



KTC Performance Y2021





AGENDA

Section

1 | KTC Business Overview

2 | Consumer Finance Industry & KTC Portfolio Performances - Marketing Program in 2022

- Credit Card Business
- Personal Loan Business

3 | KTC Sustainability

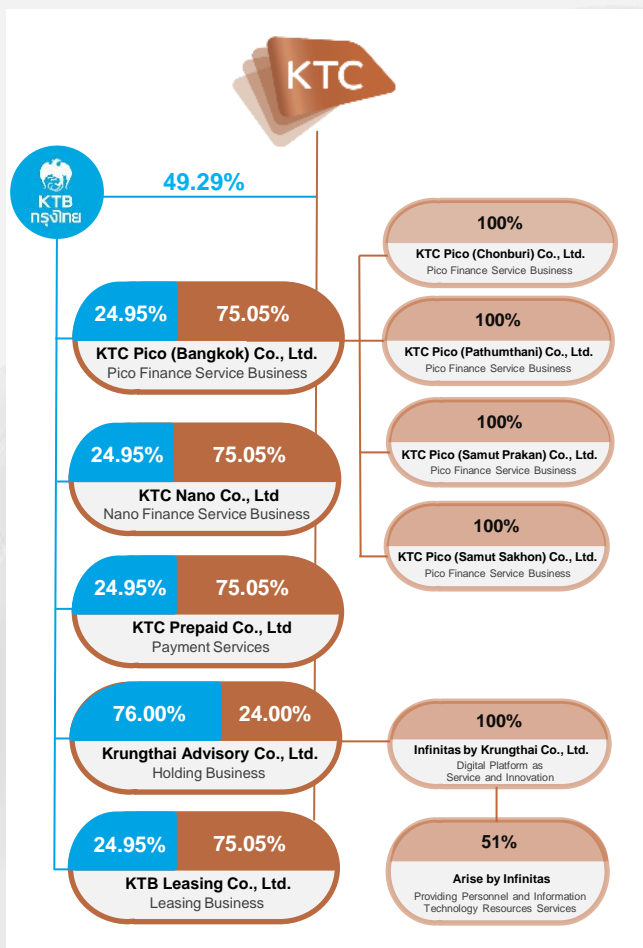




KTC Story

- Incorporated in 1996 as a credit card servicing subsidiary company of Krung Thai Bank PLC
- In July 2002, KTB sold the credit card portfolio to KTC which subsequently transformed KTC into a full consumer finance company and later listed on the SET in October 2002

KTC Holding Structure



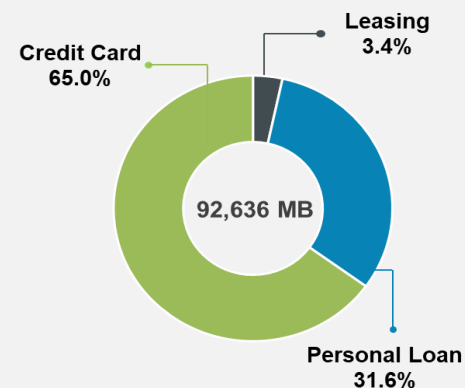
Top 10 Shareholders

1	KRUNG THAI BANK PUBLIC COMPANY LIMITED	49.29%
2	MR. MONGKOL PRAKITCHAIWATTANA	10.18%
3	THAI NVDR	8.04%
4	MS. CHANTANA JIRATTITEPAT	4.82%
5	BNP PARIBAS SINGAPORE BRANCH	3.89%
6	UOB KAY HIAN PTE LTD A/C - RC	3.68%
7	UBS AG SINGAPORE BRANCH	2.04%
8	SOUTH EAST ASIA UK (TYPE C) NOMINEES LTD	1.26%
9	MAY BANK KIM ENG SECURITIES (THAILAND) PLC	1.00%
10	MS. JARUWAN PHATRAPANYADEE	1.00%

Board of Directors

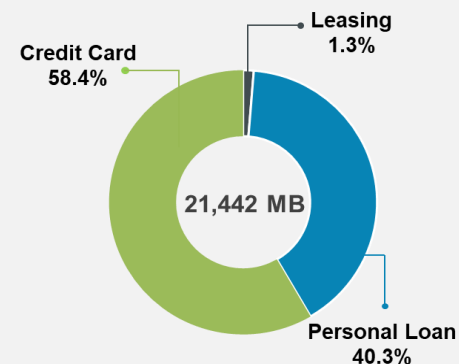
	Chairman	Independent Directors	KTB Representatives	CEO	Total
	1	1	1	1	2
		3	1		6

% of Total Receivable



Note: Personal loan includes Fixed, Proud, Million, Circle and others

% of Total Revenues





Rules and Regulations

	Credit card	Personal loans	Auto Title Loan	Pico Finance
Type of Loan	Multipurpose Unsecure Nationwide	Multipurpose Unsecure Nationwide	Multipurpose Unsecure Nationwide	Multipurpose Secure or Unsecure Provincial
Minimum Income (THB)	15,000	-	-	-
Maximum Credit Line	2x (income < 30K) 3x (income 30 – 50K) 5x (income ≥ 50K)	2x (income < 30K) 5x (income ≥ 30K)	Automotive Value	100,000
Maximum Interest Rate and Fees	16%	25%	24%	<u>Amount up to 50K</u> 33% (Secured) & 36% (Unsecured) <u>Amount 51K - 100K</u> 28% (Secured & Unsecured)
Rate Cap History	Apr 2004 - 18% Jul 2007 - 20% Sep 2017 - 18% Aug 2020 - 16%	Jul 2005 - 28% Aug 2020 - 25%	Jul 2005 - 28% Aug 2020 - 24%	Nov 2016 - 36% Oct 2021 - 33% (Secured)

Other Licenses: Nano Finance, Prepaid, Hire-Purchase and Financial Lease



Y2021 Summary

Total Portfolio

Credit card



-0.1%
(YoY)

Personal loan



-2.3%
(YoY)

2.8% (YoY)

(growth excluding KTBL = -0.8% YoY)

Card Spending

-0.7% (YoY)

Net Profit

5,879 MB (10.2% YoY)
(Consolidated)

6,251 MB (17.2% YoY)
(Separate)

NPL
3.6%



Credit card

1.2%



Personal loan

2.9%



Leasing

54.3%

Cost of Fund
2.5%



Income Statement

Total Revenue

21,442 MB (-2.8% ↓)

Total Interest Income (including Credit Usage Fee)

13,613 MB (- 3.9% ↓)

	(1)		(2)	(1) vs (2)			
	Y2021	Y2020	Y2020		Y2021	Y2020	
	Consolidated	Consolidated	Consolidated	Growth (%)	Separate	Separate	Growth (%)
		(Restate)	(Original)				
Credit card receivable	6,501	6,611	6,611	(1.7%)	6,501	6,611	(1.7%)
Personal loan receivable	7,009	7,556	7,556	(7.2%)	7,008	7,554	(7.2%)
Lease receivable	104	184	-	-	-	-	-

Fee income (excluding Credit Usage Fee)

4,294 MB (- 4.1% ↓)

	(1)		(2)	(1) vs (2)			
	Y2021	Y2020	Y2020		Y2021	Y2020	
	Consolidated	Consolidated	Consolidated	Growth (%)	Separate	Separate	Growth (%)
		(Restate)	(Original)				
Fee income (excluding credit usage fee)	4,294	4,568	4,478	(4.1%)	4,231	4,478	(5.5%)

Recovery income

3,266 MB (4.7% ↑)

	(1)		(2)	(1) vs (2)			
	Y2021	Y2020	Y2020		Y2021	Y2020	
	Consolidated	Consolidated	Consolidated	Growth (%)	Separate	Separate	Growth (%)
		(Restate)	(Original)				
Recovery income	3,266	3,204	3,119	4.7%	3,191	3,119	2.3%



Income Statement

Total Expense

14,197 MB (-7.8% ↓)

Total Operating Cost

7,326 MB (0.9% ↑)

	(1) Y2021 Consolidated	Y2020 Consolidated (Restate)	(2) Y2020 Consolidated (Original)	(1) vs (2) Growth (%)	Y2021 Separate	Y2020 Separate	Growth (%)
Personal expenses	2,422	2,411	2,278	6.4%	2,294	2,277	0.7%
Marketing expenses	652	828	817	(20.2%)	648	817	(20.6%)
Fee Expense	2,237	2,349	2,267	(1.3%)	2,177	2,266	(3.9%)
Other administrative expenses	2,015	1,936	1,899	6.1%	1,962	1,898	3.4%

Expected Credit Loss

5,456 MB (- 17.4% ↓)

	(1) Y2021 Consolidated	Y2020 Consolidated (Restate)	(2) Y2020 Consolidated (Original)	(1) vs (2) Growth (%)	Y2021 Separate	Y2020 Separate	Growth (%)
Expected credit loss: credit card	2,404	3,467	3,467	(30.7%)	2,404	3,467	(30.7%)
Expected credit loss: personal loan	2,459	3,138	3,138	(21.6%)	2,459	3,137	(21.6%)
Expected credit loss (Reversal): lease receivables	592	(116)	-	-	-	-	-

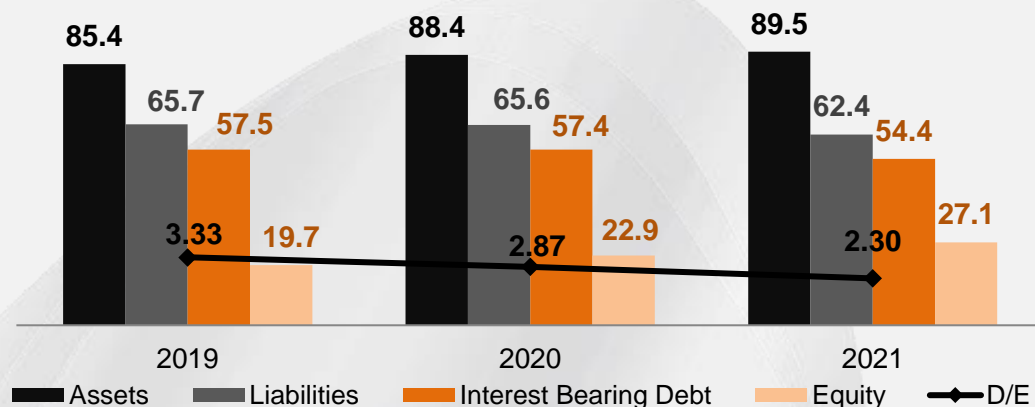


Balance Sheet

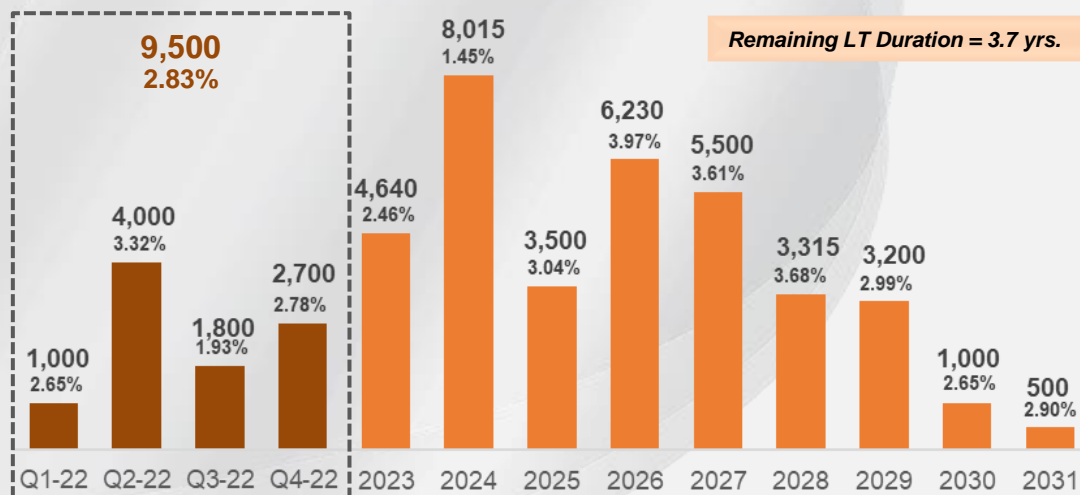
Balance Sheet and Sources of Fund

BALANCE SHEET HIGHLIGHTS

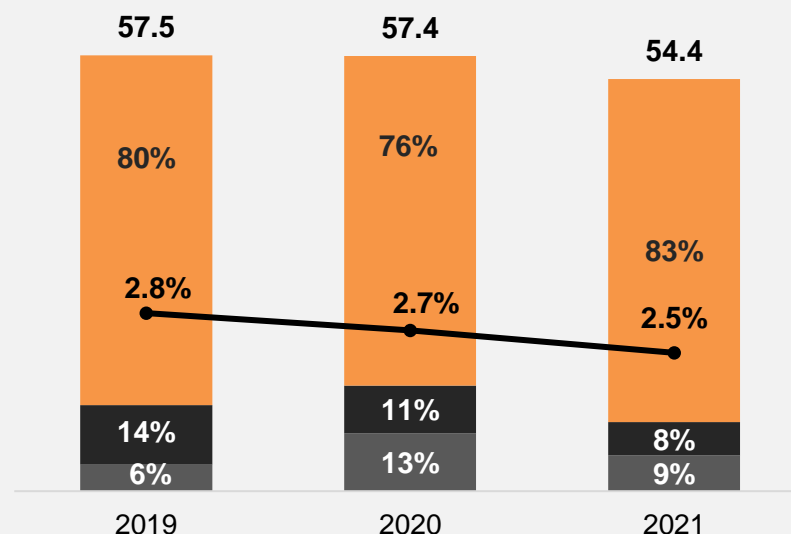
Baht Billion



BOND MATURITY PROFILE



INTEREST BEARING DEBT



- Long-Term Borrowings
- Short-term loans (excluding KTB and related parties)
- KTB short-term loans and related parties
- Cost of fund

Total Credit Line = 33,340 MB
ST: KTB = 18,030 MB, Others = 9,310 MB
LT: KTB = 6,000 MB

KTC rating AA- by TRIS Rating



Key Financial Ratio

	Y2021 (Separate)	Y2021 (Consolidated)	Y2020 (Consolidated)	Y2019 (Consolidated)
Net Profit Margin (%)	29.5%	27.4%	24.2%	24.4%
Cost to Income Ratio (%)	33.4%	34.2%	32.9%	34.1%
Operating Cost to Income Ratio (%) ⁽¹⁾	26.6%	27.3%	25.4%	25.3%
Average Interest Received (including credit usage) (%)	14.7%	14.9%	16.1%	16.5%
Average Cost of Fund (%)	2.5%	2.5%	2.7%	2.8%
Net Interest Margin (including credit usage) (%)	12.1%	12.4%	13.4%	13.7%
D/E Ratio (times)	2.3	2.3	2.9	3.3
ROE (%)	25.2%	23.5%	25.0%	30.6%
ROA (%)	7.1%	6.6%	6.1%	6.7%
Allowance for ECL/Total Receivables (%)	8.2%	10.5%	8.2%	6.6%
NPL Coverage Ratio (%)	464.8%	292.2%	460.4%	622.2%
Expected Credit Loss/Total Receivables (%)	5.4%	5.9%	7.3%	7.4%
Book Value per Share (Baht)	10.4	10.5	8.9	7.7
Dividend Payout Ratio (%)	N/A	N/A	42.5%	41.1%

⁽¹⁾ Operating Cost excluding Marketing Expenses



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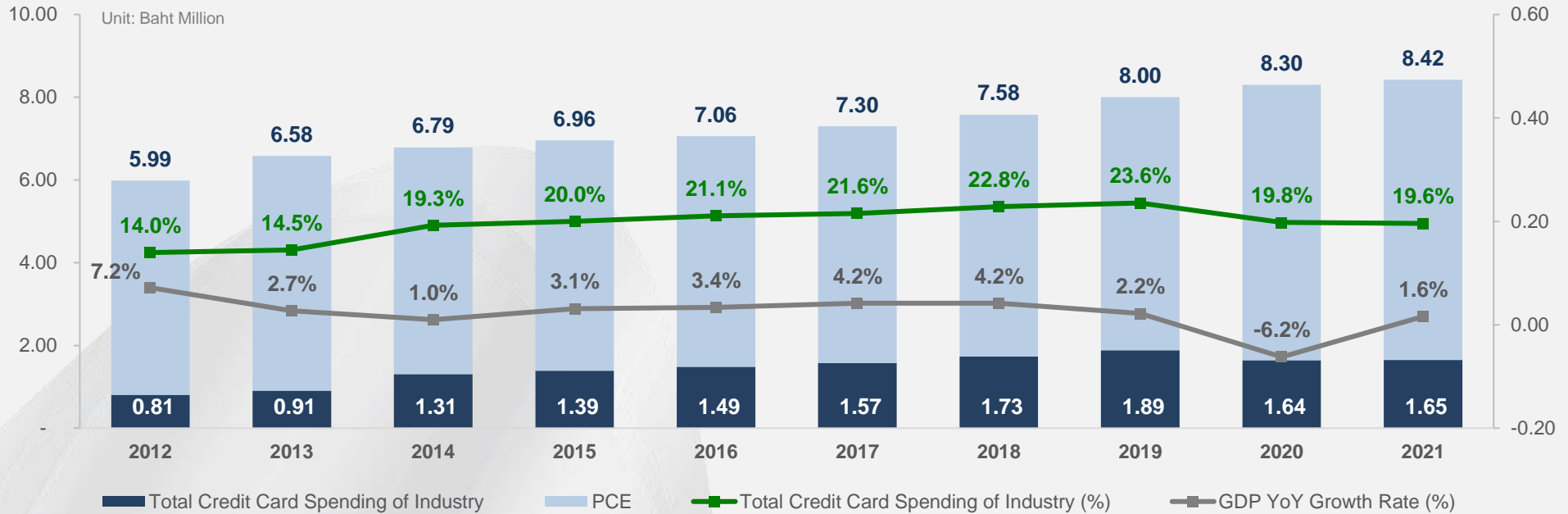
- Credit Card Business
- Personal Loan Business

3 | KTC Sustainability



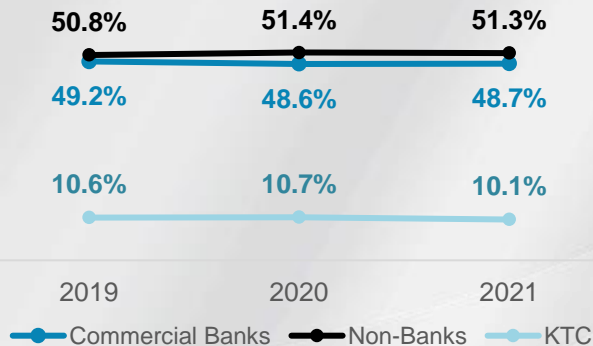
Credit Card Industry

Total Credit Card Spending & Private Consumption Expenditure (PCE)

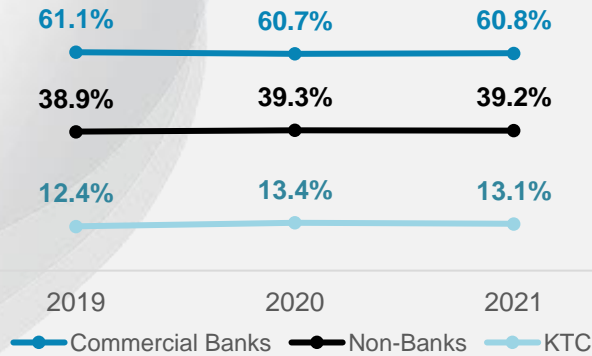


MARKET SHARE

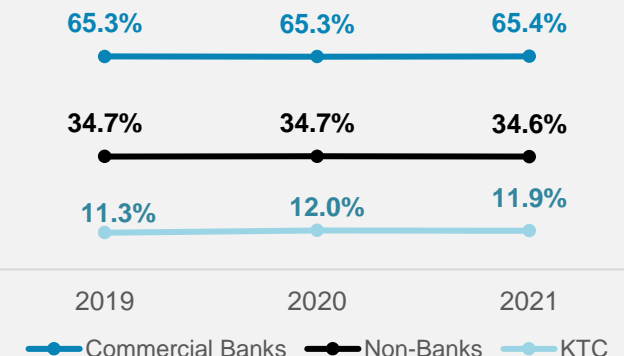
NUMBER OF CARDS



CREDIT CARD PORTFOLIO



CREDIT CARD SPENDING

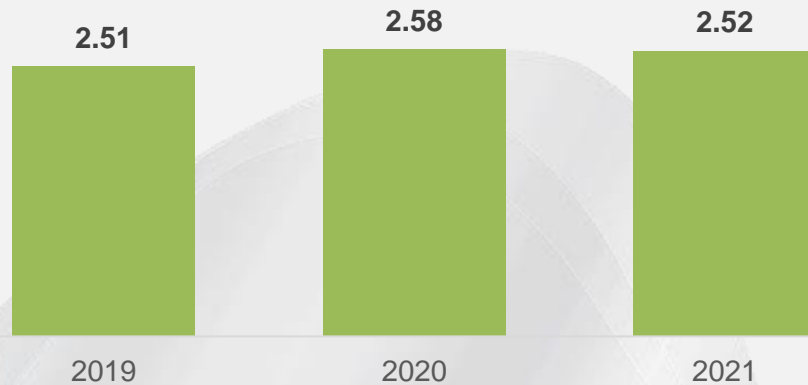




Credit Cards

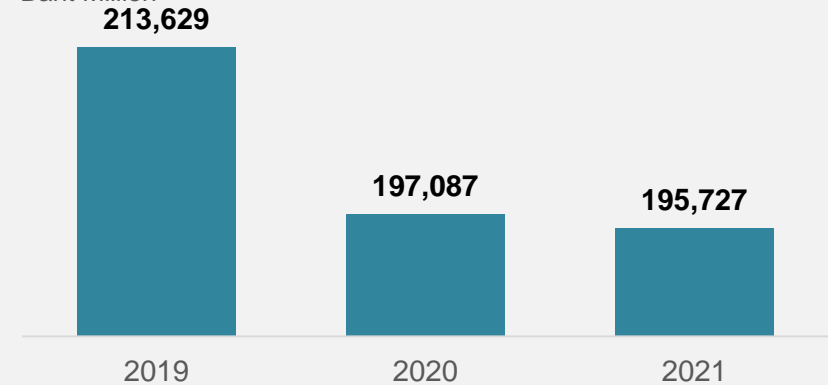
NUMBER OF CARDS

Million Cards

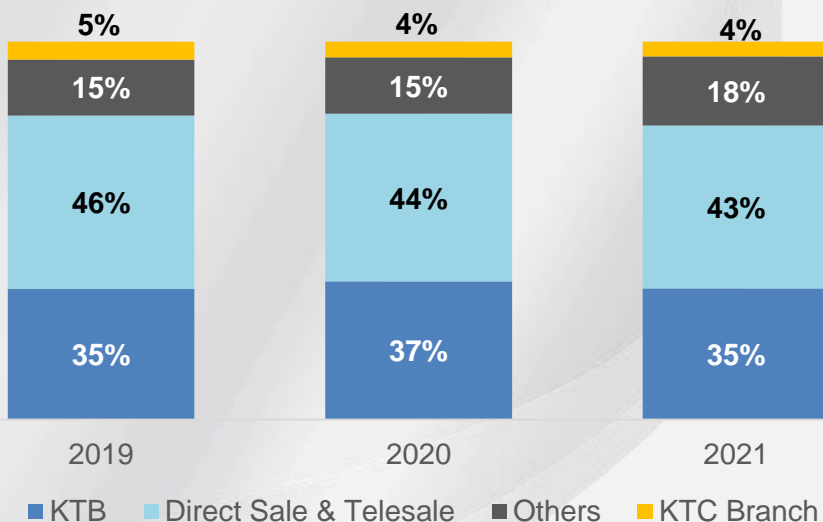


TOTAL SPENDING

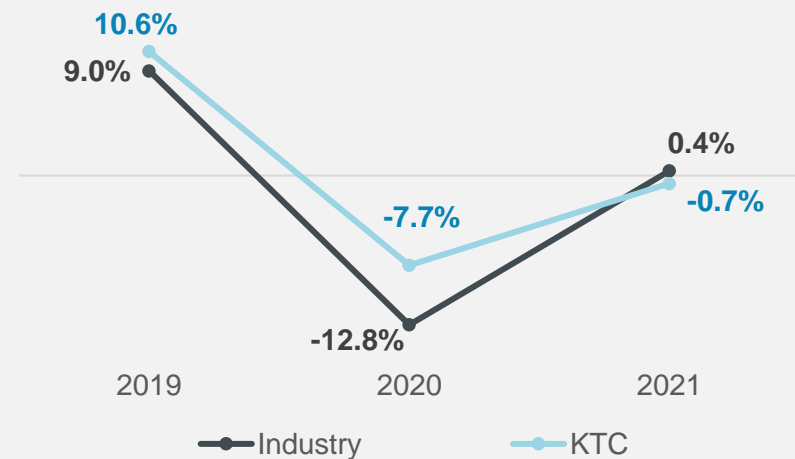
Baht Million



ACQUISITION CHANNELS OF NEW APPLICATIONS



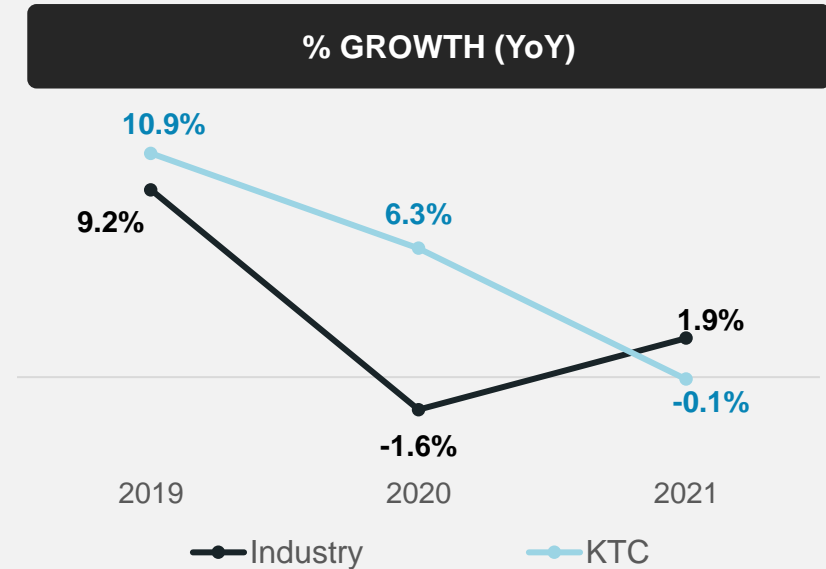
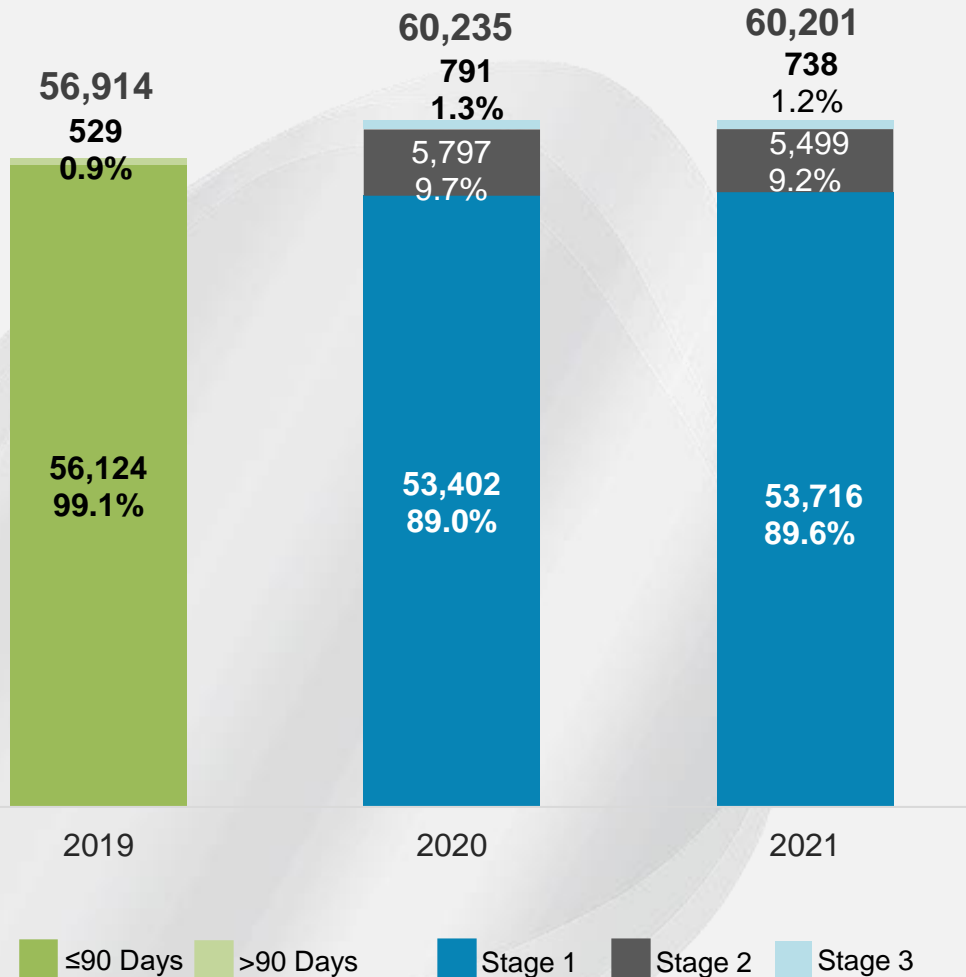
TOTAL SPENDING GROWTH (% YoY)





Credit Card Portfolio

Baht Million



PORTFOLIO QUALITY			
KTC	2019*	2020	2021
%NPL	0.9%	1.3%	1.2%
Amount	529	791	738

%NPL	2019	2020	2021
Industry	1.9%	1.9%	1.8%
Commercial Bank	2.2%	1.8%	1.8%
Non-Bank	1.4%	2.0%	1.7%

*Previous Accounting Standard before applying TFRS9 since 1 January 2020



Credit Card Marketing Program



Target for 10% Credit Card Spending Growth

■ Almost all categories shows good sign of recovery.

- Merchants are positive of the continuous recovery despite covid situation not yet gone
- Though Travel sector spending shows growth YOY but is still a lot behind 2019. Domestic travel still rely on Thais.
- Online spending continues to grow but at a smaller growth rate as people feel more comfortable going out shopping.

■ Focusing more on higher income segment

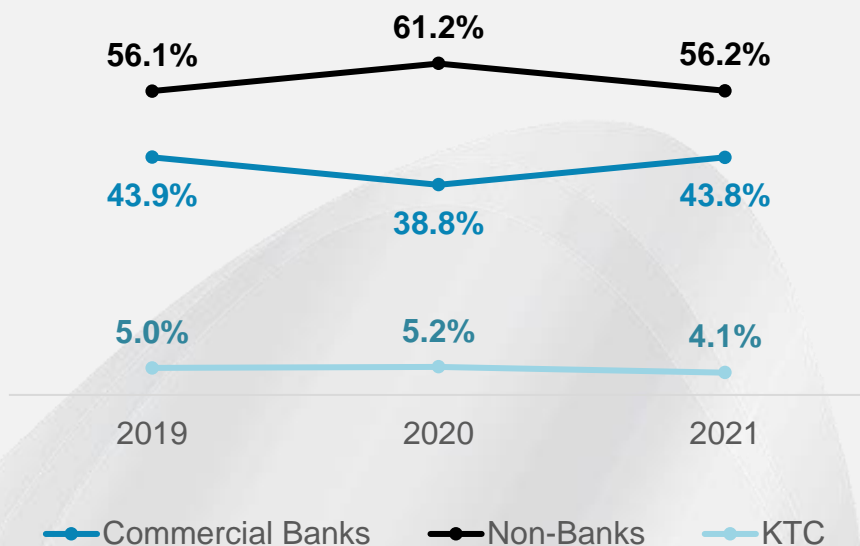
- Improve card benefits that targets the medium and high-income segments
- Expand premium merchant's network
- More focus on portfolio management
- Targetted communications



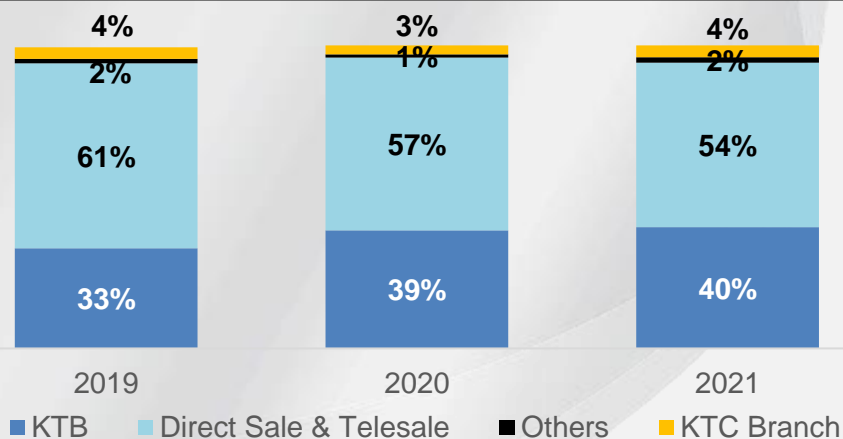


Personal Loans

MARKET SHARE OF PERSONAL LOAN PORTFOLIO

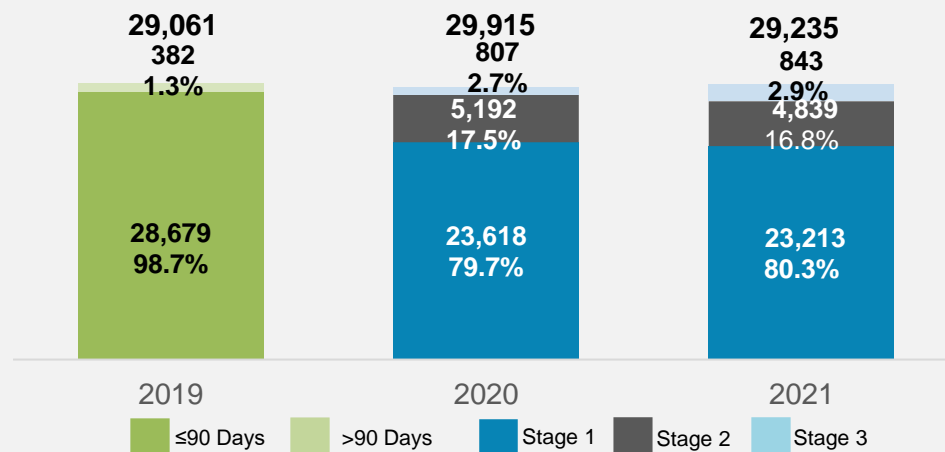


ACQUISITION CHANNELS OF NEW APPLICATIONS



PERSONAL LOAN PORTFOLIO

Baht Million



	2019	2020	2021
No. of Accounts	888,342	808,772	751,676

PORTFOLIO QUALITY

KTC	2019*	2020	2021
%NPL	0.9%	2.7%	2.9%
Amount	382	807	843

%NPL	2019	2020	2021
Industry	3.0%	3.1%	2.7%
Commercial Bank	4.2%	3.5%	3.2%
Non-Bank	2.1%	2.8%	2.3%

*Previous Accounting Standard before applying TFRS9 since 1 January 2020

Personal loan: Key Strategies

Aims to grow 7% in 2022 with New Customer 106,000

- Thai economy to see uptick in 2022
- No extended lockdowns from the pandemic
- Consumption spending is expected to grow more than last year

3 Key strategies to achieve the target

1. Focus on Middle-High Income Employees

- Offer special interest promotion with highlight KTC Proud UPI with 4 functions of credit line usage “Swipe-Transfer-Withdraw-Pay”

2. Focus on Online Acquisition Channels

- Implement E-application
- Enhance application process of KTB NEXT
- Real-Time Approval and Money transfer

3. Increase credit line usage for Existing customers

- Encourage cash usage activation





Synergize with Krungthai Bank

- **Leverage KTB's 957 branches nationwide**
 - Expand acquisition channel
 - Employ marketing activities to promote KTC P BERM
- **Utilize KTB Online channels applications to acquire prospective customers**



The launch of a new product "KTC P Berm Cash Card"

- **"KTC P BERM Cash Card" packed with various features including cash out, spending, and asset installment**
- **Come with revolving loan giving flexibility to customer when needed**



Expand acquisition channels To KTBL Branches

- **Leverage KTBL's 10 branches nationwide to promote KTC P BERM**
- **Highlight key selling points**
 - Larger credit line
 - Faster approval process





KTC 2022 Target



Net Profit

> 6,251 MB



**Personal Loan
Receivable Growth**

7%



Total Portfolio

> 100,000 MB



**P BERM & KTBL
Receivables**

11,500 MB



Portfolio Quality

%NPL \leq 3.6%



**Credit Card Spending
Growth**

10%



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Section

3 | KTC Sustainability





ESG Overview

1
2
3

Vision

KTC is a membership company in payment and retail lending business with Sustainability as key element.

Purpose

We exist to provide better financial products and services to enhance quality of life for all Thais.

Strategy

Better Product and service

Better quality of life

Better Climate



International

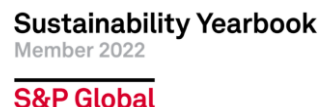


- Upgraded **Ratings to AA**



FTSE4Good

- In **FTSE4Good Index** since 2021



- Pleased to share recognition as a company committed to sustainability in our industry

National



- In **SETTHSI Index** since 2020
- In the list of **Thailand Sustainability Investment (THSI)** since 2019



- **Excellence CG Scoring** by Thai Institute of Directors Association (IOD) since 2016 (Based on OECD Principles of CG)



- **Certified as an ESG100 company** and recognized for outstanding sustainability performance by Thaipat Institute since 2016



- **Membership of the Thai Private Sector Collective Action Against Corruption** since 2016

World class standards



ISO/IEC certified



- The Information Security Management System **ISO/IEC 27001:2013**
- The Privacy Information Management System **ISO/IEC 27701:2019**



: Core option

- Adopting an International Sustainability Reporting Framework, the **Global Reporting Initiatives Standards (GRI Standards)** since 2019

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THANK YOU

For further info, please contact IR Team at +66 2 828 5067 or irktc@ktc.co.th

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