



**KKP**

**Analyst Meeting 3Q 2024**

**October 22, 2024**

# 3Q 2024 PERFORMANCE REVIEW

# Key Highlights : Retail Banking Business

- 3Q24 drive to improve credit cost continues with better retail credit cost from Reserves and Write offs trending better than 2Q24 and closer to 1Q24 pace. LOS per unit deteriorated slightly in 3Q24
- Continued improvements in DR/TDR selection criteria and rehabilitation programs have improved DR/TDR portfolio conversion with better DR/TDR portfolio cure rate performance
- Market conditions remain challenging, with majority of SM proportion still attributed to DR/TDR portfolio per expectation. Non TDR portfolio continues to perform well
- We maintained HP new business volume booking under highly selective criteria. We have allowed better LTV for high quality customers with high quality asset to improve pricing
- Consumer Finance portfolio remain profitable, maintained priority focus on quality new customers. Growth lower than plan but in line with current market environment

# Key Highlights : 3Q 2024 Results

## Overall KKPFPG

- Net profit of Baht 1,305 million, +70%QoQ, +2%YoY
- Credit costs showing positive trends and remain well below the Bank's anticipated levels
- Increased in non-interest income from market improvements
- Easing of cost of funds pressure

## Loan Portfolio

- Remaining cautious amid economic uncertainties and external factors impacting the auto industry
- Overall loan portfolio contractions of 6.4% YTD

## Loan Spread

- Funding costs continue to rise, but at a slower pace
- Slight decline in loan spread further to 4.7% for 3Q24 from 4.8% during 2Q24

## Non-Interest Income

- Improvement in market conditions resulting in increased in fee income in several businesses but offset by reduced loan related fee income as a result of slower loan growth

## Equity Capital Market

- Average daily turnover (SET+mai) for 3Q24 improved +9% QoQ to Baht 49 billion
- Kiatnakin Phatra Securities's market share (SET+mai) for 3Q24 continuing to rank 1<sup>st</sup> with market share of 20.7%

## Wealth Management

- AUA Baht 894 billion, an increase of 19% YTD with net new money of Baht 62 billion generated during 9M2024
- Average yield on AUA remaining stable at 0.21%

# Key Highlights : 3Q 2024 Results

## Asset Management

- Continued strong revenue generated from the asset management business
- Total AUM reached Baht 209 billion, reflecting a strong 31% YTD increase driven by mutual fund business

## Investment Banking

- Improvement in revenue for 3Q24 but challenging market environments continue to create uncertainties in execution of transactions

## OPEX

- Excluding NPA items, expenses remained well-managed with cost to income ratio for YTD 9M24 at 44%

## Asset Quality

- NPL volume decreased QoQ driven by lower NPL in commercial lending and corporate segment
- Meanwhile, NPL ratio slightly increased to 4.1%, from 4.0% level during 2Q24 driven by loan contractions
- Lower ECL for 3Q24 from positive trends in asset quality and lower provisions from declining loan portfolio
- Credit costs for 9M24 at 2.35%, remaining below the Bank's anticipated range of 2.50% to 2.70%
- Coverage ratio for 3Q24 at 136.1%

## Capital Ratio

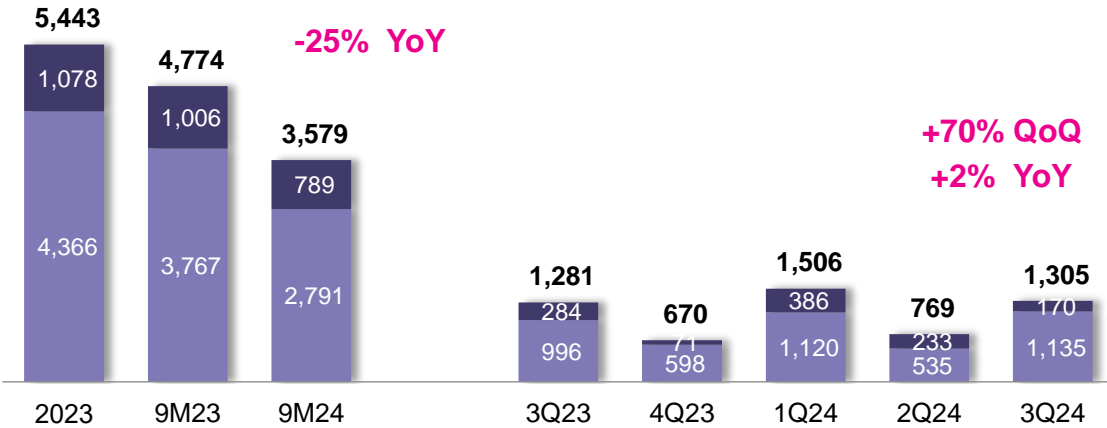
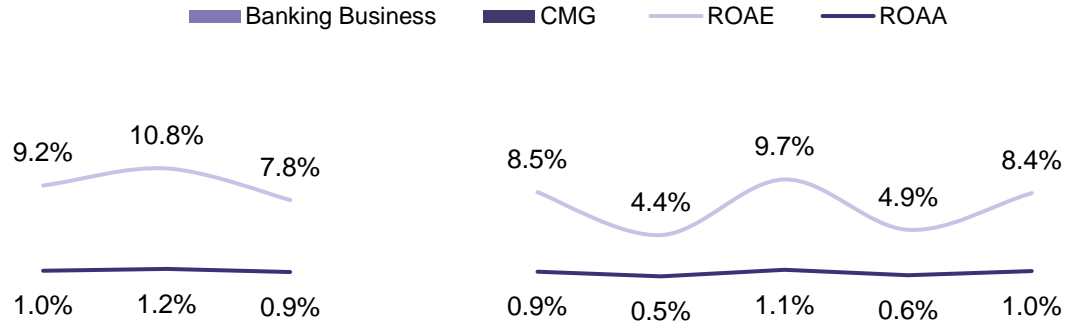
- Total Capital Adequacy Ratio (consolidated) as of end of 2Q 2024<sup>1</sup> at 16.94%, Tier I = 13.61%

<sup>1</sup>/ Consolidated capital information for 3Q24 will be available with reviewed financial statements

# Profitability

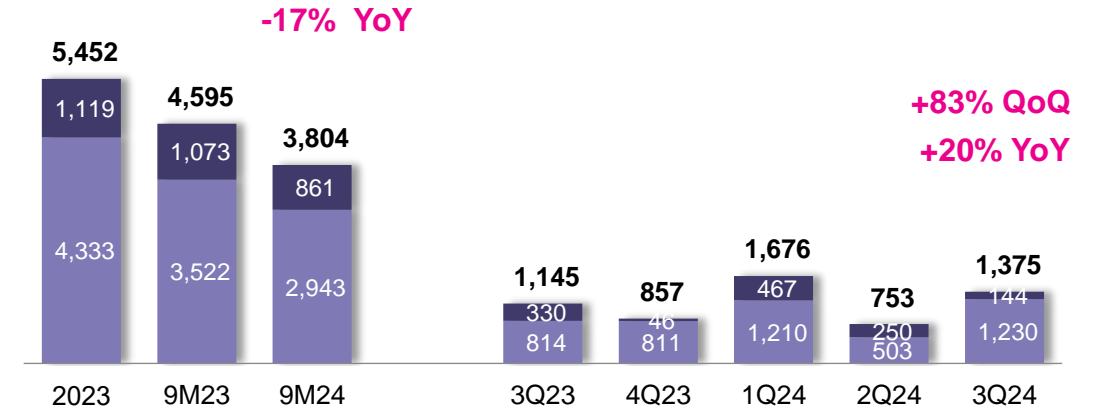
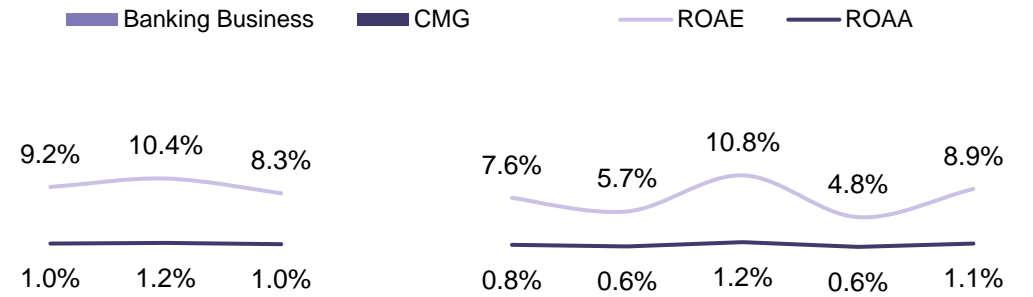
## Net Profit

Baht in million



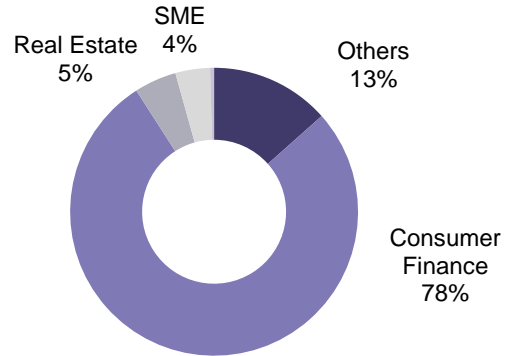
## Comprehensive Income

Baht in million



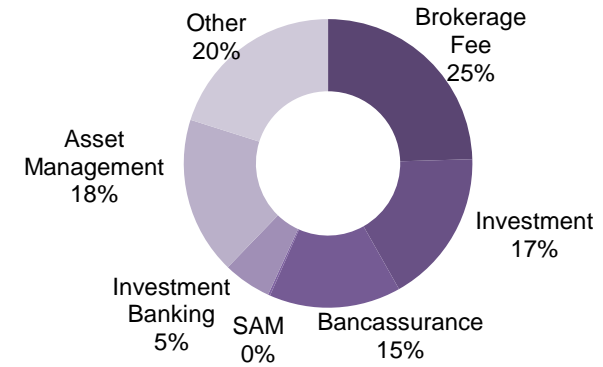
# 9M 2024 Net Interest Income : Non-Interest Income

## Net Interest Income



9M 2024 = Baht 15,198 million -9%YoY

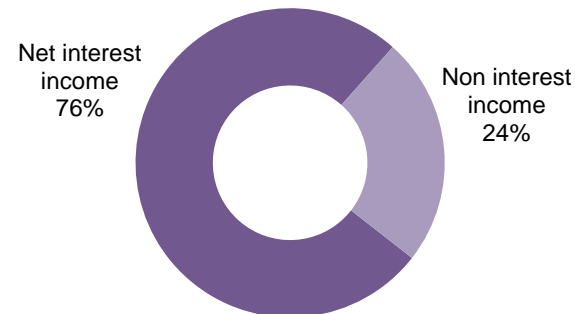
## Non-Interest Income\*



9M 2024 = Baht 4,802 million\* -6%YoY

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

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



9M 2024= Baht 20,000 million -9%YoY

# Consolidated Income Statements

Baht in million	3Q23	2Q24	3Q24
Interest income	8,191	7,722	7,638
Interest expense	(2,204)	(2,714)	(2,701)
<b>NII</b>	<b>5,988</b>	<b>5,009</b>	<b>4,937</b>
Fee income	1,581	1,425	1,728
Fee expense	(244)	(254)	(245)
<b>Net fees income</b>	<b>1,337</b>	<b>1,171</b>	<b>1,483</b>
Other operating income	119	372	185
<b>Total operating income</b>	<b>7,444</b>	<b>6,552</b>	<b>6,605</b>
Operating expense	(2,976)	(2,750)	(3,168)
G/L from revaluations of foreclosed assets	40	12	29
G/L from sale of foreclosed assets	(1,344)	(1,071)	(1,186)
Provision Expense	(1,678)	(1,769)	(681)
<b>Income before income tax</b>	<b>1,485</b>	<b>974</b>	<b>1,598</b>
<b>Net income - Bank</b>	<b>1,281</b>	<b>769</b>	<b>1,305</b>
EPS	1.51	0.91	1.55
<b>Comprehensive income - Bank</b>	<b>1,145</b>	<b>753</b>	<b>1,375</b>
Headcount	4,778	4,778	4,771

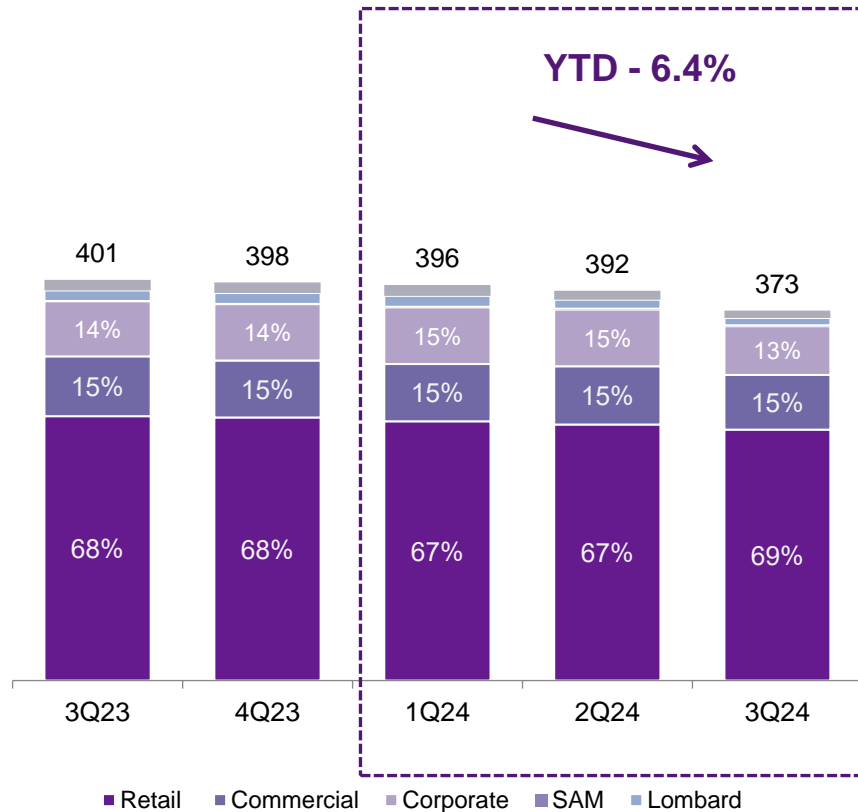
QoQ	YoY (Q)	9M23	9M24	YoY (9M)
(1%)	(7%)	22,660	23,242	3%
(0%)	23%	(5,928)	(8,043)	36%
<b>(1%)</b>	<b>(18%)</b>	<b>16,732</b>	<b>15,198</b>	<b>(9%)</b>
21%	9%	4,896	4,536	(7%)
(3%)	1%	(752)	(759)	1%
<b>27%</b>	<b>11%</b>	<b>4,144</b>	<b>3,777</b>	<b>(9%)</b>
(50%)	55%	932	1,013	9%
<b>1%</b>	<b>(11%)</b>	<b>21,808</b>	<b>19,989</b>	<b>(8%)</b>
15%	6%	(8,546)	(8,810)	3%
134%	(28%)	643	79	(88%)
11%	(12%)	(3,407)	(3,720)	9%
(61%)	(59%)	(4,653)	(3,060)	(34%)
64%	8%	5,844	4,479	(23%)
<b>70%</b>	<b>2%</b>	<b>4,774</b>	<b>3,579</b>	<b>(25%)</b>
70%	3%	5.64	4.23	(25%)
<b>83%</b>	<b>20%</b>	<b>4,595</b>	<b>3,804</b>	<b>(17%)</b>
(0%)	(0%)	4,778	4,771	(0%)



# Loan Growth

## Gross Loan Composition

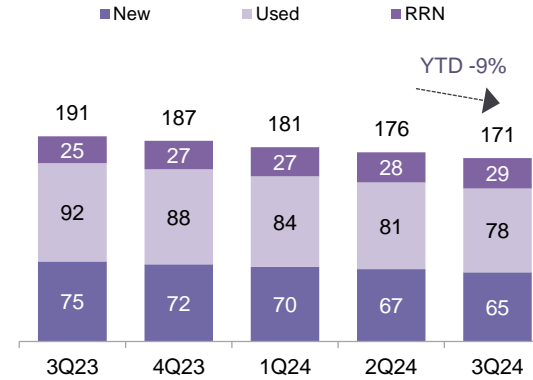
Baht in billion



### Retail Loans

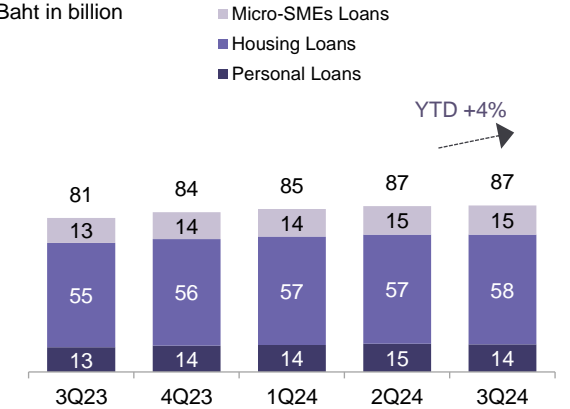
#### Hire Purchase

Baht in billion



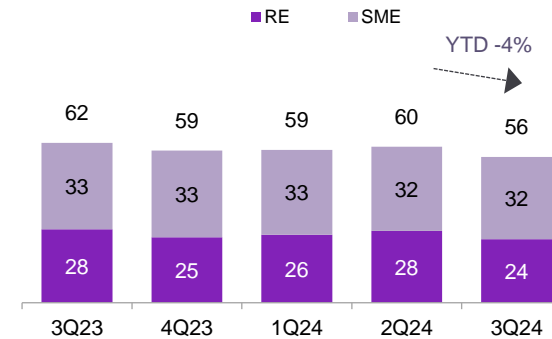
#### Other Retail

Baht in billion



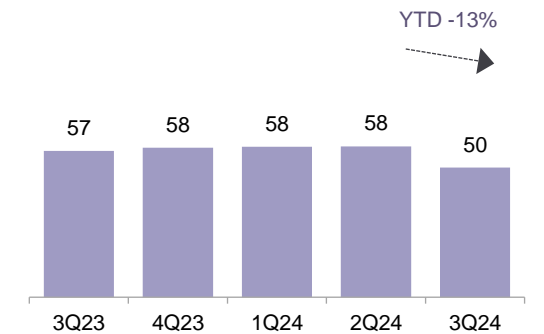
### Commercial Lending

Baht in billion



### Corporate Banking

Baht in billion

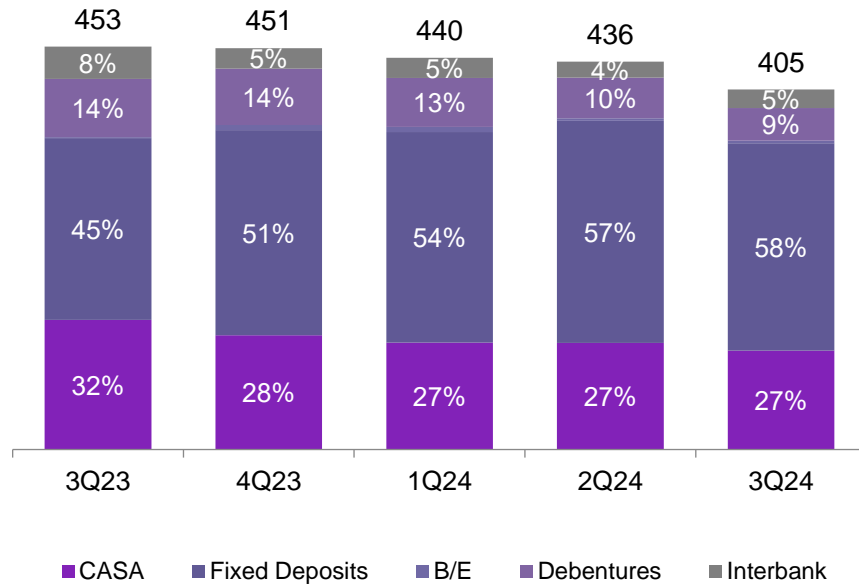


# Funding & Liquidity

—●— Loan to deposit & borrowing

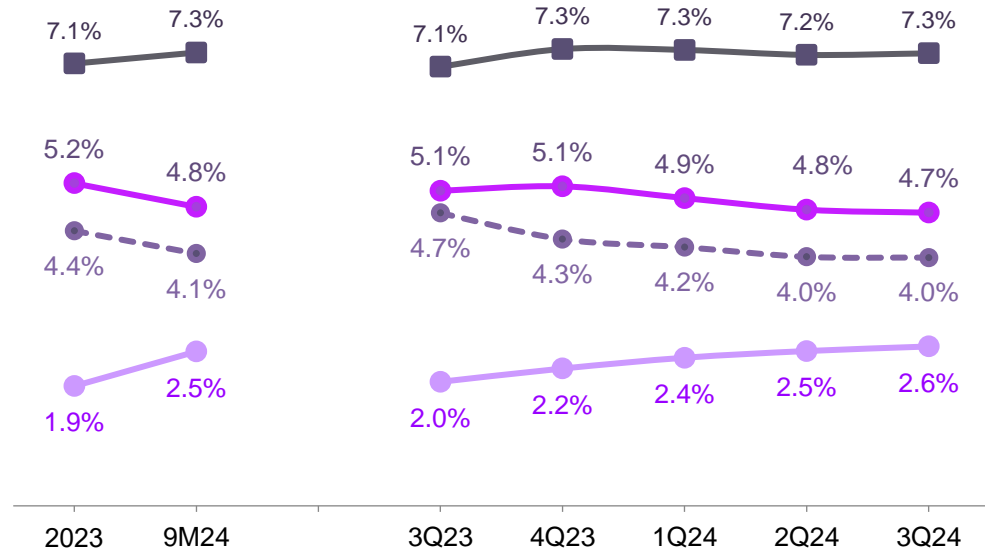


Baht in billion



# Loan spread

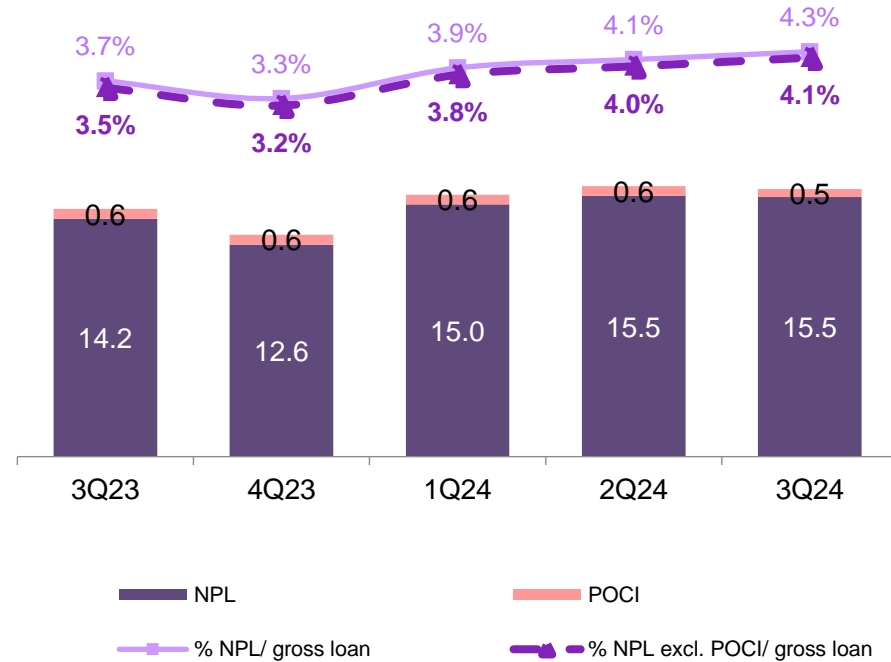
—■— Yield on Loans    —●— Cost of Funds    - -●- NIM    —●— Loan Spread



# Asset Quality

## Total Non-Performing Loans

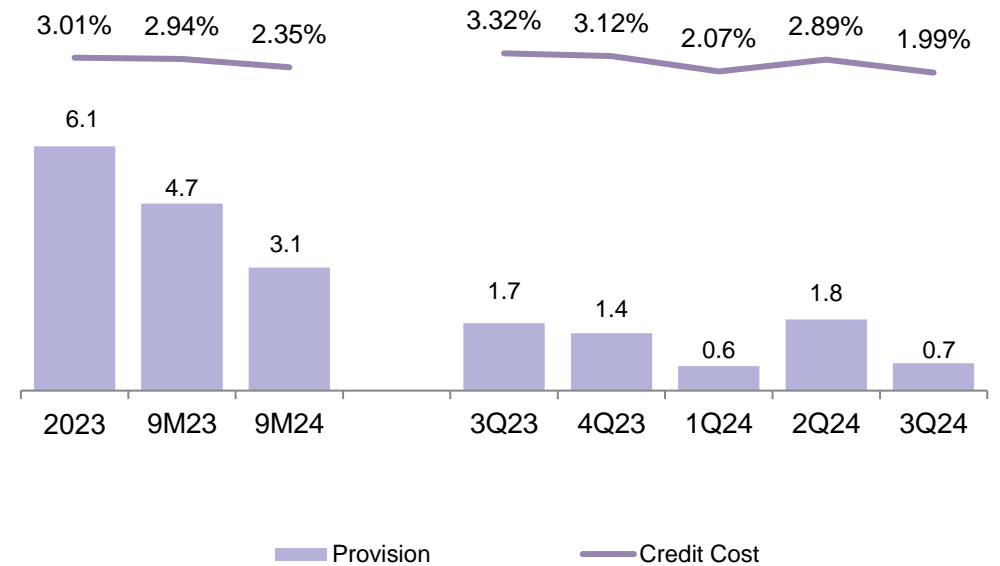
Baht in billion



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

## Expected Credit Loss

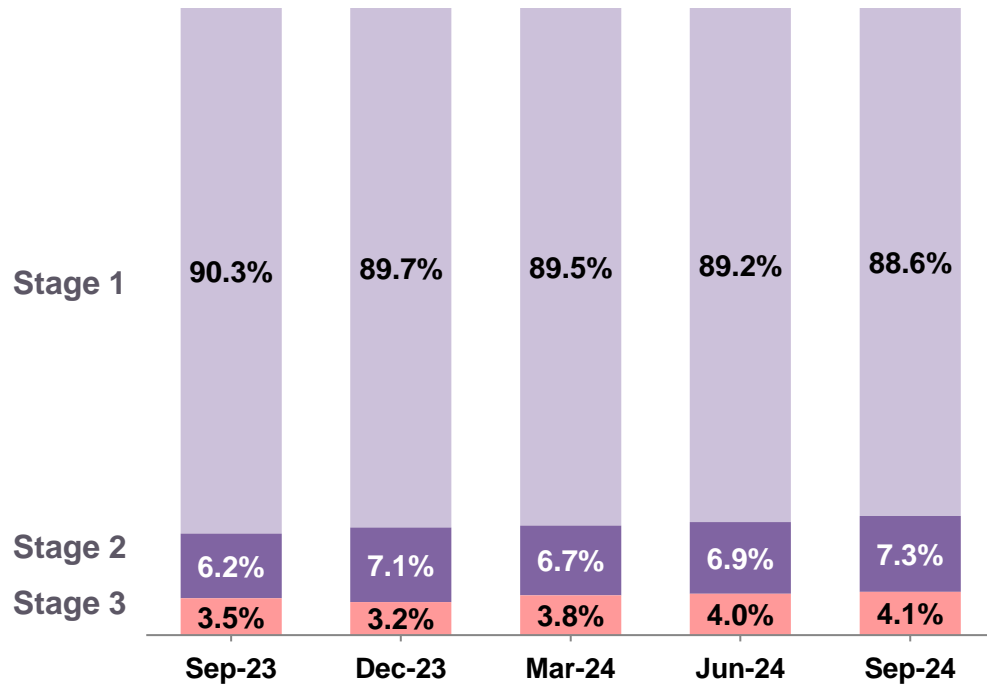
Baht in billion



▪ %Credit Cost include expected credit loss and loss from sale of repossessed cars

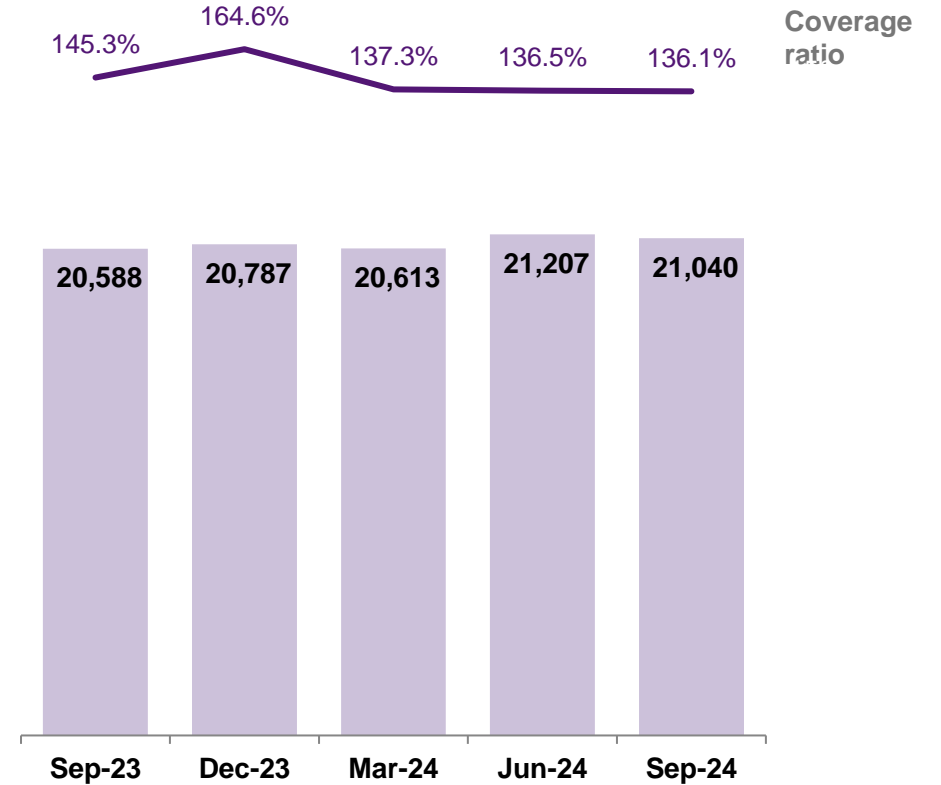
# Loan classification and Allowance for ECL

## Loan classification<sup>1</sup>



## Allowance for ECL

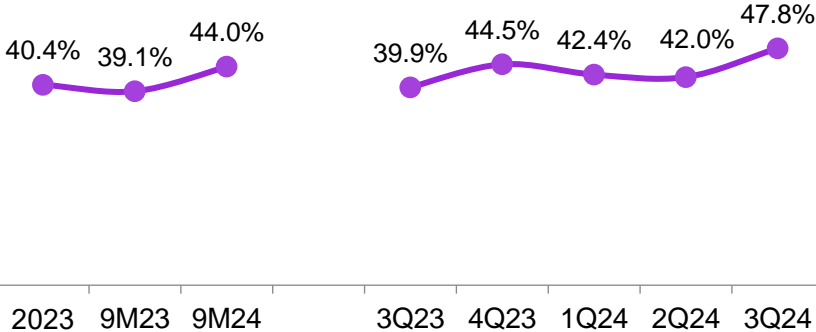
Baht in million



<sup>1/</sup> Principle balance and exclude Purchased or originated credit impaired loans (POCI)

# Efficiency ratio

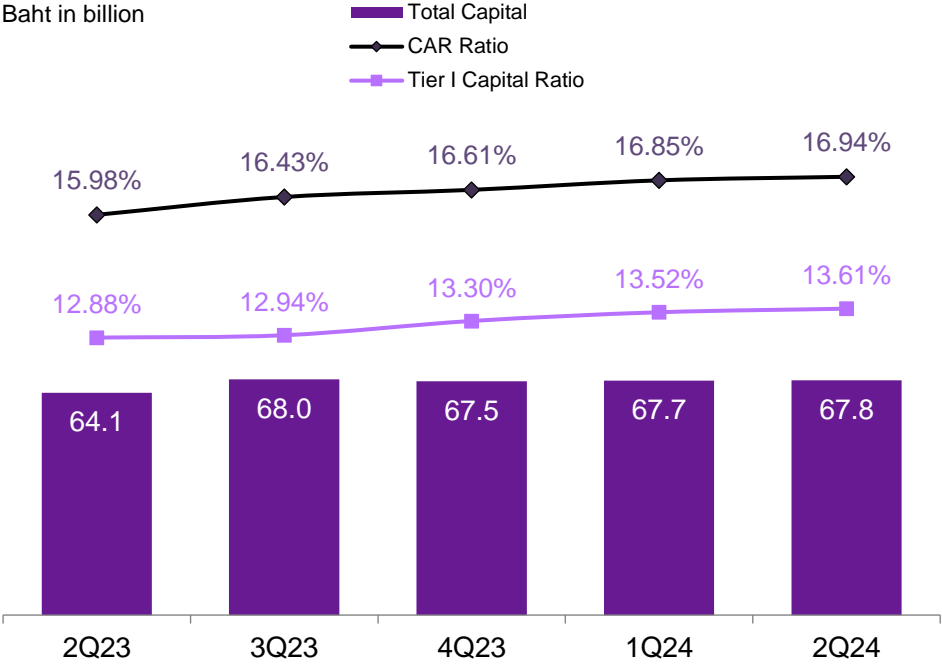
## Cost to Income<sup>1</sup>



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)



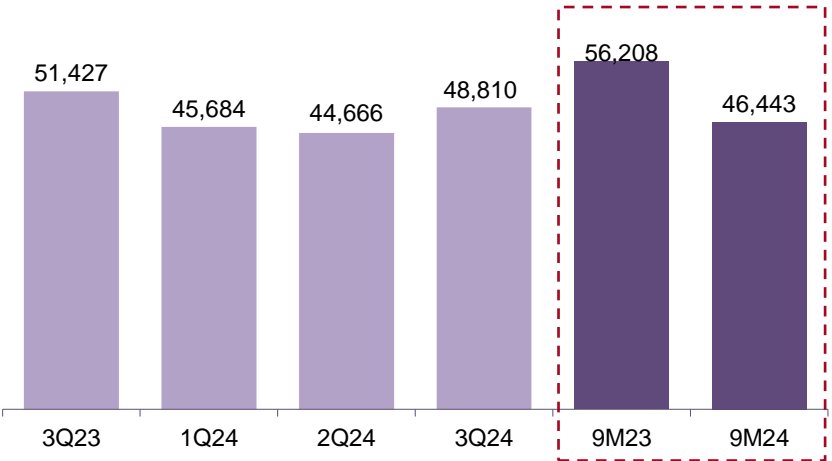
Note: 3Q 2024 consolidated information will be available with reviewed financial statements. As of 3Q 2024 CAR and Tier I capital (Bank Only) at 16.54% and 13.04% respectively

# Capital Market Business - Financial Performance Summary

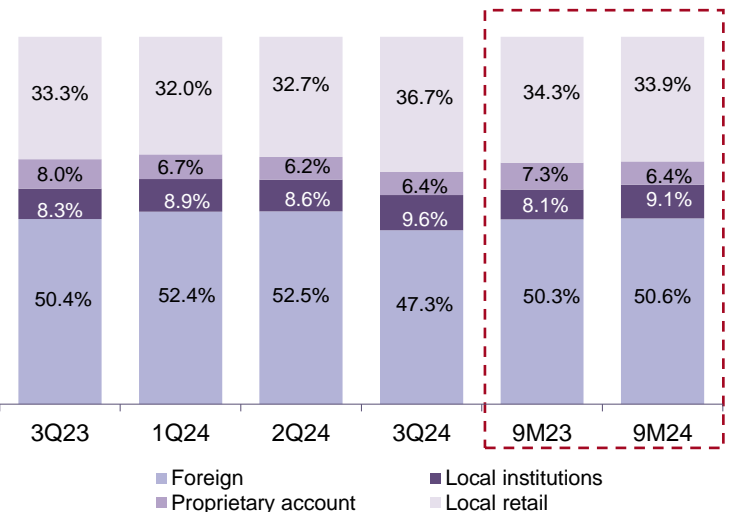
Baht million	3Q23	1Q24	2Q24	3Q24	% change q-o-q	% change y-o-y	9M23	9M24	% change y-o-y
<b>Revenue</b>									
Agency Business									
Brokerage fees	396	361	336	472	41%	19%	1,214	1,169	-4%
Fee and service income	528	480	559	653	17%	24%	1,576	1,692	7%
Agency Business	924	841	894	1,126	26%	22%	2,790	2,861	3%
Investment Business	253	533	289	131	-55%	-48%	1,020	953	-6%
Other Income	131	129	113	126	11%	-4%	369	369	0%
<b>Total Revenue</b>	<b>1,308</b>	<b>1,503</b>	<b>1,297</b>	<b>1,383</b>	<b>7%</b>	<b>6%</b>	<b>4,178</b>	<b>4,183</b>	<b>0%</b>
<b>Total Expenses</b>	<b>937</b>	<b>1,004</b>	<b>950</b>	<b>1,161</b>	<b>22%</b>	<b>24%</b>	<b>2,898</b>	<b>3,115</b>	<b>7%</b>
<b>Net Profit</b>	<b>286</b>	<b>386</b>	<b>233</b>	<b>170</b>	<b>-27%</b>	<b>-41%</b>	<b>1,007</b>	<b>789</b>	<b>-22%</b>
<b>Total other comprehensive income (expense)</b>	<b>46</b>	<b>81</b>	<b>17</b>	<b>(25)</b>	<b>-251%</b>	<b>-155%</b>	<b>67</b>	<b>73</b>	<b>9%</b>
<b>Total comprehensive income</b>									
<b>for the period</b>	<b>332</b>	<b>467</b>	<b>250</b>	<b>145</b>	<b>-42%</b>	<b>-56%</b>	<b>1,073</b>	<b>862</b>	<b>-20%</b>

# Agency Business – Equity Brokerage Business

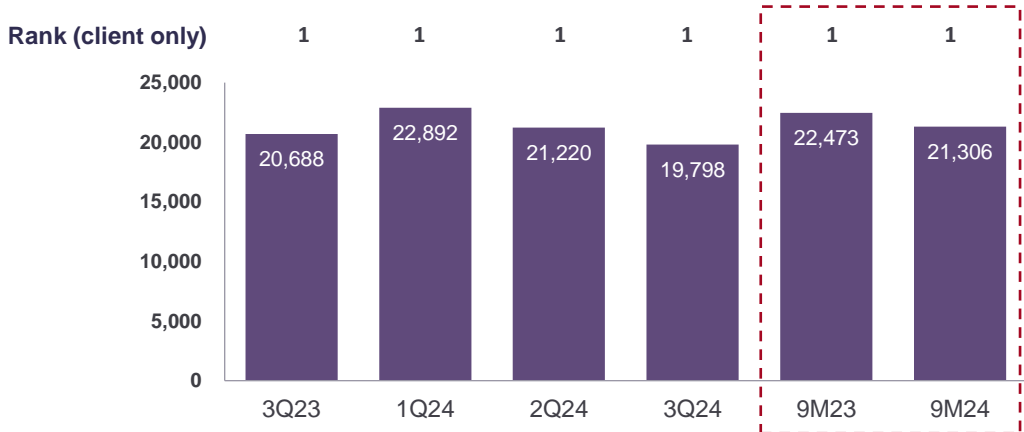
**Market Daily Average Trading Value (Bt million)**



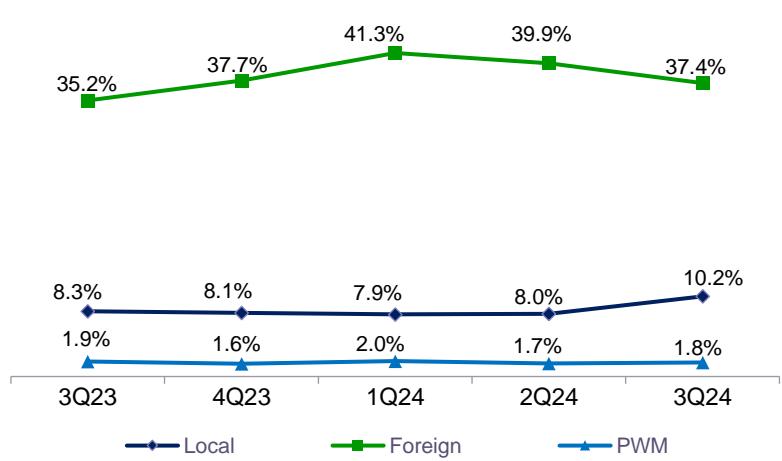
**Breakdown of client of SET & MAI**



**Daily Average Trading Value (Bt million)**



**Market share - Segmented by Investor**

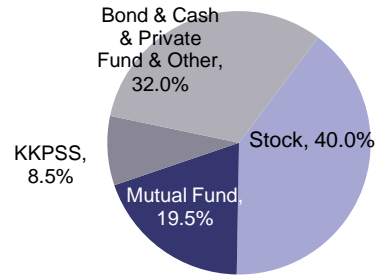


# Agency Business – Wealth Management and Asset Management

## HNW's Asset Base

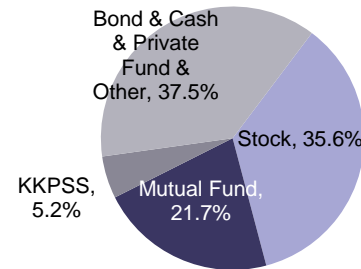
Y2023

Total: Baht 750 billion



9M2024

Total: Baht 894 billion



- Our Asset under Advise (AUA) increase 19% in 9M24 and has net new money amount Baht 62,124 million

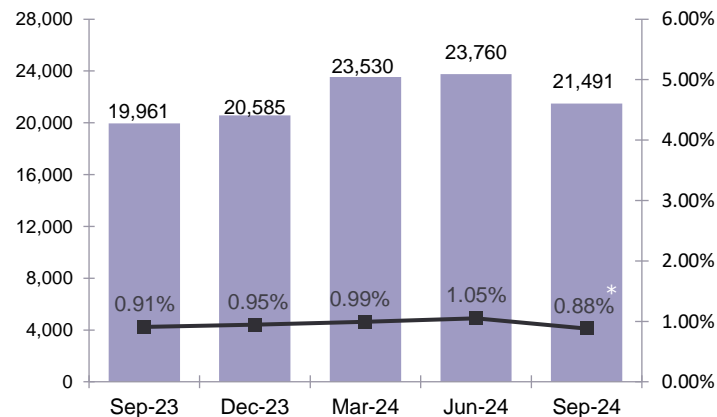
Average Yield

0.22%

0.21%

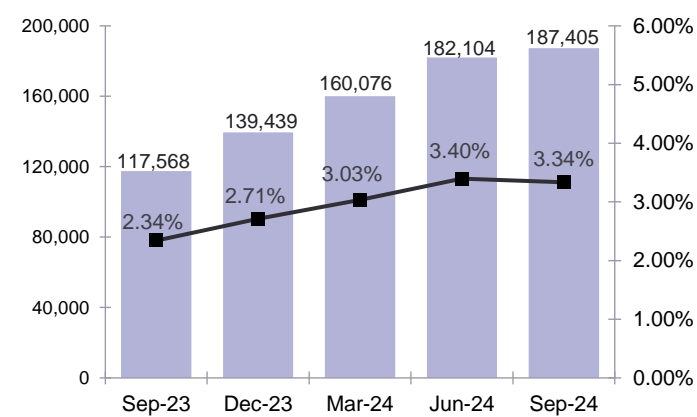
## Asset Management Business

### Private Fund



Private Fund AUM Mkt share

### Mutual Fund



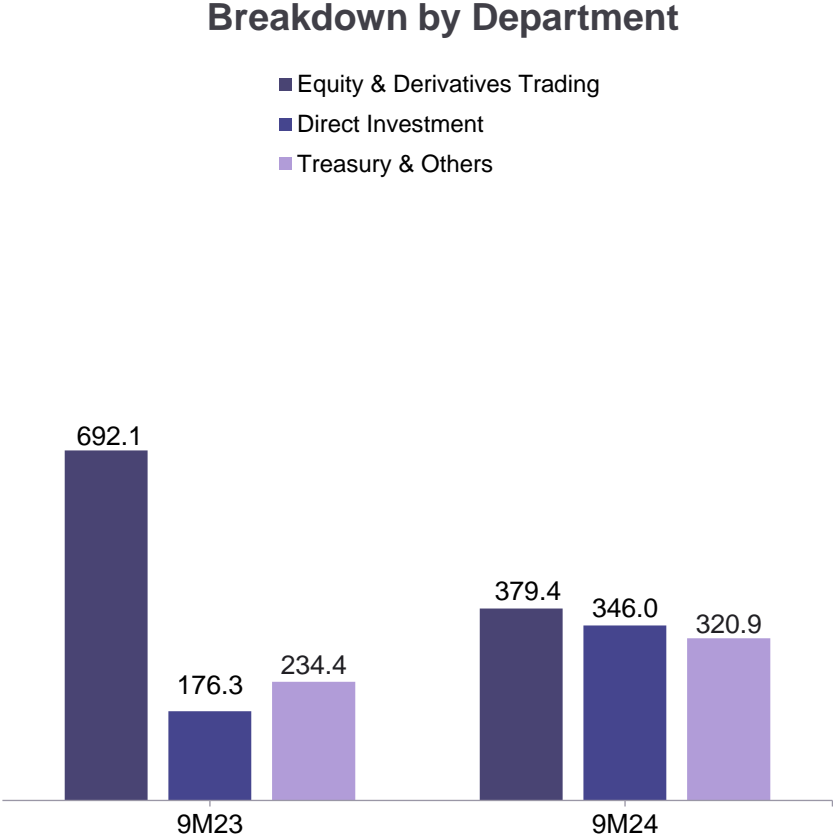
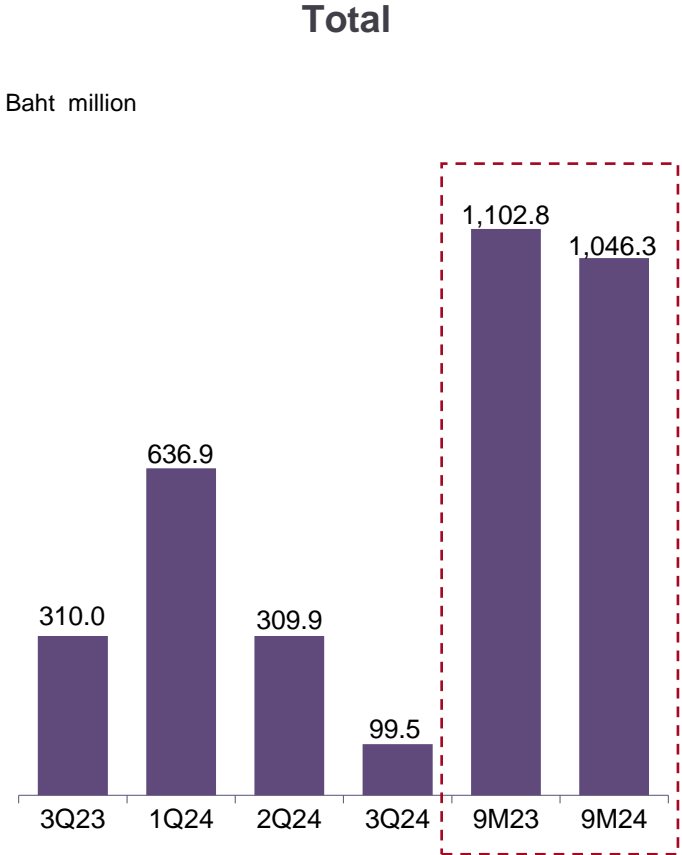
Mutual Fund AUM Mkt share

\* Market share in Sep 2024 is calculated by using Aug's market data



# Investment Business

## Comprehensive Revenue

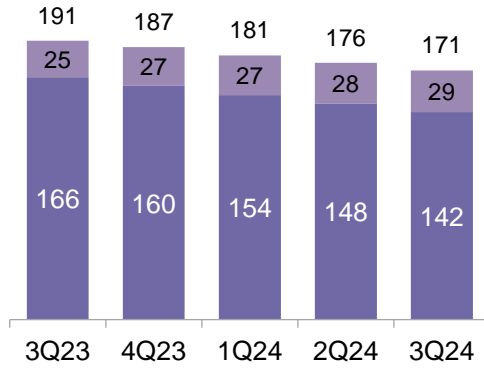


# APPENDIX

## Loans

Baht in billion

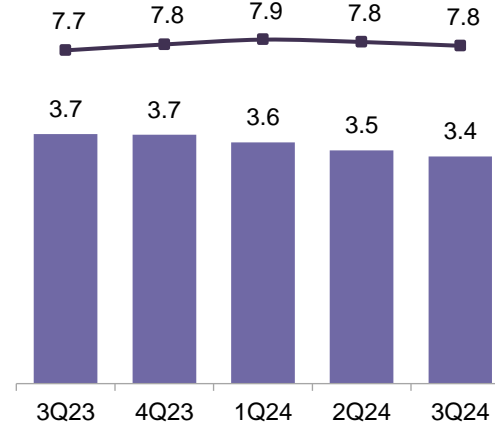
■ New & Used ■ RRN ■ % loan growth



## Loan Yield

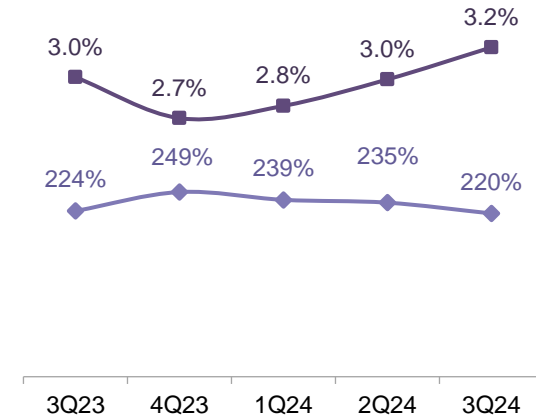
Baht in billion

■ HP Income ■ HP Yield on Loan



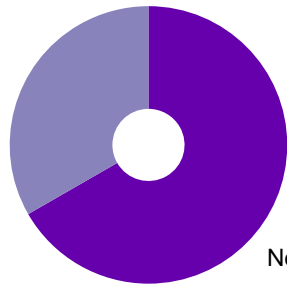
## Portfolio Quality

◆ % Coverage ratio ■ % NPL



## By location

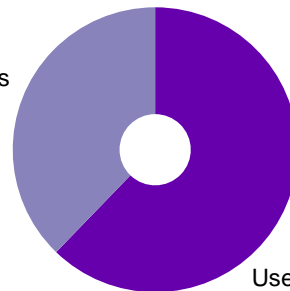
BKK  
33%



Non-BKK  
67%

## By class

New cars  
38%

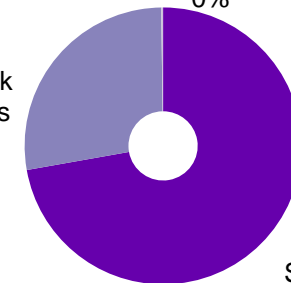


Used cars  
62%

## By type

Others  
0%

1 ton pick  
up trucks  
28%

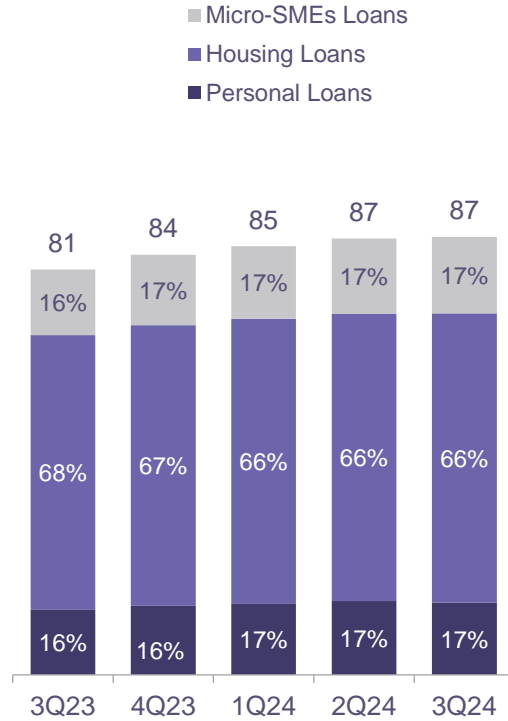


Sedans  
72%

# Other Retail Loans

## Loans

Baht in billion

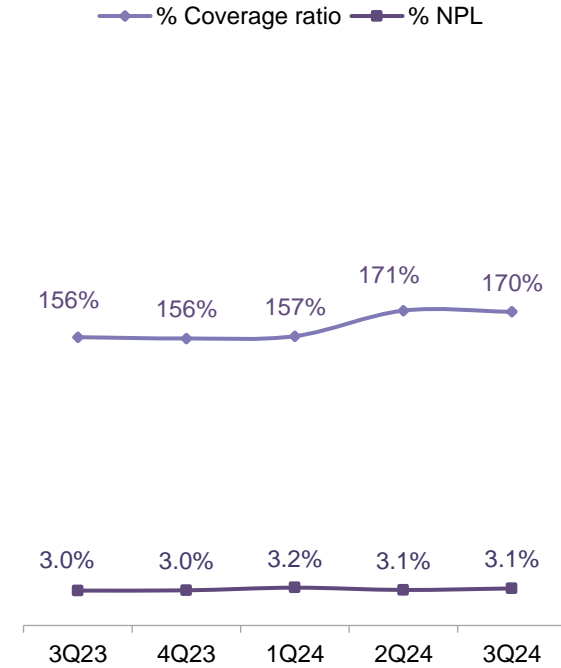


## Loan Yield

Baht in billion



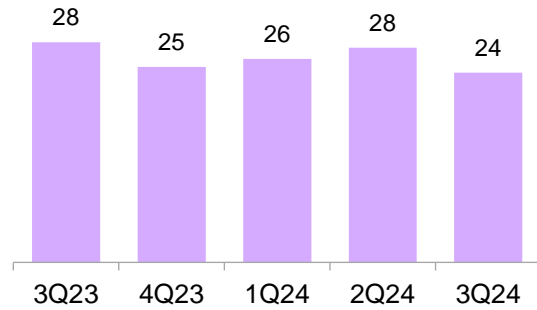
## Portfolio Quality



# Real Estate Development (RE)

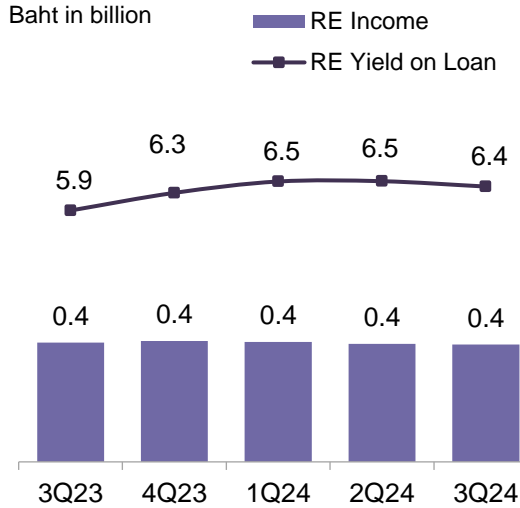
## Loans

Baht in billion

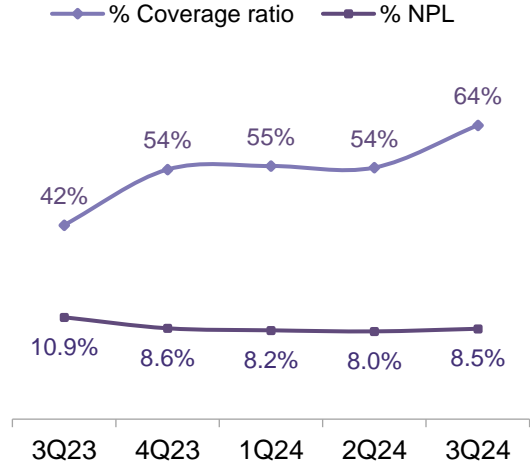


## Loan Yield

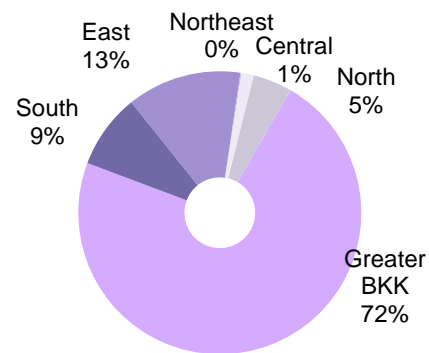
Baht in billion



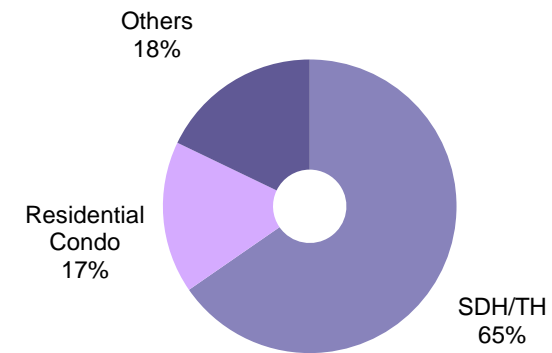
## Portfolio Quality



## By location



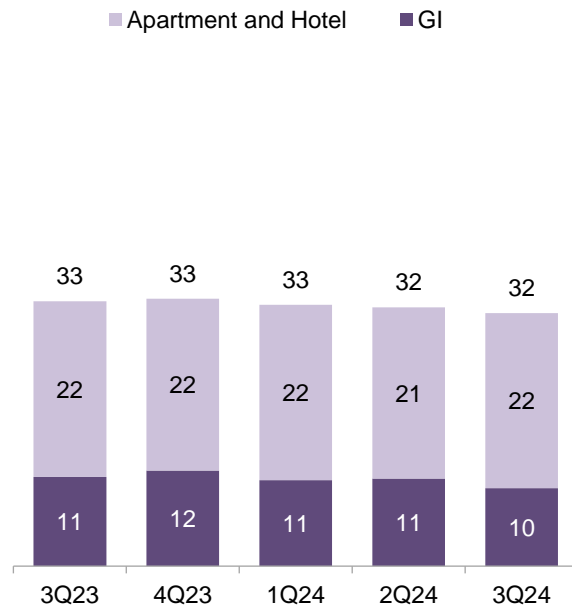
## By type



# SME

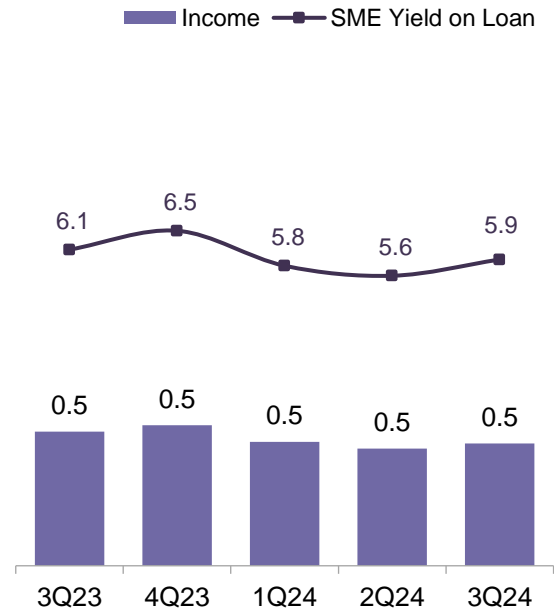
## Loans

Baht in billion

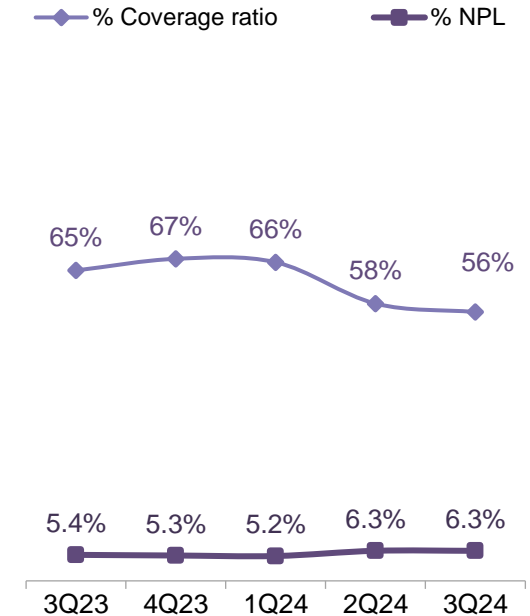


## Loan Yield

Baht in billion



## Portfolio Quality



# Investor Relations

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