



KKP

Analyst Meeting 2Q 2024

July 19, 2024

2Q 2024 PERFORMANCE REVIEW

Key Highlights : Retail Banking Business

- 2Q24 drive to improve credit cost continues but improvement at slower pace versus 1Q24. Majority of SM formation from DR/TDR portfolio
- Credit cost for first half of 2024 within performance expectations, deterioration in 2Q24 largely from seasonal factors and reserve release from DR/TDR slower than plan
- Customers requiring assistance portfolio grew 3% QoQ but request for assistance dropped nearly 5% from lower customer requests. Macro economic still impacting certain customer groups
- HP business new bookings to continue maintaining highly selective criteria, portfolio from last 4 quarters sustaining better quality
- Consumer Finance portfolio remains stable and targeted new customers delivered good selective growth albeit lower than planned rate given the market environment and tightened underwriting

Key Highlights : 2Q 2024 Results

Overall KKPFPG

- Net profit of Baht 769 million, -49%QoQ, -45%YoY
- Declining interest spread impacting revenue
- Credit costs show gradual improving trends and 1H24 remain below the Bank's anticipated levels

Loan Portfolio

- Remaining cautious amid economic uncertainties and external factors impacting the auto industry

Loan Spread

- Funding costs continue to rise, reducing the spread to 4.8% for 2Q24
- Cost of funds management remains a key priority

Non-Interest Income

- Challenging market conditions and slower loan growth continued to put pressure on fee income

OPEX

- Excluding NPA items, expenses remained well-managed with cost to income ratio at 42.0%

Asset Quality

- NPL at 4.0%, increasing from 3.8% level during 1Q24
- Higher ECL for 2Q24 partly due to seasonal factors, with overall credit costs for 1H24 at 2.48%, remaining below the Bank's anticipated range of 2.50% to 2.70%
- Declining trend on loss on sale of repossessions continues
- Coverage ratio for 2Q24 at 136.5%

Capital Ratio

- Total Capital Adequacy Ratio (consolidated) as of end of 1Q 2024¹ at 16.85%, Tier I = 13.52%

¹/ Consolidated capital information for 2Q24 will be available with audited financial statements

Key Highlights : 2Q 2024 Results

Overall Capital Market Business

- Ongoing market weakness continues to exert pressure on revenue
-

Equity Capital Market

- Average daily turnover (SET+mai) for 2Q24 declined further to Baht 45 billion comparing to 2023 level of Baht 53 billion
 - Kiatnakin Phatra Securities's market share (SET+mai) for 2Q24 continuing to rank 1st with market share of 23.7%
-

Wealth Management

- AUA Baht 871 billion, an increase of 16% YTD with net new money of Baht 55 billion generated during 1H2024
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Asset Management

- Total AUM reached Baht 206 billion, reflecting a strong 29% YTD increase driven by growth in both mutual fund and private fund businesses
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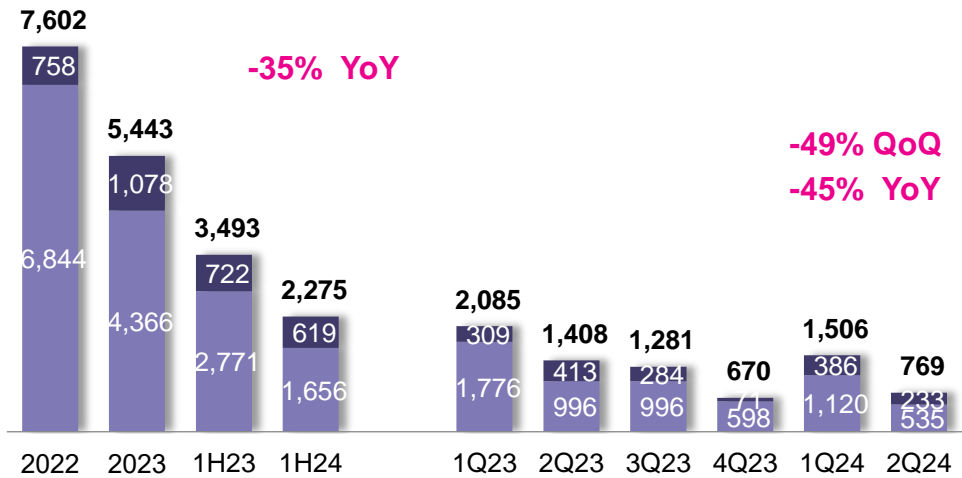
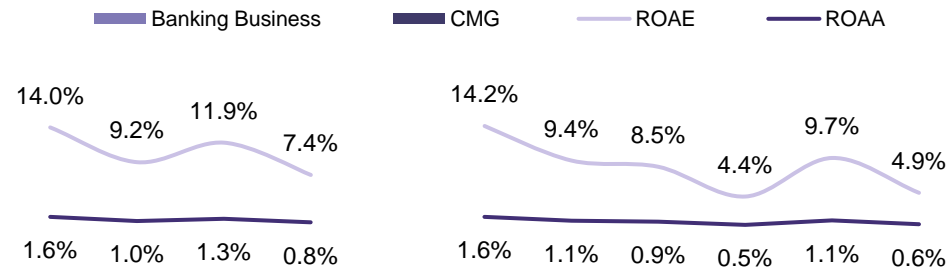
Investment Banking

- Challenging market environments creating uncertainties in execution of transactions

Profitability

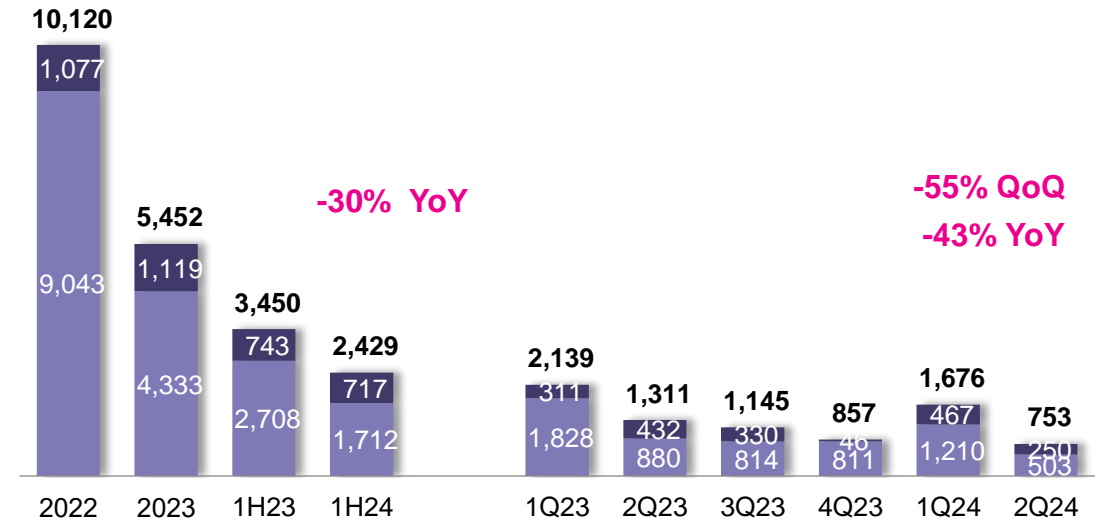
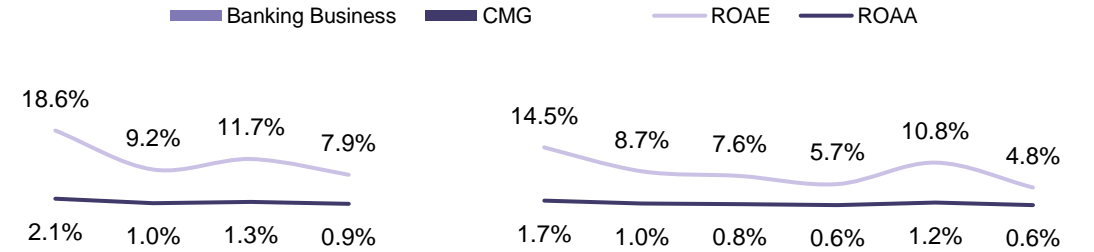
Net Profit

Baht in million



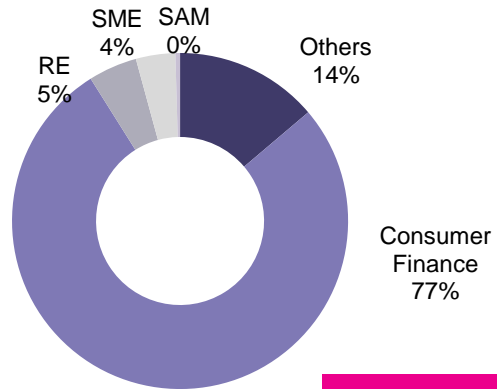
Comprehensive Income

Baht in million



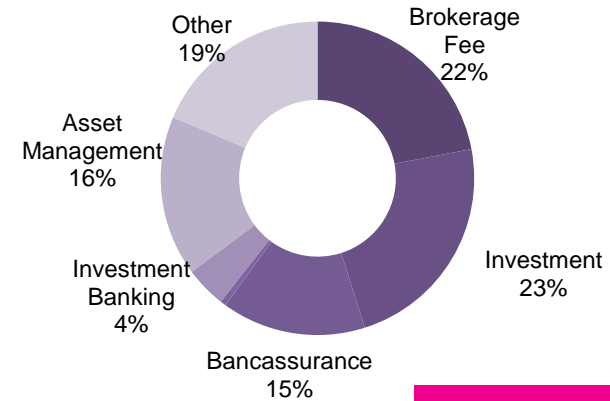
1H 2024 Net Interest Income : Non-Interest Income

Net Interest Income



6M 2024 = Baht 10,261 million -4%YoY

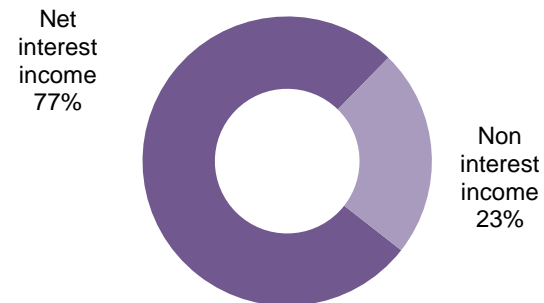
Non-Interest Income*



6M 2024 = Baht 3,104 million* -15%YoY

*Include gain/ loss from NPA but exclude gain / loss from car repossession

Net Interest Income (NII) : Non-Interest Income (Non-NII)



6M 2024= Baht 13,365 million -7%YoY

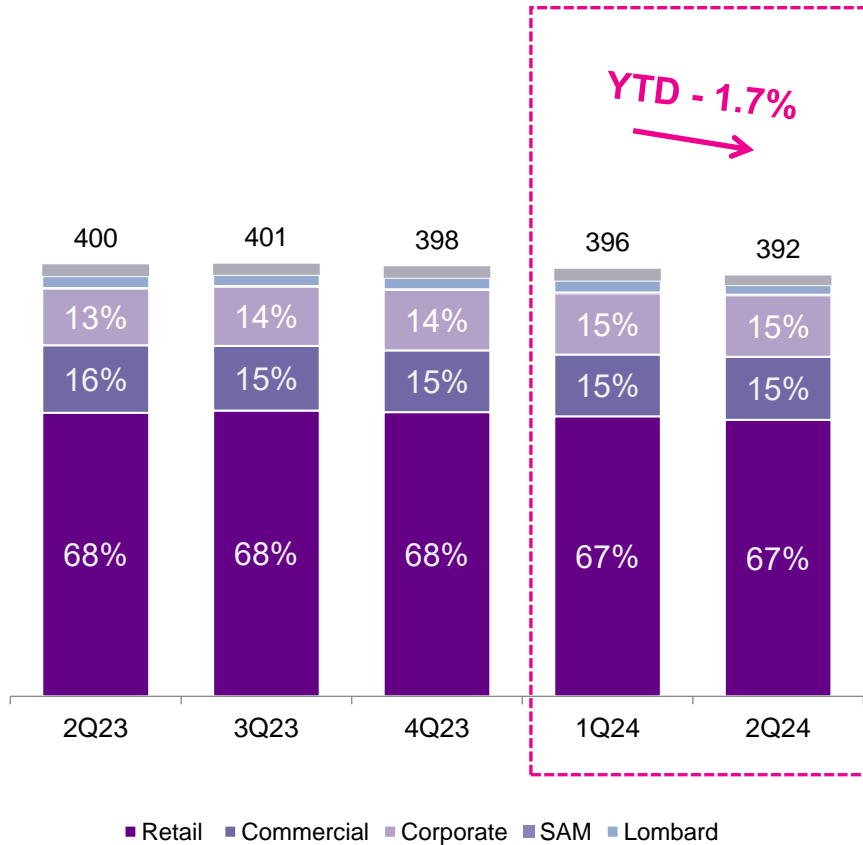
Consolidated Income Statements

Baht in million	2Q23	1Q24	2Q24	QoQ	YoY (Q)	1H23	1H24	YoY (H)
Interest income	7,474	7,881	7,722	(2%)	3%	14,469	15,604	8%
Interest expense	(1,952)	(2,629)	(2,714)	3%	39%	(3,725)	(5,342)	43%
NII	5,521	5,253	5,009	(5%)	(9%)	10,744	10,261	(4%)
Fee income	1,691	1,383	1,425	3%	(16%)	3,315	2,808	(15%)
Fee expense	(227)	(260)	(254)	(3%)	12%	(508)	(514)	1%
Net fees income	1,464	1,123	1,171	4%	(20%)	2,807	2,294	(18%)
Other operating income	438	456	372	(19%)	(15%)	813	828	2%
Total operating income	7,423	6,832	6,552	(4%)	(12%)	14,364	13,384	(7%)
Operating expense	(2,808)	(2,892)	(2,750)	(5%)	(2%)	(5,570)	(5,641)	1%
G/L from revaluations of foreclosed assets	(16)	38	12	(67%)	(178%)	603	50	(92%)
G/L from sale of foreclosed assets	(967)	(1,463)	(1,071)	(27%)	11%	(2,063)	(2,534)	23%
Provision Expense	(1,878)	(609)	(1,769)	191%	(6%)	(2,975)	(2,378)	(20%)
Income before income tax	1,754	1,907	974	(49%)	(44%)	4,359	2,881	(34%)
Net income - Bank	1,408	1,506	769	(49%)	(45%)	3,493	2,275	(35%)
EPS	1.66	1.78	0.91	(49%)	(45%)	4.13	2.69	(35%)
Comprehensive income - Bank	1,311	1,676	753	(55%)	(43%)	3,450	2,429	(30%)
Headcount	4,724	4,810	4,778	(1%)	1%	4,724	4,778	1%

Loan Growth

Gross Loan Composition

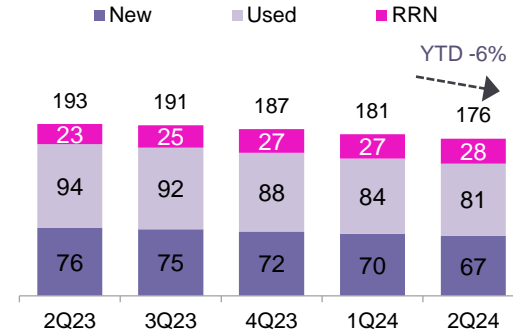
Baht in billion



Retail Loans

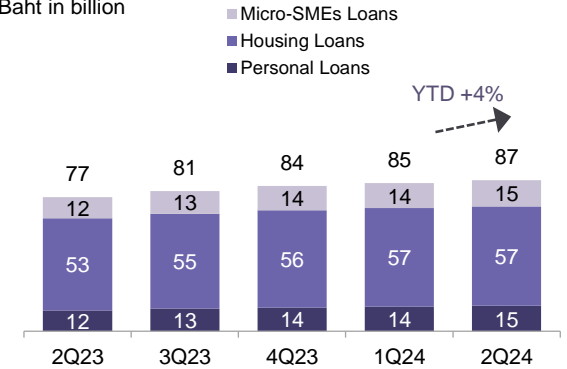
Hire Purchase

Baht in billion



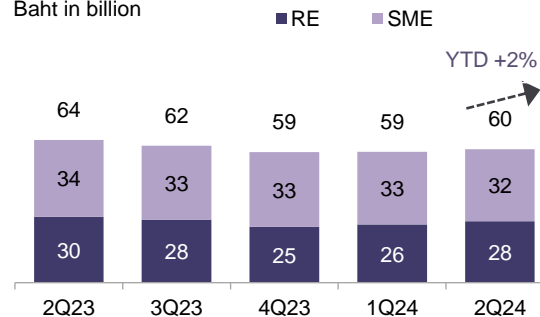
Other Retail

Baht in billion



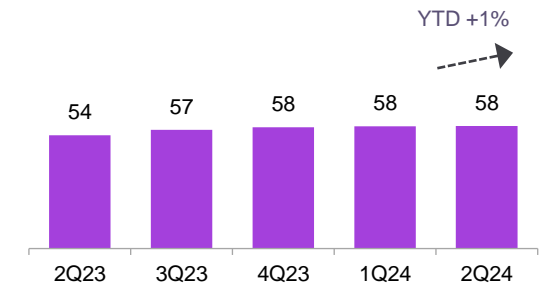
Commercial Lending

Baht in billion



Corporate Banking

Baht in billion

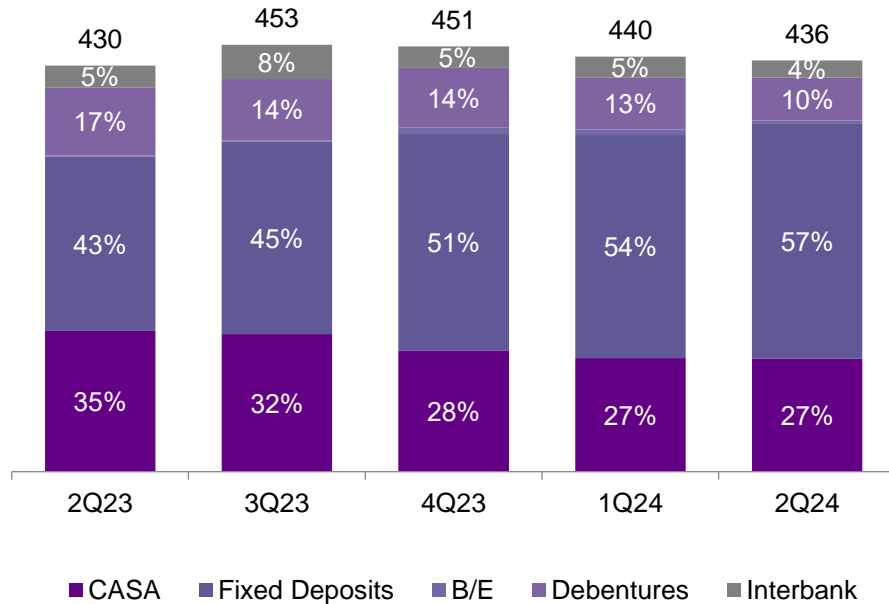


Funding & Liquidity

—●— Loan to deposit & borrowing

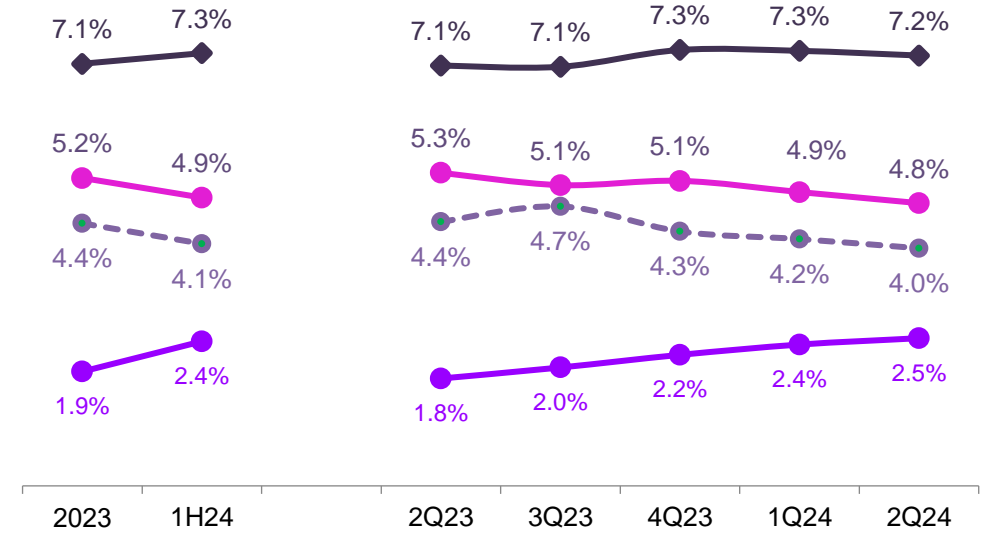


Baht in billion



Loan spread

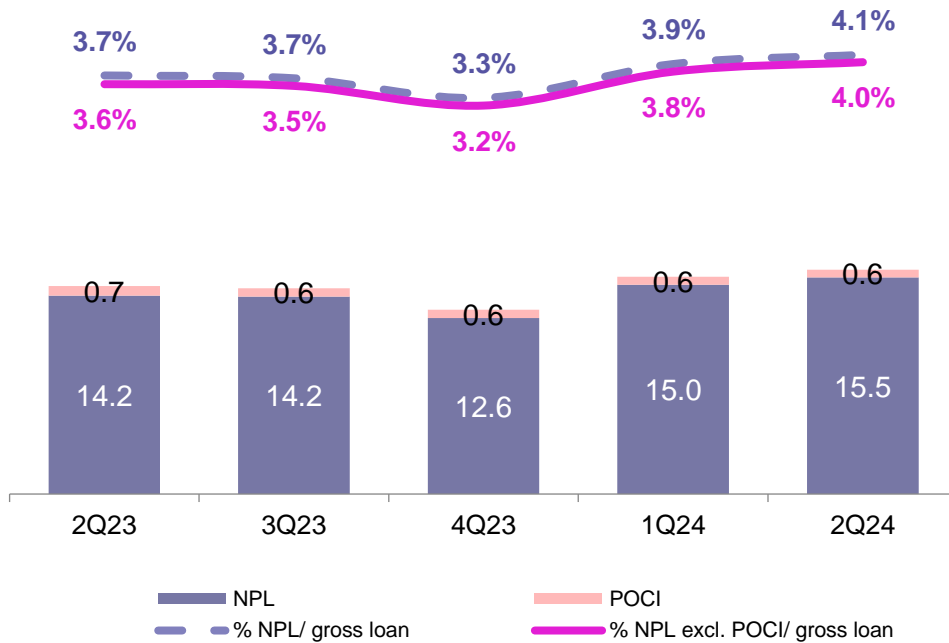
—◆— Yield on Loans
—●— Cost of Funds
—●— NIM
—●— Loan Spread



Asset Quality

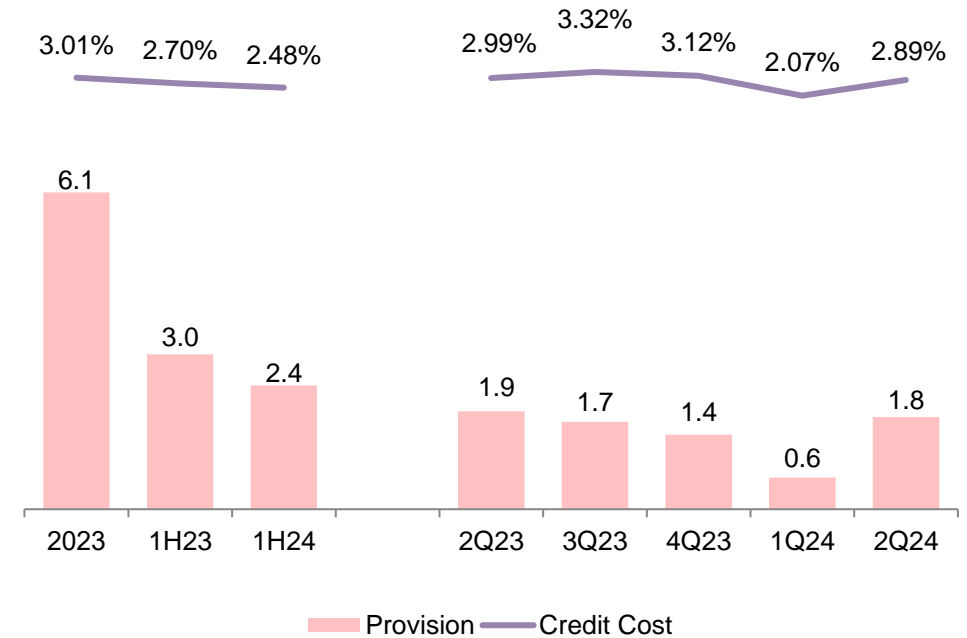
Total Non-Performing Loans

Baht in billion



Expected Credit Loss

Baht in billion

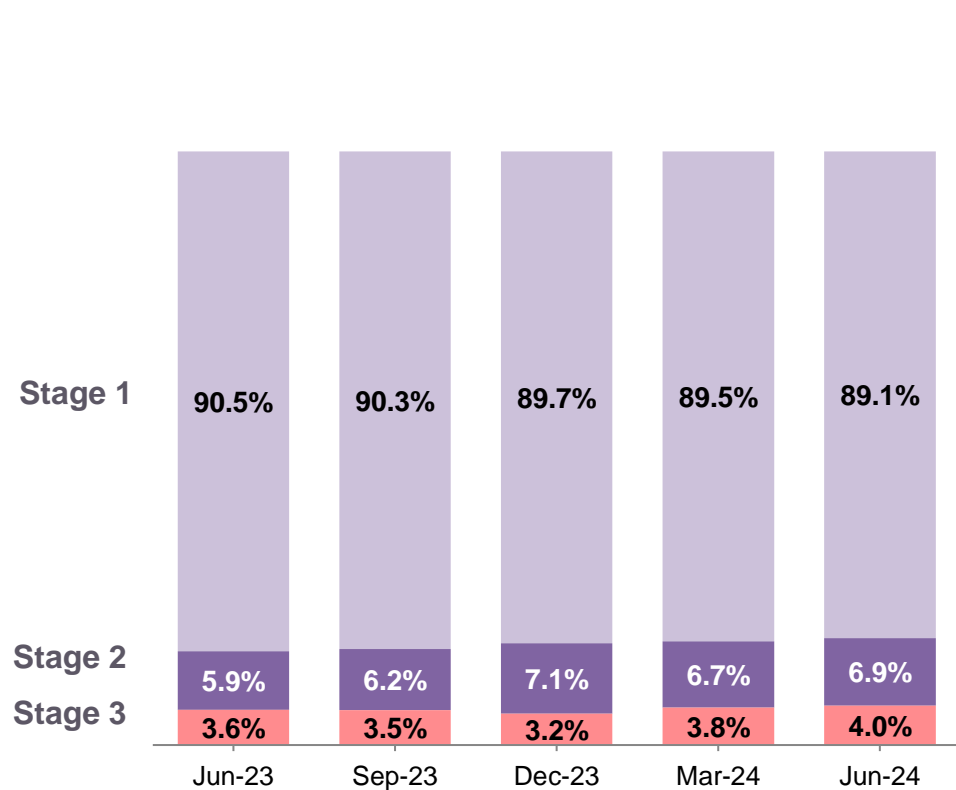


▪ Reclassification under TFRS 9 for Financial Assets classified as Purchased or originated credit impaired (POCI) from previous classification under Investment in loans

▪ %Credit Cost include expected credit loss and loss from sale of repossessed cars excluding reversal of general provision

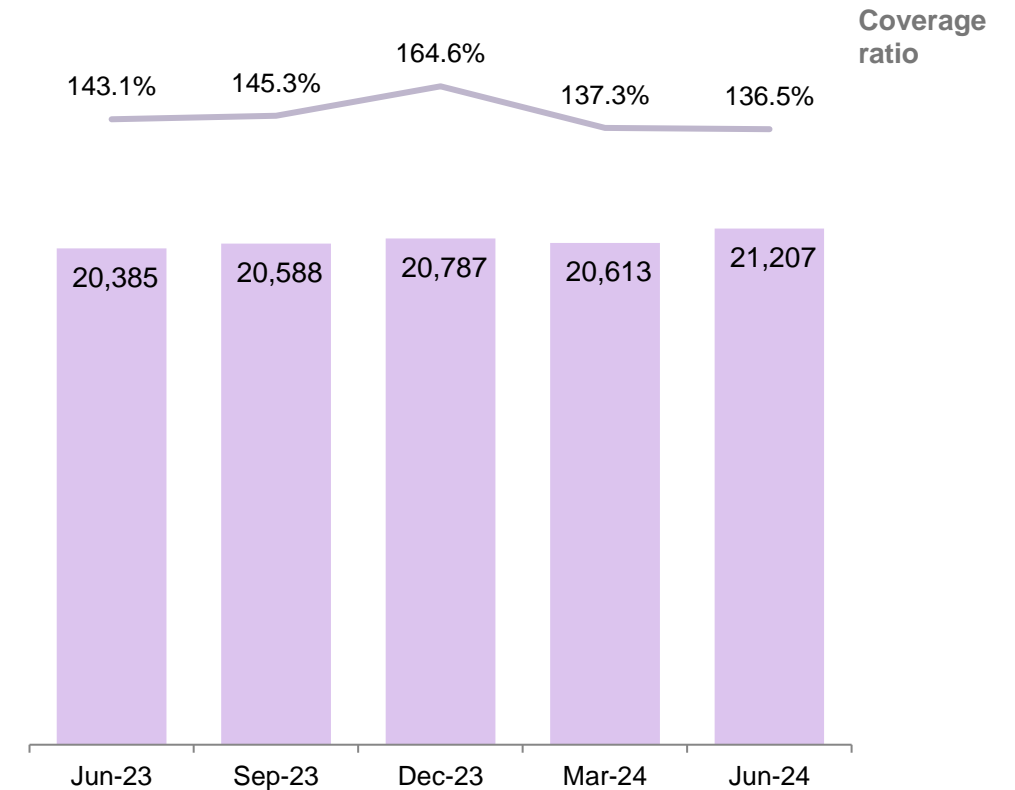
Loan classification and Allowance for ECL

Loan classification¹



Allowance for ECL

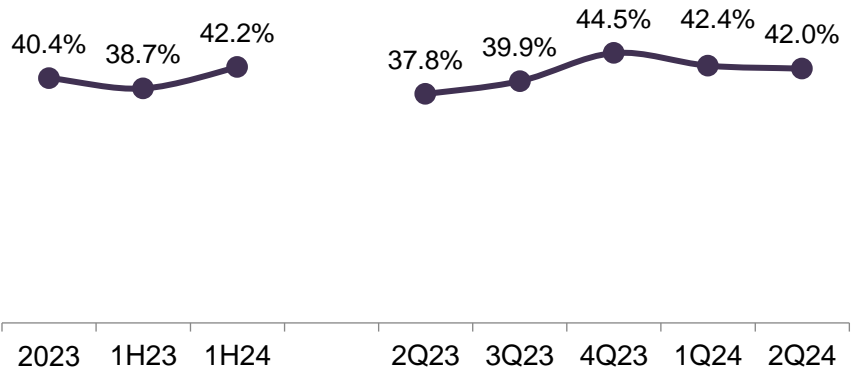
Baht in million



^{1/} Principle balance and exclude Purchased or originated credit impaired loans (POCI)

Efficiency ratio

Cost to Income¹

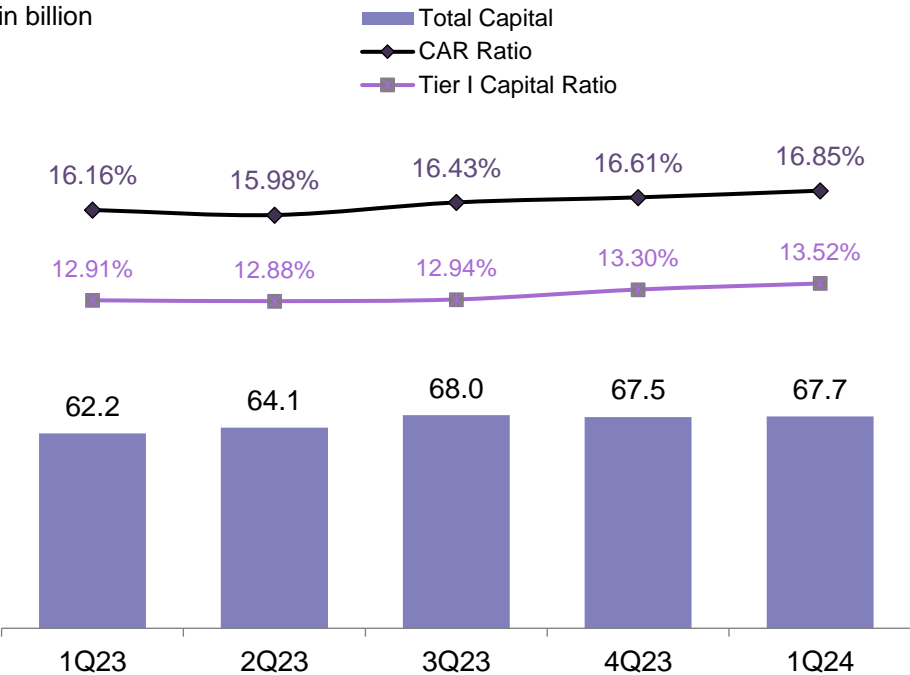


1/ Operating expense (excl. Loss from fair value adjustment and G/L from sale of foreclosed assets)/ Net revenue (incl. G/L from sale of NPA)

Capital

CAR and Tier 1 Ratio (Consolidated)

Baht in billion



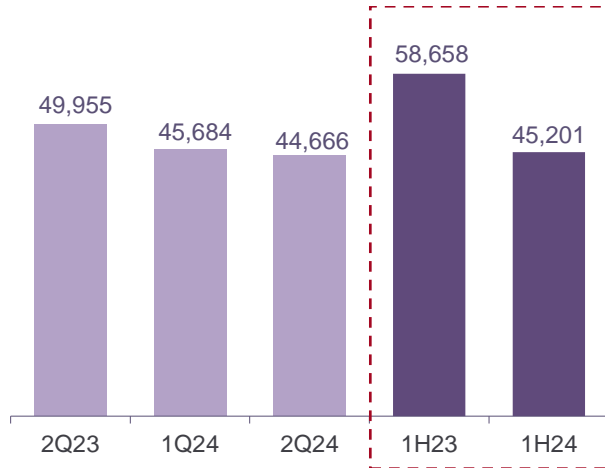
Note: 2Q2024 consolidated information will be available with audited financial statements. As of 2Q 2024 CAR and Tier I capital (Bank Only) at 16.17% and 12.70% respectively

Capital Market Business - Financial Performance Summary

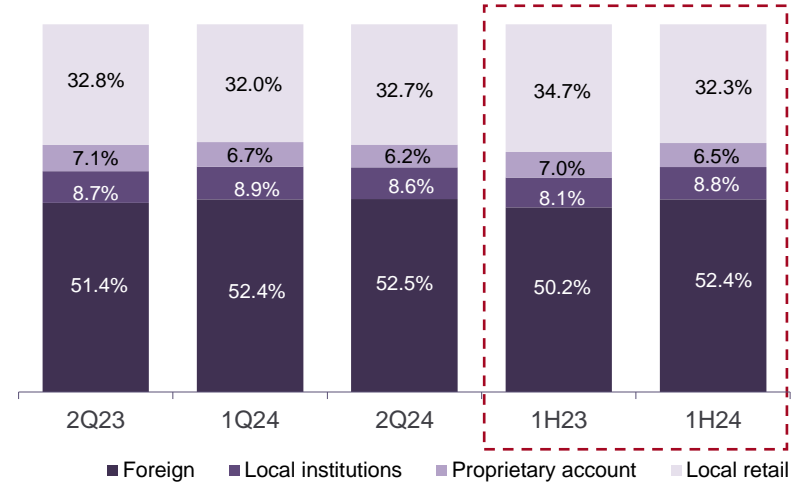
(Baht million)	2Q23	1Q24	2Q24	% change q-o-q	% change y-o-y	1H23	1H24	% change y-o-y
Revenue								
Agency Business								
Brokerage fees	360	361	336	-7%	-7%	818	696	-15%
Fee and service income	576	480	559	16%	-3%	1,048	1,039	-1%
Agency Business	936	841	894	6%	-4%	1,866	1,735	-7%
Investment Business	376	533	289	-46%	-23%	767	822	7%
Other Income	137	129	113	-12%	-17%	238	243	2%
Total Revenue	1,449	1,503	1,297	-14%	-11%	2,871	2,800	-2%
Total Expenses	929	1,004	950	-5%	2%	1,961	1,954	-0%
Net Profit	411	386	233	-40%	-43%	721	619	-14%
Total other comprehensive income	19	81	17	-79%	-12%	21	98	373%
Total comprehensive income								
for the period	430	467	250	-46%	-42%	741	717	-3%

Agency Business – Equity Brokerage Business

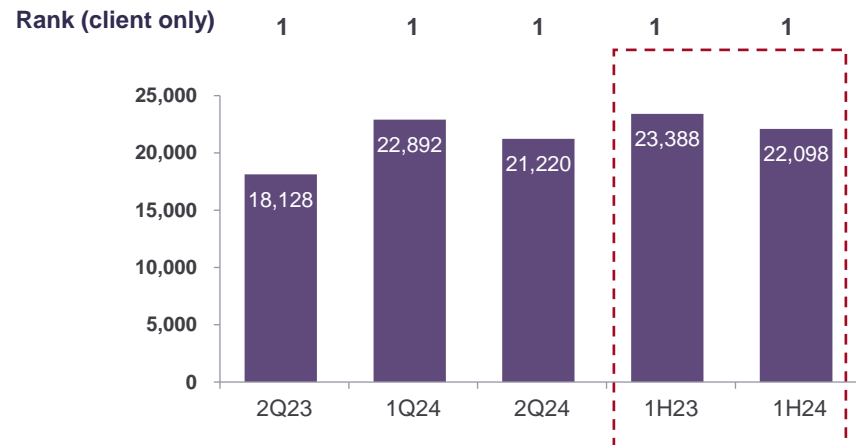
Market Daily Average Trading Value (Bt million)



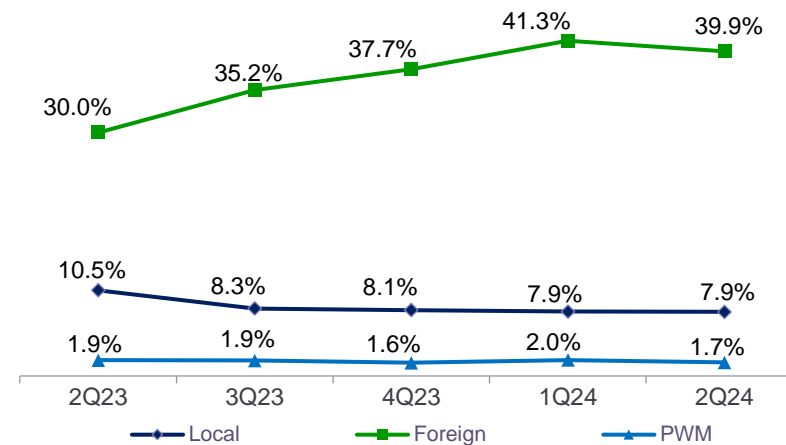
Breakdown of client of SET & MAI



Daily Average Trading Value (Bt million)



Market share - Segmented by Investor

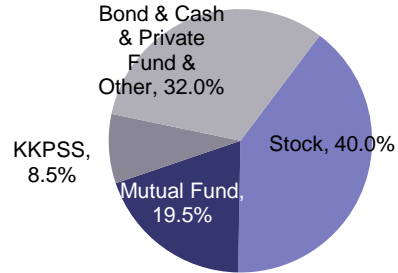


Agency Business – Wealth Management and Asset Management

HNW's Asset Base

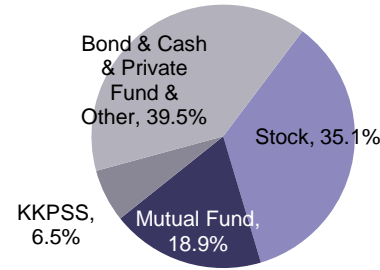
Y2023

Total: Baht 750 billion



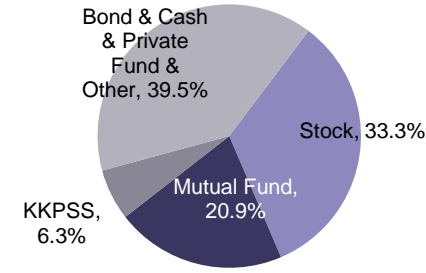
1Q2024

Total: Baht 865 billion



1H2024

Total: Baht 871 billion



- Our Asset under Advise (AUA) increase 16.1% in 1H24 and has net new money amount Baht 54,777 million

Average Yield

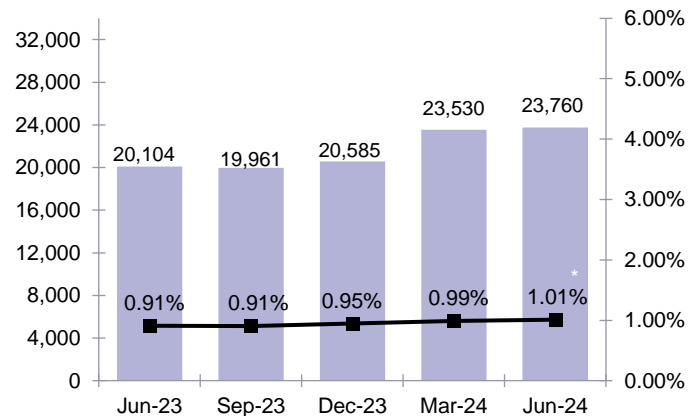
0.22%

0.19%

0.20%

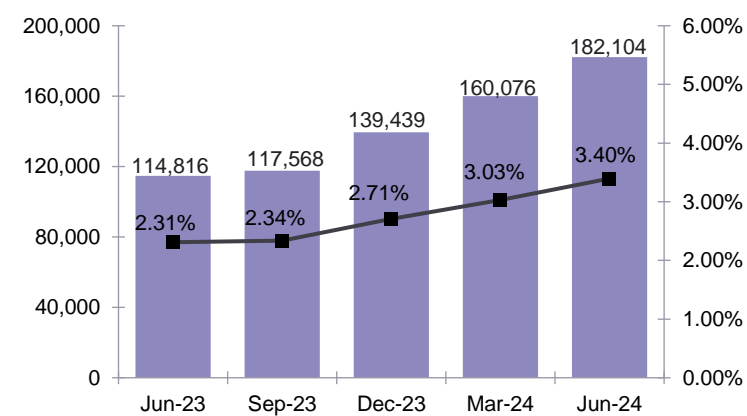
Asset Management Business

Private Fund



Private Fund AUM Mkt share

Mutual Fund

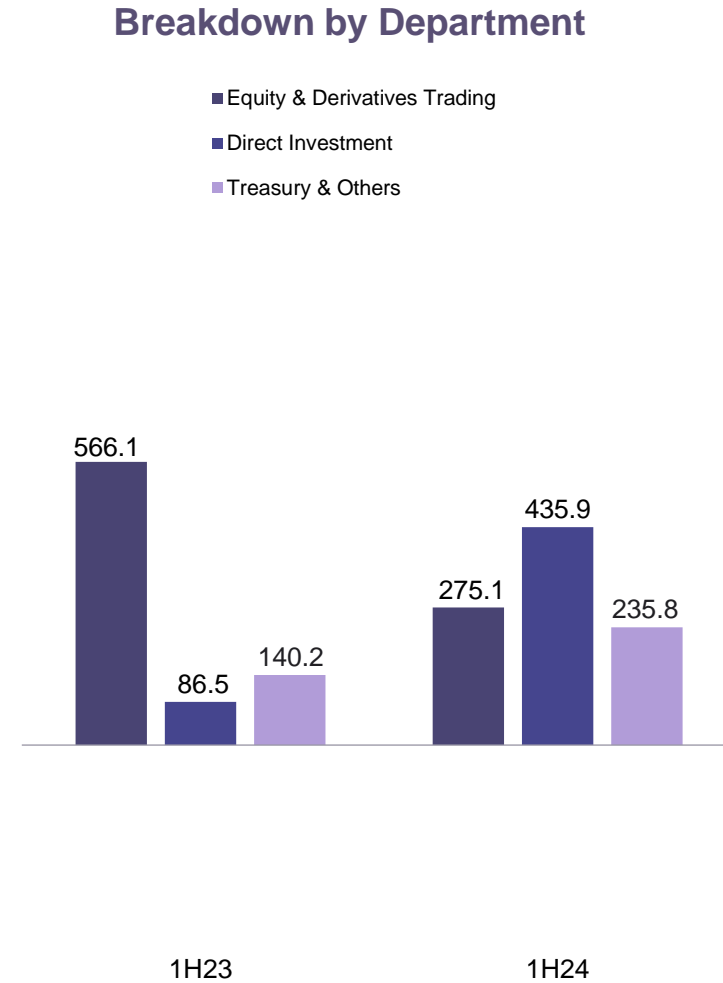
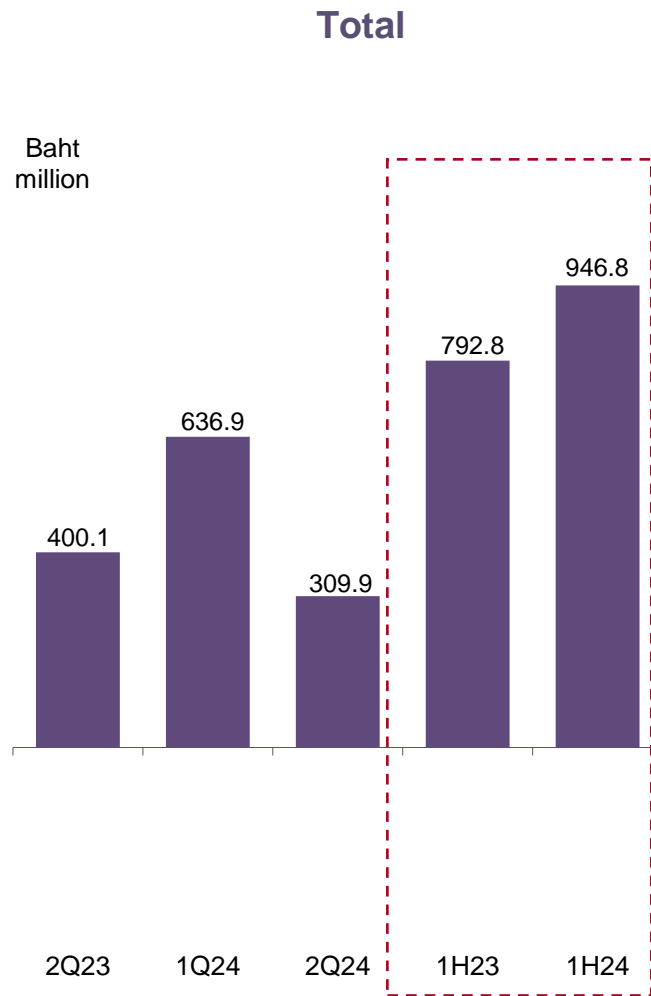


Mutual Fund AUM Mkt share

* Market share in Jun 2024 is calculated by using May's market data

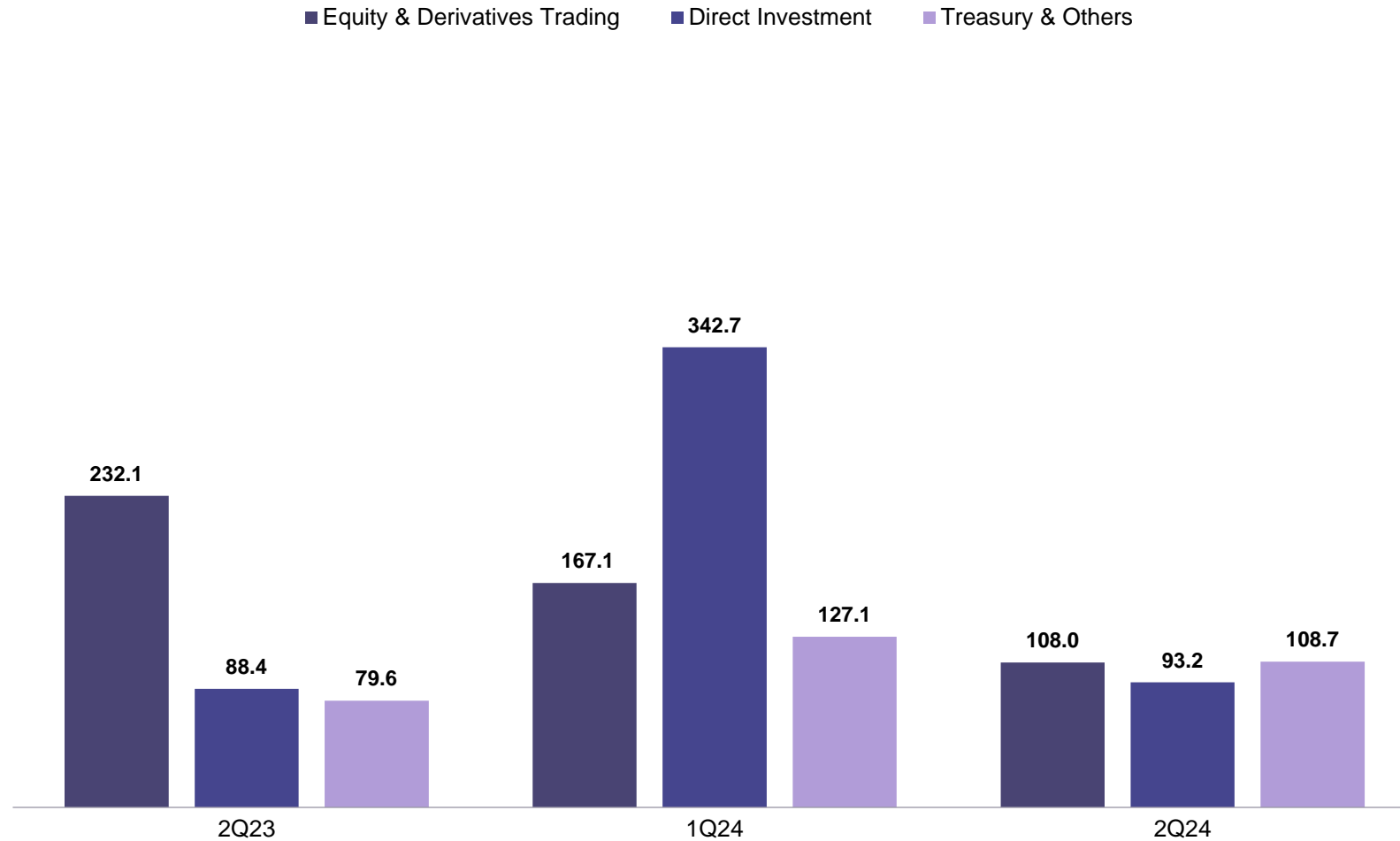
Investment Business

Comprehensive Revenue



Investment Business

Comprehensive Revenue



OUTLOOK FOR 2024

Revised Financial Targets for 2024

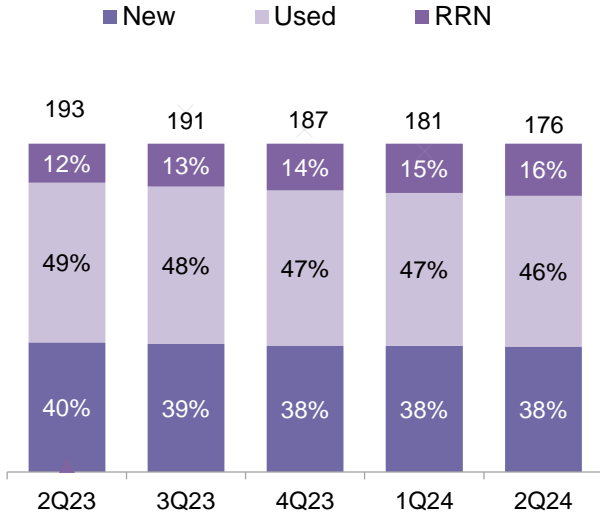
%	2024 Original Targets	1H 2024 Actual	2024 Revised Targets
ROAE (Comprehensive Income)	~ 10.0 – 11.0	7.9	~ 8.0 – 9.0
Loan Growth	~ 3.0	-1.7	~ -3.0
Loan Spread	~ 5.0	4.9	~ 4.8
NPL Ratio (Gross) ¹	~ 3.5 – 3.7	4.0	~ 3.9 – 4.1
Credit Cost ²	~ 2.50 - 2.70	2.48	Maintain ~ 2.50 - 2.70

1. NPLs ratio : Excluding amount classified as Purchased or Originated Credit-Impaired (POCI) financial assets

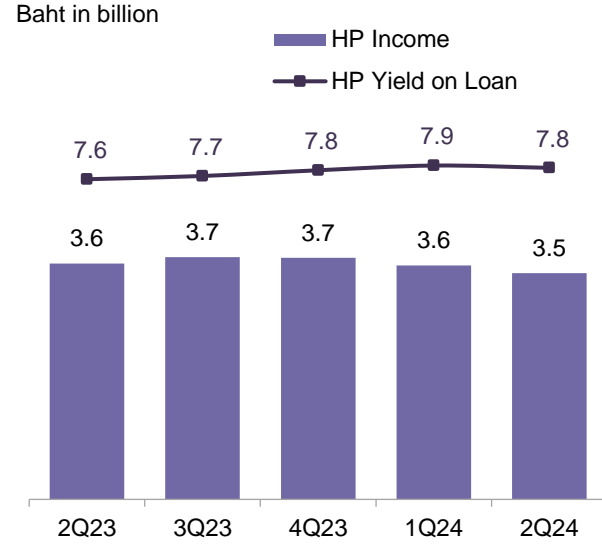
2. Credit cost : Expected credit loss plus loss from sale of repossessed cars

APPENDIX

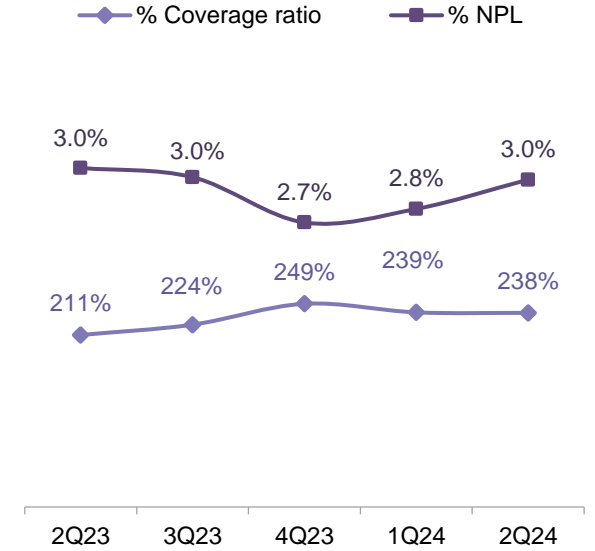
Loans



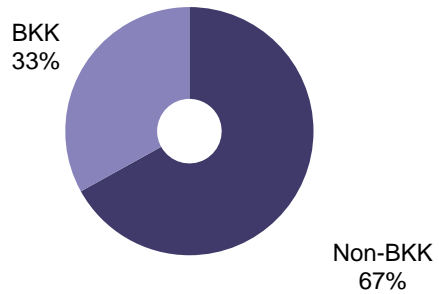
Loan Yield



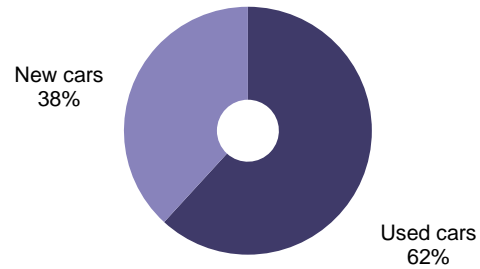
Portfolio Quality



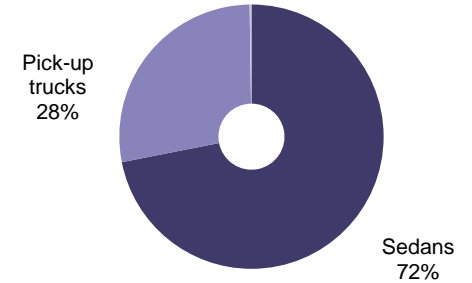
By location



By class



By type

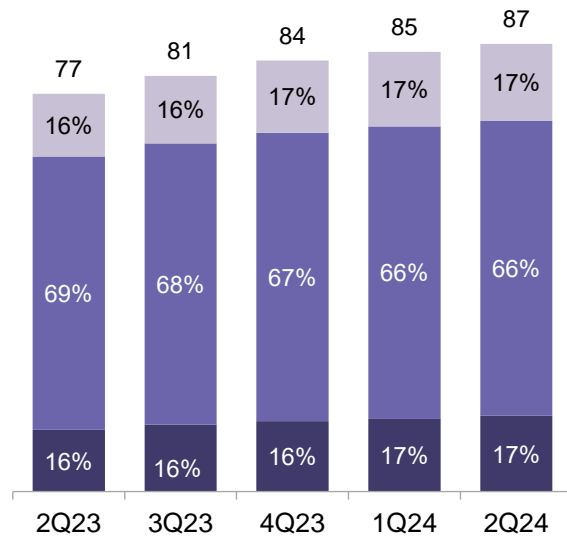


Other Retail Loans

Loans

Baht in billion

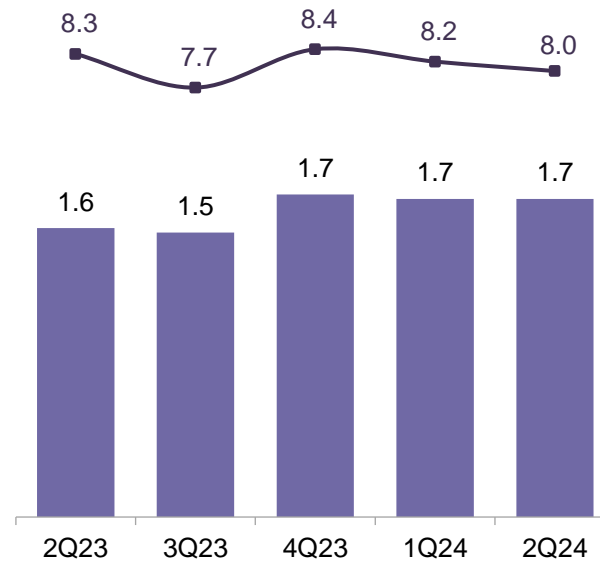
- Micro-SMEs Loans
- Housing Loans
- Personal Loans



Loan Yield

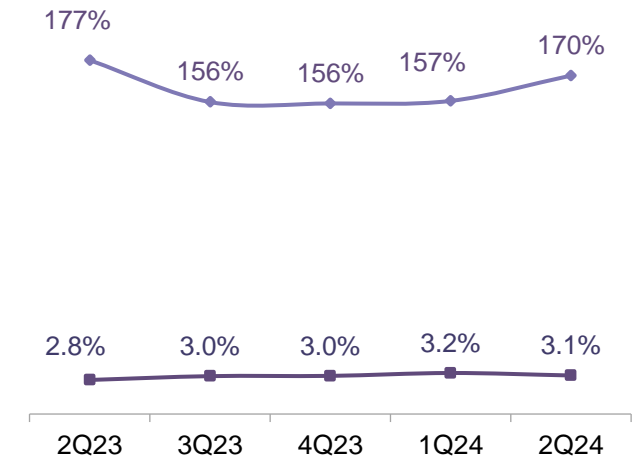
Baht in billion

- Other Retail Income
- Other Retail Yield on Loan



Portfolio Quality

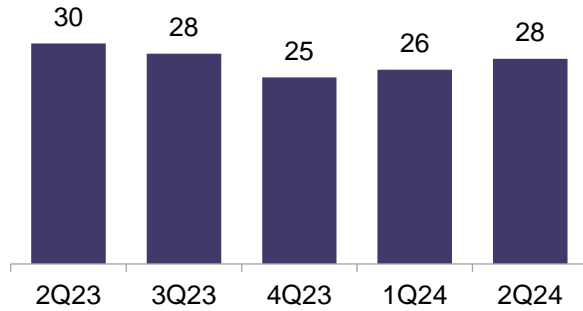
- ◆ % Coverage ratio
- % NPL



Real Estate Development (RE)

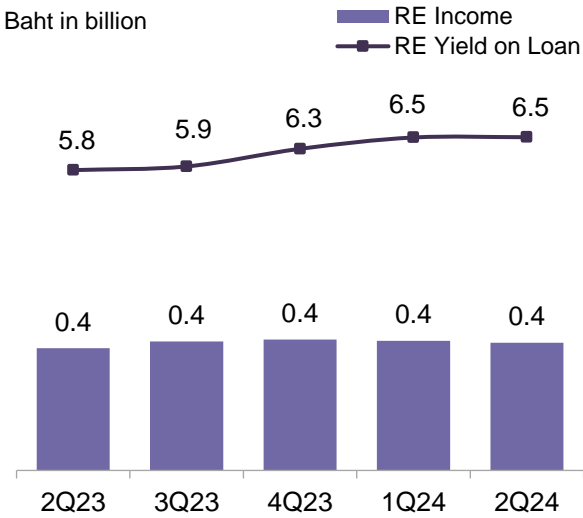
Loans

Baht in billion

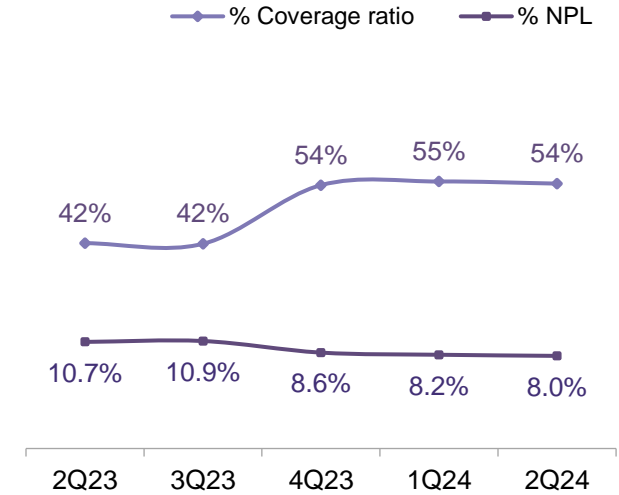


Loan Yield

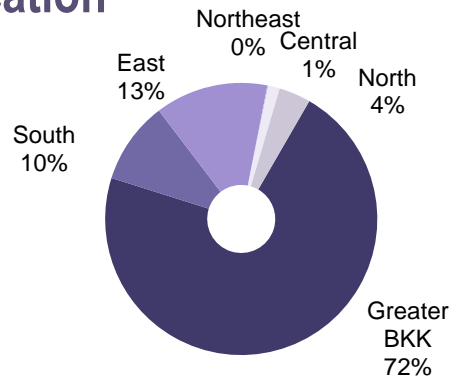
Baht in billion



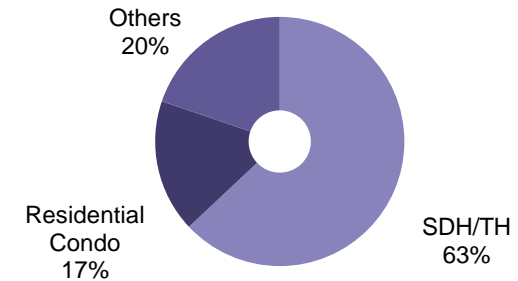
Portfolio Quality



By location



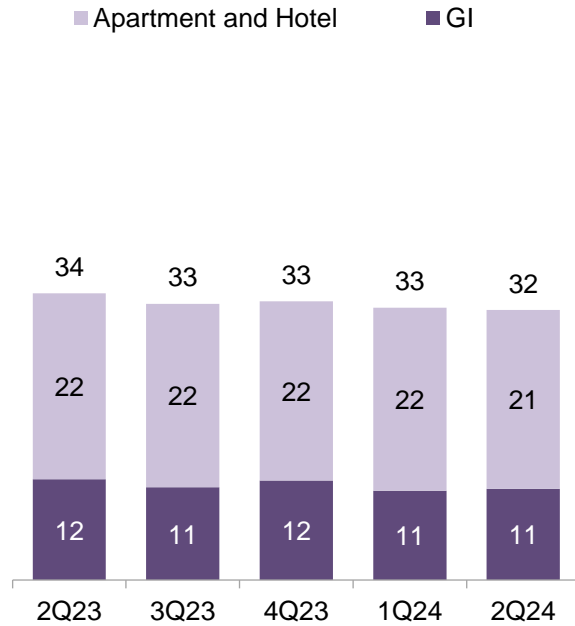
By class



SME

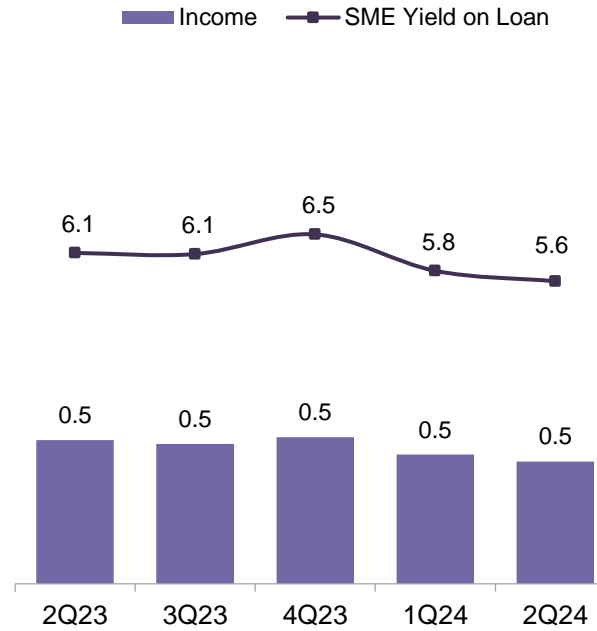
Loans

Baht in billion

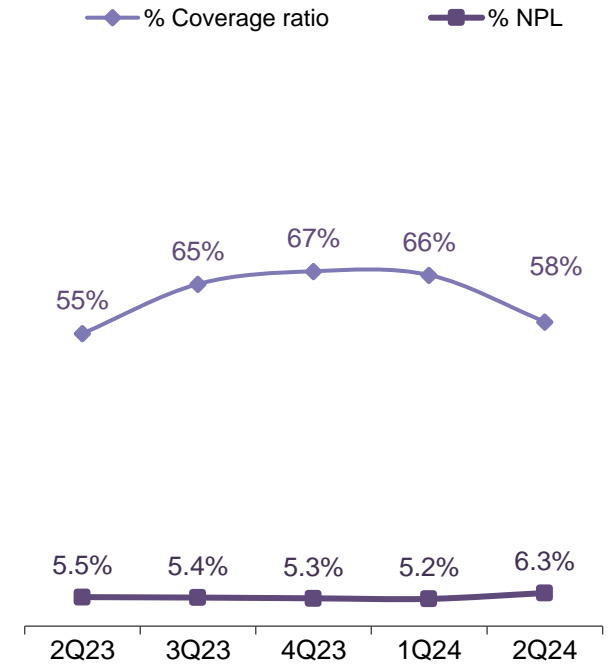


Loan Yield

Baht in billion

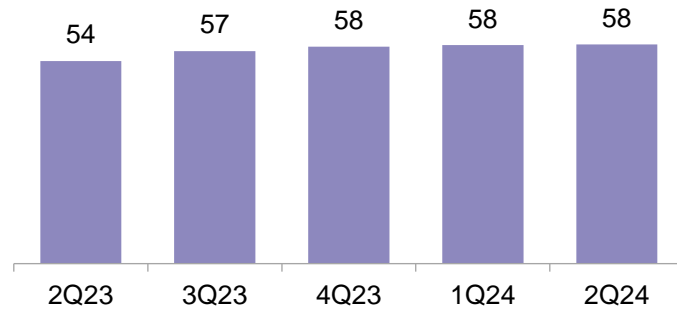


Portfolio Quality

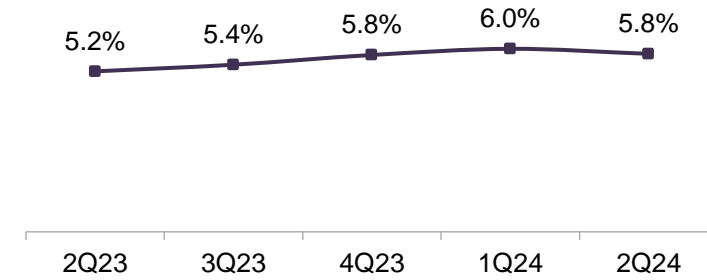


Corporate Loans

Baht in billion

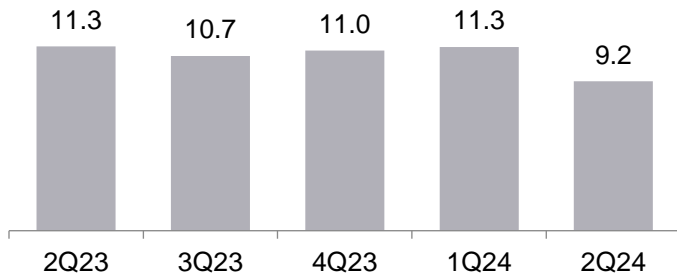


Corporate Loan Yield

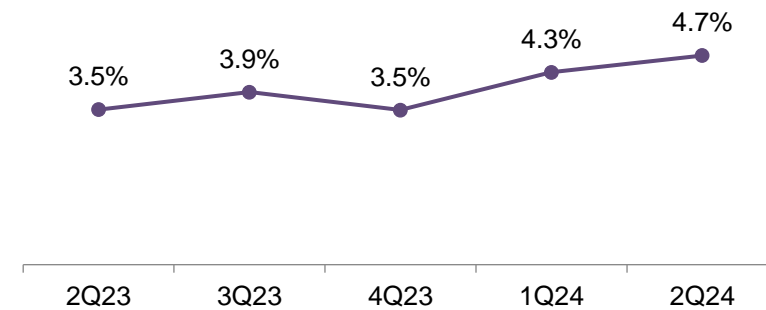


Lombard Loan Loans

Baht in billion



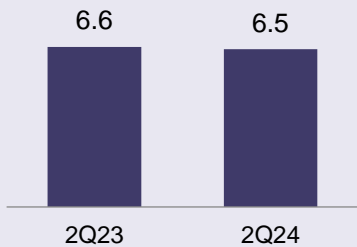
Lombard Loan Yield



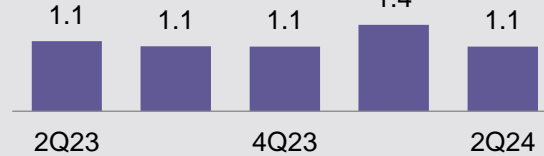
Special Asset Management (SAM)

Assets

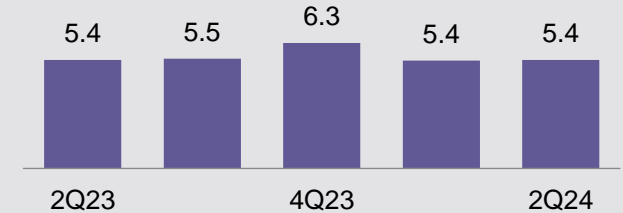
Baht in billion



Total Assets



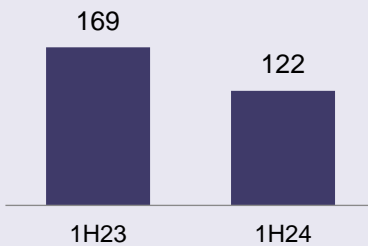
Loans & POCI



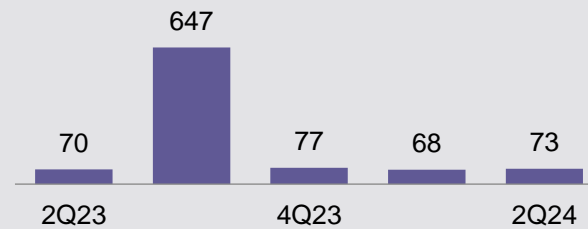
Foreclosed assets

Income

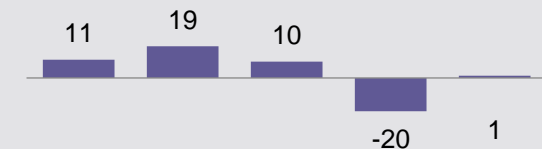
Baht in million



Total income



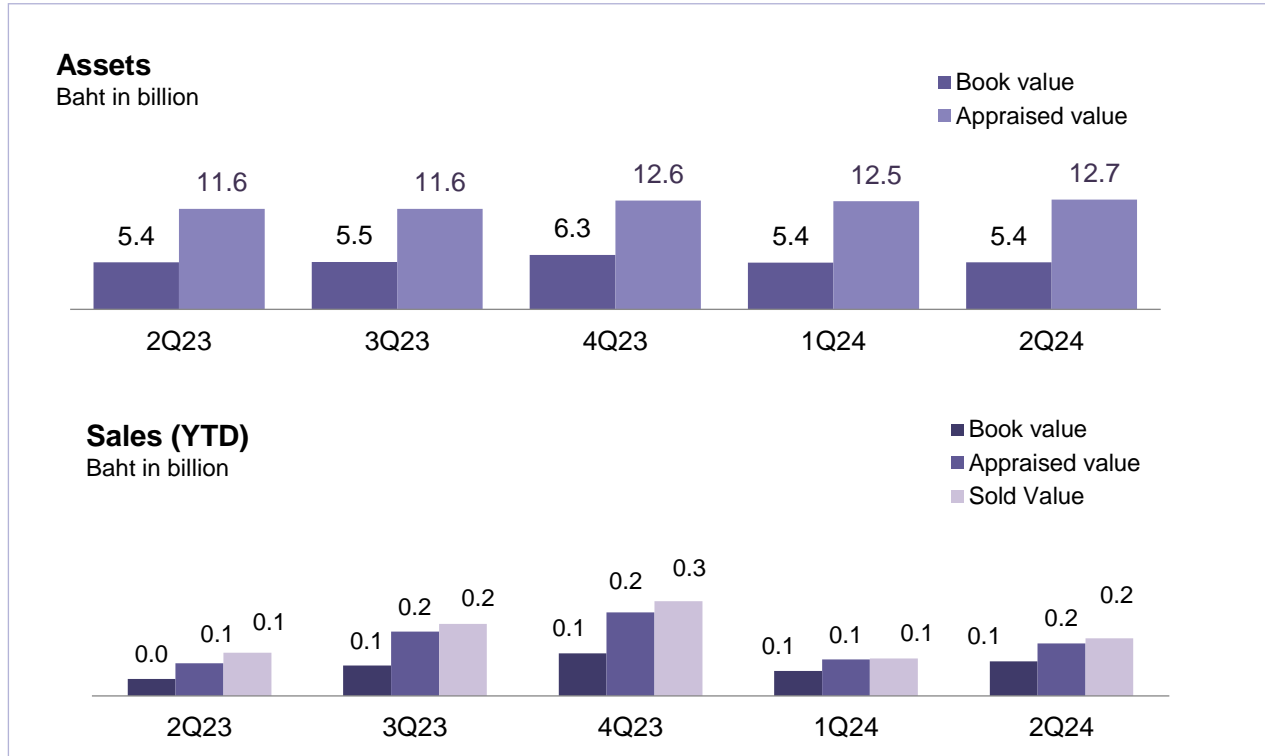
Interest income from Loans & POCI



Gain from NPA sale

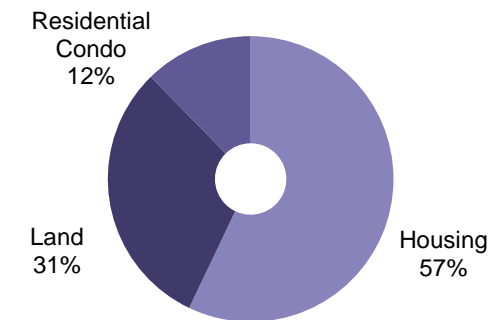
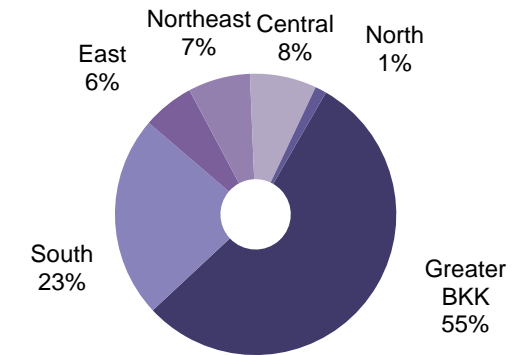
SAM: foreclosed assets

Foreclosed assets (including RE)



Year	Average Sold / Appraised Value
2021	123%
2022	125%
2023	127%
1H24	120%
Since 2000	109%

Foreclosed assets breakdown



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