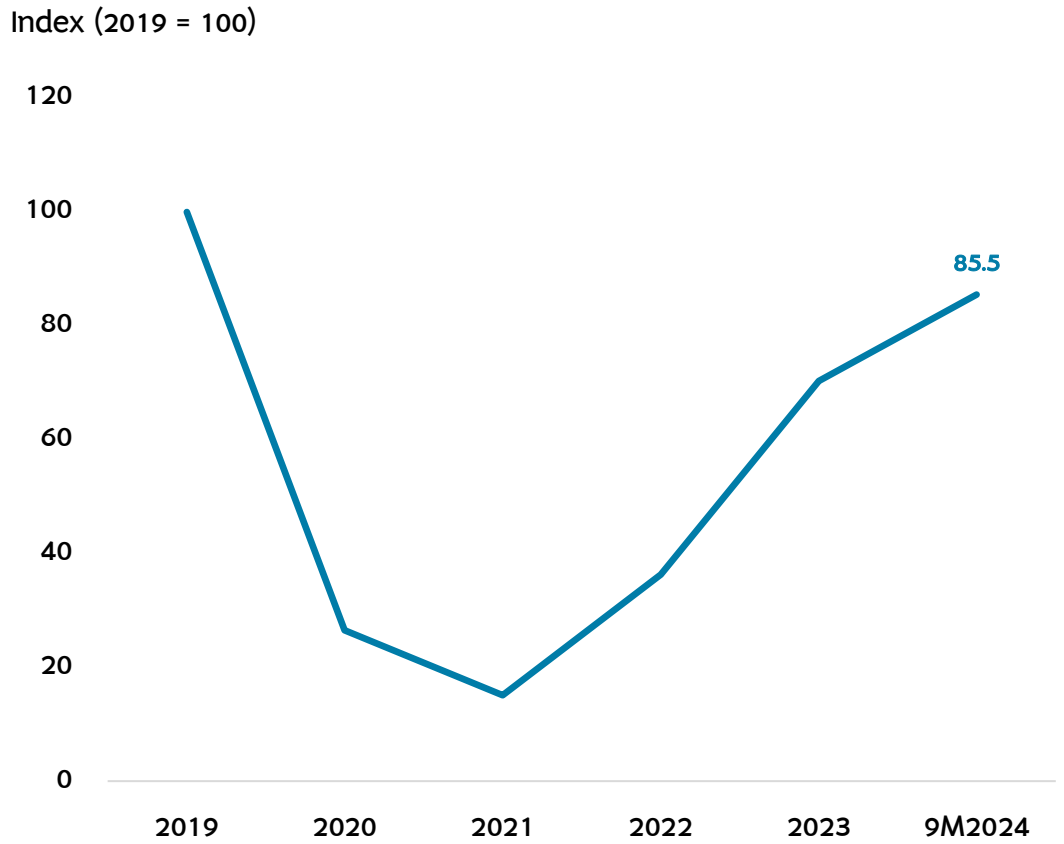


Source: Ministry of Commerce

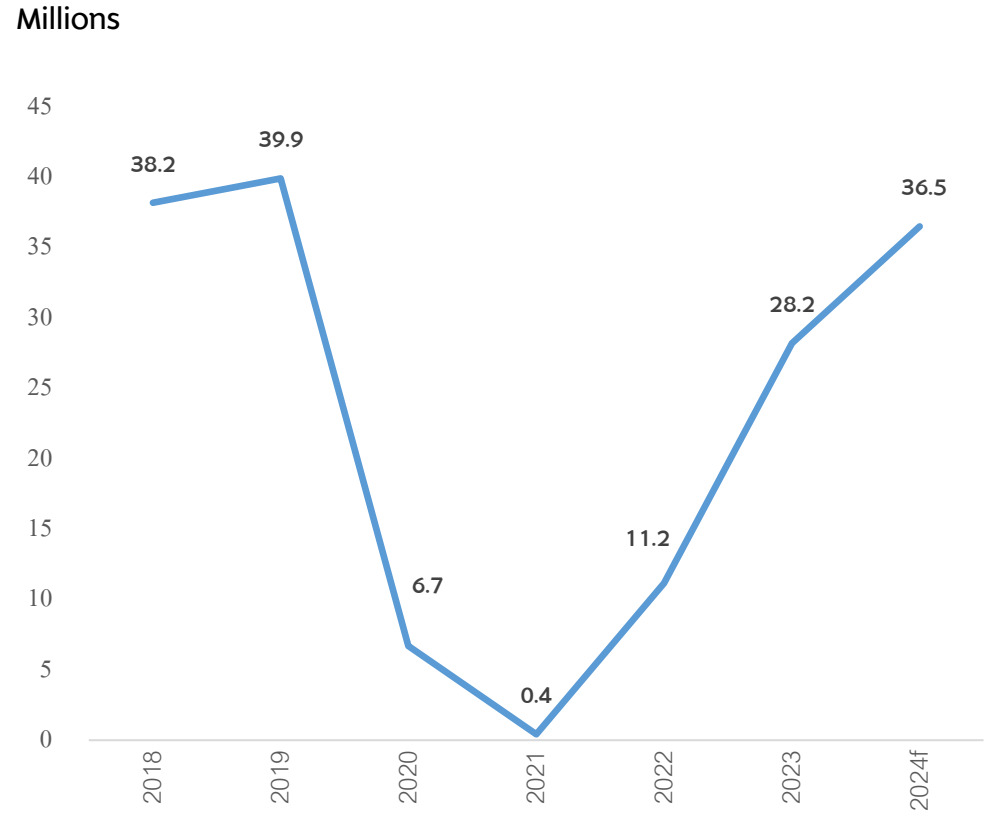
Tourism supports further economic recovery

Tourism sector has rebounded continually as the flights are returning to the pre-pandemic levels. The implementation of visa-free measures has bolstered the recovery of the tourism-related activities. The number of foreign tourists in 2024 is projected to be around 36-37 million.

Average number of international flights per month



Number of foreign tourists

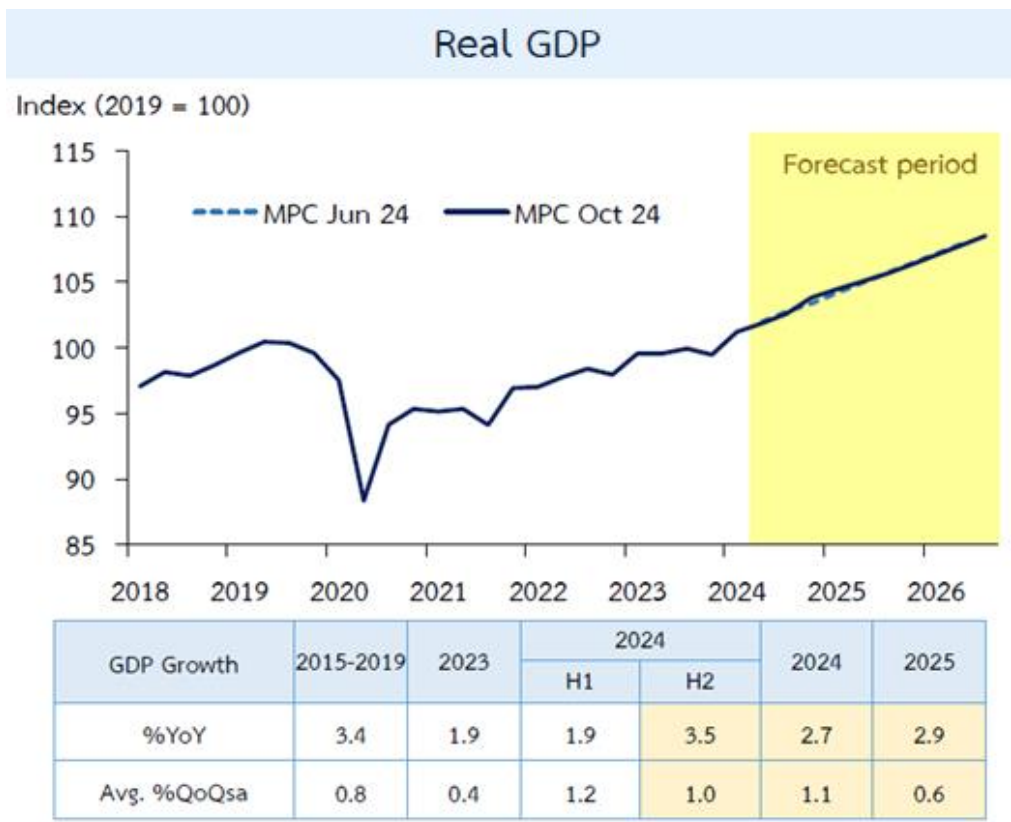


Source: Ministry of Tourism and Sports, forecasted by Krungthai COMPASS

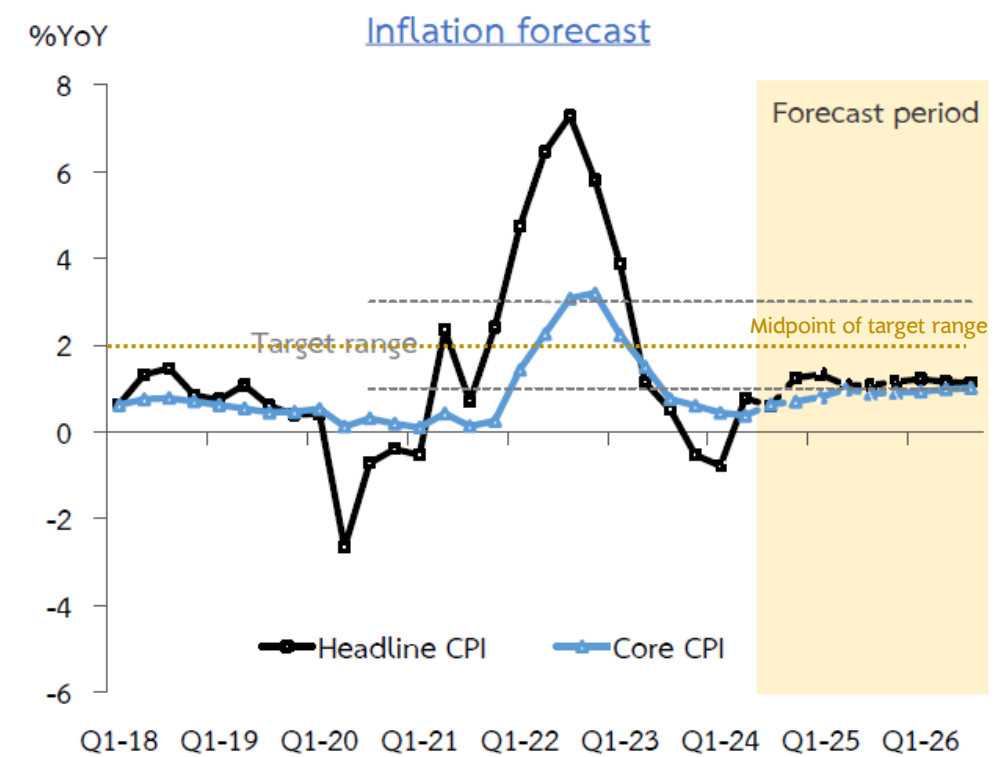
Possibility of further accommodative monetary policy

The Bank of Thailand (BOT)'s assessment in October views economic recovery momentum is likely to weaken going forward. Moreover, it anticipates that headline inflation will remain lower than the midpoint of target range. Given constrained economic growth amid the ongoing Fed's easing cycle, further policy rate cuts are still possible.

Economic momentum from 2H24 through 2025 is likely to weaken



On average, headline inflation in 2025 is projected to fall below the mid-point of the target range





9M24 & 3Q24 Financial Highlights

Sustainable quality results


Growing together for SUSTAINABILITY

With sustainable financial results

- Manageable asset quality whilst maintaining high coverage ratio for uncertainties
- Cautious and flexible Balance Sheet optimization
- Sustainable growth in our value creation in accordance with our strategic direction
- Effective Cost to Income management

Empowering BETTER LIFE for all Thai

Reshaping Client Value Proposition

Paotang 

40 million
users

Krungthai NEXT 

18 million
users

Tung Ngern 

2 million
merchants

Krungthai CONNEXT 

20 million
users

9M24 & 3Q24 Financial Performance



Financial Performance

(Baht bn)

	2023	%YoY	9M24	%YoY	3Q24	%YoY	%QoQ	
Income	149.5	19%	120.7	10%	40.6	4%	3%	
NII	113.4	25%	89.5	8%	29.9	1%	-1%	
Non NII	36.0	3%	31.2	16%	10.7	16%	14%	
Net Fee Income	20.9	3%	16.5	7%	5.6	2%	6%	
Non-Fee Income	15.2	3%	14.7	29%	5.1	36%	23%	
OPEX	62.2	13%	51.4	16%	17.2	3%	5%	
Operating Profit	87.3	24%	69.3	6%	23.4	5%	2%	
ECL Expenses	37.1	52%	24.3	1%	8.3	2%	4%	
Net Profit	36.6	9%	33.4	9%	11.1	8%	-1%	
			%YTD					
Loan	2,576	-0.6%	2,564	-0.5%	2,564	-2.5%	0.1%	
Loan ex Gov	2,198	1.5%	2,145	-2.4%	2,145	-1.5%	-0.6%	

Key Ratios

	2023	%YoY	9M24	%YoY	3Q24	%YoY	%QoQ
Profitability							
%NIM	3.22%	0.62%	3.36%	0.16%	3.35%	-0.03%	-0.02%
%Cost/Income	41.6%	-2.1%	42.5%	2.1%	42.4%	-0.6%	0.7%
%ROE ^{1/}	9.40%	0.25%	10.73%	0.10%	10.51%	0.03%	-0.35%
%ROA ^{1/}	1.01%	0.07%	1.22%	0.09%	1.20%	0.07%	-0.02%
Asset Quality							
%NPL	3.08%	-0.18%	3.14%	0.04%	3.14%	0.04%	0.02%
%Coverage ^{2/}	181.3%	1.5%	184.1%	3.7%	184.1%	3.7%	3.0%
%Credit cost	1.43%	0.50%	1.27%	0.04%	1.29%	0.05%	0.05%
Capital (Bank only)							
%CET 1	16.54%	0.95%	18.01%	1.63%	18.01%	1.63%	1.35%
%CAR	20.64%	0.96%	20.97%	0.50%	20.97%	0.50%	0.22%

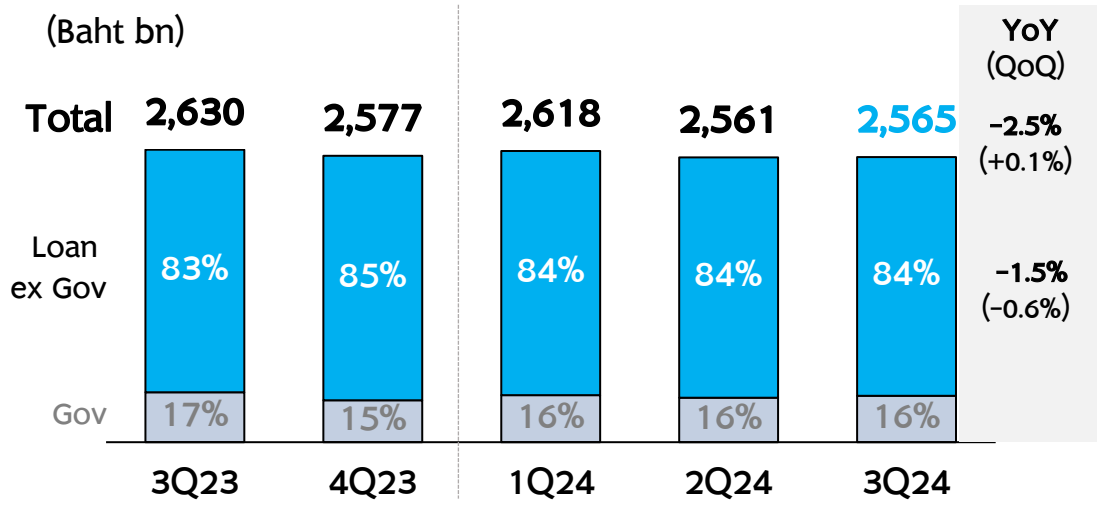
1/ Net profit, ROE, ROA represented for equity holders of the bank

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

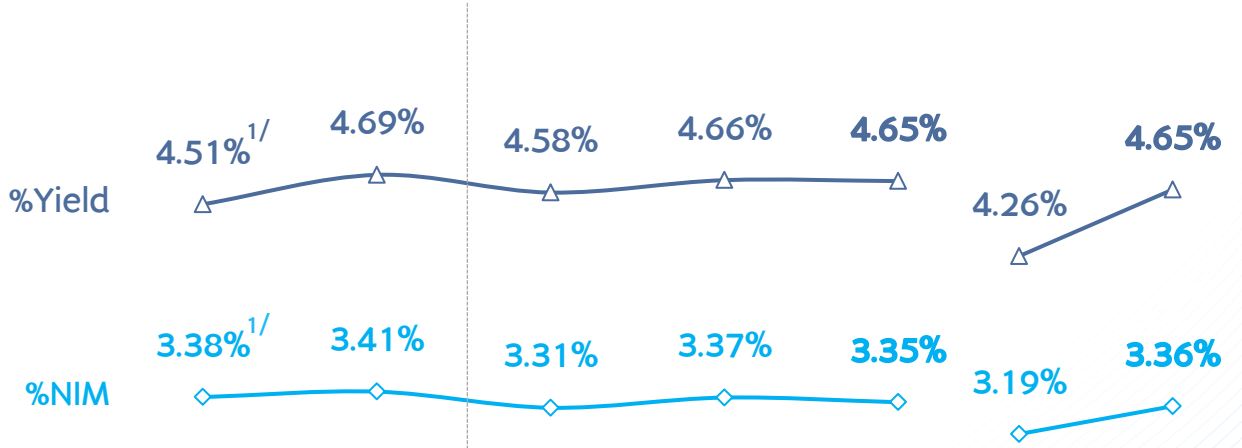
From 2Q23, coverage ratio presented in net allowance of expected credit losses of Loan stage 3

Quality loan growth in strategic segments

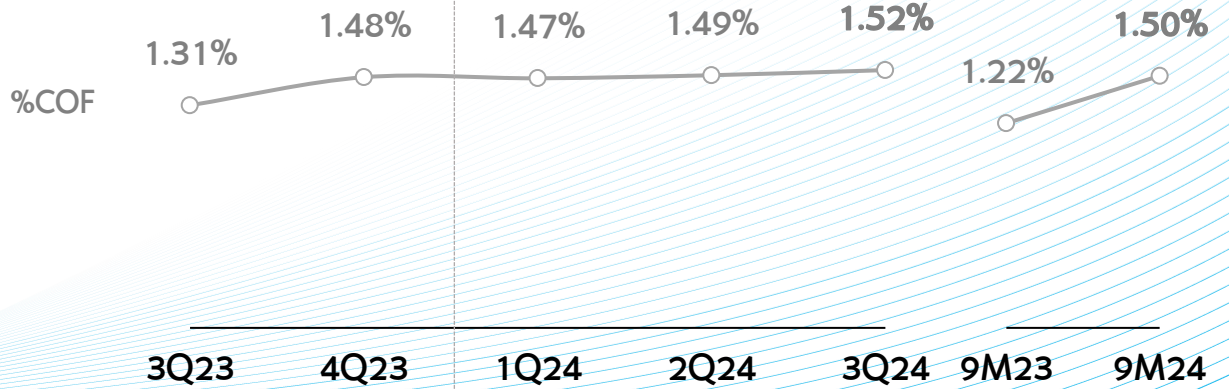
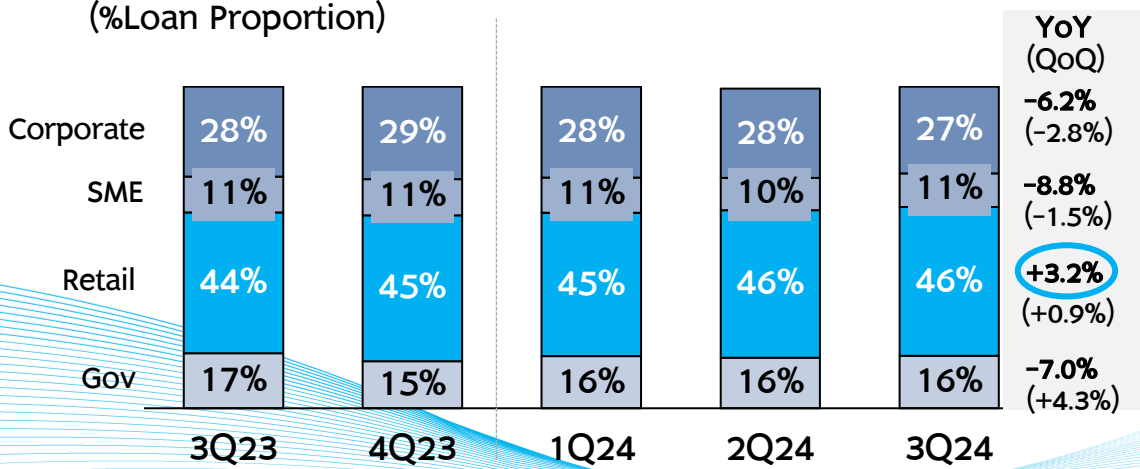
▶ A quality portfolio optimization



▶ NIM slightly changed QoQ from a justified risk-adjusted return amid corporate repayment



▶ Key growth driver in Retail as strategic segment

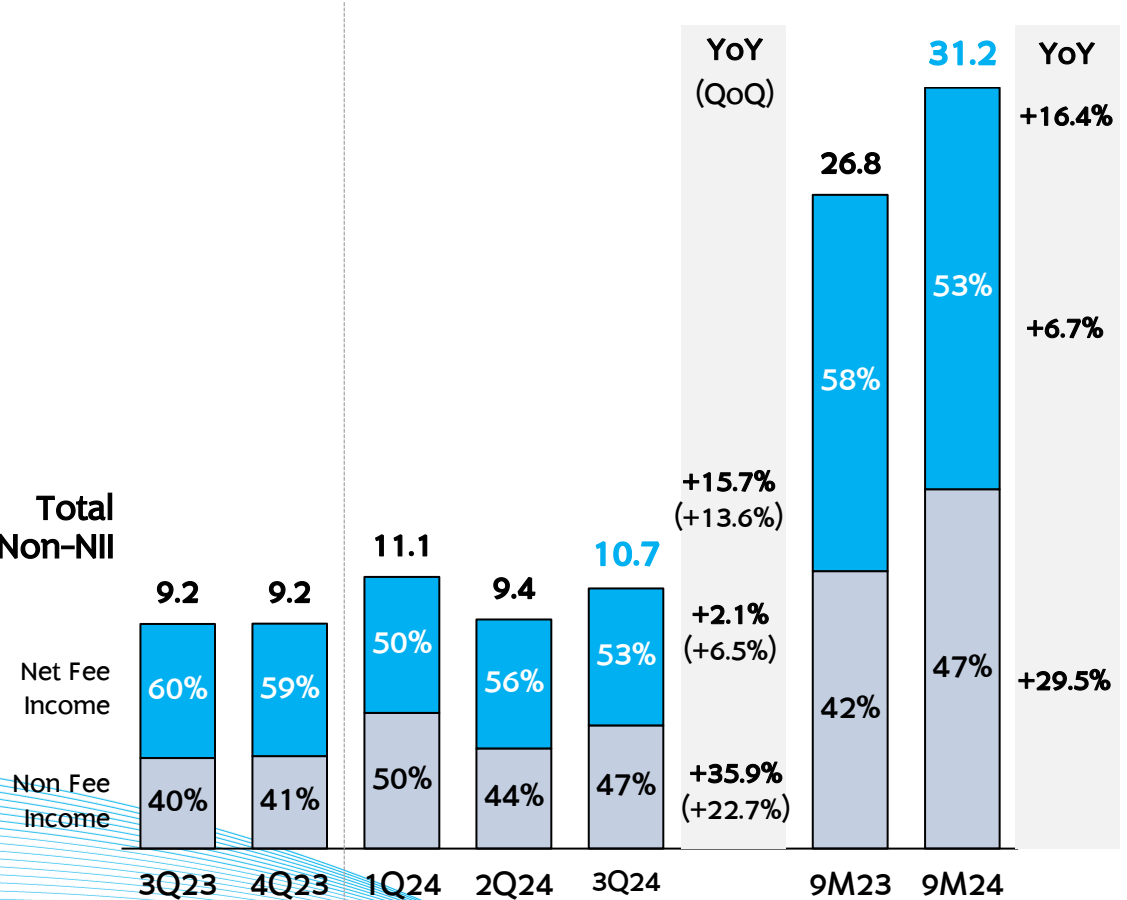


1/ 3Q23 Yield and NIM inclusive of special interest income from Corporate client

Fee income expansion with wealth management focus

Investment sentiment and recovery drove Non-Fee

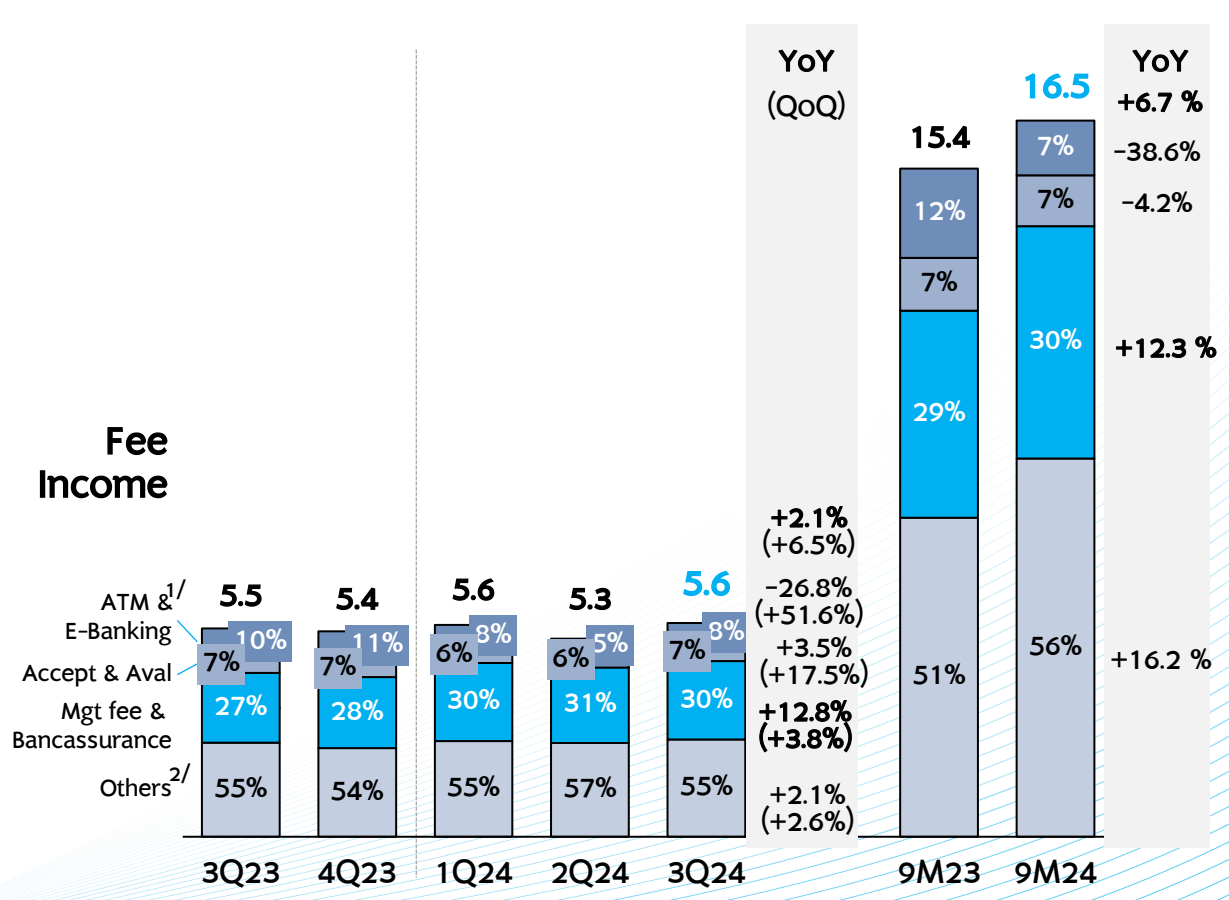
(Baht bn)



Note: 2023 total Non-NII +3.0%YoY

Fee income continues to expand from bancassurance

(Baht bn, % Proportion Fee Income)



Note: 2023 Net fee income +2.7%YoY

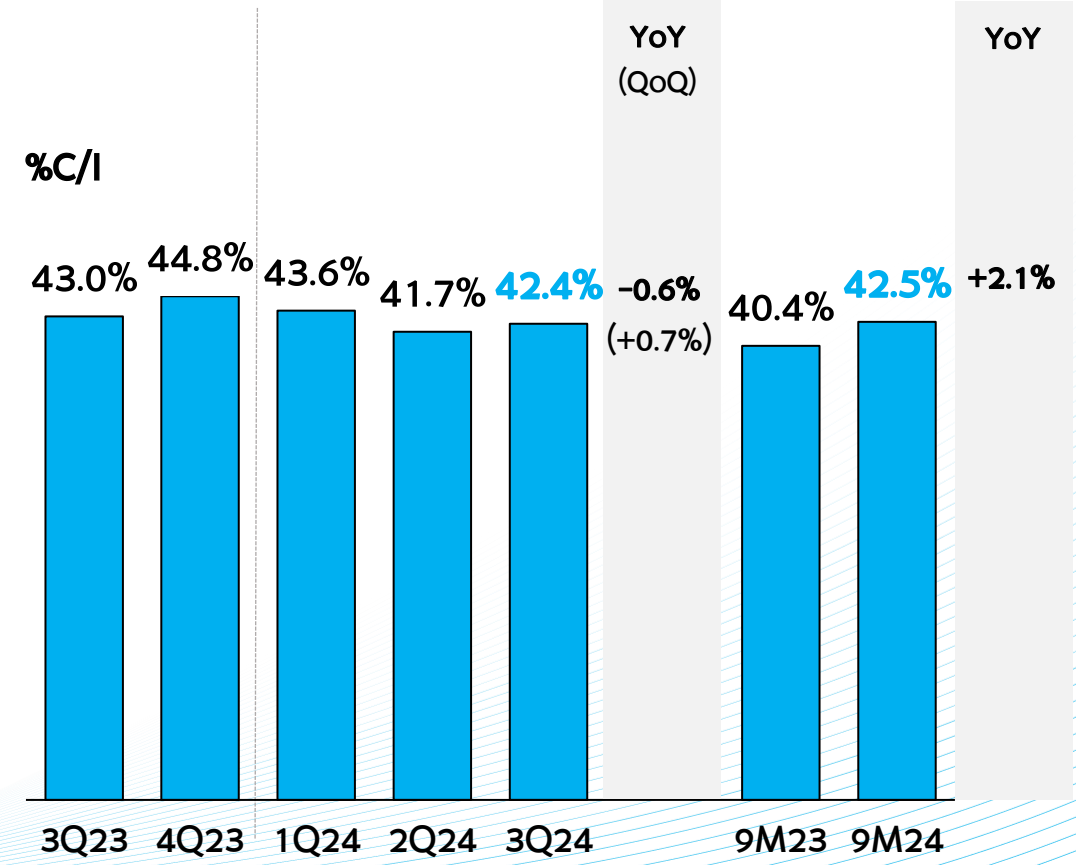
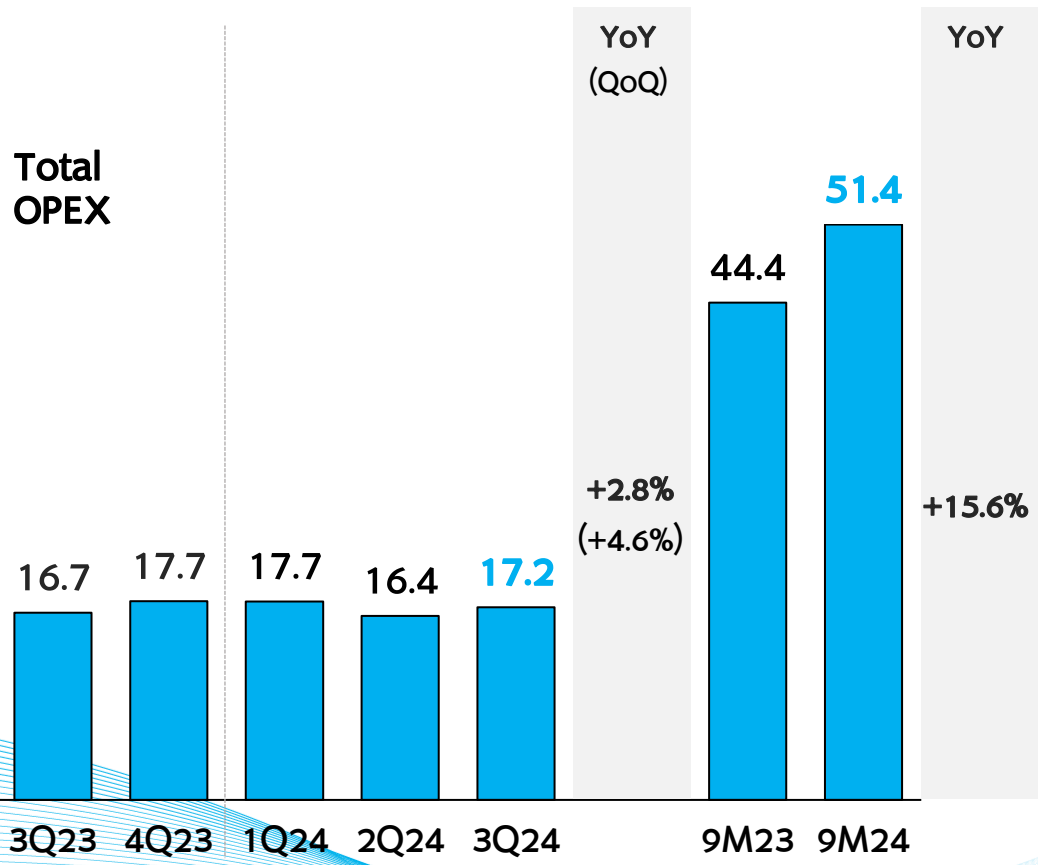
1/ ATM & E-Banking fee less total fee expenses
 2/ Others fee includes fee from KTC, Global Market, and other services

Effective comprehensive cost to income management

➤ Cost expanded on IT and digital investment with normalized NPA management cost

(Baht bn)

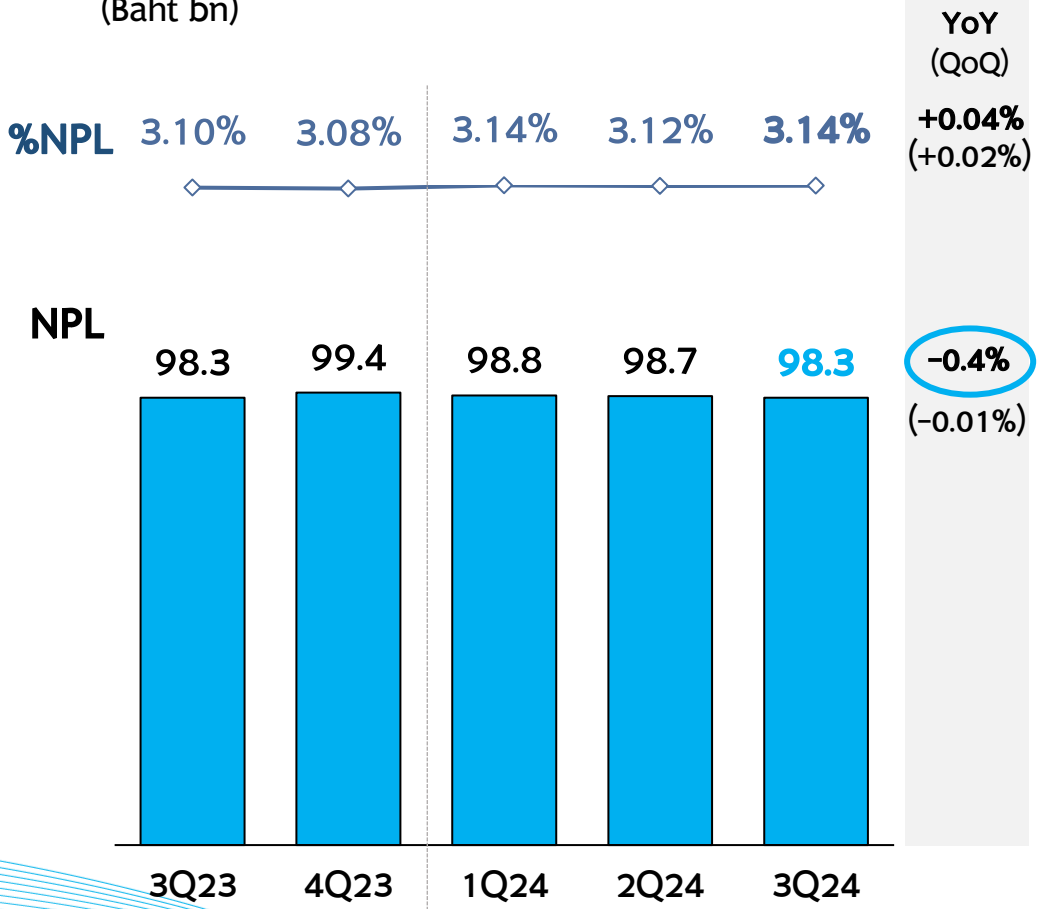
➤ With effective cost to income management (%Cost to income)



Prudent asset quality management with high coverage ratio

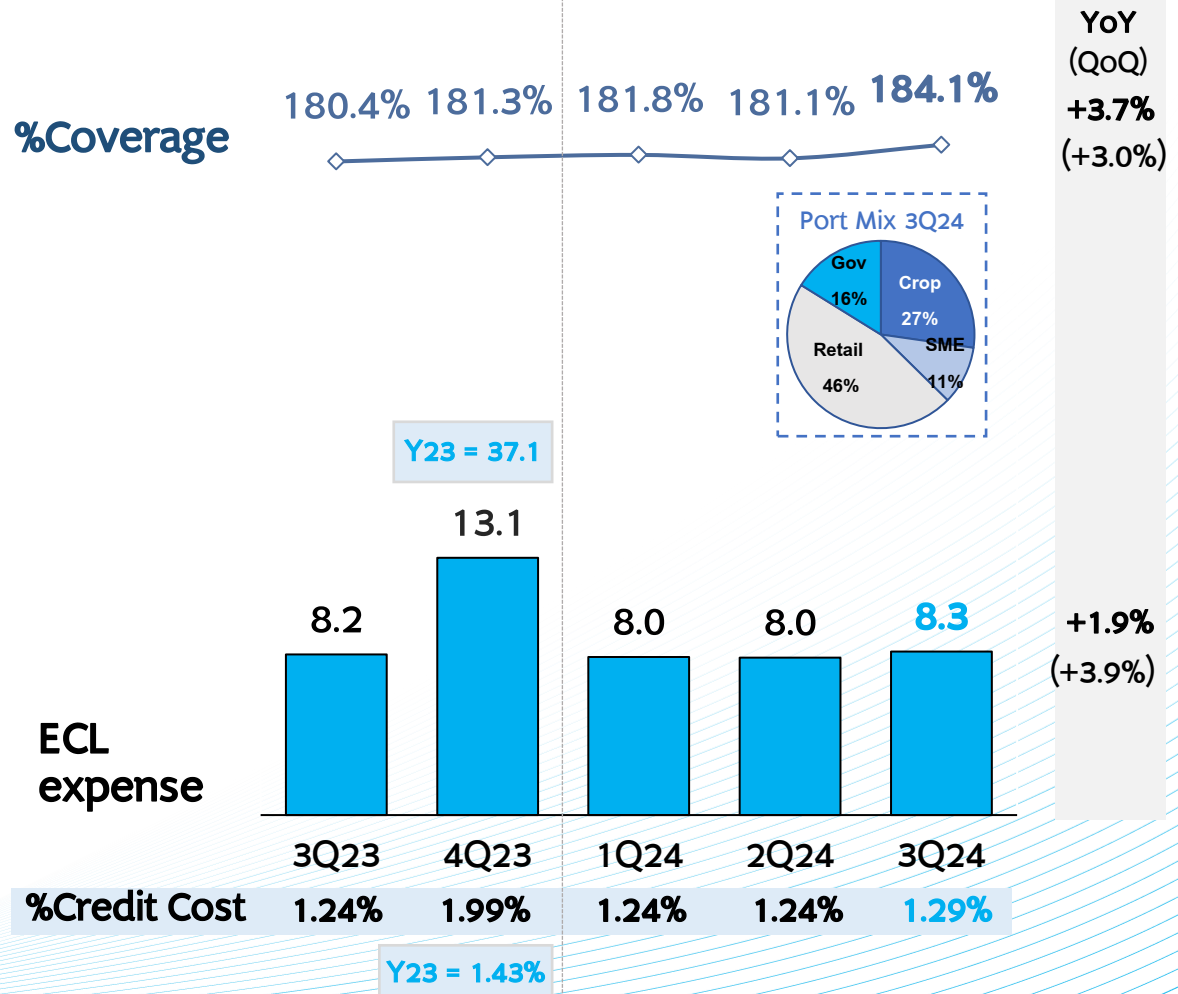
➤ NPL at a manageable level

(Baht bn)



➤ Maintaining high coverage ratio in macro challenges

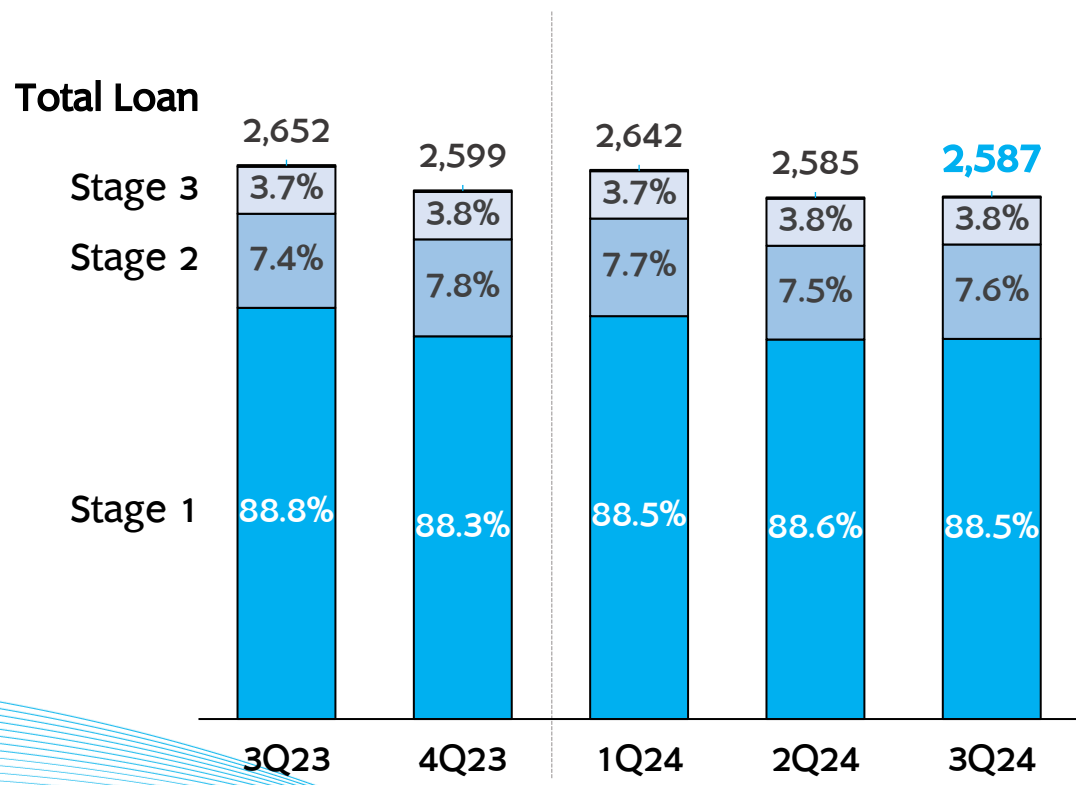
(Baht bn)



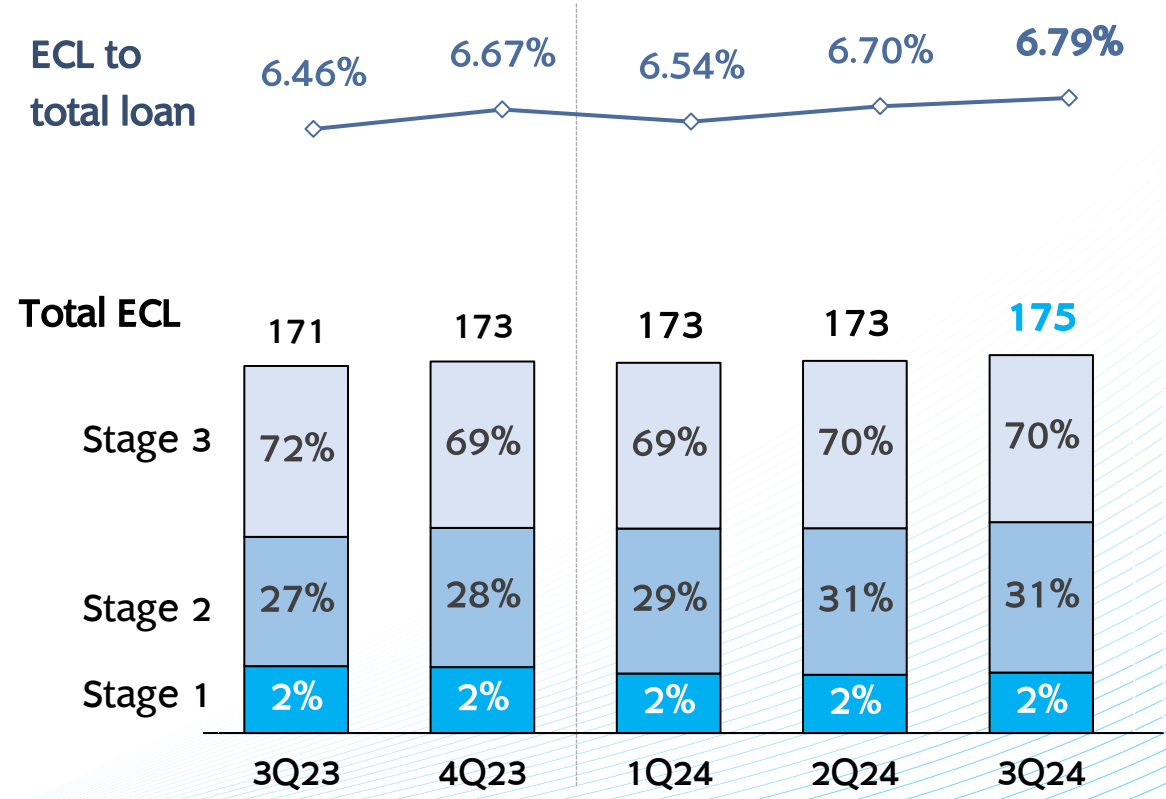
1/ Coverage ratio adjusted presentation of net allowance for stage 3 accrued interest

Actively and vigilantly managed portfolio by stage

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

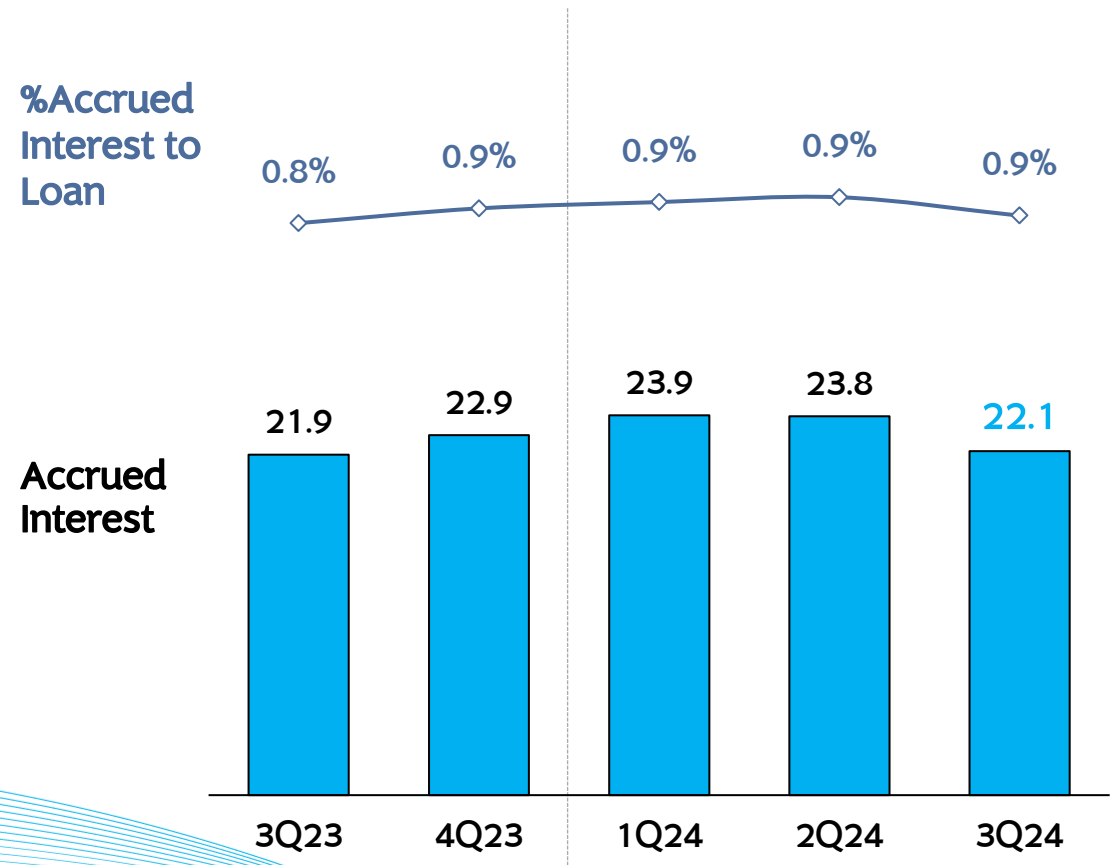


➤ **ECL on loan and accrued interest by stage**
(Baht bn, %ECL to loan)

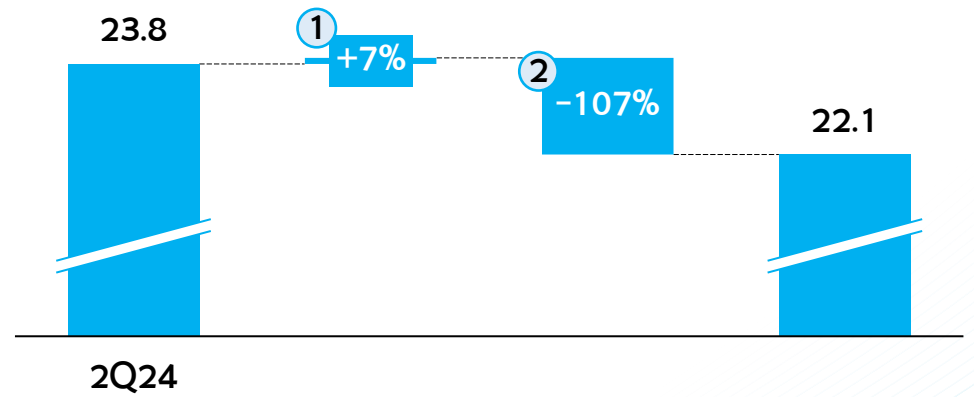


Accrued Interest declined from customer payment

➤ **Accrued Interest**
(Baht bn)



➤ **Accrued Interest movement**
(Baht bn)

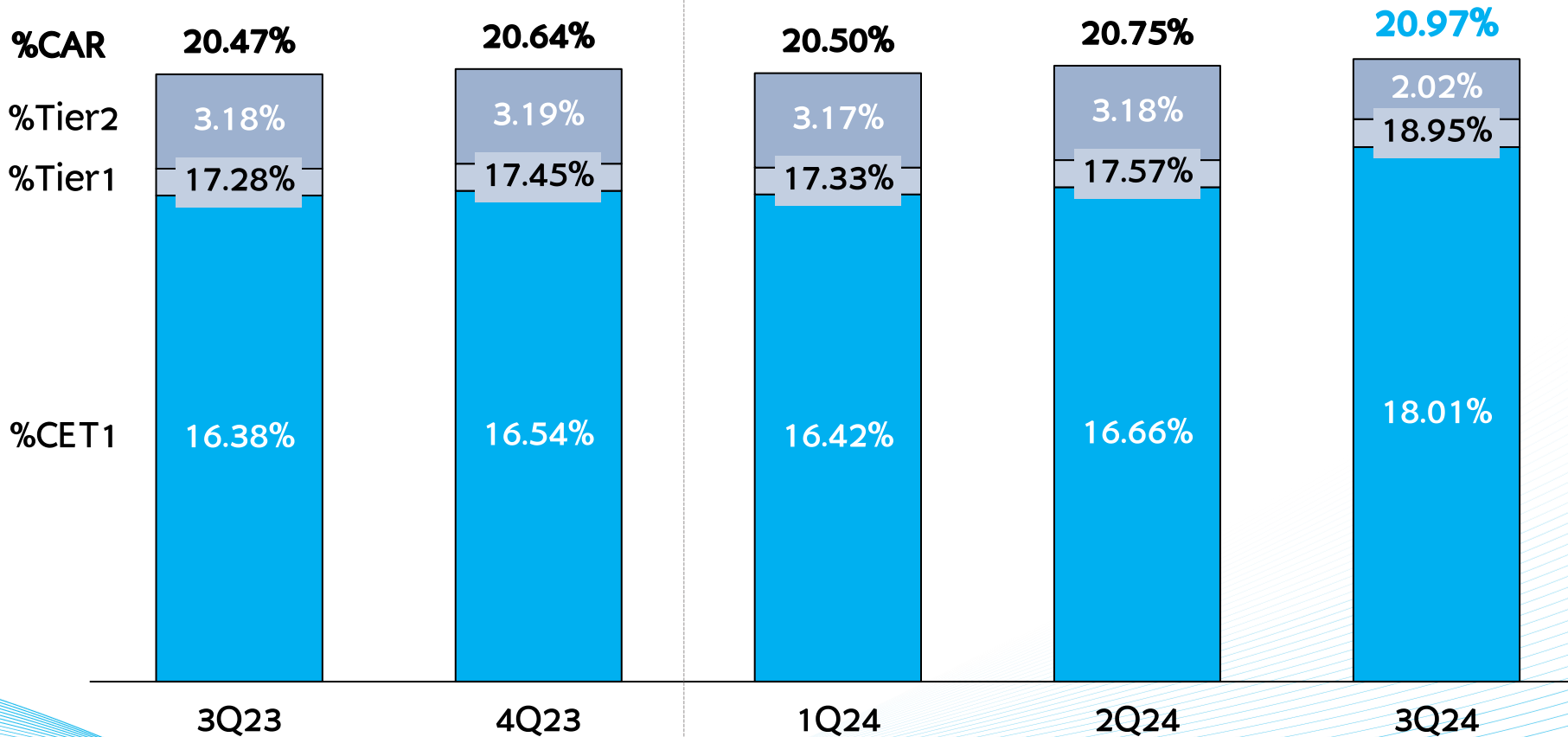


- Accrued interest movement QoQ
- ① Housing with step rate
 - ② Customer payment

Strong capital position to support growth

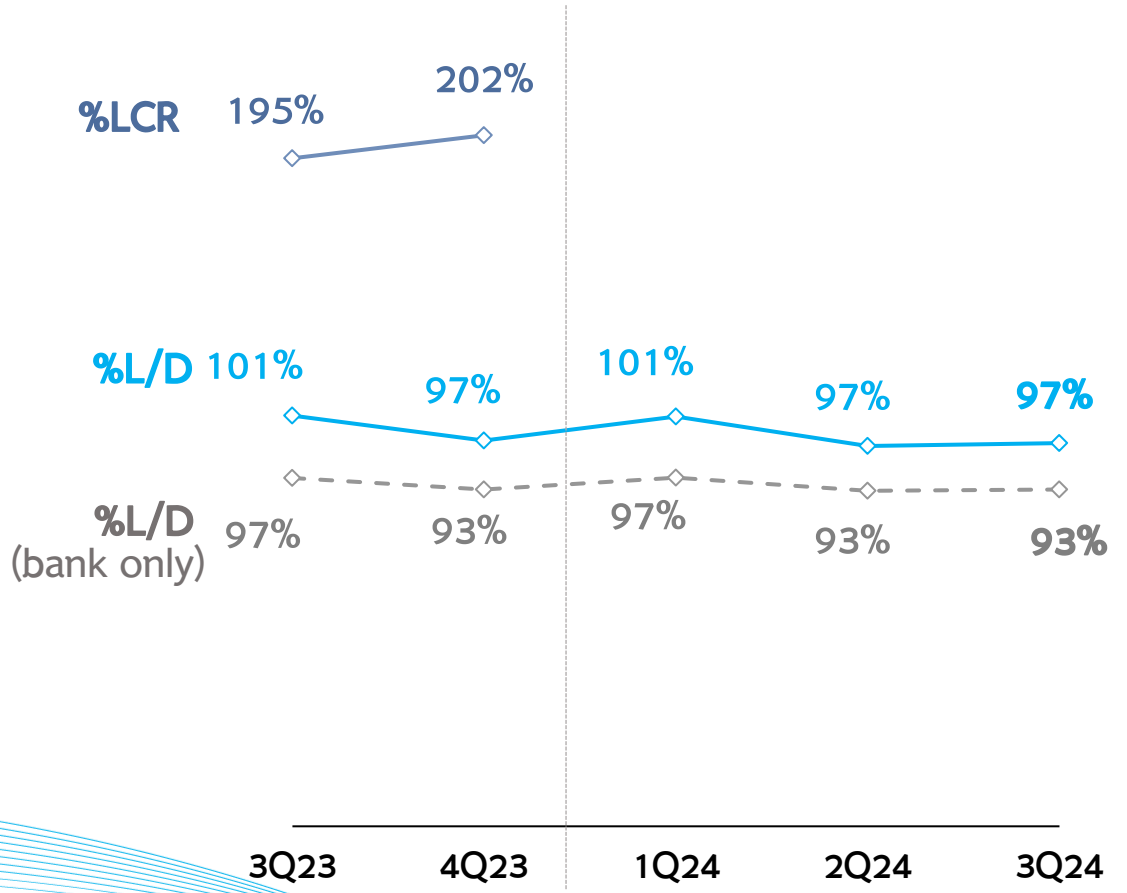


➤ %Capital Ratio (bank only)

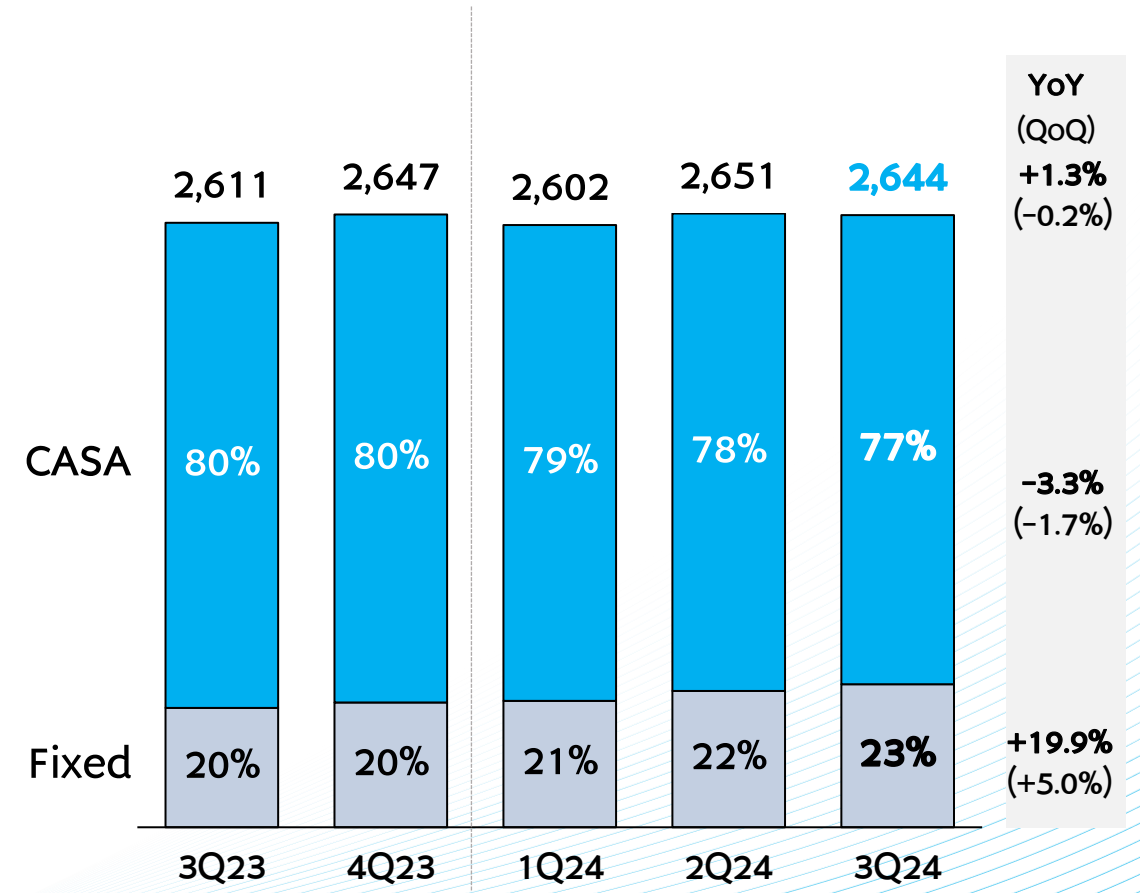


Maintaining sufficient liquidity position with high %CASA

➤ Loan to Deposit Ratio



➤ Deposit by type (Baht bn)



2024 Financial Targets vs 9M24 Performance

	9M24 Actual	2024 Targets
Loan Growth (%YTD)	-0.5%	Around 3%
Net Interest Margin (%)	3.36%	3.0% - 3.3%
Fee Income Growth (%YoY)	6.7%	Low to mid Single Digit
Cost to Income Ratio (%)	42.5%	Low to Mid 40s
NPL (%)	3.14%	< 3.25%
Credit Cost (bps)	127 bps	120 - 130 bps
Coverage Ratio (%)	184.1%	170% +



Thank you

Krungthai Bank PCL

Website : krungthai.com/th/investor-relations

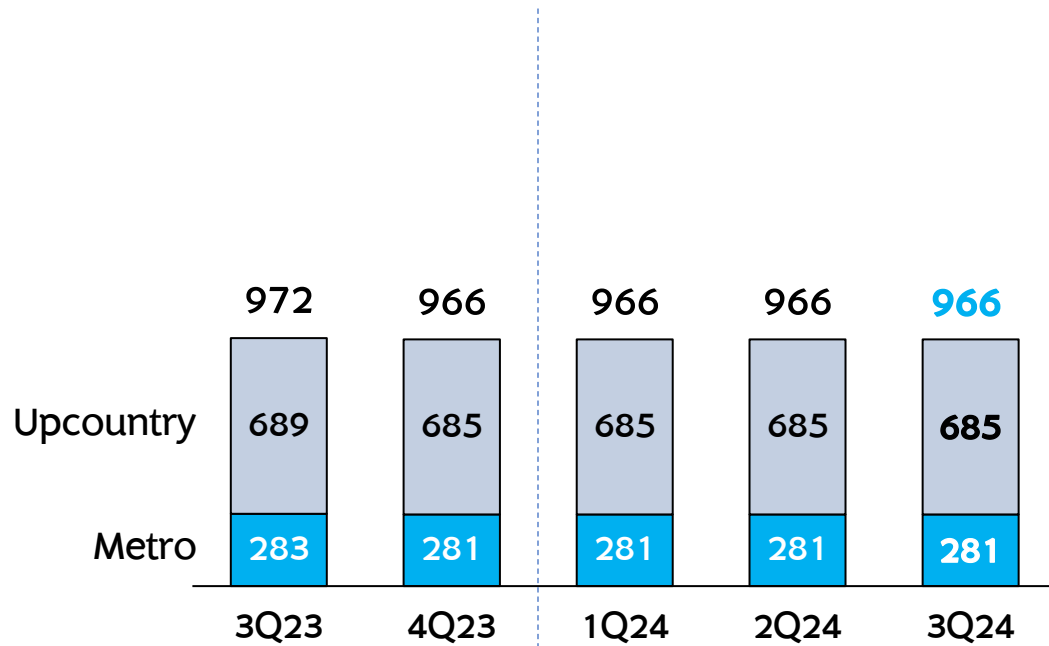
Tel : 0-2208-3668-9

Email : IR@krungthai.com

Appendix

Branches*

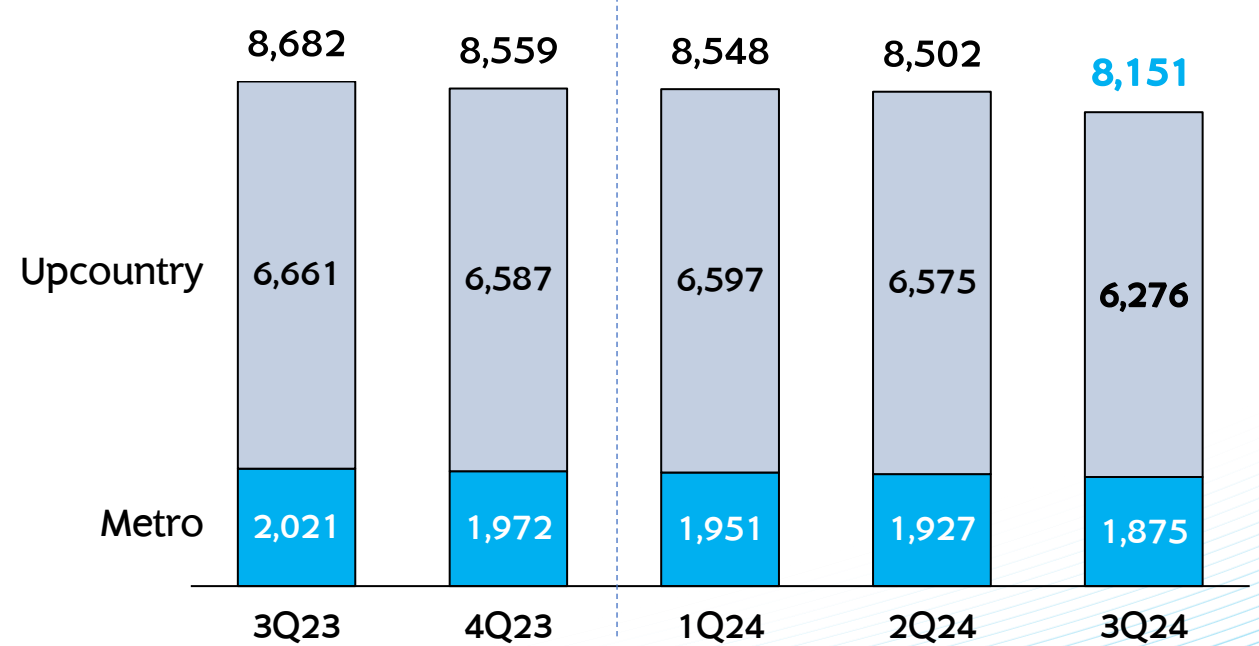
(unit: branches)



* 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.