



**Krungthai**  
กรุงไทย

## Management Discussion and Analysis

For the Quarter ended September 30, 2024

(unreviewed)

This report discusses the principal changes in the unreviewed consolidated financial statement for the quarter ended September 30, 2024.

## Economic Overview

In 2024, the Thai economy is expected to continue on an expansionary path, albeit remaining below its potential. The improving trajectory has been bolstered by the recovery of the tourism sector, attributed in part to the implementation of visa-free measures. The number of foreign tourists in 2024 is projected to reach around 36-37 million. The momentum in tourism-related sectors has supported the recovery of economic activities and employment, particularly in the service sectors. Additionally, the Thai economy gains further support from government policies, including measures to stimulate spending, accelerate budget disbursement, and alleviate cost of living burdens for households. However, domestic demand is constrained by elevated household debt, while adjusting to the Responsible Lending measures that came into effect in January 2024, resulted in subdued spending on vehicles and real estate. The manufacturing sector and exports have experienced significant challenges from intensifying foreign competition and the global economic slowdown. Moreover, Thai businesses are under pressure from tightening financial conditions following the swift appreciation of the Thai baht in the third quarter of 2024, heightened logistics costs, and structural problems that impede competitiveness. Furthermore, the Thai economy still faces challenges from the Russia-Ukraine war, conflict in the Middle East, potentially escalating trade wars, as well as volatility of the Thai baht due to uncertainty over the US central bank's interest rate decisions. Negative impacts from climate change, such as severe flooding in some areas, also pose challenges. Meanwhile, some fragile and vulnerable SMEs, lacking adaptive capability, are struggling with a slow recovery. The uneven growth implies that Thailand's economy has not fully recovered and remains a "K-shaped economy." Overall, the latest assessment from the BOT in October 2024 views that the Thai economy is expected to experience limited growth of 2.7% in 2024, below the potential growth of around 3.0%. Meanwhile, the headline inflation rate is forecasted at 0.5%, lower than the BOT's target range of 1.0-3.0%.

## The Bank and Its Subsidiaries Performance Overview

### The Bank and Its Subsidiaries' Performance for 3Q2024

In 2024, the Thai economy is expected to continue expanding, although unevenly, in a "K-shaped Economy." This expansion is driven by the recovery of the tourism sector and support from government policies aimed at promoting economic growth, accelerating budget disbursement, alleviating financial burdens, and increasing income for households. The manufacturing sector and exports face challenges due to the need for improved skilled labor effectiveness, global economic slowdown, geopolitical conflicts, and Thai baht volatility. These factors particularly impact the recovery of vulnerable SMEs amid high household debts and insufficient income to meet expenses. Additionally, the Thai economy is affected by climate change, resulting in flooding in some areas.

For 3Q2024 compared to 2Q2024, consolidated net profit attributable to equity holders of the Bank was Baht 11,107 million, slightly declined QoQ. The Bank is committed to sustainable growth with a focus on quality. It operates its business prudently and thoroughly, emphasizing asset quality while maintaining a high coverage ratio at 184.1%, increased from 181.3% as of 31 December 2023. Loans were relatively flat QoQ from portfolio optimization for a justified risk adjusted return despite loan repayment from corporate customers. Total operating income marginally expanded by 2.8% QoQ in the Bank's effective comprehensive cost management environment. This resulted in a cost to income ratio of 42.4%. The Bank and its subsidiaries prudently set aside an appropriate level of expected credit losses at a similar level to previous quarter for economic uncertainties as well as challenges from geopolitical conflicts together with uneven economic growth. NPLs was Baht 98,301 million, decreased by 1.1% from the end of 2023 with NPL Ratio of 3.14%.

Compared to 3Q2023, consolidated net profit attributable to equity holders of the Bank increased by 8.0% YoY. The Bank focuses its operations on sustainable growth and prioritizes prudent and flexible asset quality management, along with portfolio optimization with quality. Thus, total operating income uplifted by 4.3% YoY. With the Bank's effective comprehensive operating cost management, cost to income ratio registered at 42.4%, reduced from 3Q2023. The Bank and its subsidiaries prudently set aside an appropriate level of expected credit losses.

### The Bank and Its Subsidiaries' Performance for 9M2024

For 9M2024, consolidated net profit attributable to equity holders of the Bank was Baht 33,381 million, grew 9.4% YoY. The Bank focuses our operations on sustainable growth together with portfolio optimization with quality. Coupling with an increase in fee income and other non-interest income, mainly from bad debt recovery, total operating income expanded by 9.9% YoY. With the Bank's effective comprehensive cost management, cost to income ratio registered at 42.5%. Operating expenses rose YoY, mainly owing to prudent management on properties for sale with appropriate level of impairment losses provided in accordance to its asset potential. Moreover, the bank focuses on IT and digital investment for products and services to enhance customers' experiences for all group of customers and to build capability readiness

as a preparation for future industry growth together with technology and innovation advancement. The Bank and its subsidiaries prudently set aside an appropriate level of expected credit losses for any economic uncertainties.

As of September 30, 2024, the Bank's Tier 1 capital ratio stood at 18.95% of its RWA. Total capital ratio was 20.97% of its RWA, maintaining at a strong level as compared to BOT's requirement. Additionally, the Bank maintains our ample level of liquidity position by means of Liquidity Coverage ratio (LCR) at a consistent level, higher than the BOT's requirement.

The Bank operates under the principle of “**Reshaping Client Value Proposition**”, focusing on innovative product and service development across all areas, and supporting economic growth. Recently, the Bank initiated a project through a joint venture by **Krungthai Ventures**, our subsidiary in venture capital business, with **Search Engine Optimization Co., Ltd**, the founder of “**Gother**”, an online tourism platform for Thais. The Gother platform can be accessed via the Krungthai NEXT and PaoTang applications, which are part of the Bank's ecosystem platforms aimed at supporting the growth of startups and SMEs in Thailand. Additionally, Krungthai and its business partners applied for a virtual bank license to utilize technology and financial innovation to improve access to financial services, promote equality, and support sustainable economic growth.

The Bank is committed to providing assistance to all customer groups, particularly vulnerable populations, to enhance their adaptive capabilities and support sustainable recovery. Due to the widespread impact of flash flooding in many areas of Thailand, the Bank launched efforts to address daily living shortages and offered financial relief measures to alleviate debt burdens. These measures include reducing interest rates and debt repayment installments, increasing liquidity for living expenses, and repairing damaged properties and residences for customers affected by the floods.

Dedicated to addressing the issue of household debt, a structural problem affecting the living standard of customers and people and impeding economic growth, the Bank intends to enhance financial assistance through “**the Consolidated loan for civil servant debt program**” in collaboration with the Ministry of Finance, the Ministry of Education, the Savings and Credit Cooperative of Thai Police, Co-operative Government Officer Co-op Ltd and Khon Kaen Teachers Saving Cooperative Limited together with a plan to expand further collaboration to other agencies to relieve the vulnerable civil servant's debt burden and improve the living standard, along with providing financial literacy in accordance with Responsible Lending guidelines from the Bank of Thailand.

## The Bank and Its Subsidiaries Performance for the Quarter and Nine-Month Ended September 30, 2024

### Overview Operating Income and Net Profit

	Unit : Million Baht							
	3/2024	2/2024	Change	3/2023	Change	9M2024	9M2023	Change
			%		%			%
Net interest income	29,885	30,055	(0.6)	29,667	0.7	89,502	83,058	7.8
Net fee and service income	5,619	5,277	6.5	5,503	2.1	16,473	15,438	6.7
Other non-interest income	5,053	4,117	22.7	3,718	35.9	14,733	11,379	29.5
Total operating income	40,557	39,449	2.8	38,888	4.3	120,708	109,875	9.9
Total other operating expenses	17,194	16,437	4.6	16,733	2.8	51,361	44,412	15.6
Pre-provision profit <sup>(1)</sup>	23,363	23,012	1.5	22,155	5.5	69,347	65,463	5.9
Expected credit losses	8,312	8,004	3.9	8,157	1.9	24,344	24,015	1.4
Operating profit before income tax expenses	15,051	15,008	0.3	13,998	7.5	45,003	41,448	8.6
Income tax expenses	2,958	2,877	2.8	2,774	6.6	8,771	8,169	7.4
Net Profit	12,093	12,131	(0.3)	11,224	7.7	36,232	33,279	8.9
Net profit (attributable to equity holders of the Bank)	11,107	11,195	(0.8)	10,282	8.0	33,381	30,505	9.4
ROA (%) <sup>(2)</sup>	1.20	1.22		1.13		1.22	1.13	
ROE (%) <sup>(2)</sup>	10.51	10.86		10.48		10.73	10.63	

(1) Pre-provision profit before provision for expected credit losses and income tax expense

(2) ROA and ROE calculated from net income (attributable to equity holders of the bank) divided by average assets and average equity attributable to equity holders of the bank respectively.

For 3Q2024 compared to 2Q2024, consolidated pre-provision profit was Baht 23,363 million, a similar level with previous quarter. The Bank is committed to sustainable growth with a focus on quality. It operates its business prudently and thoroughly, emphasizing asset quality while maintaining a high coverage ratio at 184.1%, increased from 181.3% as of 31 December 2023. Loans were relatively flat QoQ from portfolio optimization for a justified risk adjusted return despite loan repayment from corporate customers. Total operating income marginally expanded by 2.8% QoQ in the Bank's effective comprehensive cost management environment. This resulted in a cost to income ratio of 42.4%. The Bank and its subsidiaries prudently set aside an appropriate level of expected credit losses at a similar level to previous quarter for economic uncertainties as well as challenges from geopolitical conflicts together with uneven economic growth. NPLs was Baht 98,301 million, decreased by 1.1% from the end of 2023 with NPL Ratio of 3.14%. As a result, consolidated net profit attributable to equity holders of the Bank was Baht 11,107 million, slightly declined 0.8 % QoQ.

Compared to 3Q2023, consolidated pre-provision profit was Baht 23,363 million. The Bank focuses its operations on sustainable growth and prioritizes prudent and flexible asset quality management, along with portfolio optimization with quality. As a result, total operating income uplifted by 4.3% YoY incorporating an increase in non-interest income, especially from bad debt recovery. With the Bank's effective comprehensive cost management, cost

to income ratio registered at 42.4%, dropped from 3Q2023. The Bank and its subsidiaries prudently set aside an appropriate level of expected credit losses. As such, consolidated net profit attributable to equity holders of the Bank increased by 8.0% YoY.

For 9M2024, consolidated pre-provision profit was Baht 69,347 million. The Bank focuses our operations on sustainable growth together with portfolio optimization with quality. Coupling with an increase in fee income and other non-interest income, mainly from bad debt recovery, total operating income expanded by 9.9% YoY. With the Bank's effective comprehensive cost management, cost to income ratio registered at 42.5%. Operating expenses rose YoY, mainly owing to prudent management on properties for sale with appropriate level of impairment losses provided in accordance to its asset potential. Moreover, the bank focuses on IT and digital investment for products and services to enhance customers' experiences for all group of customers and to build capability readiness as a preparation for future industry growth together with technology and innovation advancement. The Bank and its subsidiaries prudently set aside an appropriate level of expected credit losses for any economic uncertainties. As a result, consolidated net profit attributable to equity holders of the Bank was Baht 33,381 million, increased by 9.4% YoY.

## Net Interest Income

Unit : Million Baht

	3/2024	2/2024	Change	3/2023	Change	9M2024	9M2023	Change
			%		%			%
<b>Interest income</b>	<b>41,528</b>	<b>41,471</b>	<b>0.1</b>	<b>39,650</b>	<b>4.7</b>	<b>123,881</b>	<b>110,628</b>	<b>12.0</b>
- Interbank and money market items	3,918	3,129	25.2	3,209	22.1	10,649	8,108	31.3
- Investments and trading transactions	64	73	(12.3)	43	48.8	230	126	82.5
- Investment in debt securities	1,864	2,236	(16.6)	1,259	48.1	5,680	3,231	75.8
- Loans	35,497	35,730	(0.7)	34,942	1.6	106,616	98,665	8.1
- Hire purchase and financial lease	46	47	(2.1)	62	(25.8)	140	177	(20.9)
- Others	139	256	(45.7)	135	3.0	566	321	76.3
<b>Less Interest expense</b>	<b>11,643</b>	<b>11,416</b>	<b>2.0</b>	<b>9,983</b>	<b>16.6</b>	<b>34,379</b>	<b>27,570</b>	<b>24.7</b>
- Deposits	5,783	5,337	8.4	4,066	42.2	16,136	10,363	55.7
- Interbank and money market items	989	1,179	(16.1)	1,084	(8.8)	3,464	2,846	21.7
- Contributions to BOT and DPA	3,129	3,071	1.9	3,070	1.9	9,254	9,271	(0.2)
- Debts issued	1,571	1,681	(6.5)	1,604	(2.1)	5,059	4,644	8.9
- Others	171	148	15.5	159	7.5	466	446	4.5
<b>Net interest income</b>	<b>29,885</b>	<b>30,055</b>	<b>(0.6)</b>	<b>29,667</b>	<b>0.7</b>	<b>89,502</b>	<b>83,058</b>	<b>7.8</b>
Earning Asset Yield (%) <sup>(1)</sup>	4.65	4.66		4.51		4.65	4.26	
Cost of Fund (%) <sup>(1)</sup>	1.52	1.49		1.31		1.50	1.22	
Net interest margin [based on earning assets] (%) <sup>(1)</sup>	3.35	3.37		3.38		3.36	3.19	

(1) Earning assets include financial assets measured at fair value through profit or loss; Interest bearing debts include financial liabilities measured at fair value through profit or loss.

For 3Q2024 compared to 2Q2024, consolidated net interest income was Baht 29,885 million, slightly decreased QoQ. The Bank focuses on portfolio optimization with quality. Loans grew mainly from our strategic segments i.e. retail whereas government loan expansion is from our balanced and justified risk-return portfolio optimization despite corporate customers loan repayment. NIM registered at 3.35%, compared to 3.37% in 2Q2024.

Compared to 3Q2023, consolidated net interest income slightly increased YoY from balanced portfolio optimization with quality in economic uncertainties.

For 9M2024, consolidated net interest income amounted Baht 89,502 million, increased by 7.8% YoY from balanced portfolio optimization with quality in economic uncertainties. Loan continues to grow from our strategic segments i.e. Retail segment. Together with upward interest rate situation, NIM registered at 3.36%, compared to 3.19% in 9M2023.

### Change of interest rate

	16 Oct 2024	27 Sep 2023	2 Aug 2023	31 May 2023	29 Mar 2023	25 Jan 2023
Policy Interest Rate (%)	2.25%	2.50%	2.25%	2.00%	1.75%	1.50%
Krungthai Interest Rate (%)		5 Oct 2023	6 Jun 2023	13 Apr 2023	1 Feb 2023	3 Jan 2023
Deposit Rate (%) <sup>(1)</sup>						
- Savings Rate		0.300%	0.300%	0.250%	0.250%	0.250%
- 3 Months Fixed Rate		1.170%	0.920%	0.820%	0.770%	0.620%
- 6 Months Fixed Rate		1.250%	1.050%	0.950%	0.850%	0.700%
- 12 Months Fixed Rate		1.700%	1.450%	1.350%	1.150%	1.000%
Loan Rate (%)						
- MLR		7.050%	6.800%	6.600%	6.350%	6.150%
- MOR		7.520%	7.270%	7.070%	6.870%	6.720%
- MRR		7.570%	7.320%	7.120%	6.870%	6.770%

(1) Standard deposit rate for individuals.

In 2023, the Monetary Policy Committee (MPC) projected the continuing recovery of the Thai economy and thus continuing announced the increase of the policy rate on January 25, March 29, May 31, August 2, and September 27, 2023 to 2.50%. The bank thoroughly considered and gradually raised its deposit and loan interest rates in alignment with market movement to support economic stability. In addition, on 16<sup>th</sup> October 2024, Monetary Policy Committee decided to cut the policy rate by 0.25% to 2.25% to alleviate debt-servicing burden for borrowers.



## Net Fee and Service Income

Unit : Million Baht

	3/2024	2/2024	Change	3/2023	Change	9M2024	9M2023	Change
			%		%			%
Fee and service income	7,728	7,467	3.5	7,440	3.9	22,867	21,303	7.3
Less Fee and service expense	2,109	2,190	(3.7)	1,937	8.8	6,394	5,865	9.0
<b>Net fee and service income</b>	<b>5,619</b>	<b>5,277</b>	<b>6.5</b>	<b>5,503</b>	<b>2.1</b>	<b>16,473</b>	<b>15,438</b>	<b>6.7</b>

For 3Q2024 compared to 2Q2024, consolidated net fee and service income was Baht 5,619 million, increased by 6.5% QoQ from a continuing expansion of bancassurance fee with our focus to enhance wealth management.

Compared to 3Q203, consolidated net fee and service income rose by 2.1% YoY, mainly from our focus on wealth management, boosting mutual fund and bancassurance fee.

For 9M2024, consolidated net fee and service income was Baht 16,473 million, increased by 6.7% YoY, from credit card related fee and continuing growth in mutual fund and bancassurance fee with our focus in wealth management.

## Total Other Operating Income

Unit : Million Baht

	3/2024	2/2024	Change	3/2023	Change	9M2024	9M2023	Change
			%		%			%
Gains (loss) on financial instruments measured at fair value through profit or loss	1,821	1,528	19.2	913	99.3	5,009	4,034	24.2
Gain (loss) on investments, net	377	3	12,159.4	4	9,582.3	618	199	210.1
Share of profit (loss) from investments for using equity method	356	467	(23.8)	560	(36.5)	1,228	1,092	12.4
Dividend income	70	125	(44.3)	50	38.7	343	285	20.2
Other income	2,429	1,994	21.8	2,191	10.9	7,535	5,769	30.6
<b>Total other operating income</b>	<b>5,053</b>	<b>4,117</b>	<b>22.7</b>	<b>3,718</b>	<b>35.9</b>	<b>14,733</b>	<b>11,379</b>	<b>29.5</b>

For 3Q2024 compared to 2Q2024, consolidated total other operating income was Baht 5,053 million, increased by 22.7% QoQ, mainly from gains on financial instruments measured at fair value through profit or loss in line with market, gain on investments from effective portfolio management and other income, mainly driven by bad debt recovery.

Compared to 3Q2023, consolidated total other operating income increased by 35.9% YoY, mainly due to gains on financial instruments measured at fair value through profit or loss in line with market, gain on investments from effective portfolio management and other income.

For 9M2024, consolidated total other operating income was Baht 14,733 million, an increase of 29.5% YoY, mainly due to gains on financial instruments measured at fair value through profit or loss in line with the market situation, effective portfolio management and other income from bad debt recovery.

## Other Operating Expenses

	Unit : Million Baht							
	3/2024	2/2024	Change %	3/2023	Change %	9M2024	9M2023	Change %
Employees' expenses	7,011	6,601	6.2	6,361	10.2	20,255	19,319	4.8
Premises and equipment expenses	2,919	2,498	16.8	2,668	9.4	7,854	7,564	3.8
Taxes and duties	1,336	1,337	(0.1)	1,322	1.0	4,019	3,735	7.6
Impairment loss of properties for sale	(37)	1,610	(102.3)	1,297	(102.8)	5,366	2,154	149.1
Others <sup>(1)</sup>	5,965	4,391	35.8	5,085	17.3	13,867	11,640	19.1
<b>Total other operating expenses</b>	<b>17,194</b>	<b>16,437</b>	<b>4.6</b>	<b>16,733</b>	<b>2.8</b>	<b>51,361</b>	<b>44,412</b>	<b>15.6</b>
Cost to income ratio (%)	42.4	41.7		43.0		42.5	40.4	

(1) Including Directors' remuneration

For 3Q2024 compared to 2Q2024, with the Bank's effective comprehensive cost management, other operating expenses was Baht 17,194 million, increased by 4.6% QoQ, mainly from IT cost as our focus on IT and digital investment for products and services to enhance customers' experiences for all groups of customers and to build capability readiness as a preparation for future industry growth together with technology and innovation advancement whilst the impairment loss of properties for sale from a management for properties for sale in accordance to its asset potential starts to normalize. Hence cost to income ratio registered at 42.4%.

Compared to 3Q2023, with the Bank effective comprehensive cost management, cost to income ratio registered at 42.4%, decreased from 43.0% in 3Q2023. An increase of other operating expenses by 2.8% YoY, mainly owing to IT cost as our focus on IT and digital investment for products and services to enhance customers' experiences for all groups of customers and to build capability readiness as a preparation for future industry growth together with technology and innovation advancement whilst the impairment loss of properties for sale from a management for properties for sale in accordance to its asset potential starts to normalize.

For 9M2024, with the Bank effective comprehensive operating cost management, cost to income ratio registered at 42.5%, though other operating expenses was Baht 51,361 million, increased by 15.6% YoY, mainly owing to a prudent management for properties for sale with appropriate level of impairment losses provided in accordance to its asset potential in 1Q2024 and 2Q2024 and our focus on IT and digital investment for products and services to enhance customers' experiences for all groups of customers and to build capability readiness as a preparation for future industry growth together with technology and innovation advancement.

## Expected credit losses

Unit : Million Baht

	3/2024	2/2024	Change %	3/2023	Change %	9M2024	9M2023	Change %
Expected credit losses <sup>(1)</sup>	8,312	8,004	3.9	8,157	1.9	24,344	24,015	1.4

(1) Expected credit losses for interbank and money market items, investments in debt securities, loans to customers (including loss from criteria change) and loan commitments & financial guarantee contracts

For 3Q2024 compared to 2Q2024, the Bank and its subsidiaries has properly set aside the expected credit loss of Baht 8,312 million with a prudent consideration of various factors relating to the business environment and economic uncertainties, uneven economic growth together with challenges from geopolitical conflicts. Coverage ratio remained at a high level of 184.1% with NPLs Ratio at 3.14%.

Compared to 3Q2023, consolidated expected credit loss slightly increased YoY to maintain high coverage ratio at 184.1%.

For 9M2024, consolidated expected credit losses prudently set aside the expected credit loss in amounted Baht 24,344 million, a similar level comparing to last year, with cautious consideration of various factors relating to the business environment and economic uncertainties. Coverage ratio stood at 184.1%.

## The Bank and Its Subsidiaries' Financial Status as at September 30, 2024

### Loans to Customers

The Bank's consolidated loans to customers registered at Baht 2,564,765 million. The Bank focuses on a quality portfolio optimization with justified risk-adjusted-return as well as expand in its strategic segments i.e. Retail. Whereas Government loan expansion is from our balanced and justified risk-return portfolio optimization despite corporate loan repayment. As such, loans broadly maintain at the same level as December 2023 and previous quarter.

Unit : Million Baht

Consolidated Financial Statements	30 Sep 2024		30 Jun 2024		Change	31 Dec 2023		Change
	Amount	(%)	Amount	(%)	%	Amount	(%)	%
Loans to customers	2,565,236		2,561,557		0.1	2,577,131		(0.5)
<b>Less</b> Deferred revenue	471		568		(17.0)	615		(23.3)
<b>Add</b> Accrued interest receivables	22,099		23,835		(7.3)	22,902		(3.5)
<b>Less</b> Allowance for expected credit losses	175,673		173,292		1.4	173,323		1.4
<b>Loans to customers and accrued interest receivables, net</b>	<b>2,411,191</b>		<b>2,411,532</b>		<b>0.0</b>	<b>2,426,095</b>		<b>(0.6)</b>

### Loan breakdown by type of borrowers (Consolidated's Financial Statements)

Unit : Million Baht

Consolidated Financial Statement	30 Sep 2024		30 Jun 2024		Change	31 Dec 2023		Change
	Amount	(%)	Amount	(%)	%	Amount	(%)	%
Private Corporate	690,378	26.9	710,624	27.8	(2.8)	739,942	28.7	(6.7)
Government and State Enterprise	419,166	16.3	401,811	15.7	4.3	377,865	14.7	10.9
SMEs	268,117	10.5	272,128	10.6	(1.5)	291,514	11.3	(8.0)
Retail	1,187,173	46.3	1,176,717	45.9	0.9	1,167,508	45.3	1.7
- Housing	498,517	19.4	491,298	19.2	1.5	484,590	18.8	2.9
- Personal	617,183	24.1	613,486	23.9	0.6	605,071	23.5	2.0
- Credit card	68,812	2.7	68,969	2.7	(0.2)	74,132	2.9	(7.2)
- Leasing	2,661	0.1	2,964	0.1	(10.2)	3,715	0.1	(28.4)
Others	402	0.0	277	0.0	45.3	302	0.0	33.3
<b>Total loans (per F/S)</b>	<b>2,565,236</b>	<b>100.0</b>	<b>2,561,557</b>	<b>100.0</b>	<b>0.1</b>	<b>2,577,131</b>	<b>100.0</b>	<b>(0.5)</b>

## Asset Quality

### Loan classification and expected credit loss

Unit : Million Baht

Consolidated Financial Statement	30 Sep 2024	30 Jun 2024	31 Dec 2023
NPL <sup>(1)</sup>	98,301	98,701	99,407
NPL Ratio	3.14%	3.12%	3.08%
Allowance for Expected Credit Losses (total) <sup>(2)</sup>	180,965	178,718	180,197
Coverage Ratio <sup>(3)</sup>	184.1%	181.1%	181.3%

(1) NPL based on principal less deferred revenue while including interbank and money market items

(2) Allowance for expected credit loss (total) = Allowance for expected credit losses for interbank and money market items, loans to customers and loan commitments & financial guarantee contracts

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

Unit : Million Baht

Consolidated Financial Statement	30 Sep 2024		30 Jun 2024		31 Dec 2023	
	Loans and	Allowance for	Loans and	Allowance for	Loans and	Allowance for
	Accrued Interest Receivables <sup>(1)</sup>	Expected Credit Losses <sup>(2)</sup>	Accrued Interest Receivables <sup>(1)</sup>	Expected Credit Losses <sup>(2)</sup>	Accrued Interest Receivables <sup>(1)</sup>	Expected Credit Losses <sup>(2)</sup>
<b>Loan Classification</b>						
Performing	2,290,319	44,813	2,289,316	43,892	2,295,515	47,237
Under - performing	196,429	61,727	194,656	60,121	201,919	56,906
Non - performing	97,832	68,514	98,329	68,681	98,795	68,348
Lifetime ECL - simplified approach <sup>(3)</sup>	2,284	619	2,523	598	3,189	832
<b>Total</b>	<b>2,586,864</b>	<b>175,673</b>	<b>2,584,824</b>	<b>173,292</b>	<b>2,599,418</b>	<b>173,323</b>

(1) Loan less deferred revenue while including accrued interest receivables and undue interest receivables

(2) Allowance for expected credit losses for loans to customers (including loss from criteria change) per financial statements

(3) Lifetime ECL – simplified approach is the approach of the Bank's subsidiary to recognize the allowance for expected credit losses on lifetime of finance lease receivables

The Bank's consolidated NPL as at September 30, 2024 was Baht 98,301 million, decreased from December 31, 2023 as a result of our continuing prudent and flexible asset quality management with NPL Ratio of 3.14%. The appropriate level of expected credit losses were set aside to maintain a high level of coverage ratio for any economic uncertainties along with closely monitoring of our asset quality. The consolidated coverage ratio stood at 184.1%, increased from 181.3% as of December 31, 2023

## Deposits

The Bank's consolidated deposits was Baht 2,644,389 million, broadly stable to December 31, 2023. The portion of current deposit and savings deposit to total deposit (CASA) stood at a high level of 77%.

The Bank's consolidated loans to customers (less deferred revenue)-to-deposits ratio (L/D ratio) was 96.99%, reduced from 97.34% as at December 31, 2023.

## Sources and Uses of Funds

Unit : Million Baht

	30 Sep 2024		30 Jun 2024		Change %	31 Dec 2023		Chang %
	Amount	(%)	Amount	(%)		Amount	(%)	
Net Interbank and money market items (asset)	641,583	17.5	640,227	17.4	0.2	701,161	19.1	(8.5)
Financial assets measured at fair value through profit or loss	28,415	0.8	25,973	0.7	9.4	25,946	0.7	9.5
Net investments and net investments in associates	300,272	8.2	342,868	9.3	(12.4)	277,241	7.5	8.3
Loans to customers (less deferred revenue)	2,564,765	70.1	2,560,989	69.5	0.1	2,576,516	70.1	(0.5)
<u>Less</u> Allowance for expected credit losses	175,673	4.8	173,292	4.7	1.4	173,323	4.7	1.4
Other assets	301,289	8.2	286,010	7.8	5.3	270,144	7.3	11.5
<b>Total Asset</b>	<b>3,660,651</b>	<b>100.0</b>	<b>3,682,775</b>	<b>100.0</b>	<b>(0.6)</b>	<b>3,677,685</b>	<b>100.0</b>	<b>(0.5)</b>
Deposits	2,644,389	72.2	2,650,867	72.0	(0.2)	2,646,872	72.0	(0.1)
Net Interbank and money market items (liabilities)	244,280	6.7	259,447	7.0	(5.8)	282,696	7.7	(13.6)
Debt issued and borrowings	135,822	3.7	157,239	4.3	(13.6)	160,839	4.4	(15.6)
Other liabilities	187,674	5.1	184,873	5.0	1.5	166,431	4.5	12.8
Total equity	448,486	12.3	430,349	11.7	4.2	420,847	11.4	6.6
- Equity holders of the Bank	428,891	11.7	411,739	11.2	4.2	402,377	10.9	6.6
- Non-controlling interest	19,595	0.6	18,610	0.5	5.3	18,470	0.5	6.1
<b>Total liabilities and equity</b>	<b>3,660,651</b>	<b>100.0</b>	<b>3,682,775</b>	<b>100.0</b>	<b>(0.6)</b>	<b>3,677,685</b>	<b>100.0</b>	<b>(0.5)</b>
Loans to customers (less deferred revenue)- to-deposits ratio (%)	<b>96.99</b>		<b>96.61</b>			<b>97.34</b>		

As at September 30, 2024, the Bank's consolidated major source of funds was 72.2% deposits; and the other source of funds as equity, interbank borrowings, and debt issued and borrowings. In July 2024, the Bank redeemed subordinated note qualified as Tier 2 capital in the amount of Baht 24,000 million before the maturity date. The Bank's consolidated use of funds comprised of 70.1% loans to customers (less deferred revenue), 17.5% net interbank and money market items, and 8.2% net investments and net investments in associates.

## Equity

The total equity (equity holders of the Bank) as at September 30, 2024 was Baht 428,891 million, increased 6.6% from December 31, 2023.

Book value per share (equity holders of the Bank) was Baht 30.68 per share, increased from Baht 28.78 per share at December 31, 2023.

## Statutory Capital Fund

### Statutory Capital Fund (The Bank's Financial Statements)

Unit : Million Baht

The Bank's Financial Statements	30 Sep 2024 <sup>(2)</sup>		30 Jun 2024 <sup>(2)</sup>		31 Dec 2023		The minimum rate required (%) <sup>(1)</sup>
	Amount	(%)	Amount	(%)	Amount	(%)	
Common Equity Tier 1 capital	357,604	18.01	339,258	16.66	336,907	16.54	>8.000
Tier 1 capital	376,252	18.95	357,905	17.57	355,554	17.45	>9.500
Tier 2 capital	40,071		64,767		64,960		
<b>Total capital fund</b>	<b>416,323</b>	<b>20.97</b>	<b>422,672</b>	<b>20.75</b>	<b>420,514</b>	<b>20.64</b>	<b>&gt;12.000</b>
Risk-weighted assets	1,985,076		2,036,974		2,037,273		

(1) According to BOT's regulation, the minimum capital ratios of Commercial Banks in Thailand will be increased to absorb capital conversation buffer until the capital buffer ratio of more than 2.50% is reached on January 1, 2019. Moreover, Krungthai was named as the one-sixth of the Domestic Systemically Important Banks (D-SIBs) requiring to hold all capital ratios to absorb higher loss absorbency of additional 1% of risk-weight assets from January 1, 2020 onwards (reference to the BOT Notification Sor.Nor.Sor. 16/2560 and 17/2560)

(2) Capital fund and capital adequacy ratio are preliminary information prepared accordance with BOT guidelines.

As at September 30, 2024, the Bank's Common Equity Tier 1 was Baht 357,604 million, Tier 1 capital was Baht 376,252 million and Total capital was Baht 416,323 million (18.01%, 18.95% and 20.97% of its RWA). In July 2024, the Bank redeemed subordinated note qualified as Tier 2 capital in the amount of Baht 24,000 million before the maturity date. Total capital ratio after the redemption of subordinated note remains in resilient position.

The Bank possesses healthy capital ratios compared to BOT's requirement. Moreover, the Bank regularly reassesses the capital level to be in accordance with the BOT's requirement.

## Credit Ratings

Bank's credit ratings rated by S&P Global Ratings, Moody's Investors Service and Fitch Ratings were as follows:

S&P Global Ratings	Sep 2024	Jun 2024	Mar 2024
- Long-term/ Short-term	BBB- / A-3	BBB- / A-3	BBB- / A-3
- Outlook	Positive	Positive	Positive
- Stand-Alone Credit Profile (SACP)	bb	bb	bb
Moody's Investors Service	Sep 2024	Jun 2024	Mar 2024
- Long-term/ Short-term	Baa1 / P-2	Baa1 / P-2	Baa1 / P-2
- Outlook	Stable	Stable	Stable
- Baseline Credit Assessment (BCA)	baa3	baa3	baa3
- Additional Tier I Subordinated Notes (USD)	Ba3	Ba3	Ba3
Fitch Ratings	Sep 2024	Jun 2024	Mar 2024
Foreign Currency Credit Ratings			
- Long-term/ Short-term	BBB+ / F1	BBB+ / F1	BBB+ / F1
- Outlook	Stable	Stable	Stable
- Viability Rating	bbb-	bbb-	bbb-
National Credit Ratings			
- Long-term/ Short-term	AAA(tha) / F1+ (tha)	AAA(tha) / F1+ (tha)	AAA(tha) / F1+ (tha)
- Outlook	Stable	Stable	Stable
- Senior unsecured debentures (Baht)	AAA(tha)	AAA(tha)	AAA(tha)
- Subordinated Debt (Baht)	AA(tha)	AA(tha)	AA(tha)



Note: The percentage change stated in this document was calculated from the financial statement figures.

Disclaimer

This document contained information regarding the Bank's financial performance and business operations, macro-economic data and other relevant information, which some parts of such information are forward-looking statements based on the view or assumptions of the Bank on current information. In case of changing in such information, the Bank reserves the right to change any information herein without prior notice. As the actual results in the future may differ materially from those anticipated in this document and this document shall not be deemed to be a guarantee of the Bank's financial performance and business operations in the future, investors, therefore, should exercise individual judgment when considering the Bank's information for any purpose.