



Management Discussion and Analysis

For the quarter ended March 31, 2024

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Executive Summary

The continued economic momentum in 1Q/24, albeit at a slow pace, was in part driven by strong support from the service sector, namely the tourism sector, the rebound in private investment and manufacturing in certain sectors. Meanwhile, a delay in the 2024 budget, which weighed down public spending, together with enduring high level of household indebtedness, remained key headwinds for the period. Against such backdrops, Krungsri continued to proactively play our role in sustaining the economic and business growth momentum, while fully committed to the new responsible lending guidelines which came into effect early this year.

Notwithstanding a robust operating income growth of 28.3% in 1Q/24 compared with the same quarter last year, **Krungsri Group (the Bank and its business units)** registered a **net profit** of Baht 7,543 million, representing a decrease of 13.1%, or Baht 1,133 million, largely driven by an increase in expected credit loss as a safeguard in light of future uncertainty that could impact asset quality domestically and overseas, underscoring Krungsri's rigorous and prudential risk management approach.

On a quarter-on-quarter basis, the net profit registered a 2.4% contraction, or Baht 189 million, largely driven by net interest income moderation corresponding to the quarter's seasonal loan repayments.

As of March 31, 2024, **total loans** outstanding was Baht 1,999,952 million, representing a decrease of Baht 17,252 million, or 0.9% from the end of December 2023, mainly driven by the seasonal contraction in large corporate and retail loans. Meanwhile, SME and ASEAN loans continued to grow during the quarter.

Deposits increased markedly by Baht 164,500 million, or 8.9%, from the end of December 2023, mainly from an increase in time deposits.

The non-performing loan (NPL) ratio was at 2.69%, compared with 2.53% at the end of December 2023. With prudential reserves, particularly for overseas subsidiaries, the credit cost for the quarter amounted to 248 basis points (bps). The loan loss coverage ratio stood at 141.5%, moderating from 149.1% at the end of December 2023. Excluding the ASEAN portfolio, the NPL ratio stood at 2.30%.

Capital adequacy ratio (Bank only) recorded at 18.08%, compared with 18.24% at the end of December 2023.

Summary of Krungsri Group's Financial Performance

Operating Performance

Consolidated (Million Baht)	1Q/24	4Q/23	%QoQ	1Q/23	%YoY
Net Interest Income	27,295	28,967	(5.8)	21,190	28.8
Non-Interest Income	11,238	12,398	(9.4)	8,855	26.9
Operating Income	38,533	41,365	(6.8)	30,045	28.3
Operating Expenses	16,584	18,717	(11.4)	13,330	24.4
Pre-Provision Operating Profit	21,949	22,648	(3.1)	16,715	31.3
Expected Credit Loss	12,271	12,955	(5.3)	5,799	111.6
Net Profit*	7,543	7,732	(2.4)	8,676	(13.1)
Earning per Share (Baht)	1.03	1.05	(1.9)	1.18	(12.7)

* Attributable to Owners of the Bank

Key Financial Ratios

Consolidated	1Q/24	4Q/23	1Q/23
Net Interest Margin	4.16%	4.50%	3.35%
Cost to Income Ratio	43.0%	45.2%	44.4%
Loan Growth	-0.9%	0.0%	0.3%
Deposit Growth	8.9%	3.8%	3.0%
Return on Equity Ratio	8.08%	8.48%	10.06%
Return on Assets Ratio	1.07%	1.12%	1.30%
Loan to Deposit Ratio	100%	110%	105%
Loan to Deposit and Debenture Ratio	97%	107%	103%
NPL Ratio	2.69%	2.53%	2.26%
Credit Cost (bps)	248	253	116
Loan Loss Coverage Ratio	141.5%	149.1%	167.1%

Financial Position

Consolidated (Million Baht)	Mar. 31, 24	Dec. 31, 23	%QoQ
Loans to Customers	1,999,952	2,017,204	(0.9)
Total Assets	2,859,429	2,768,295	3.3
Deposit	2,004,101	1,839,601	8.9
Total Liabilities	2,477,509	2,396,841	3.4
Total Bank's Equity	378,571	368,454	2.7

Capital Adequacy Ratios

Bank Only	Mar. 31, 24	Dec. 31, 23	Mar. 31, 23
Common Equity Tier 1 Ratio	13.44%	13.56%	13.21%
Tier 1 Capital Ratio	13.44%	13.56%	13.21%
Tier 2 Capital Ratio	4.64%	4.68%	4.74%
Capital Adequacy Ratio	18.08%	18.24%	17.95%

Key Financial Ratios by Business Location in 1Q/24

	Domestic	ASEAN**	Consolidated
Loan Growth	-1.1%	4.0%	-0.9%
Net Interest Margin	3.30%	22.75%	4.16%
Cost to Income Ratio	43.1%	42.7%	43.0%
NPL Ratio	2.30%	11.31%	2.69%
Credit Cost (bps)	137	2,170	248
Loan Loss Coverage Ratio	153.7%	87.6%	141.5%

**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)

Key Developments in 1Q/24

Krungsri:

- On February 1, 2024, Krungsri announced 2024 financial targets. Details are as follows:

Consolidated	2024 Financial Targets
Loan Growth	3-5%
Net Interest Margin (NIM)	3.8-4.1%
Non-Interest Income Growth	Mid-Single Digit
Cost to Income Ratio	Mid-40s
Credit Cost	180-200 bps
NPL Ratio	2.50-2.75%
Loan Loss Coverage Ratio	140-150%

Regulatory Developments:

Monetary Policy

- The Monetary Policy Committee (MPC) maintained the policy rate at 2.50% in 1Q/24, citing that the current interest rate is consistent with preserving macro-financial stability, a key foundation for sustainable growth in the longer term.

Financial Institution Policy:

The Bank of Thailand's measures aimed at promoting responsible lending conduct became effective on January 1, 2024. The measures also aimed at sustainably addressing Thailand's household debt problem. Key details under the responsible lending guidelines include:

(1) Creditors must lend in a responsible and fair manner for debtors throughout their debt journey:

- Before applying for a loan/whilst signing a loan contract:** creditors must provide advertisement and offer products with information that is complete, correct, and clear, and do not encourage excessive borrowing or discourage a healthy credit culture.
- Being a debtor:** creditors must promote disclosure of terms and conditions, as well as any precautions that debtors should be aware of. This would nudge debtors to repay their loans and serve as a tool to foster good financial discipline such as automating debt repayments above the minimum to lessen interest burden.
- Having debt problems:** creditors must provide solutions to assist debtors in a manner that best suit their debt affordability.

- **Being filed a lawsuit or having debts sold off:** creditors must notify debtors of their rights and any important information, and conduct debt mediation with the debtors. The debt buyers must also set the appropriate terms and conditions.

(2) Creditors must assist debtors with persistent debts (interest payment higher than principal payment over the past five years) whereby they must assist debtors with revolving personal loans that have low income and persistent debt to be able to fully repay their loans within five years at an interest rate not exceeding 15% per year, whilst still having sufficient disposable income to meet their living needs. (These measures aimed at addressing persistent debt will become effective on April 1, 2024.)

Thai Economic Outlook

For the remaining of 2024, the Thai economy is projected to continue growing at a higher rate than the first quarter, with sustained support from the private consumption and tourism growth momentum, along with accelerating public spending, resulting from the recent approval of delayed 2024 fiscal budget by the parliament. Meanwhile, structural impediments, namely export and manufacturing competitiveness, together with the high household debt level, pose downside risks to the strong upturn.

Given the aforementioned outlook, Krungsri forecasts the Thai economy to grow at 2.7% in 2024, relatively faster than the previous year.

Key Items of Operating Performance

Net Interest Income

Consolidated (Million Baht)	1Q/24	4Q/23	%QoQ	1Q/23	%YoY
Interest Income	39,981	41,085	(2.7)	29,117	37.3
Interest on loans	27,338	28,557	(4.3)	18,634	46.7
Interest on interbank and money market items	3,781	3,381	11.8	1,900	99.0
Hire purchase and financial lease income	8,322	8,585	(3.1)	8,178	1.8
Investments and trading transactions	9	12	(25.0)	4	125.0
Investments in debt securities	482	488	(1.2)	366	31.7
Other interest income	49	62	(21.0)	35	40.0
Interest Expenses	12,686	12,118	4.7	7,927	60.0
Interest on deposits	7,465	6,246	19.5	4,286	74.2
Interest on interbank and money market items	2,041	2,743	(25.6)	740	175.8
Interest on borrowings	897	919	(2.4)	819	9.5
Contribution to Financial Institution Development Fund and Deposit Protection Agency	2,112	2,043	3.4	1,996	5.8
Other interest expenses	171	167	2.4	86	98.8
Net Interest Income	27,295	28,967	(5.8)	21,190	28.8

- Interest income in 1Q/24 totaled Baht 39,981 million, moderating by Baht 1,104 million, or 2.7%, from the previous quarter. This contraction was primarily attributable to lowered interest income from the domestic lending portfolio, namely personal loans, mortgage and corporate segments. Meanwhile, interest income from interbank and money market items grew by 11.8%, corresponding to the increased outstanding balance.
- Interest expenses amounted to Baht 12,686 million, an increase of Baht 568 million, or 4.7%, from the prior quarter. This increase was primarily driven by higher interest on deposits, attributed to the robust increase in time deposits outstanding, while being partially offset by lowered interest expenses on interbank and money market items, resulting from a decrease in borrowing from financial institutions.
- Consequently, net interest income in 1Q/24 amounted to Baht 27,295 million, representing a decrease of Baht 1,672 million, or 5.8%, from the prior quarter.
- On a year-on-year basis, net interest income robustly increased by Baht 6,105 million, or 28.8%, primarily due to contributions from the newly acquired overseas businesses concluded in 2Q/23 and 4Q/23. Excluding the overseas contributions, net interest income from the domestic operation increased Baht 809 million, mainly attributed to higher interest income from loans and interbank and money market items, corresponding to both higher outstanding balances and interest rates. The aforementioned developments, however, were partly offset by an increase in interest expenses on time deposits and interbank and money market items.

Net Interest Margin

	1Q/24	4Q/23	1Q/23	2023
Net Interest Margin	4.16%	4.50%	3.35%	3.91%
Yield on Earning Assets	6.10%	6.38%	4.60%	5.48%
Yield on Loans	7.10%	7.37%	5.49%	6.39%
Cost of Funds	2.20%	2.14%	1.44%	1.79%
Cost of Deposits	1.99%	1.83%	1.37%	1.59%

Interest Rate

	Mar-24	Dec-23	Sep-23	Jun-23	Mar-23
Policy Rate	2.50%	2.50%	2.50%	2.00%	1.75%
Krungsri Lending Rate					
MLR	7.28%	7.28%	7.03%	7.03%	6.63%
MOR	7.575%	7.575%	7.325%	7.325%	6.875%
MRR	7.40%	7.40%	7.15%	7.15%	6.80%
Krungsri Deposit Rate					
Savings Rate	0.30%	0.30%	0.30%	0.30%	0.25%
3-month deposits	0.95-1.10%	0.95-1.10%	0.70-0.92%	0.70-0.92%	0.50-0.75%
6-month deposits	1.00-1.25%	1.00-1.25%	0.75-1.05%	0.75-1.05%	0.55-0.85%
12-month deposits	1.10-1.70%	1.10-1.70%	0.85-1.45%	0.85-1.45%	0.60-1.20%
24-month deposits	1.40-2.10%	1.40-2.10%	1.10-1.95%	1.10-1.95%	0.80-1.55%

- For 1Q/24, the yield on earning assets decreased by 28 basis points (bps) from the prior quarter to 6.10%, primarily due to a decrease in domestic retail and corporate segments' outstanding balances, while being substituted by an increase in interbank and money market item balances. The aforementioned developments were partially alleviated by an expansion in both the SME and ASEAN loan segments during the quarter.
- On a year-on-year basis, NIM increased by 81 bps, driven by a higher yield on earning assets of 150 bps. This notable improvement was largely attributed to the expansion of the high-yield segment's outstanding balance resulting from the acquisitions of overseas consumer business entities in 2Q/23 and 4Q/23, as well as an increase in lending rates. Meanwhile, the cost of funds increased by 76 bps to 2.20% largely driven by higher cost of deposits, resulting from changes in compositions of deposit tenors and an increase in deposit rates.
- Excluding the domestic's portfolio, ASEAN's portfolio NIM for 1Q/24 was recorded at 22.75%.

Non-Interest Income

Consolidated (Million Baht)	1Q/24	4Q/23	%QoQ	1Q/23	%YoY
Net fees and Service Income	6,193	6,861	(9.7)	4,250	45.7
Fees and service income	8,684	9,108	(4.7)	6,322	37.4
Fees and service expense	2,491	2,247	10.9	2,072	20.2
Total Non-interest and Non-fees Income	5,045	5,537	(8.9)	4,605	9.6
Gains (losses) on financial instrument measured at fair value through profit or loss (FVTPL)	1,854	1,467	26.4	1,710	8.4
Share of profit (loss) from investment using equity method	420	373	12.6	385	9.1
Bad debt recoveries	2,185	1,843	18.6	1,778	22.9
Other operating income	586	1,854	(68.4)	732	(19.9)
Total Non-Interest Income	11,238	12,398	(9.4)	8,855	26.9

- Non-interest income in 1Q/24 amounted to Baht 11,238 million, decreasing by 9.4%, or Baht 1,160 million from the prior quarter. This was mainly attributed to the decrease in net fees and service income and other operating income due to the absence of gains on sales of properties for sales recorded in the previous quarter.
- On a year-on-year basis, non-interest income increased by 26.9%, or Baht 2,383 million primarily driven by net fees and service income, from the overseas consumer business entities acquired in 2Q/23 and 4Q/23. Excluding the overseas contributions, non-interest incomes increased by 6.1%, or Baht 539 million due to the increase in net fees and service income and gain on financial instrument measures at FVTPL.

Fees and Service Income Breakdown

	1Q/24	4Q/23	1Q/23	2023
Loan - related Fees	7%	6%	4%	5%
Bancassurance Fees	15%	18%	13%	15%
Transaction Fees	7%	7%	10%	8%
Auto HP Fees	15%	15%	14%	14%
Card - related Fees	31%	30%	38%	34%
Others*	25%	24%	21%	24%
Total Fee and Service Income	100%	100%	100%	100%

* Others: Comprise wealth and fund management, securities-related, and investment banking fees.

- Fees and service income in 1Q/24 amounted to Baht 8,684 million, reflecting a decrease of Baht 424 million, or 4.7%, from the prior quarter. This contraction was driven by decreased bancassurance fees, lower card-related fees due to lower spending patterns during the quarter, as well as reduced fees from auto hire purchase resulting from loan contraction.
- On a year-on-year basis, fees and service income increased by 37.4%, or Baht 2,362 million, primarily driven by fees generated from the overseas consumer businesses acquired in 2Q/23 and 4Q/23, together with an increase in domestic business from bancassurance, auto hire

purchase fees, and card-related fees. Excluding the overseas contributions, fees and service income increased by 10.0%, or Baht 622 million.

Operating Expenses

Consolidated (Million Baht)	1Q/24	4Q/23	%QoQ	1Q/23	%YoY
Employee expenses	8,725	9,936	(12.2)	7,154	22.0
Premises and equipment expenses	2,258	2,266	(0.4)	1,857	21.6
Taxes and duties	1,065	1,169	(8.9)	706	50.8
Directors' remuneration	21	19	10.5	18	16.7
Other expenses	4,515	5,327	(15.2)	3,595	25.6
Total Operating Expenses	16,584	18,717	(11.4)	13,330	24.4
Cost to Income Ratio	43.0%	45.2%		44.4%	

- Total operating expenses in 1Q/24 amounted to Baht 16,584 million, representing a decrease of Baht 2,133 million, or 11.4%, from the prior quarter. The decline was driven by lower employee expenses and marketing promotion expenses, attributed to the seasonality patterns observed in the previous quarter.
- On a year-on-year basis, total operating expenses increased by Baht 3,254 million, or 24.4%. The increase was driven by higher operating expenses stemming from the overseas consumer businesses acquired in 2Q/23 and 4Q/23.

The well-controlled operating expenses resulted in the better cost to income ratio in 1Q/24 at 43.0%, compared with 45.2% in the prior quarter and 44.4% in 1Q/23. Excluding the overseas business, the cost to income ratio stood at 43.1%.

Krungsri Group will continue managing operating expenses efficiently and focusing on revenue enhancement to achieve the year's cost to income ratio target in the mid-40s.

Expected credit loss (ECL)

Consolidated (Million Baht)	1Q/24	4Q/23	%QoQ	1Q/23	%YoY
Expected Credit Loss	12,271	12,955	(5.3)	5,799	111.6
Credit Cost (bps)	248	253		116	

- The expected credit loss in 1Q/24 amounted to Baht 12,271 million, equivalent to a credit cost of 248 bps, a decrease of 5.3% from the prior quarter.
- On a year-on-year basis, the expected credit loss increased significantly by Baht 6,472 million, or 111.6%, largely driven by an increase in expected credit loss as a safeguard in light of future uncertainty that could impact asset quality domestically and overseas, which underscored Krungsri's rigorous and prudential risk management approach.

Key Items of Financial Position

Assets

Consolidated (Million Baht)	Mar. 31, 24	Dec. 31, 23	%QoQ
Cash	27,453	28,170	(2.5)
Net interbank and money market items	602,988	507,974	18.7
Financial assets measured at FVTPL	4,535	1,740	160.6
Derivative assets	36,563	29,056	25.8
Net investments	136,276	130,539	4.4
Net investments in subsidiaries, associate and joint ventures	18,406	17,921	2.7
Loans to customers	1,999,952	2,017,204	(0.9)
Accrued interest receivables and undue interest receivables	14,607	14,566	0.3
Allowance for expected credit loss	(92,081)	(89,070)	(3.4)
Net loans to customers and accrued interest receivable	1,922,478	1,942,700	(1.0)
Net properties for sales	5,535	5,555	(0.4)
Others	105,195	104,640	0.5
Total Assets	2,859,429	2,768,295	3.3

- As of March 31, 2024, total assets stood at Baht 2,859,429 million, representing an increase of Baht 91,134 million, or 3.3%, from the prior quarter. The key drivers are as follows:
 - Net interbank and money market items increased by Baht 95,014 million, or 18.7%, driven by an increase in repurchase agreements and loans to financial institutions, resonating our liquidity management efforts under the current operating environment.
 - Derivative assets increased by Baht 7,507 million, or 25.8%, primarily due to foreign exchange and cross currency swap transactions aimed at managing exposure to the currency risk.
 - Net investment increased by Baht 5,737 million, or 4.4%.
 - Loans to customers decreased by Baht 17,252 million, or 0.9%, driven by a contraction in domestic loans to corporate and retail segments, offset by an increase in the SME and ASEAN loans.

Investments

Consolidated (Million Baht)	Mar. 31, 24	Dec. 31, 23	%QoQ
Financial Assets Measured at FVTPL	4,535	1,740	160.6
Net Investments	136,276	130,539	4.4
Investments in Debt Securities Measured at Amortised Cost	7,166	2,873	149.4
Investments in Debt Securities Measured at FVOCI	121,252	119,966	1.1
Investments in Equity Securities Measured at FVOCI	7,858	7,700	2.1
Net Investments in Subsidiaries, Associate and Joint Ventures	18,406	17,921	2.7
Total Investments	159,217	150,200	6.0

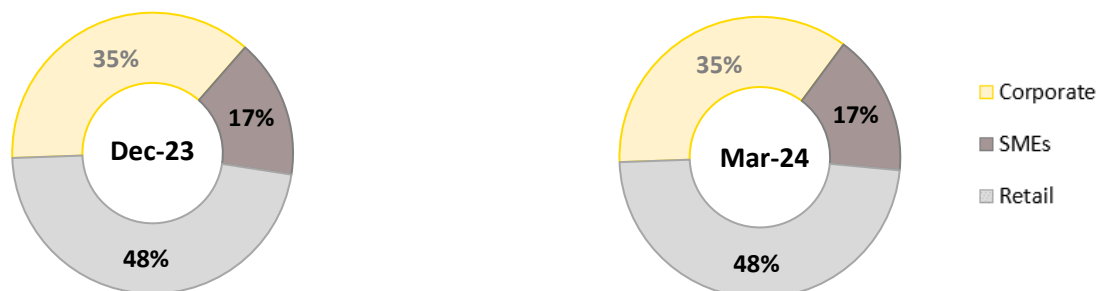
- As of March 31, 2024, total investments increased by 6.0%, or Baht 9,017 million, from the prior quarter. The increase was mainly from investment in debt securities measured at amortized cost and financial assets measured at fair value through profit or loss (FVTPL).

Loans to Customers

Loans by Segment

Consolidated (Million Baht)	Mar. 31, 24	Dec. 31, 23	%QoQ
Corporate	691,819	702,207	(1.5)
Thai Corporate	458,325	460,727	(0.5)
International Corporate (JPC/MNC)	233,494	241,480	(3.3)
SMEs	348,556	339,527	2.7
Retail	959,577	975,470	(1.6)
Hire purchase	423,711	429,991	(1.5)
Mortgage	263,050	269,070	(2.2)
Credit cards, personal loans and others	163,284	171,115	(4.6)
ASEAN	109,532	105,294	4.0
Total Loans	1,999,952	2,017,204	(0.9)

Loan Breakdown



Retail	
Auto HP	21%
Mortgage	13%
Credit Card, Personal Loans and Others	9%
ASEAN	5%

Retail	
Auto HP	21%
Mortgage	13%
Credit Card, Personal Loans and Others	8%
ASEAN	6%

As of March 31, 2024, total outstanding loans stood at Baht 1,999,952 million, a contraction of Baht 17,252 million, or 0.9% from the end of December 2023. This contraction was primarily driven by seasonal repayments in domestic loans by both corporate and retail segments, offset by an increase in SME and ASEAN loans during the quarter.

Details of loan performance by segment are as follows:

- **Corporate loans** contracted by 1.5%, or Baht 10,388 million, from the end of December 2023, driven by a decrease of 3.3%, or Baht 7,986 million, in International Corporate (JPC/MNC) loans, and 0.5%, or Baht 2,402 million, in Thai corporate loans. The contraction was attributable to both loan and working capital repayments, resonating the structural headwinds which still limit the benefits of the global economic recovery for the Thai economy.
- **SME loans** grew by 2.7% or Baht 9,029 million from the end of December 2023. The growth was observed across all SME segments, supported by working capital requirements.
- Underlining tightening lending standards amidst high debt-servicing burden of borrowers as well as our responsible lending conduct, the **retail loans** contracted by 1.6%, or Baht 15,893 million from the end of December 2023. Details of retail loan performance by segment are as follows:
 - **Auto hire purchase loans** decreased by 1.5%, or Baht 6,280 million, from the end of December 2023, mainly from new car and used car financing. This contraction resonated Krungsri’s tighter credit conditions amidst deteriorating debt-servicing capacity of auto-hire purchase customers.

Management Discussion and Analysis

- **Mortgage loans** decreased by 2.2%, or Baht 6,020 million, from the end of December 2023, corresponding to the unfavorable development due to reduced affordability of homebuyers impacted by both interest rate hikes and an increase in construction costs.
- **Credit card, personal loans and others** decreased by 4.6%, or Baht 7,831 million, from the end of December 2023, corresponding to seasonal loan repayments.
- **ASEAN loans**, which mainly encompassed consumer finance products, increased by 4.0%, or Baht 4,238 million, from the end of December 2023, underscoring robust demand conditions in Indonesia, the Philippines, and Vietnam.

Asset Quality

Loan Classification

Consolidated (Million Baht)	Mar. 31, 24		Dec. 31, 23	
	Loan to Customers and Accrued Interest Receivable	Allowance for ECL	Loan to Customers and Accrued Interest Receivable	Allowance for ECL
Stage 1 (Performing)	1,783,466	32,995	1,799,141	32,430
Stage 2 (Under-performing)	159,135	23,323	166,611	23,602
Stage 3 (Non-performing)	71,954	35,763	65,933	33,038
POCI (Purchased or Originated Credit-Impaired)	4	0	85	0
Total	2,014,559	92,081	2,031,770	89,070

Non-performing Loans*

Consolidated	Mar. 31, 24	Dec. 31, 23	Sep. 30, 23	Jun. 30, 23	Mar. 31, 23
Non-performing Loans (Million Baht)	66,866	61,481	59,135	54,871	54,048
NPL Ratio	2.69%	2.53%	2.48%	2.29%	2.26%
Non-performing Loans by Segment					
Corporate	0.7%	0.7%	0.7%	0.7%	0.8%
SMEs	5.0%	4.8%	4.9%	4.8%	5.0%
Retail	4.7%	4.2%	3.9%	3.5%	3.5%
Hire Purchase	2.5%	2.4%	2.3%	2.3%	2.2%
Mortgage	5.6%	5.2%	5.1%	4.8%	5.3%
Personal Loans, Credit Card and Others	4.4%	4.2%	4.3%	4.3%	4.4%
ASEAN	11.3%	8.6%	6.4%	3.7%	2.3%
Coverage Ratio	141.5%	149.1%	155.1%	163.3%	167.1%

*Excluding accrued interest in accordance with the BOT's guideline

- As of March 31, 2024, gross NPLs stood at Baht 66,866 million, representing an increase of Baht 5,385 million, or 8.8% from the end of December 2023, largely driven by an increase in NPLs from ASEAN consumer loans resonating the Bank's rigorous and prudential risk management practices.
- The NPL ratio was at 2.69% as of the end of March 2024, compared with 2.53% at the end of December 2023. Excluding the ASEAN portfolio, the NPL ratio stood at 2.30%.
- The coverage ratio moderated to 141.5% at the end of March 2024, compared with 149.1% at the end of December 2023.

Liabilities and Shareholders' Equity

Consolidated (Million Baht)	Mar. 31, 24	Dec. 31, 23	%QoQ
Liabilities	2,477,509	2,396,841	3.4
Deposits	2,004,101	1,839,601	8.9
Interbank and money market items	235,116	323,996	(27.4)
Derivative liabilities	30,382	32,839	(7.5)
Debt Issues and Borrowings	116,783	104,217	12.1
Others	91,127	96,188	(5.3)
Total Bank's Equity	378,571	368,454	2.7
Total Shareholders' Equity	381,920	371,454	2.8
Book Value per Share (Baht)	51.92	50.50	

- As of March 31, 2024, total liabilities stood at Baht 2,477,509 million, representing an increase of Baht 80,668 million, or 3.4%, from the end of December 2023. Key items are as follows:
 - Deposits increased by Baht 164,500 million, or 8.9%, largely driven by time deposits.
 - Interbank and money market items decreased by Baht 88,880 million, or 27.4%, driven by a decrease in loans from financial institutions, largely attributed to repayments to MUFG.
- As of March 31, 2024, total Bank's equity stood at Baht 378,571 million, representing an increase of Baht 10,117 million, or 2.7%, from the end of December 2023 due to an increase in net profit of the Bank's equity holders by Baht 7,543 million in 1Q/24.
- Book value per share as of March 31, 2024, increased to Baht 51.92 from Baht 50.50 at the end of December 2023.

Funding Structure

Deposits

Consolidated (Million Baht)	Mar. 31, 24	Dec. 31, 23	%QoQ
Current	52,842	50,424	4.8
Savings	981,107	961,051	2.1
Time	968,840	826,773	17.2
< 6 Months	403,565	321,399	25.6
6 Months and < 1 Year	45,602	39,929	14.2
1 Year and over 1 Year	519,673	465,445	11.7
Certificate of deposit	1,312	1,353	(3.0)
Total Deposits	2,004,101	1,839,601	8.9
Proportion of Current and Savings Deposits	51.6%	55.0%	

- As of March 31, 2024, total deposits stood at Baht 2,004,101 million, representing an increase of Baht 164,500 million, or 8.9%, from the prior quarter. The increase was contributed primarily from time deposits, notably an increase in time deposits with a tenor less than six months and one year and more.
- As a result, the proportion of current and savings deposits (CASA) as a percentage of total deposits decreased to 51.6%, compared with 55.0% at the end of December 2023.

Borrowing

Consolidated (Million Baht)	Mar. 31, 24	Dec. 31, 23	%QoQ
Debenture	51,470	38,322	34.3
Subordinated debenture	61,399	61,364	0.1
Other	3,914	4,531	(13.6)
Total Borrowing	116,783	104,217	12.1

- As of March 31, 2024, total borrowing stood at Baht 116,783 million, representing an increase of Baht 12,566 million, or 12.1% from the prior quarter, mainly from the new issuance of Krungsri Group's debentures, which exceeded the redemption amount, offset by a decrease in other borrowing.

Liquidity

Consolidated	Mar. 31, 24	Dec. 31, 23	Sep. 30, 23	Jun. 30, 23	Mar. 31, 23
Loan to Deposit Ratio	100%	110%	114%	112%	105%
Loan to Deposit and Debenture Ratio	97%	107%	111%	110%	103%

The loan to deposit ratio and the loan to deposit plus debentures ratio significantly improved to 100% and 97%, respectively at the end of March 2024, compared with 110% and 107% at the end of December 2023.

Contingencies

Consolidated (Million Baht)	Mar. 31, 24	Dec. 31, 23	%QoQ
Avals to bills and Guarantees of loans	6,753	5,766	17.1
Liability under unmatured import bills	5,131	2,557	100.7
Letters of credit	6,835	7,004	(2.4)
Other Contingencies	142,518	141,502	0.7
Total Contingencies	161,237	156,829	2.8

- Krungsri Group's contingencies as of March 31, 2024, totaled Baht 161,237 million, an increase of Baht 4,408 million, or 2.8%, from the end of December 2023, mainly from an increase in liabilities under unmatured import bills.

Statutory Capital

As of March 31, 2024, Krungsri's capital (Bank only) stood at Baht 310,292 million, equivalent to 18.08% of risk-weighted assets, comprising Common Equity Tier 1 (CET1) capital and Tier 1 Capital of 13.44% and Tier 2 capital of 4.64%.

The current level of capital is well above the minimum regulatory capital requirements which include the capital conservation buffer and higher loss absorbency (the additional CET1) requirement for Domestic Systemically Important Banks (D-SIBs).

Bank only	Capital Fund (Million Baht)		Capital Adequacy Ratio	
	Mar. 31, 24	Dec. 31, 23	Mar. 31, 24	Dec. 31, 23
Common Equity Tier 1	230,703	229,727	13.44%	13.56%
Tier 1 Capital	230,703	229,727	13.44%	13.56%
Tier 2 Capital	79,589	79,388	4.64%	4.68%
Total Capital Fund	310,292	309,115	18.08%	18.24%

Credit Ratings

The Bank's credit ratings assigned by Moody's Investors Service, Standard & Poor's, Fitch Ratings, and TRIS Rating are shown in the table below.

Moody's Investors Service	
Bank Deposit-Long Term	A3
Bank Deposit-Short Term	P-2
Baseline Credit Assessment (BCA)	baa2
Outlook	Stable
Standard & Poor's	
Long-term Issuer Credit Rating	BBB+
Short-term Issuer Credit Rating	A-2
Long-term Senior Debt	BBB+
Stand-alone Credit Profile (SACP)	bb
Outlook	Stable
Fitch Ratings	
<u>International Ratings</u>	
Long-term Issuer Default Rating	BBB+
Short-term Issuer Default Rating	F1
Viability Rating	bbb
Outlook	Stable
<u>National Ratings</u>	
Long-term Rating	AAA (tha)
Long-term Debenture	AAA (tha)
Short-term	F1+(tha)
Subordinated Debt	AA (tha)
Outlook	Stable
TRIS Rating	
Company Rating	AAA
Issue Rating-Senior Unsecured	AAA
Stand-alone Credit Profile (SACP)	aa
Outlook	Stable