



krungsri
กรุงศรี

A member of MUFG
a global financial group

3Q/2024 and 9M/2024 Financial Performance

18 October 2024

"Make Life Simple ชีวิตง่าย ได้ทุกวัน"

Agenda

Financial Performance

2024 Outlook

Krungsri Profile

Financial Performance



3Q/2024 Financial Performance

Consolidated (Baht Million)	2Q/24	3Q/24	%QoQ	Key Highlights in 3Q/24
Net Interest Income	28,299	27,255	-3.7%	Mainly from lower interest on loans, corresponding to loan contraction during the quarter.
Non-Interest Income	11,172	11,053	-1.1%	Driven by a contraction in net fees and service income, and other operating income, mainly from gains on sales of properties for sales.
Operating Expenses	17,226	17,116	-0.6%	Attributable to a reduction in employee expenses and impairment on properties for sale, offset by an increase in other expenses, primarily driven by marketing promotion and IT-related expenses.
Expected Credit Loss	11,817	11,171	-5.5%	Resonating Krungsri's rigorous and prudential risk management approach.
Net Profit *	8,209	7,672	-6.5%	Mainly driven by a decrease in net interest income, corresponding to the contraction in loan growth during the quarter.

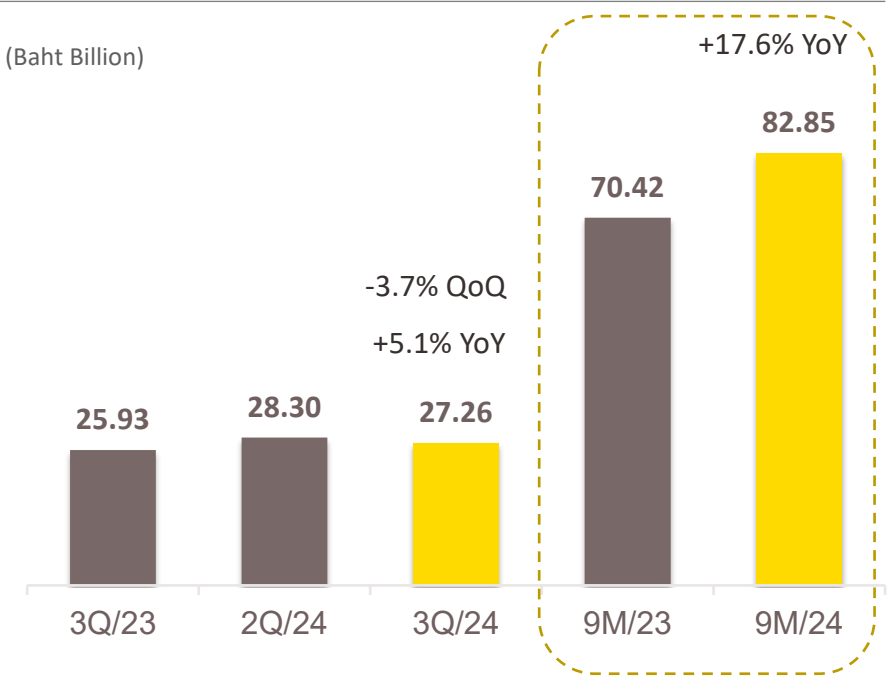
Key Financial Ratio	2Q/24	3Q/24	Key Highlights in 3Q/24
Loan Growth	-0.4%	-3.3%	Reflecting weighted down business sentiment and consumer confidence.
Deposit Growth	-4.4%	-0.9%	Driven by a decrease in time deposits corresponding to the Bank's funding cost optimization management.
NIM	4.33%	4.28%	Driven mainly by a lower yield on loans from portfolio rebalancing.
Cost to Income Ratio	43.6%	44.7%	Continued to maintain effective expense management.
NPL Ratio	3.05%	3.20%	The increase in NPL was mainly from the retail and SME segments, resonating the greater challenging business environment.
Coverage Ratio	128.8%	124.6%	
Credit Cost	237 bps	233 bps	

9M/2024 Financial Performance

Consolidated (Baht Million)	9M/23	9M/24	%YoY	Key Highlights in 9M/24
Net Interest Income	70,423	82,848	17.6%	Driven by an increase in interest income mainly attributed to ASEAN business contribution. Meanwhile, interest expenses increased primarily due to interest on deposits offset by a decrease in interest on interbank and money market items.
Non-Interest Income	27,160	33,464	23.2%	Driven by net fees and service income from the ASEAN businesses, combined with an increase in gains on financial instruments measured at fair value through profit or loss (FVTPL) as well as bad debt recoveries.
Operating Expenses	43,118	50,926	18.1%	Driven by the overseas consumer businesses acquired in 2023, particularly in terms of employee expenses, along with other expenses—mainly related to IT and amortization expenses.
Expected Credit Loss	22,662	35,258	55.6%	Underscoring Krungsri's rigorous and prudential risk management approach amid the future uncertainty for asset quality in domestic and overseas businesses.
Net Profit *	25,198	23,424	-7.0%	Resulting from an increase in expected credit loss (ECL).
Key Financial Ratio	9M/23	9M/24	Key Highlights in 9M/24	
Loan Growth (YtD)	3.5%	-4.5%	Resonating the weighted down business and consumer sentiments, combined with the Bank's prudential lending stance.	
Deposit Growth (YtD)	-1.8%	3.3%	Mainly contributed to time deposits with a tenor of six months and more.	
NIM	3.70%	4.33%	Driven by an improvement in the yield of earning assets while being offset by an increase in the cost of funds.	
Cost to Income Ratio	44.2%	43.8%	Driven by an increase in operating income, mainly attributed to the ASEAN business contribution.	
NPL Ratio	2.48%	3.20%	<ul style="list-style-type: none"> Largely caused by an increase in NPLs from retail and SME segments. Krungsri continued to set prudential provisions amid future uncertainty. 	
Coverage Ratio	155.1%	124.6%		
Credit Cost	149 bps	245 bps		

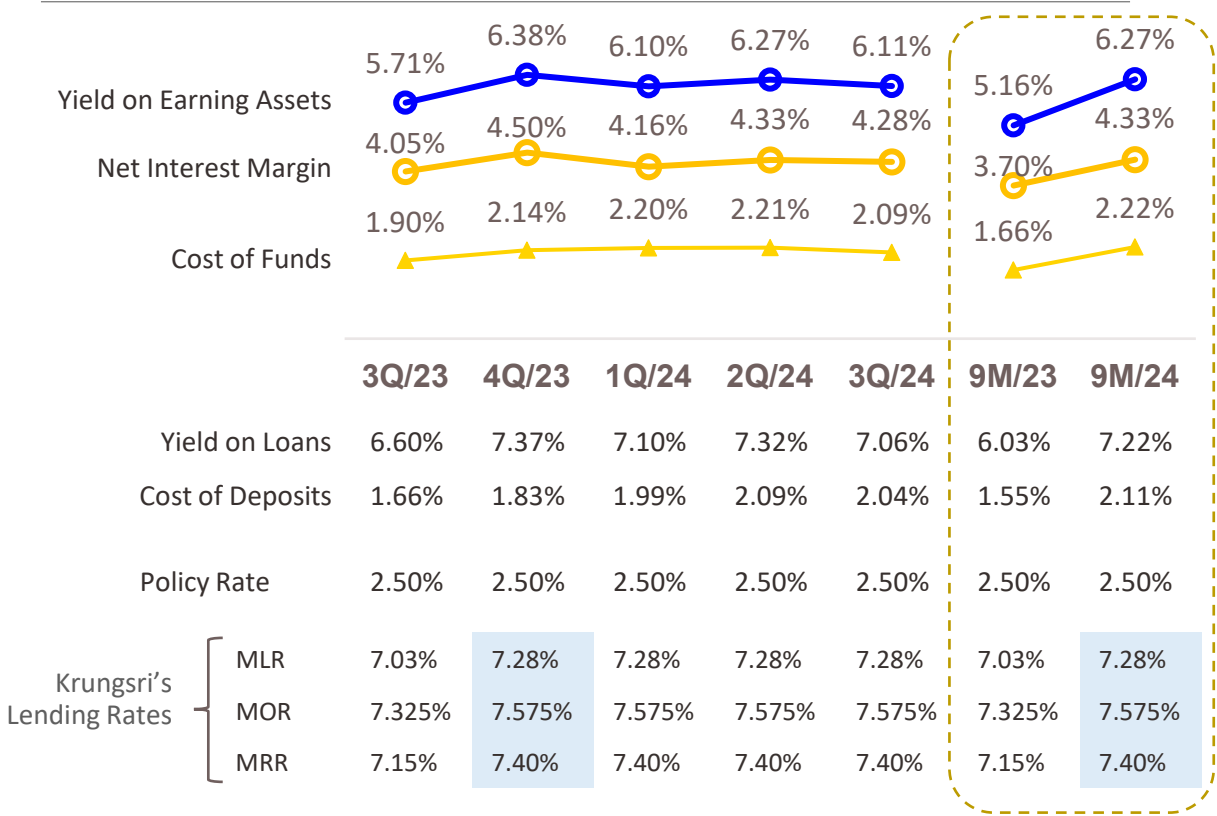
Net Interest Income & NIM

Net Interest Income



- 3Q/24 net interest income decreased 3.7% QoQ, driven by a decrease in interest income mainly from lower interest on loans, corresponding to loan contraction during the quarter.
- 9M/24 net interest income increased by 17.6% YoY. The increase was boosted by higher interest income, attributed to an increase in interest on loans from combination of the acquired overseas businesses and an increase in lending rates. Meanwhile, interest expenses increase from interest on deposits, offset by a decrease in interest on interbank and money market items, resulting from a decrease in outstanding balance.

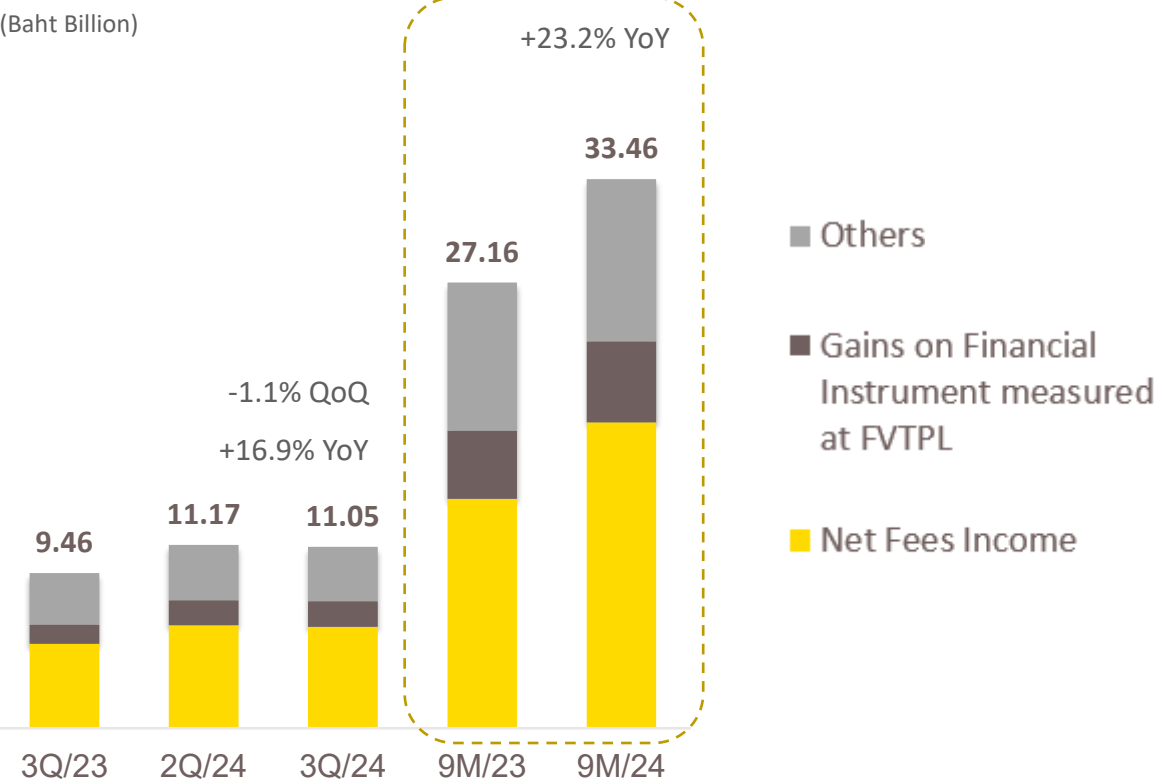
NIM



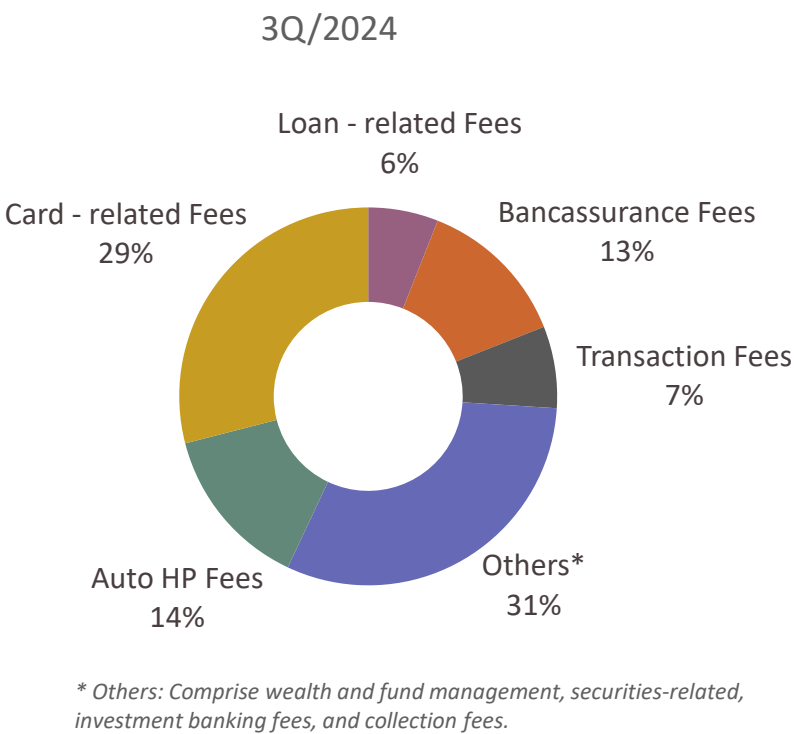
- NIM in 3Q/24 decreased by 5 bps from the prior quarter to 4.28%, driven by a lower yield on loans from portfolio rebalancing.
- NIM in 9M/24 increased by 63 bps to 4.33%, driven by an improvement in the yield on earning assets of 111 bps to 6.27%, while being offset by a 56-bps increase in the cost of funds to 2.22%.

Non-Interest Income and Fees & Service Income Breakdown

Non-Interest Income



Fees & Service Income Breakdown

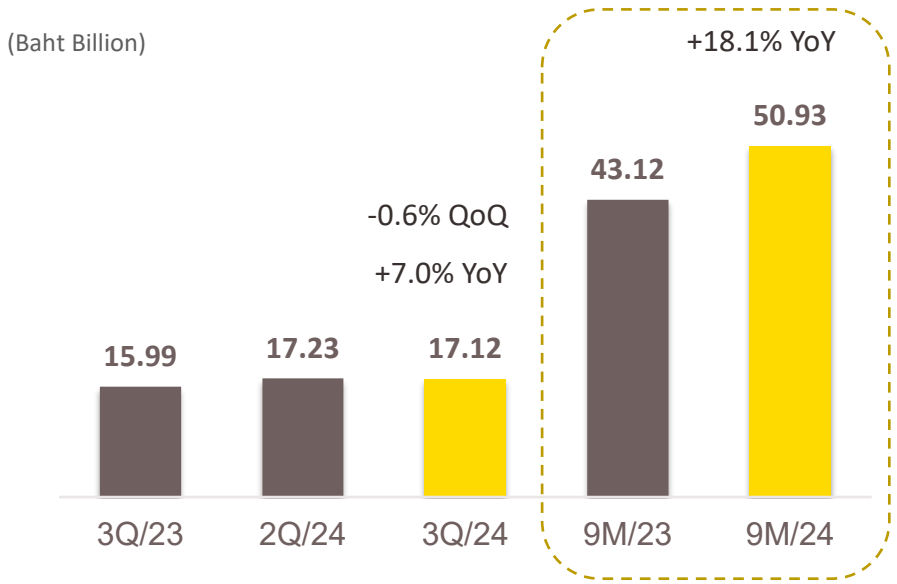


- 3Q/24 non-interest income decreased by 1.1% QoQ, mainly driven by a contraction in net fees and service income, and other operating income, mainly from gains on sales of properties for sales.
- 9M/24 non-interest income increased by 23.2% YoY, driven by net fees and service income from the ASEAN businesses, combined with an increase in gains on financial instruments measured at fair value through profit or loss (FVTPL) as well as bad debt recoveries.

Remark: FVTPL is Fair value through profit or loss

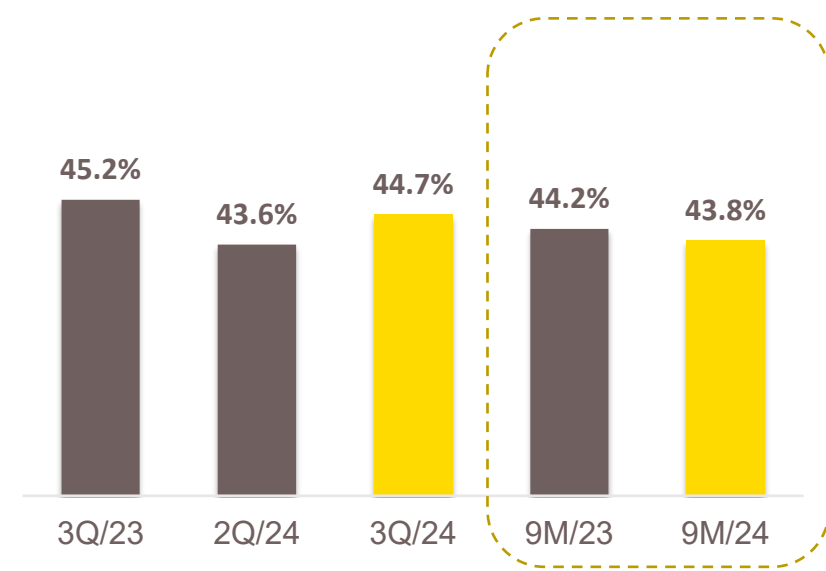
Productivity

Operating Expenses



- 3Q/24 operating expenses decreased by 0.6% QoQ. The decrease was primarily attributable to a reduction in employee expenses and impairment on properties for sales. However, this was offset by an increase in other expenses, primarily driven by marketing promotion and IT-related expenses.
- 9M/24 operating expenses increased by 18.1% YoY. This was largely driven by the overseas consumer businesses acquired in 2023, particularly in terms of employee expenses, along with other expenses—mainly related to IT and amortization expenses.

Cost to Income Ratio

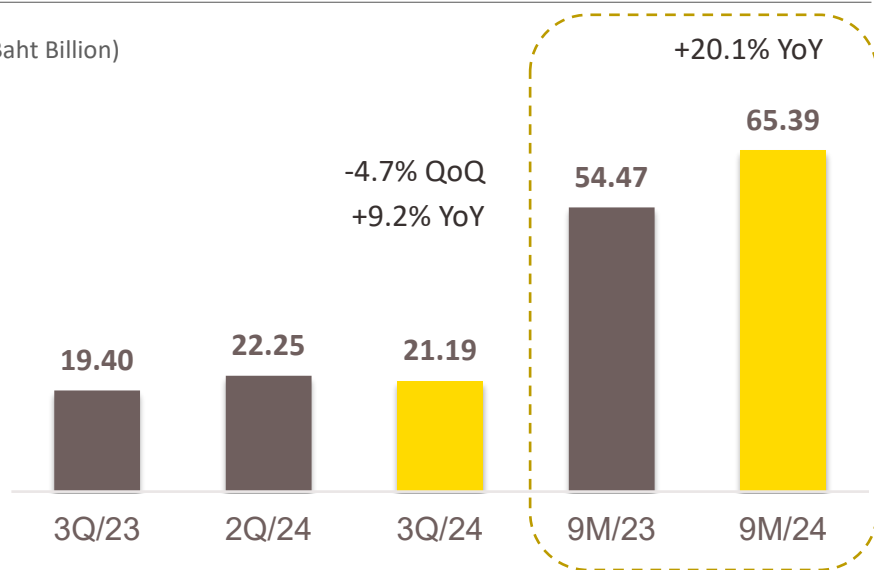


- The cost-to-income ratio in 3Q/24 increased to 44.7% from 43.6% in the previous quarter but improved from 45.2% in 3Q/23.
- 9M/24 the cost-to-income ratio improved to 43.8% from 44.2% in 9M/23.
- Krungsri Group will continue to manage operating expenses efficiently and focus on revenue enhancement to achieve the year's cost to income ratio target in the mid-40s.

Profitability

Pre-Provision Operating Profit (PPOP)

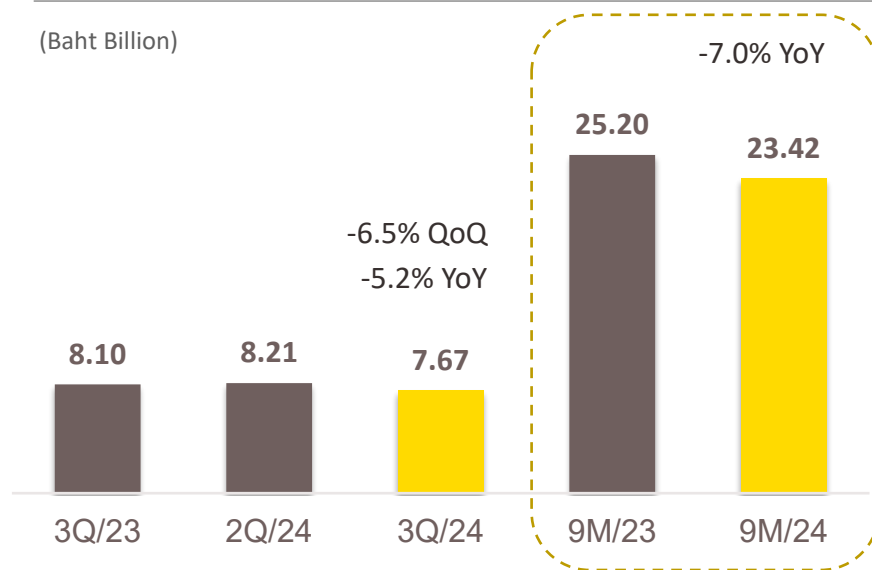
(Baht Billion)



- 3Q/24 PPOP decreased by 4.7% QoQ, mainly driven by lower net interest income and non-interest income.
- 9M/24 PPOP increased by 20.1% YoY, mainly attributed to the ASEAN business contribution.

Net Profit (attributable to owners of the Bank)

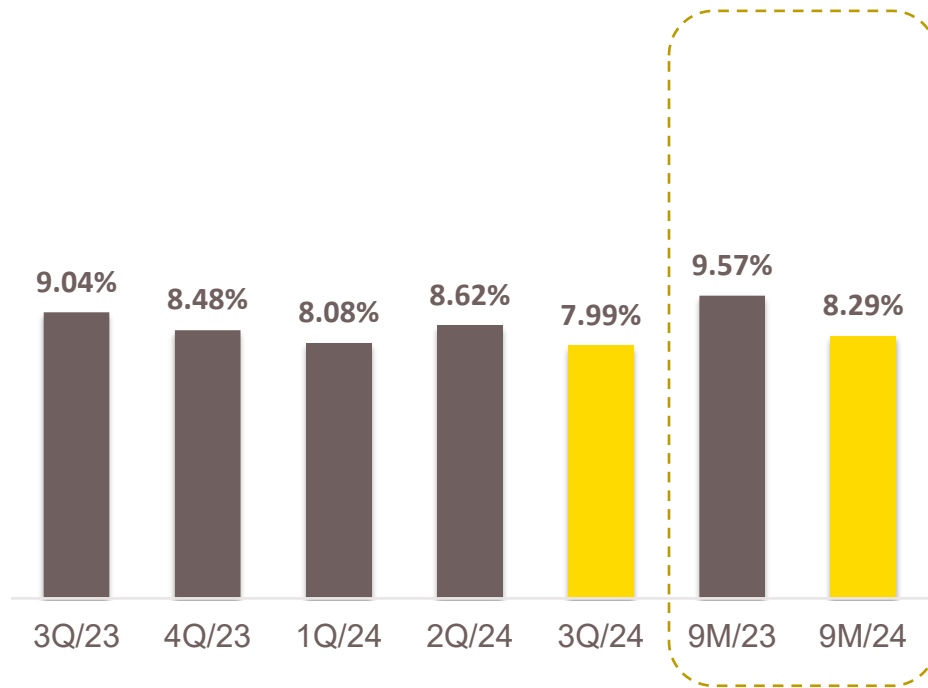
(Baht Billion)



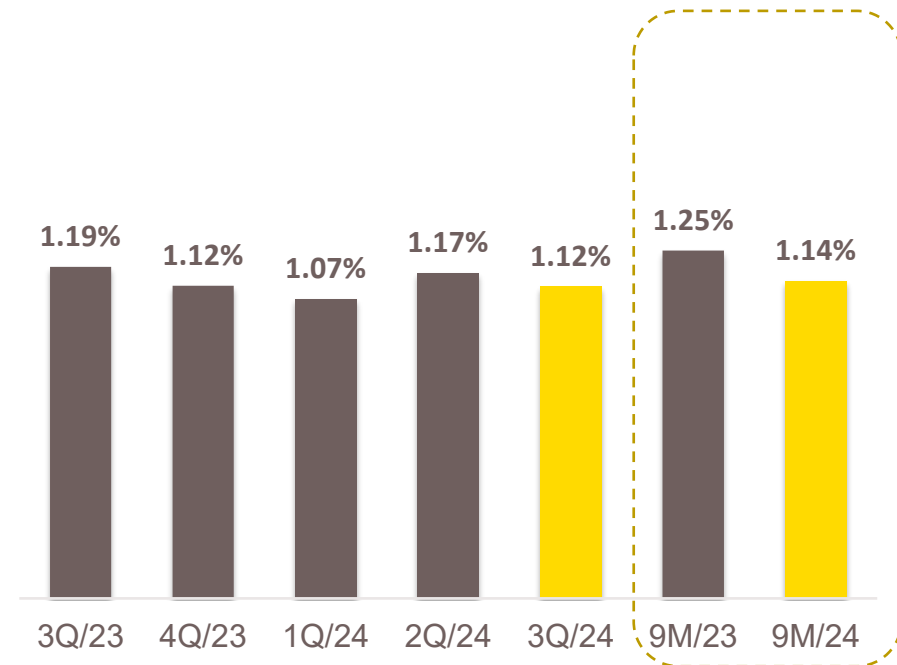
- 3Q/24 net profit decreased by 6.5% QoQ, mainly driven by a decrease in net interest income, corresponding to the contraction in loan growth during the quarter.
- 9M/24 net profit decreased by 7.0% YoY, mainly due to a rise in expected credit loss (ECL).

ROAE & ROAA

ROAE



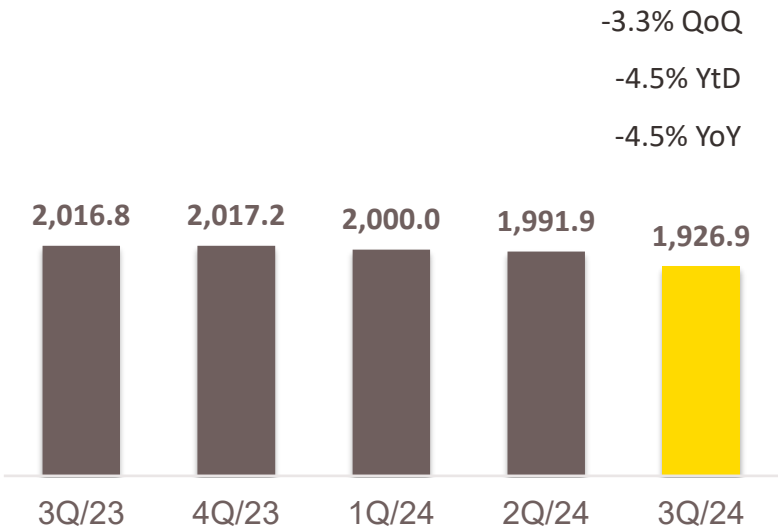
ROAA



Loan Portfolio

Loans

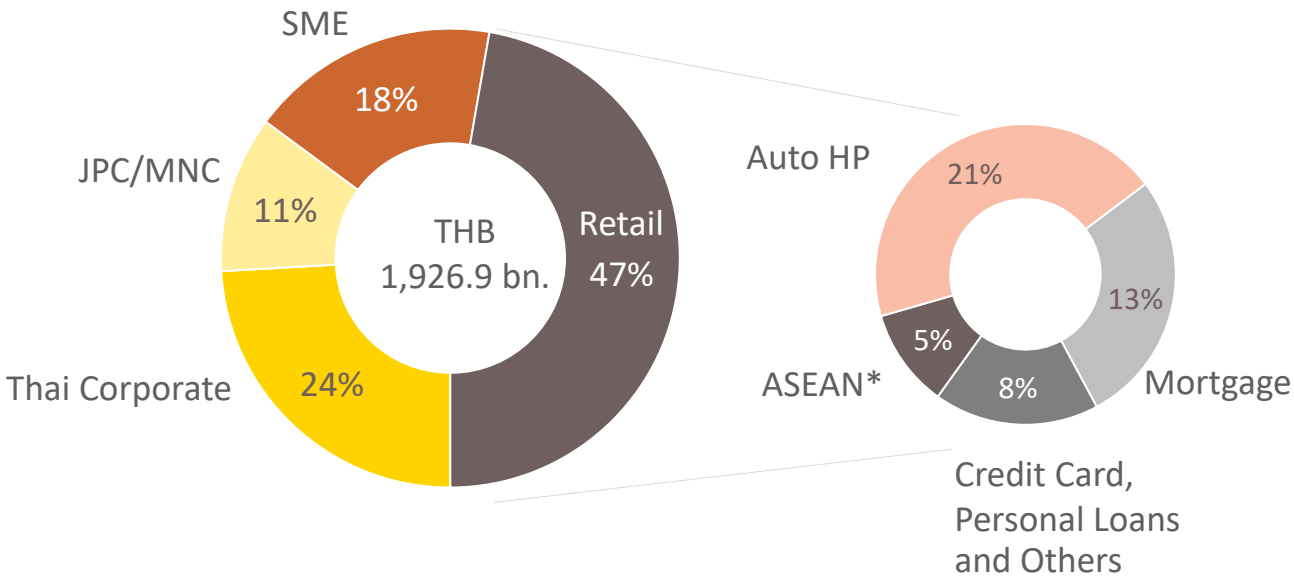
(Baht Billion)



- Resonating the weighted down business and consumer sentiments, combined with the Bank’s prudential lending stance, loans contracted by 3.3% QoQ and 4.5% YtD.

Loan Breakdown

(September 2024)

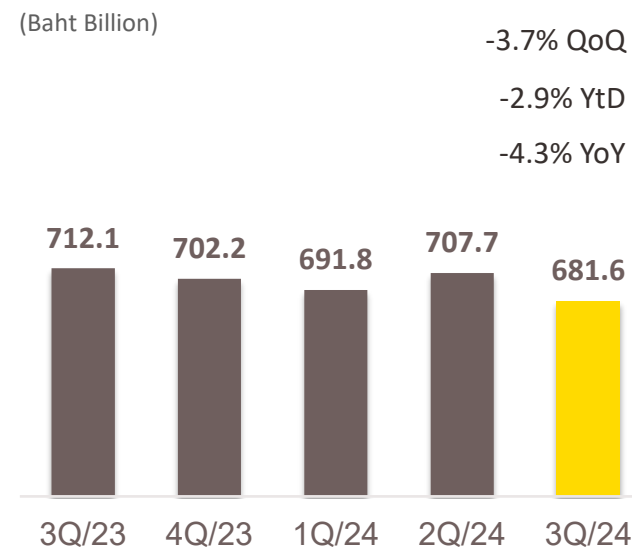


- At the end of September 2024, commercial loans, comprising corporate and SME loans, accounted for 53% of the total loan portfolio, while retail lending represented the remaining 47%.

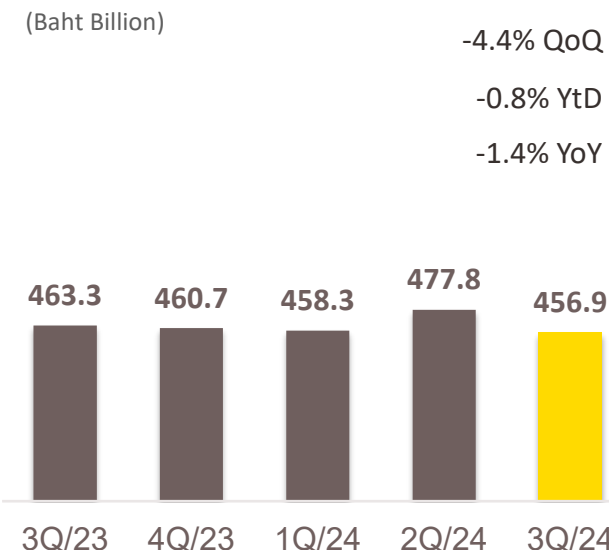
Remark: ASEAN included Hattha Bank Plc. (CBDA), Hattha Services Company Limited (CBDA), Krungsri Leasing Services Company Limited (LAOS), Krungsri Non-Deposit Taking Microfinance Institution Company Limited (LAOS), SHBank Finance Company Limited. (VN), Home Credit Philippines (PHIL) and Home Credit Indonesia (IDSA), SB Finance, Inc. (PHIL)*

Loans by Segment

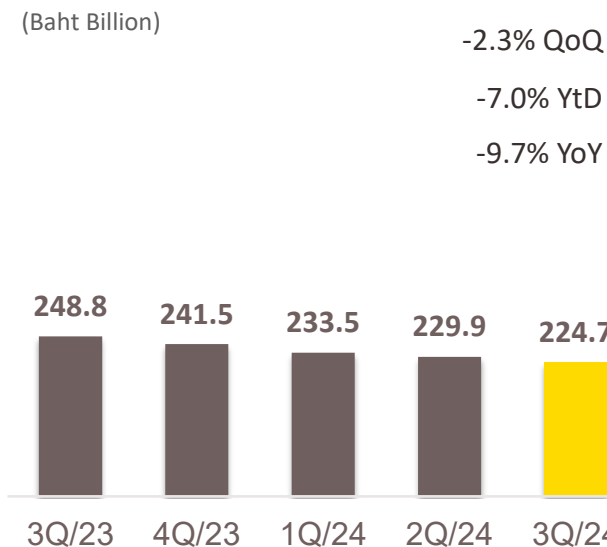
Corporate Loans



Thai Corporate Loans



JPC/MNC



- Corporate loans contracted by 3.7% QoQ and by 2.9% YtD.
 - Thai corporate loans decreased by 4.4% QoQ, and by 0.8% YtD.
 - International Corporate (JPC/MNC) loans decreased by 2.3% QoQ and by 7.0% YtD, attributed to modest exports growth and the tepid demand for automobiles.

Loans by Segment (Cont.)

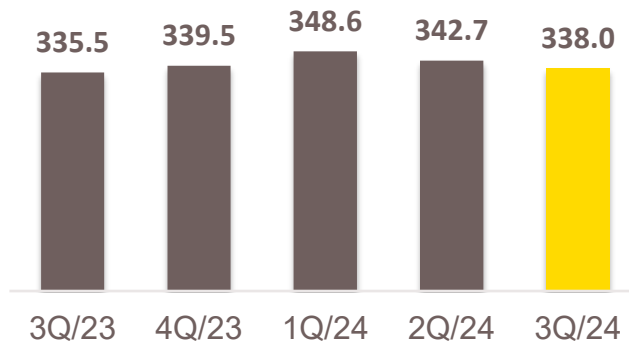
SME Loans

(Baht Billion)

-1.4% QoQ

-0.5% YtD

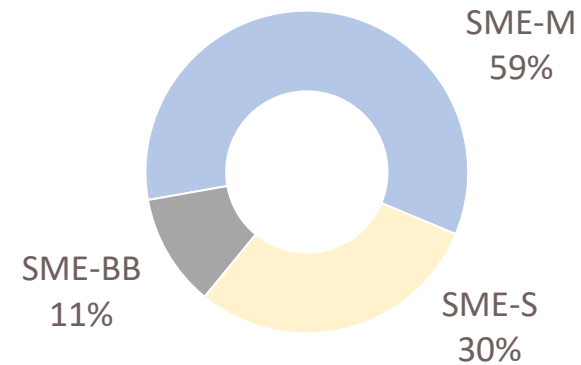
+0.8% YoY



- SME loans decreased by 1.4% QoQ, and by 0.5% YtD.

SME Breakdown

(Bank Only)



SME Definition:

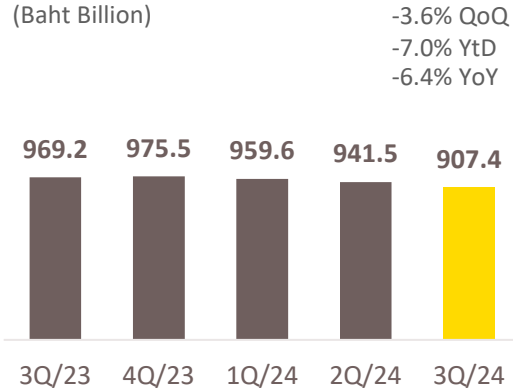
SME-Medium (SME-M): Company with annual sales turnover > 150 million baht to 1,000 million baht

SME-Small (SME-S): Company with annual sales turnover > 20 million baht to 150 million baht

Business Banking (SME-BB): Company with annual sales turnover < 20 million baht

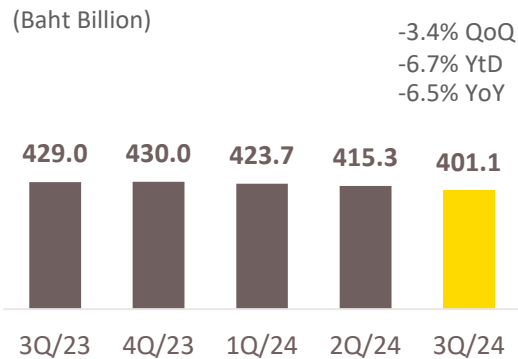
Loans by Segment: (Cont.)

Retail Loans

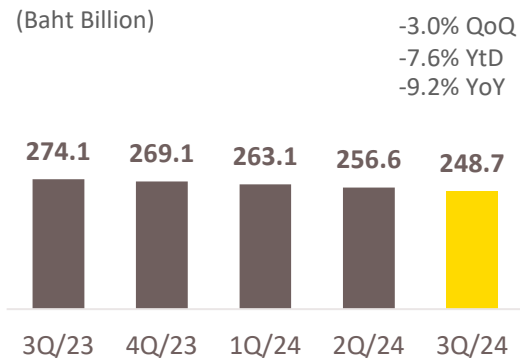


- Auto hire purchase loans decreased by 3.4% QoQ and by 6.7% YtD, mirroring a continued contraction in domestic car sales together with the industry's tighter credit conditions amidst deteriorating debt-servicing capacity of auto-hire purchase customers.
- Mortgage loans decreased by 3.0% QoQ and by 7.6% YtD. The developments reflected both demand and supply conditions encompassing reduced affordability of homebuyers impacted by both interest rate hikes and lower residual income, as well as an increase in construction costs for developers.
- Credit card, personal loans and others decreased by 0.9% QoQ and by 5.8% YtD.
- ASEAN loans, which mainly encompassed consumer finance products, contracted by 9.9% QoQ, and by 8.5% YtD.

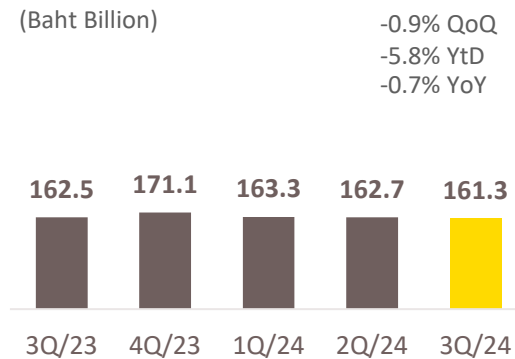
Hire Purchase



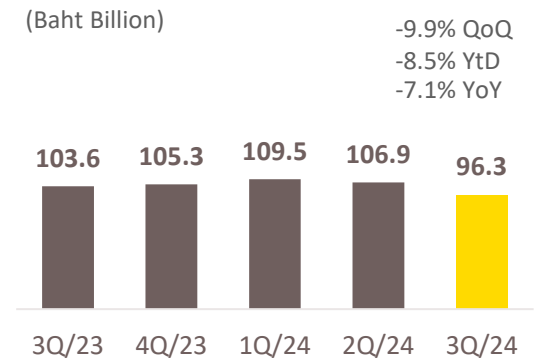
Mortgage



Credit Card, Personal Loans and Others



ASEAN*

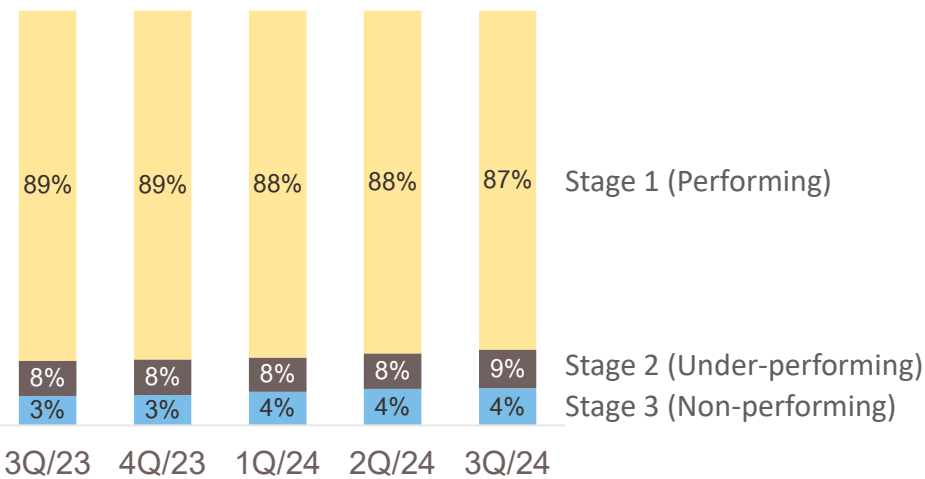


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Asset Quality

Loan Classification*

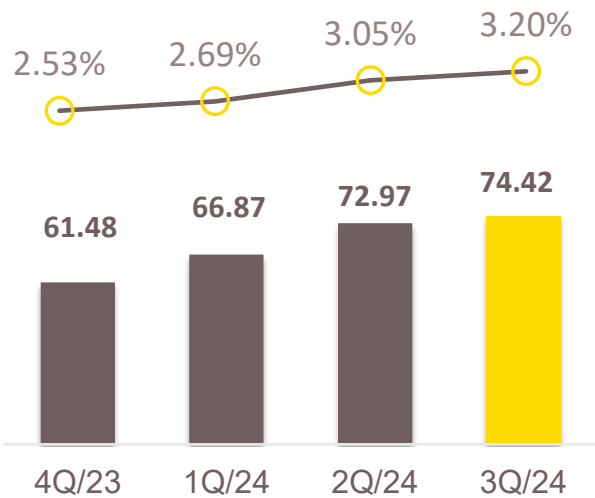
(% to total loans to customers and accrued interest receivable)



* Included Purchased or Originated Credit-Impaired (POCI)

Gross NPLs & NPL Ratio

(Baht billion)



NPLs by Segment

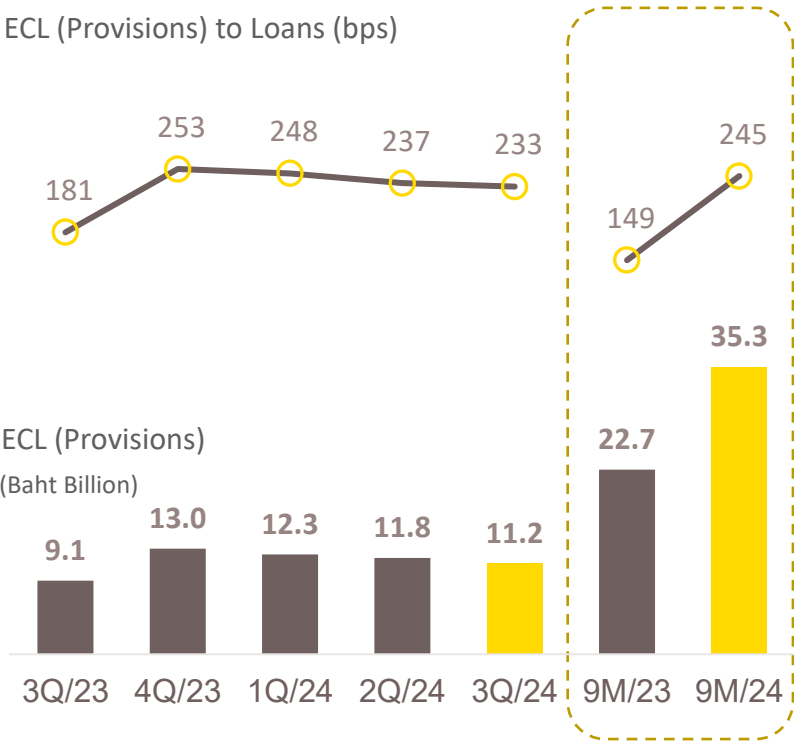
	4Q/23	1Q/24	2Q/24	3Q/24
Corporate	0.7%	0.7%	0.7%	0.8%
SME	4.8%	5.0%	5.6%	6.0%
Retail	4.2%	4.7%	5.2%	5.3%
- Hire Purchase	2.4%	2.5%	2.6%	2.6%
- Mortgage	5.2%	5.6%	6.0%	6.1%
- Credit card, personal loans and others	4.2%	4.4%	4.7%	4.8%
- ASEAN**	8.6%	11.3%	14.3%	15.7%

- As of September 30, 2024, gross NPLs stood at Baht 74,417 million, representing an increase of 2.0%, from the end of June 2024. The increase in 3Q/24 was mainly from the retail and SME segments, resonating the greater challenging business environment.
- Compared with the end of December 2023, NPLs increased by 21.0%, largely caused by an increase in NPLs from the retail and SME segments.
- NPL ratio stood at 3.20% as of the end of September 2024, compared with 3.05% at the end of June 2024, and 2.53% at the end of December 2023.

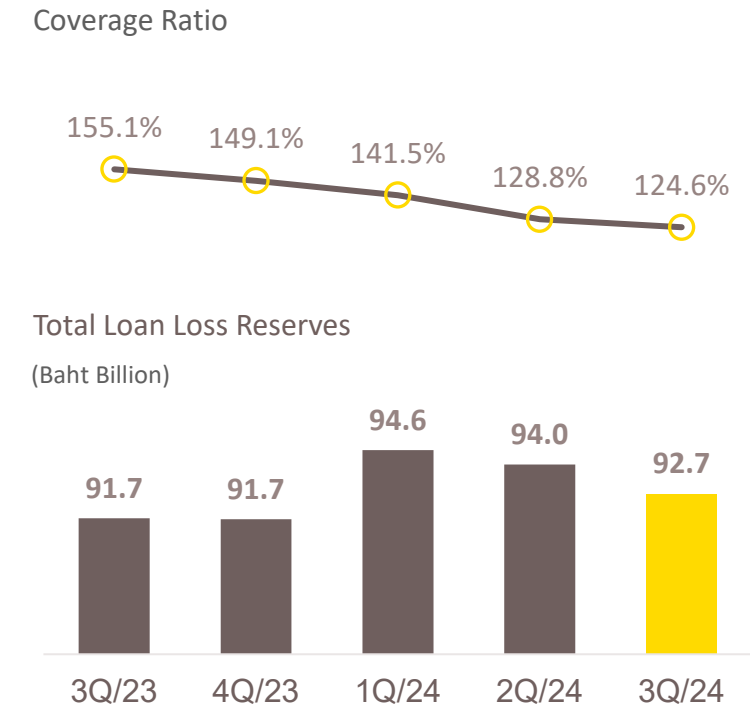
Remark **: ASEAN included Hattha Bank Plc. (CBDA), Hattha Services Company Limited (CBDA), Krungsri Leasing Services Company Limited (LAOS), Krungsri Non-Deposit Taking Microfinance Institution Company Limited (LAOS), SHBank Finance Company Limited. (VN), Home Credit Philippines (PHIL) and Home Credit Indonesia (IDSA), SB Finance, Inc. (PHIL)

Reserves and Coverage Ratio

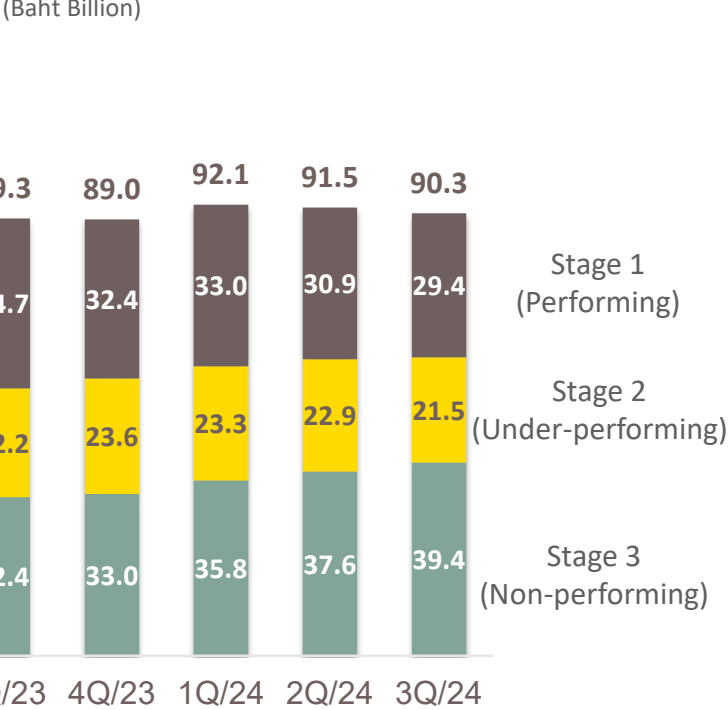
Expected Credit Loss (ECL)



Total Loan Loss Reserves & Coverage Ratio



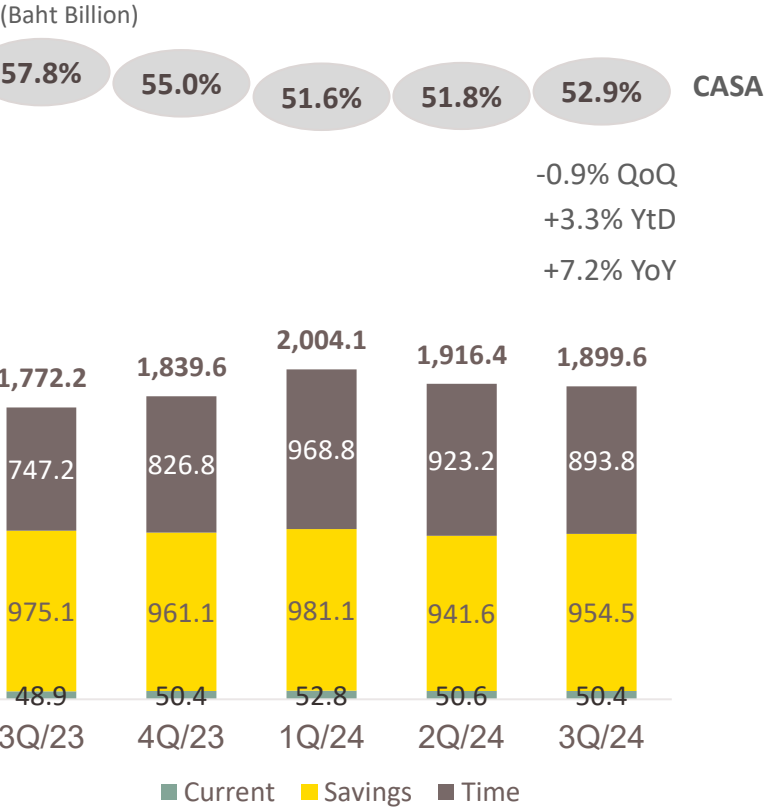
Allowance for ECL



- The expected credit loss in 3Q/24 amounted to Baht 11,171 million, equivalent to a credit cost of 233 bps, a decrease of 5.5% from 2Q/24.
- Underscoring Krungsri’s rigorous and prudential risk management approach amid the future uncertainty for asset quality in domestic and overseas businesses, the expected credit loss for 9M/24 was recorded at Baht 35,258 million, equivalent to a credit cost of 245 bps, compared with the 149-bps level for 9M/23.
- The coverage ratio stood at 124.6%, compared with 128.8% at the end of June 2024, and 149.1% at the end of December 2023.

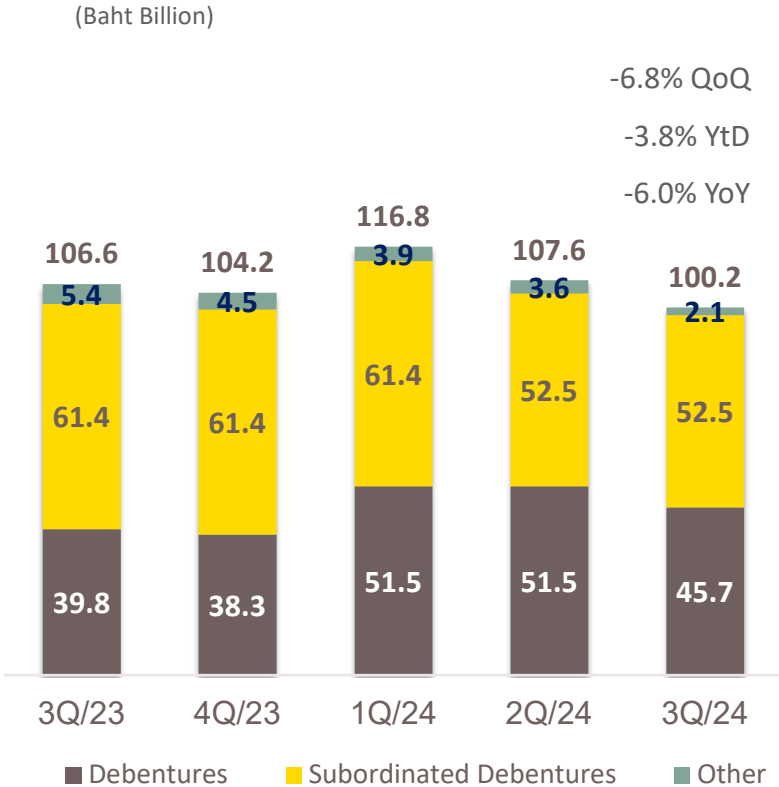
Funding Base

Deposits*



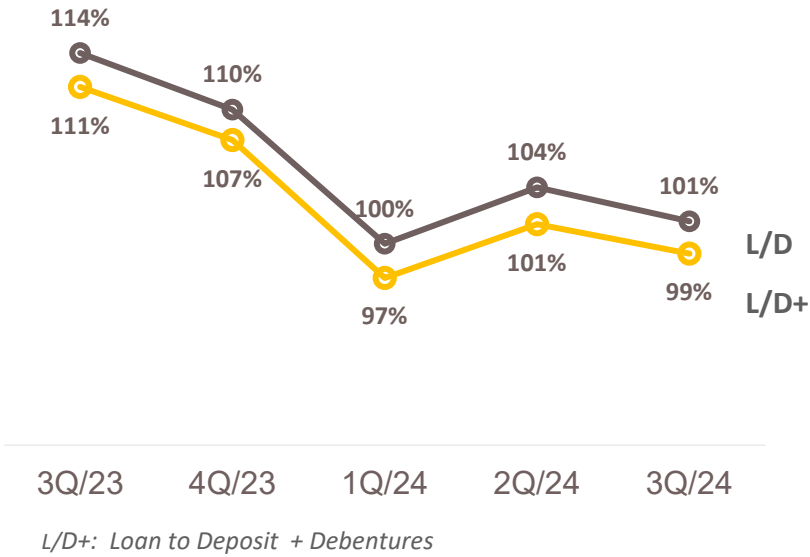
- Deposits decreased by 0.9% QoQ, driven by a decrease in time deposits corresponding to the Bank’s funding cost optimization management.
- Deposits increased by 3.3% from the end of December 2023, mainly contributed to time deposits with a tenor of six months and more, offset by a decrease in savings deposits.

Borrowing



- Total borrowing decrease by 6.8% QoQ, mainly from the maturity of Krungsri Group’s debentures.
- Total borrowing decrease 3.8% from the end of December 2023, mainly from a decrease in subordinated debentures, offset by an increase in debenture.

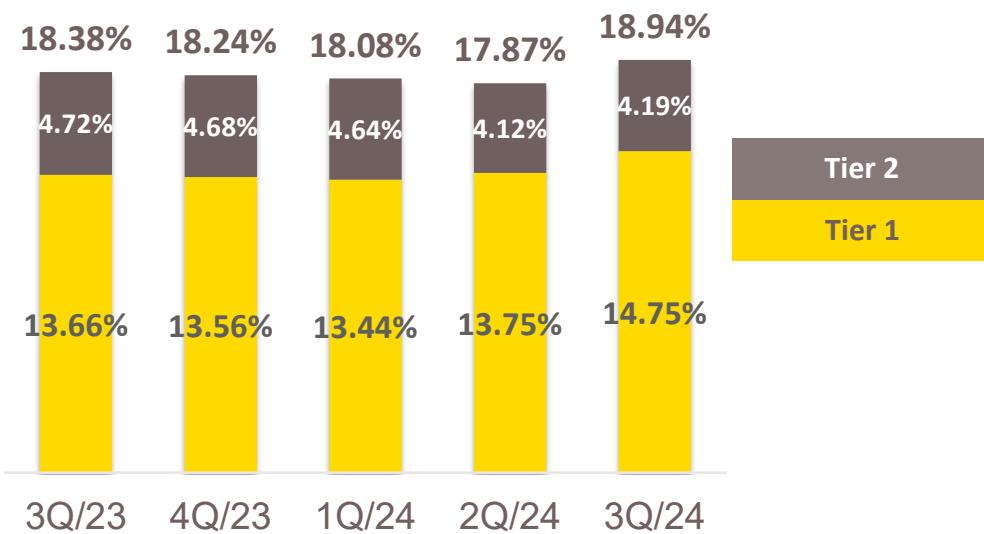
Loan to Deposit Ratio



- The loan to deposit ratio and the loan to deposit plus debentures ratio improved to 101% and 99%, respectively, compared with 104% and 101% at the end of June 2024, and 110% and 107% at the end of December 2023.

Capital

Capital Adequacy Ratio (Bank Only)



Capital Fund (Bank Only)

Baht Billion	3Q/23	4Q/23	1Q/24	2Q/24	3Q/24
Common Equity Tier 1 & Tier 1 Capital	229.75	229.73	230.70	236.91	248.25
Tier 2 Capital	79.37	79.39	79.59	70.92	70.53
Total Capital	309.12	309.12	310.29	307.83	318.77

2024 Outlook

Thailand Economic Outlook

4Q24 Outlook: Stimulus spark hope, floods cast shadows

2024 Key Economic Forecasts

% YoY growth unless otherwise stated	2022A	2023A	2024F
GDP	2.5	1.9	2.4
Private Consumption	6.2	7.1	4.1
Private Investment	4.7	3.2	0.2
Exports (in USD term)	5.4	-1.5	1.8
Headline Inflation	6.1	1.2	0.5
Policy Interest Rate (% , end of period)	1.25	2.50	2.25

Note: 2024 forecast by Krungsri Research

Krungsri Research's view:

- In 4Q24, economic activity would be supported by the tourism sector, normalized public spending, and stimulus measures, but flood impacts, structural drags, geopolitical risks and global slowdown could dampen overall growth in the quarter.
- Krungsri Research projects GDP would grow by 3.6% YoY in 4Q24, improving from estimated +2.3% in 3Q24. Full-year GDP growth forecast is maintained at 2.4%.
- The THB145 bn cash handout to vulnerable groups should support GDP growth at between 0.2% and 0.3% but recent flooding might offset the gains.
- After a surprise 25-bp rate cut in October, the MPC will likely adopt a "wait-and-see" approach, monitoring the deleveraging process and economic outlook. However, if deleveraging continues and economic conditions worsen beyond expectations, the Committee may deliver a rate cut by 1Q25, though the policy rate would likely remain around 2%, which is repeatedly identified as the neutral interest rate.

Source: NESDC, MOC, BOT, Krungsri Research

Headwinds

- Sub-par global growth and volatile financial markets amid tight financial conditions
- Geo-economic fragmentation amid trade wars and geopolitical tension
- Impact of climate fluctuation, including floods
- High borrowing costs amid high debt burden
- Domestic political risk and uncertain policy
- Structural problems, e.g., demographics, labor shortage, weaker competitiveness.

Tailwinds

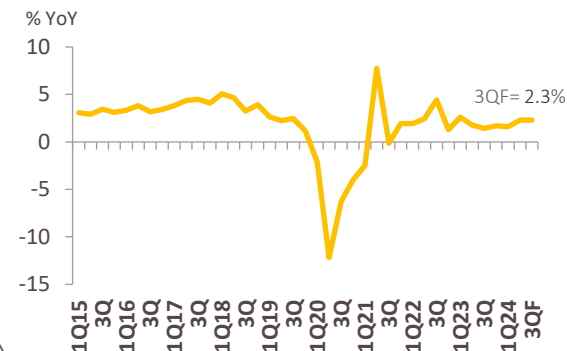
- Recovery in tourism sector and employment
- Normalized public spending and policy supports (stimulus measures, infrastructure project)
- Food security and gains in agricultural sector
- Regionalization, ASEAN dynamism, FDI movement
- Thailand's sound economic fundamentals (high foreign reserves, relatively low external debt, and resilient banking sector)

Recent Economic Development

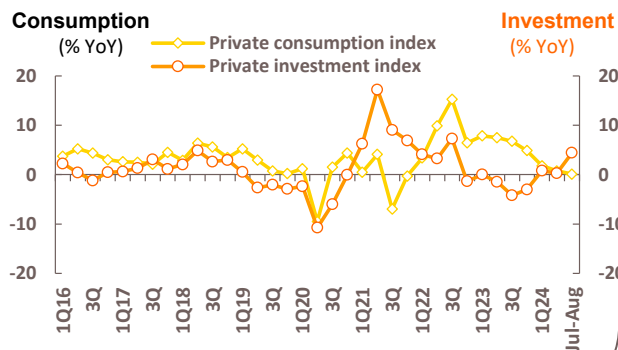
- Tourism sector has been a key driver of economic growth. Sub-par global growth, flood impact, domestic structural problems, and political transition limited overall growth in 3Q24.

- Tourism sector has continued to recover, facilitated by the Visa-Free scheme and improving supply headwinds.
- Private consumption may improve in 4Q24 following new stimulus measures, but high household debt and flood impact weighed on growth.
- Exports poised for a technical rebound and diverging growth, fueled by the alleviation of supply disruptions and a low-base effect. Structural problems and external headwinds, including trade tensions, would drag Thai exports.

3Q24 GDP growth weighed by concerns over domestic political transition



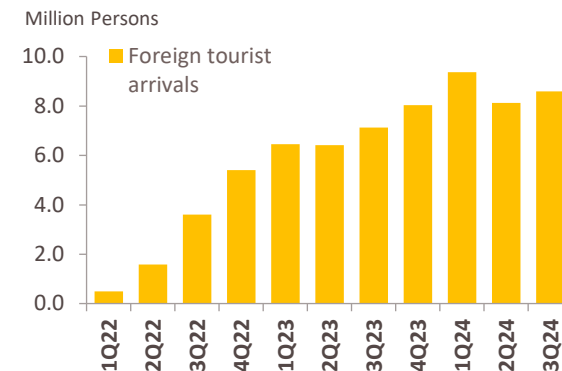
Consumption weakened in 3Q24 while investment improved following public spending



Export rebound may not be sustained



Tourist arrivals picked up slightly in 3Q24



Source: NESDC, BOT, MOTS, Krungsri Research

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9M/24 vs 2024 Financial Targets

	9M/24	2024 Targets
Loan Growth (YTD)	-4.5%	3-5%
NIM	4.33%	3.8-4.1%
Non-Interest Income Growth (%YoY)	23.2%	Mid-Single Digit
Cost to Income Ratio	43.8%	Mid-40s
Credit Cost (bps)	245	180-200
NPL Ratio	3.20%	2.50-2.75%
Loan Loss Coverage Ratio	124.6%	140-150%

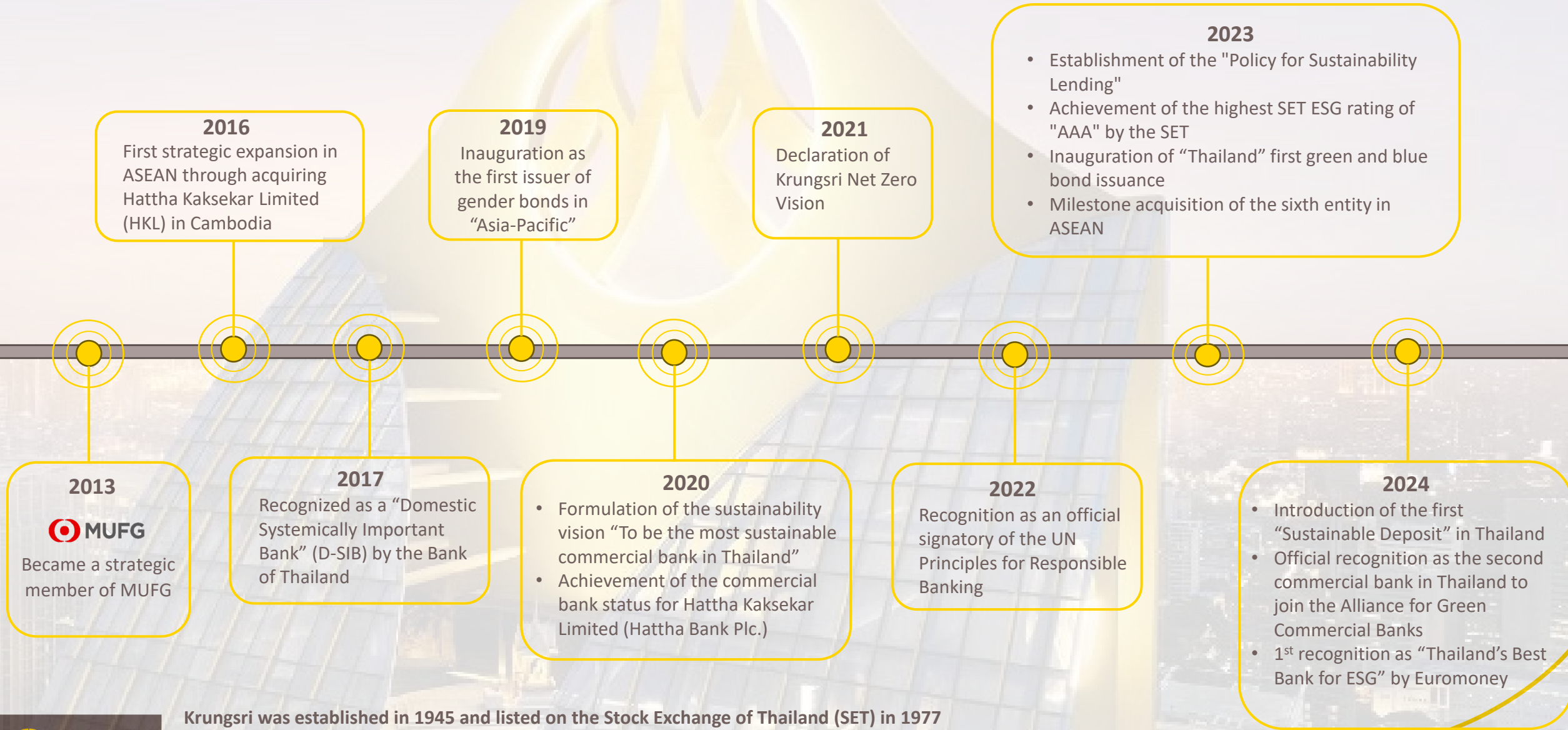
Key Financial Ratios by Business Location in 9M/24

	Domestic	ASEAN*	Consolidated
Loan Growth (YTD)	-4.3%	-8.5%	-4.5%
NIM	3.47%	23.21%	4.33%
Cost to Income Ratio	43.8%	43.8%	43.8%
Credit Cost (bps)	146	2,127	245
NPL Ratio	2.66%	15.68%	3.20%
Loan Loss Coverage Ratio	136.1%	79.4%	124.6%

Remark: ASEAN included Hattha Bank Plc. (CBDA), Hattha Services Company Limited (CBDA), Krungsri Leasing Services Company Limited (LAOS), Krungsri Non-Deposit Taking Microfinance Institution Company Limited (LAOS), SHBank Finance Company Limited. (VN), Home Credit Philippines (PHIL) , SB Finance, Inc. (PHIL), and Home Credit Indonesia (IDSA)*

Krungsri Profile

Guiding Thailand as One of the Domestic Systemically Important Banks



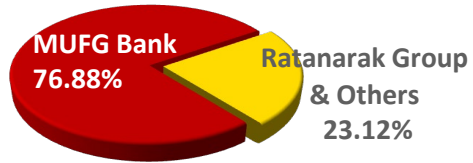
Krungsri was established in 1945 and listed on the Stock Exchange of Thailand (SET) in 1977

A member of MUFG, a global financial group

Krungsri Group Profile

Shareholding Structure

(as of Sep 12, 2024)



Krungsri Group

- Auto HP** Ayudhya Capital Auto Lease Plc. (AYCAL)
Krungsri Leasing Services Co., Ltd. (KLS)
- Microfinance** Ngern Tid Lor Public Company Limited (TIDLOR)
Krungsri Non-Deposit Taking Microfinance Institution Co., Ltd. (KSM)
- Commercial Bank** Hattha Bank Plc. (HTB)
- Securities** Krungsri Securities Plc. (KSS)
Krungsri Capital Securities PCL. (KCS)
- Investment** Krungsri Asset Management Co., Ltd. (KSAM)
- Leasing** Ayudhya Development Leasing Co., Ltd. (ADLC)
- IT Solutions** Krungsri Nimble Co., Ltd. (KSN)
- Asset Mgmt.** Krungsri Ayudhya AMC Ltd. (KAMC)
- Credit Card,** Krungsri Ayudhya Card Co., Ltd. (KCC)
- Personal Loan** Ayudhya Capital Services Co., Ltd. (AYCAP)
- & Sales Finance** Lotus's Money Services Limited (LMP)
General Card Services Ltd. (GCS)
- Collection Services** Total Services Solutions Plc. (TSS)
- Support Business** Siam Realty and Services Security Co., Ltd. (SRS)
Hattha Services Co., Ltd. (HSL)
- Life Insurance Broker** Krungsri Genesis Company Limited (KGS)
Lotus's Life Assurance Broker Limited (LLAB)
- Non-Life Insurance Broker** Krungsri General Insurance Broker Ltd. (KGIB)
Lotus's General Insurance Broker Limited (LGIB)
- Venture Capital** Krungsri Finnovate Co. Ltd. (KFin)
- Consumer Finance** SB Finance, Inc. (SBF)
SHBank Finance Company Limited (SHBF)
HC Consumer Finance Philippines, Inc. (HCPH)
HCPH Financeing 1, Inc. (HCPH1)
HCPH Insurance Brokerage, Inc. (HCPHI)
PT. Home Credit Indonesia (HCID)

International Ratings

Fitch Ratings	Standard & Poor's	Moody's
BBB+	BBB+	A3

National Ratings

Fitch Ratings (Thailand)	TRIS Rating
AAA (tha)	AAA

Workforce: Krungsri Group 52,497 / BAY 13,927

Extensive Franchise: 32,827 Service Outlets

As of September 2024	Number
Domestic Branches *	576
Overseas Branch	1
Representative Office	1
ATMs / Exchange Booths	5,484 / 41
Krungsri Exclusive / Krungsri The Advisory	44 / 5
Krungsri Private Banking Center	1
SME Business Centers / Trade Business Centers	46 / 19

* Krungsri domestic branches = 576 branches, of which 536 are Banking Branches and 40 are Auto Business Branches

** Banking agents' touch points: Boonterm Kiosks, Counter Service 7-11, Bank of Agriculture and Agricultural Cooperatives, Big C, Thai Post Office, TermsabuyPlus Kiosks, Siam Global House, and Lotus's

Leadership Position

As of June 2024	Market Position	% Share
Consumer		
Personal Loan	1	24%
Credit Card	1	15%
Auto (HP)	1	29%
SME	4	11%
Corporate	5	9%

As of September 2024	Number
First Choice Branches + Dealers	99 Branches + 21,881 Dealers
Krungsri Auto Dealers	8,195
Microfinance Branches	1,747
Overseas Commercial Bank (HTB)	171
EDC Machines	47,771
Banking Agents Touch Points **	164,814

Proven record of sustainability recognition



SET ESG Rating: AAA

(8th consecutive year)

The Stock Exchange of Thailand

Sustainable Asia Award

First time Corporate Governance Asia has bestowed this award

The Asset ESG Corporate Awards

Platinum Award (9th Recognition)

The Asset

Best Bank for Diversity & Inclusion

(First time award winner)

Asiamoney

Asia's Best CSR Award

(6th Recognition)

Corporate Governance Asia



ICON on

Corporate Governance

(7th consecutive year)

Corporate Governance Asia

Certificate of ESG100 Company

(9th consecutive year)

Thaipat Institute

Sustainability Disclosure Award

Thaipat Institute

Certified as a member of Collective Action Coalition Against Corruption (CAC)

since 2013

"Excellent" rating for the Corporate Governance Report

Thai Institute of Directors (IOD)

Note: Selected awards only

RACE *to **NET ZERO***

KRUNGSRI...
'BANKING WITH PURPOSE'

We bridge capital and sustainability
to drive responsible growth



SHAPING **SUSTAINABILITY** FUTURE

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