



Krungthai
กรุงไทย

Management Discussion and Analysis

For the first quarter ended March 31, 2024

(Reviewed)

This report discusses the principal changes in the reviewed consolidated financial statement for the first quarter ended March 31, 2024.

Economic Overview

In 2024, the Thai economy is expected to continue on expansionary path, albeit remaining under its potential growth. The improving trajectory would be bolstered by the robust recovery of the tourism sector. This improvement was attributed to the implementation of visa-free measures, particularly encouraging a stronger-than-anticipated rebound of Chinese travelers. The number of foreign tourists in 2024 is projected to be higher than 35 million. The momentum for improvements in tourism-related sectors, associated with the gradual recovery of economic activities, has boosted employment. In addition, the Thai economy receives additional support from government policies, including measures to control electricity costs and the possibility of more stimulus to support consumer purchasing power going forward. The recovery of exports is likely to be more modest than projected due to weakening global trade, reflecting from the International Monetary Fund (IMF)'s view in April 2024 which downgraded its world trade volume forecast amidst the relatively low growth of the global economy. Moreover, the Thai economy is contending with the strain of elevated household debt and the issuance of the Bank of Thailand (BOT)'s Responsible Lending guidelines that came into effect since January 2024. On the fiscal front, government spending and public investment have encountered hurdles in the disbursement and the 2024 budget procedures. Apart from these, Thai business sectors are under pressure from wage increases, heightened logistics costs, tightening financial conditions, along with structural problems that impede competitiveness. Furthermore, numerous challenges across various aspects, including the Ukrainian war, the Israel-Iran conflict, the potentially escalating trade war, and negative impacts from climate change, need to be monitored. Some fragile and vulnerable SMEs who lack 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 April 2024 views that the Thai economy is expected to experience a limited growth by 2.6% in 2024, up from 1.9% in the previous year. Meanwhile, headline inflation rate is forecasted at 0.6%, lower than 1.2% seen last year.

The Bank and Its Subsidiaries' Overview Performance

The Bank and Its Subsidiaries' Performance for 1Q2024

In 2024, Thai economy is driven by the gradual recovery of tourism sector in addition to economic stimulus measures issued by the government. The growth of the Thai Economy, however, is of a risk of deceleration and a growth below its potential from structural problem that impacts manufacturing and export sectors, continuing and expanding geopolitical conflict, climate change, as well as pressure from high level of household debt. Whereas some

sensitive and vulnerable SMEs with limited adaptive capability are recovering slower than expected. The Bank prioritizes on delivering sustainable growth and prudently managing its asset quality management whilst maintaining high coverage ratio for economic uncertainties. The Bank also focuses on assisting our customers especially the vulnerable groups with high indebtedness through a development of assistant measures to overcome the structural limitation whereas such measures would be direct to the point, supporting lending as needs be, and considering customer payment ability in accordance with Responsible Lending.

For 1Q2024 compared to 1Q2023, the consolidated net profit attributable to equity holders of the Bank was Baht 11,079 million, an increase of 10.1% YoY as the Bank operates according to our strategy “Reshaping Client Value Proposition”, leveraging innovation to create sustainable value for customers. Its total operating income uplifted by 15.4% YoY from a humble loan growth from portfolio optimization with a justified risk adjusted return in addition to an increase in net fee and service income and other non-interest income. With the Bank’s effective comprehensive operating cost management, cost to income ratio registered at 43.6%. Operating expenses increased 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 an increase in IT cost relating to our priority in IT and digital investment for products and services to enhance customers’ experience for all group of customers and to prepare build capability readiness as a preparation for future industry growth together with technology and innovation advancement.

The Bank and its subsidiaries has set aside an appropriate level of expected credit loss with maintaining high coverage ratio about 181%, similar to as of December 31, 2023 together with our continuing prudent and flexible asset quality management. The consolidated NPLs was Baht 98,815 million, decreased from a level as of December 31, 2023 with NPLs Ratio of 3.14%.

Compared to 4Q2023, the consolidated net profit attributable to equity holders of the Bank increased 81.3% QoQ mainly due to a decline of 38.6% QoQ of the expected credit loss, as an expected credit losses provided for one of corporate customer and related companies to reflect the credit deterioration and closely monitor of the financial status in previous quarter. Total operating income increased by 2.8% QoQ whereas Cost to income ratio reduced from 44.8% in 4Q2023 to 43.6% in this quarter. The Bank and its subsidiaries maintains high coverage ratio at 181.8% for any economic uncertainties.

As at March 31, 2024, the Bank and the Financial Business Group’s Tier 1 capital ratio was 17.45% of its RWA. Total capital ratio was 20.52% 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 of not less than 180%, higher than the BOT’s requirement.

On 25th January 2024, S&P Global Ratings revised Krungthai's outlook to Positive from Stable together with the affirmation of long-term issuer credit rating at BBB-. The outlook revision reflects the sustainable improvements in the bank's profitability and asset quality management.

The Bank commits to support all customer groups for financial health and better quality of life. Recently, the Bank launches "Consolidated loan for civil servant" debt program in addition to our existing programs assisting the civil servant with high indebtedness, salary after debt payment of less than 30% with insufficient for living cost and need to borrow from informal debt, of which requiring urgent assistant in accordance with Prime Minister's policy. This program intends to relieve the civil servant's debt burden and improve the living standard as appropriate. The program is a retail debt consolidation to Krungthai with low and flat interest rate throughout the contract and extend payment period up to 80 years old. The Bank launches a pilot scheme with Teacher Saving Cooperative of KhonKhan and National Credit Bureau (NCB) to assist teacher civil servant by relieving the debt burden and shorten persistent debt payment period together with providing financial literacy for their sustainable financial health. The Bank plans to further extend the coordination to Comptroller General's Department and relate departments eg. Ministry of Finance, Ministry of Education, Ministry of Defence, Ministry of Agricultural and Cooperatives, Ministry of Public Health, Royal Thai Police, Cooperative Promotion Department, Comptroller General's Department, National Credit Bureau (NCB) and Cooperatives in which serving civil servant.

For the year 2024, the Bank will continuously operates according to "Reshaping Client Value Proposition", focuses on our innovative development ahead to the change of future businesses and support the country's economic and social development strategy. In addition, the bank recently **set up Krungthai Ventures Company Limited**, a subsidiary company of KTB Advisory Co.,Ltd, focus on venture capital business in response to our strategy, future growth and creating positive impact to country in addition to our modern product and services development on digital platforms of Krungthai NEXT with 17.8 million users, Pao Tang application with 40 million users and Tung Ngern application with of 2 million merchants as easily accessible, fast and secure features to provide convenient, equality financial services and accessible to formal funding source for Thais to improve all day quality of life.

The Bank and Its Subsidiaries' Performance for the Quarter Ended March 31, 2024

Overview Operating Income and Net Profit

Unit : Million Baht

	1/2024	4/2023	Change	1/2023	Change
			%		%
Net interest income	29,561	30,362	(2.6)	25,619	15.4
Net fee and service income	5,577	5,434	2.6	5,139	8.5
Other non-interest income	5,565	3,794	46.7	4,514	23.3
Total operating income	40,703	39,590	2.8	35,272	15.4
Total other operating expenses	17,731	17,745	(0.1)	13,650	29.9
Pre-provision profit ⁽¹⁾	22,972	21,845	5.2	21,622	6.2
Expected credit losses	8,029	13,070	(38.6)	8,104	(0.9)
Operating profit before income tax expenses	14,943	8,775	70.3	13,518	10.5
Income tax expenses	2,935	1,733	69.4	2,531	16.0
Net Profit	12,008	7,042	70.5	10,987	9.3
Net profit (attributable to equity holders of the Bank)	11,079	6,111	81.3	10,067	10.1
ROA (%) ⁽²⁾	1.21	0.66		1.14	
ROE (%) ⁽²⁾	10.87	6.11		10.66	

(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 1Q2024 compared to 1Q2023, consolidated pre-provision profit was Baht 22,972 million, an increase of 6.2% YoY as the Bank operates according to our strategy “Reshaping Client Value Proposition”, leveraging innovation to create sustainable value for customers. Its total operating income uplifted by 15.4% YoY from a humble loan growth from portfolio optimization with a justified risk adjusted return concept and upward interest rate in addition to the continuing increase in net fee and service income and other non-interest income. With the Bank’s effective comprehensive operating cost management, cost to income ratio registered at 43.6%. Operating expenses increased 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 an increase in IT cost relating to our priority in IT and digital investment for products and services to enhance customers’ experience for all group of customers and to prepare build capability readiness as a preparation for future industry growth together with technology and innovation advancement.

The Bank and its subsidiaries has set aside an appropriate level of expected credit loss, hence, consolidated net profit attributable to equity holders of the Bank was Baht 11,079 million, an increase of 10.1% YoY with maintaining high coverage ratio of 181.8% compared to 181.3% as at December 31, 2023 together with our continuing prudent and flexible asset quality management with NPLs Ratio of 3.14%.

Compared to 4Q2023, consolidated pre-provision profit rose 5.2% QoQ mainly due to an increase in total operating income by 2.8% QoQ coupling with the relatively stable operating expense to previous quarter. Cost to income ratio stood at 43.6%. The Bank and its subsidiaries set aside a decline of 38.6% QoQ of the expected credit loss, as an expected credit losses provided for one of corporate customer and related companies to reflect the credit deterioration and closely monitor the financial status in previous quarter. The coverage ratio remained at 181.8% for any economic uncertainties; hence, consolidated net profit attributable to equity holders of the Bank increased 81.3% QoQ.

Net Interest Income

	Unit : Million Baht				
	1/2024	4/2023	Change	1/2023	Change
			%		%
Interest income	40,881	41,741	(2.1)	34,105	19.9
- Interbank and money market items	3,602	4,077	(11.7)	2,142	68.2
- Investments and trading transactions	93	64	45.3	42	121.4
- Investment in debt securities	1,580	1,406	12.4	957	65.1
- Loans	35,388	35,970	(1.6)	30,824	14.8
- Hire purchase and financial lease	47	54	(13.0)	51	(7.8)
- Others	171	170	0.6	89	92.1
Less Interest expense	11,320	11,379	(0.5)	8,486	33.4
- Deposits	5,016	5,029	(0.3)	2,930	71.2
- Interbank and money market items	1,297	1,203	7.8	886	46.4
- Contributions to BOT and DPA	3,054	3,138	(2.7)	3,075	(0.7)
- Debts issued	1,805	1,858	(2.9)	1,446	24.8
- Others	148	151	(2.0)	149	(0.7)
Net interest income	29,561	30,362	(2.6)	25,619	15.4
Earning Asset Yield (%) ⁽¹⁾	4.58	4.69		3.99	
Cost of Fund (%) ⁽¹⁾	1.47	1.48		1.14	
Net interest margin [based on earning assets] (%) ⁽¹⁾	3.31	3.41		3.00	

(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 1Q2024 compared to 1Q2023, consolidated net interest income was Baht 29,561 million, an increased of 15.4% YoY, mainly from a cautious loan growth together with a portfolio optimization management with a justified risk adjusted return in economic uncertainties coupling upward interest rate situation. NIM registered at 3.31% rose from 3.00% in 1Q2023. Compared to 4Q2023, consolidated net interest income reduced by 2.6% QoQ, mainly from portfolio optimization with a justified risk adjusted return. Hence, NIM registered at 3.31%.

Change of interest rate

	27 Sep 2023	2 Aug 2023	31 May 2023	29 Mar 2023	25 Jan 2023
Policy Interest Rate (%)	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 (%) ⁽¹⁾					
- 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 10th Apr 2024, Monetary Policy Committee decided to maintain the policy rate at 2.50%.

Net Fee and Service Income

Unit : Million Baht

	1/2024	4/2023	Change %	1/2023	Change %
Fee and service income	7,673	7,368	4.1	7,156	7.2
Less Fee and service expense	2,096	1,934	8.4	2,017	3.9
Net fee and service income	5,577	5,434	2.6	5,139	8.5

For 1Q2024 compared to 1Q2023, consolidated net fee and service income was Baht 5,577million, rose by 8.5 % YoY, mainly owing to a continuing expansion of bancassurance fee and fee related to credit card services. Compared to 4Q2023, consolidated net fee and service income increased by 2.6% QoQ mainly owing to a continuing expansion of bancassurance fee.

Total Other Operating Income

Unit : Million Baht

	1/2024	4/2023	Change %	1/2023	Change %
Gains (loss) on financial instruments measured at fair value through profit or loss	1,661	1,145	45.1	1,899	(12.5)
Gain (loss) on investments, net	237	(4)	5,916.7	259	(8.3)
Share of profit (loss) from investments for using equity method	406	261	55.1	398	1.7
Dividend income	149	34	339.0	176	(15.5)
Other income	3,112	2,358	32.0	1,782	74.6
Total other operating income	5,565	3,794	46.7	4,514	23.3

For 1Q2024 compared to 1Q2023, consolidated total other operating income was Baht 5,565 million, an increase of 23.3% YoY, mainly due to other income from bad debt recovery. Compared to 4Q2023, consolidated total other operating income, an increase of 46.7% QoQ, mainly owing to gains on financial instruments measured at fair value through profit or loss in line with market situation and other income from bad debt recovery.

Other Operating Expenses

Unit : Million Baht

	1/2024	4/2023	Change	1/2023	Change
			%		%
Employees' expenses	6,644	6,446	3.1	6,832	(2.8)
Premises and equipment expenses	2,436	2,725	(10.6)	2,395	1.7
Taxes and duties	1,346	1,345	0.1	1,193	12.8
Impairment loss of properties for sale	3,792	2,395	58.3	277	1,270.0
Others ⁽¹⁾	3,513	4,834	(27.3)	2,953	19.0
Total other operating expenses	17,731	17,745	(0.1)	13,650	29.9
Cost to income ratio (%)	43.6	44.8		38.7	

(1) Including Directors' remuneration

For 1Q2024 compared to 1Q2023, with the Bank effective comprehensive operating cost management, our cost to income ratio registered at 43.6%. Other operating expenses was Baht 17,731 million, increased by 29.9% YoY, mainly owing a prudent management for properties for sale with appropriate level of impairment losses provided in accordance to its asset potential in 1Q2024 and an increase in IT cost relating to our priority in IT and digital investment for products and services to enhance customers' experience for all group of customers and to prepare build capability readiness as a preparation for future industry growth together with technology and innovation advancement.

Compared to 4Q2023, with the Bank effective comprehensive operating cost management, other operating expenses remained relatively stable QoQ, though the decrease of seasonal marketing expenses, the Bank's provided a prudent management for properties for sale with appropriate level of impairment losses provided in accordance to its asset potential in 1Q2024, hence, consolidated cost to income ratio registered at 43.6%, decreased from 44.8% in previous quarter.

Expected credit losses

	1/2024	4/2023	Change	1/2023	Change
			%		%
Expected credit losses ⁽¹⁾	8,029	13,070	(38.6)	8,104	(0.9)

Unit : Million Baht

(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 1Q2024 compared to 1Q2023, the Bank and its subsidiaries has properly set aside the expected credit loss of Baht 8,029 million, slightly reduced YoY with a prudent consideration of various factors relating to business environment and economic uncertainties to maintain high coverage ratio of 181.8% with NPLs Ratio at 3.14%. Compared to 4Q2023, with our prudent asset quality management and properly setting aside the expected credit loss to maintain high coverage ratio at 181.8% for any economic uncertainties, the consolidated expected credit loss decreased by 38.6% QoQ as an expected credit losses provided for one of corporate customer and related companies to reflect the credit deterioration and closely monitor the financial status in previous quarter.

The Bank and Its Subsidiaries' Financial Status as at March 31, 2024

Financial Assets and Investments, Net

The Bank's consolidated financial assets measured at fair value through profit or loss and net investment were Baht 395,852 million as at March 31, 2024, compared to Baht 289,654 million as at December 31, 2023. Financial assets measured at fair value through profit or loss and net investments comprised of government and SOE securities 75%, private enterprise and foreign debt securities 21% and marketable equity securities 4%.

Classifications of financial assets and investments, net

Consolidated Financial Statements	31 Mar 2024	31 Dec 2023	Unit : Million Baht
			Change %
Financial assets measured at fair value through profit or loss	44,093	25,946	69.9
Investment, net	351,759	263,708	33.4
- Investment in debt securities measured at amortized cost	1,327	1,218	8.9
- Investment in debt securities designated to be measured at fair value through other comprehensive income	333,873	246,760	35.3
- Investment in equity securities designated to be measured at fair value through other comprehensive income	16,559	15,730	5.3
Total financial assets and investments, net	395,852	289,654	36.7

Loans to Customers

The Bank's consolidated loans to customers registered at Baht 2,618,151 million with a humble loan growth at 1.6% from end of 2023, mainly due to government and state enterprise segment along with portfolio optimization for a justified risk adjusted return.

Consolidated Financial Statements	31 Mar 2024	31 Dec 2023	Unit : Million Baht	
			Change	%
Loans to customers	2,618,737	2,577,131		1.6
<u>Less</u> Deferred revenue	586	615		(4.7)
<u>Add</u> Accrued interest receivables	23,889	22,902		4.3
<u>Less</u> Allowance for expected credit losses	172,757	173,323		(0.3)
Loans to customers and accrued interest receivables, net	2,469,283	2,426,095		1.8

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

Consolidated Financial Statement	31 Mar 2024		31 Dec 2023		Unit : Million Baht	
	Amount	(%)	Amount	(%)	Change	
						%
Private Corporate	740,457	28.3	739,942	28.7		0.1
Government and State Enterprise	423,877	16.2	377,865	14.7		12.2
SMEs	286,531	10.9	291,514	11.3		(1.7)
Retail	1,167,582	44.6	1,167,508	45.3		0.0
- Housing	486,195	18.6	484,590	18.8		0.3
- Personal	608,981	23.3	605,071	23.5		0.6
- Credit card	68,920	2.6	74,132	2.9		(7.0)
- Leasing	3,486	0.1	3,715	0.1		(6.1)
Others	290	0.0	302	0.0		(4.0)
Total loans (per F/S)	2,618,737	100.0	2,577,131	100.0		1.6

Asset Quality

Loan classification and expected credit loss

Unit : Million Baht

Consolidated Financial Statement	31 Mar 2024	31 Dec 2023
NPL ⁽¹⁾	98,815	99,407
NPL Ratio	3.14%	3.08%
Allowance for Expected Credit Losses (total) ⁽²⁾	179,685	180,197
Coverage Ratio ⁽³⁾	181.8%	181.3%

(1) NPLs 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 / NPLs

Unit : Million Baht

Consolidated Financial Statement	31 Mar 2024		31 Dec 2023	
	Loans and Accrued Interest Receivables ⁽¹⁾	Allowance for Expected Credit Losses ⁽²⁾	Loans and Accrued Interest Receivables ⁽¹⁾	Allowance for Expected Credit Losses ⁽²⁾
1. Loan Classification				
Performing	2,337,813	44,416	2,295,515	47,237
Under - performing	203,096	59,538	201,919	56,906
Non - performing	98,146	67,941	98,795	68,348
Lifetime ECL - simplified approach ⁽³⁾	2,985	862	3,189	832
Total	2,642,040	172,757	2,599,418	173,323

(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 NPLs as at March 31, 2024 was Baht 98,815 million, decreased from December 31, 2023 as a result of our continuing prudent and flexible asset quality management with NPLs Ratio of 3.14%. The appropriate level of expected credit losses were set aside to maintain the high level of coverage ratio for any economic uncertainties along with closely monitoring of our asset quality. As at March 31, 2024, the consolidated coverage ratio stood at 181.8%, relative stable compared with the end of December 2023

Sources and Uses of Funds

Unit : Million Baht

	31 Mar 2024		31 Dec 2023		Change
	Amount	(%)	Amount	(%)	%
Net Interbank and money market items (asset)	564,831	15.2	701,161	19.1	(19.4)
Financial assets measured at fair value through profit or loss	44,093	1.2	25,946	0.7	69.9
Net investments and net investments in associates	367,887	9.9	277,241	7.5	32.7
Loans to customers (less deferred revenue)	2,618,151	70.4	2,576,516	70.1	1.6
<u>Less</u> Allowance for expected credit losses	172,757	4.6	173,323	4.7	(0.3)
Other assets	294,850	7.9	270,144	7.3	9.1
Total Asset	3,717,055	100.0	3,677,685	100.0	1.1
Deposits	2,602,050	70.0	2,646,872	72.0	(1.7)
Net Interbank and money market items (liabilities)	333,140	9.0	282,696	7.7	17.8
Debt issued and borrowings	158,558	4.3	160,839	4.4	(1.4)
Other liabilities	186,590	5.0	166,431	4.5	12.1
Total equity	436,717	11.7	420,847	11.4	3.8
- Equity holders of the Bank	417,396	11.2	402,377	10.9	3.7
- Non-controlling interest	19,321	0.5	18,470	0.5	4.6
Total liabilities and equity	3,717,055	100.0	3,677,685	100.0	1.1
Loans to customers (less deferred revenue)-to-deposits ratio (%)	100.62		97.34		

As at March 31, 2024, the Bank's consolidated major source of funds was 70.0% deposits; and the other source of funds as equity, interbank borrowings, and debt issued and borrowings. The Bank's consolidated use of funds comprised of 70.4% loans to customers (less deferred revenue), 15.2% net interbank and money market items, and 9.9% net investments and net investments in associates.

Equity

The total equity (equity holders of the Bank) as at March 31, 2024 was Baht 417,396 million, increased 3.7% from December 31, 2023.

Book value per share (equity holders of the Bank) was Baht 29.85 per share increased from Baht 28.78 per share at December 31, 2023.

Statutory Capital Fund

Statutory Capital Fund (Bank and the Financial Business Group)

Unit : Million Baht

Bank and the Financial Business Group ⁽¹⁾	31 Mar 2024 ⁽³⁾		31 Dec 2023		The minimum rate required % ⁽²⁾
	Amount	%	Amount	%	
Common Equity Tier 1 capital	357,741	16.52	355,261	16.67	>8.000
Tier 1 capital	377,877	17.45	375,419	17.62	>9.500
Tier 2 capital	66,463		66,001		
Total capital fund	444,340	20.52	441,420	20.71	>12.000
Risk-weighted assets	2,165,243		2,131,200		

(1) Balance sheet as under regulatory scope of the financial business group means financial statement for consolidated basis under BOT's regulation which does not include non-life and life insurance companies, and companies held less than 50 percent of paid-up shares capital by the Bank.

(2) According to BOT's regulation, the minimum capital ratios of Commercial Banks in Thailand will be increased to absorb Capital conservation buffer more than 0.625% a year starting from January 1, 2016 until the capital buffer ratio of more than 2.5% is reached on January 1, 2019. Moreover, KTB was named as the one of the Domestic Systemically Important Banks (D-SIBs) requiring to hold all capital ratios to absorb higher loss absorbency of additional 0.5% of risk-weight assets from January 1, 2019 and 1% of risk-weight assets from January 1, 2020 onwards (reference to the BOT Notification Sor.Nor.Sor. 16/2560 and 17/2560)

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

Statutory Capital Fund (The Bank's Financial Statements)

Unit : Million Baht

The Bank's Financial Statements	31 Mar 2024 ⁽²⁾		31 Dec 2023		The minimum rate required (%) ⁽¹⁾
	Amount	(%)	Amount	(%)	
Common Equity Tier 1 capital	337,438	16.42	336,907	16.54	>8.000
Tier 1 capital	356,085	17.33	355,554	17.45	>9.500
Tier 2 capital	65,221		64,960		
Total capital fund	421,306	20.50	420,514	20.64	>12.000
Risk-weighted assets	2,055,243		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, KTB was named as the one-sixth of the Domestic Systemically Important Banks (D-SIBs) (TTB is identified as one of domestic systemically important banks as prescribed by the Bank of Thailand in August 2021) 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 March 31, 2024, the Bank and the Financial Business Group's Common Equity Tier 1 was Baht 357,471 million (16.52% of its RWA) and Tier 1 capital was Baht 377,877 million (17.45% of its RWA). Total capital was Baht 444,340 million (20.52% of its RWA).

As at March 31, 2024, the Bank's Common Equity Tier 1 was Baht 337,438 million, Tier 1 capital was Baht 356,085 million and Total capital was Baht 421,306 million (16.42%, 17.33% and 20.50% of its RWA).

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	Mar 2024	Jan 2024	Sep 2023
- Long-term/ Short-term	BBB- / A-3	BBB- / A-3	BBB- / A-3
- Outlook	Positive	Positive	Stable
- Stand-Alone Credit Profile (SACP)	bb	bb	bb
Moody's Investors Service	Mar 2024	Dec 2023	Sep 2023
- 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	Mar 2024	Dec 2023	Sep 2023
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)

On 25th January 2024, S&P Global Ratings revised Krungthai's outlook to Positive from Stable together with the affirmation of long-term issuer credit rating at BBB-. The outlook revision reflects the sustain improvements in the bank's profitability and asset quality management.

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.