



KTC PERFORMANCE 9M23

AGENDA



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2 | Financial Results

3 | Consumer Finance Industry & KTC Portfolio Performances

4 | Target vs Actual

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Overview &
Key Highlight

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Actual

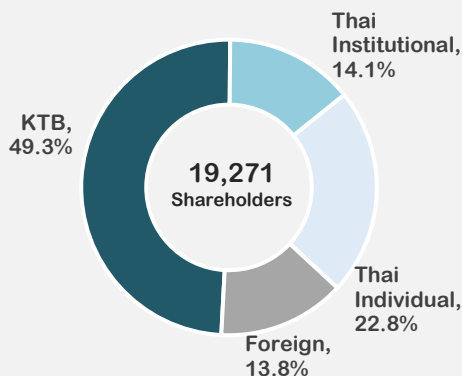
Sustainability



KTC Overview

- 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

Shareholder Structure

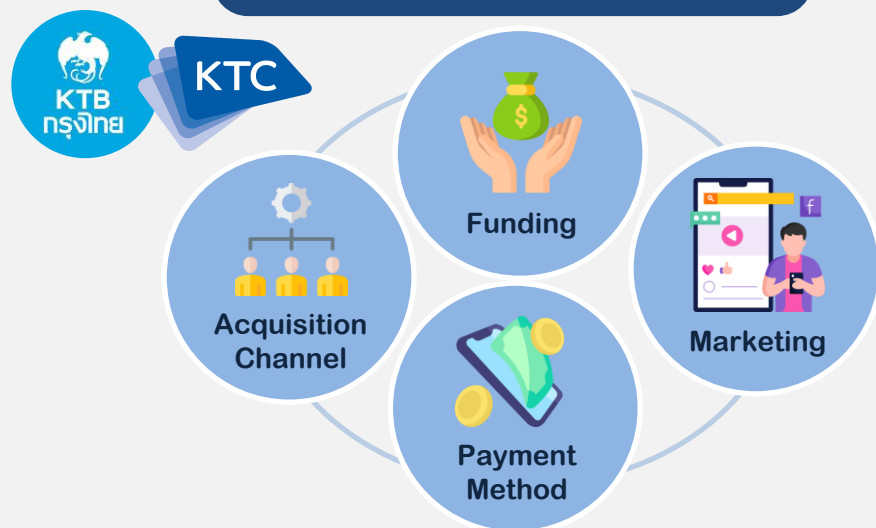


Top 5 Shareholders

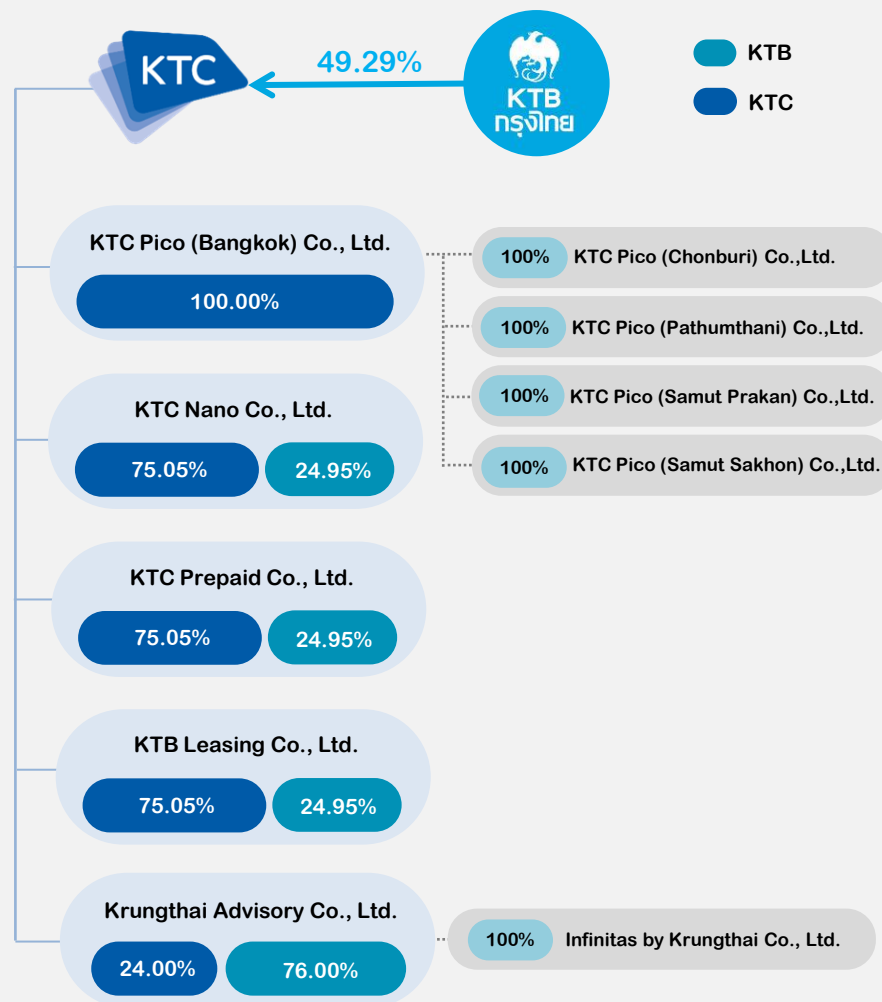
| | | |
|----|---------------------------------------|--------|
| 1. | Krungthai Bank Public Company Limited | 49.29% |
| 2. | MR. MONGKOL PRAKITCHAIWATTANA | 10.14% |
| 3. | Thai NVDR Company Limited | 9.25% |
| 4. | MS. CHANTANA JIRATTITEPAT | 4.25% |
| 5. | UOB KAY HIAN PTE LTD A/C - RC | 3.68% |

(As of 30 Sep 2023)

KTB & KTC Business Synergy



KTC Holding Structure



Overview & Key Highlight

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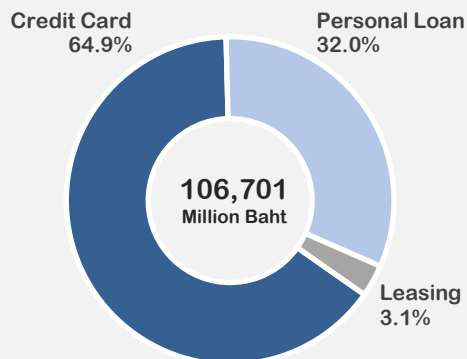
Target vs Actual

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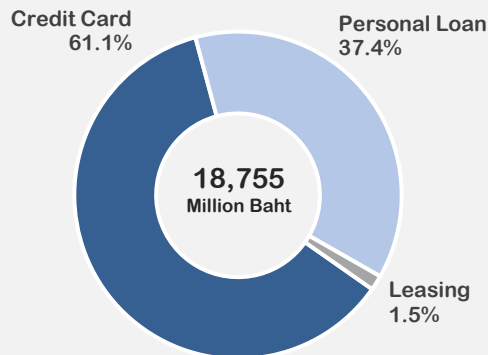
Business Structure & BOT Regulations





KTC

%Total Receivables



%Total Revenue



| |  Credit Card |  Personal Loan |  Auto Title Loan |  Hire Purchase |
|-----------------------------|---|---|---|---|
| Type of Loan | Multipurpose Unsecured Nationwide | Multipurpose Unsecured Nationwide | Multipurpose Secured or Unsecured Nationwide | Multipurpose Secured Nationwide |
| Minimum Income (THB) | 15,000 | - | - | - |
| Maximum Credit Line (THB) | 1.5x (income < 30K) 3x (income 30 – 50K) 5x (income ≥ 50K) | 1.5x (income < 30K) 5x (income ≥ 30K) | Automotive Value | Automotive Value |
| Maximum Interest Rate & Fee | 16% | 25% | 24% | <div>New Car 10%</div> <div>Used Car 15%</div> <div>New & Used Motorcycle 23%</div> |
| Rate Cap History | <div>18% Apr-04</div> <div>20% Jul-07</div> <div>18% Sep-17</div> <div>16% Aug-20</div> | <div>28% Jul-05</div> <div>25% Aug-20</div> | <div>28% Jan-19</div> <div>24% Aug-20</div> | <div>10% New Car</div> <div>15% Used Car</div> <div>23% Motorcycle</div> |

Announced on 12-Oct-22
Effective on 10-Jan-23

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

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Sustainable Household Debt Solution Framework

BOT's Consultation Papers, Sep – Oct 2023

KTC

| | Responsible Lending (RL) | | Risk-Based Pricing (RBP) | Debt Service Ratio (DSR) |
|------------------------|--|---|--|---|
| Target Group | Retail Borrowers | Revolving Personal Loans |  SANDBOX Start testing in mid 2024 (1-2 years in the Regulatory Sandbox) ✓ Flexible interest rate based on clients' risk appetite ✓ Qualifying creditors must apply to test lending out in the Regulatory Sandbox |  Plans to take effect in 2025 depending on the economic situation |
| Loan Type | NPLs Persistent Debt (PD) New Loans | Performing Loans (Interest payment higher than principal payment over the past 3 or 5 years) | | |
| Condition | Debtor having debt problems ▪ Receives solutions that best suit debtor's affordability New Debtor ▪ Receives advertisement and product that is complete, correct and clear, and do not encourage excessive borrowing or discourage a healthy credit culture | General PD (3 years) Notification to warn of becoming Severe PD <hr/> Severe PD (5 years) Option to convert Revolving to Term loans (Revolving credit line must be closed) ✓ Monthly Income < THB 20,000 ✓ Interest rate ≤ EIR 15% per Annum ✓ Fully repay loans within 5 years | | |
| Effective Period | 1 Jan 2024 | 1 April 2024 | | |
| Status & Impact on KTC | In compliance with BOT's Framework | Maximum impact on interest income THB 18 Million/month | | |

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Note: BOT issued RL consultation paper during 4-20 Sep 2023 and RBP during 29 Sep – 17 Oct 2023

Source: Bank of Thailand
Data Updated as of 30 Sep 2023

Key Highlights 9M23



Total Revenue

18,755 MB

▲ 10.5% (YoY)

Net Profit

5,534 MB

▲ 2.2% (YoY)



Total Portfolio

106,701 MB

▲ 10.0% (YoY)



Credit Card

69,225 MB

▲ 8.9% (YoY)



Personal Loans

34,106 MB

▲ 8.2% (YoY)



Leasing

3,369 MB

▲ 74.2% (YoY)

Credit Card Spending

192,270 MB

▲ 13.7% (YoY)

Net Interest Margin*

13.4%

Total NPL

1.9%

(Separate)

2.3%

(Consolidated)

NPL Coverage Ratio

443.3%

(Separate)

381.5%

(Consolidated)



Strong Growth in Total Portfolio



Sustainable Income Generating



Ongoing Increase in Credit Card Spending



Controllable Asset Quality

* Net Interest Margin (NIM) =
(Interest Income (Inc. Credit Usage) - Financial Expense) / Average Gross Receivables

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Financial Result 9M23



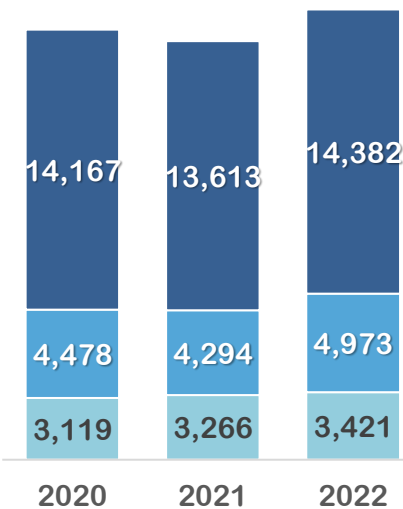
Total Revenue 18,755
Million Baht

↑ 10.5%
(YoY)

● Total Revenue
Unit: MB

22,055 21,442 23,231

16,978 18,755



▲ 12.5%
YY

▲ 14.1%
YY

▼ 6.1%
YY

● Interest Income (Including Credit Usage) ● Fee Income (Excluding Credit Usage) ● Recovery Income

Note: Based on Consolidated Financial Statement

Total Expense 11,900
Million Baht

↑ 16.5%
(YoY)

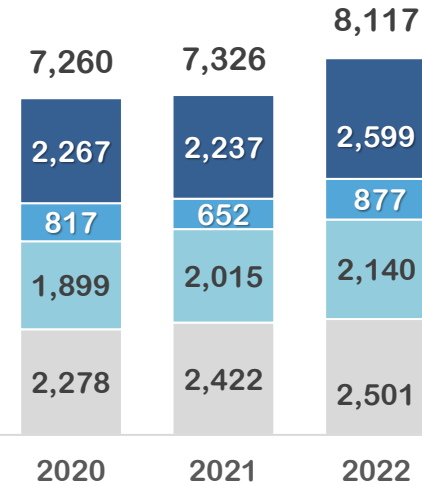
Total Operating Expense 6,371
Million Baht

↑ 9.1%
(YoY)

● Cost to Income Ratio

32.9% 34.2% 34.9%

34.4% 34.0%



▲ 21.7% YY

▼ 11.7% YY

▲ 3.7% YY

▲ 8.0% YY

● Fee Expense ● Marketing Expense ● Other Operating Expense (Other Taxes, F&E and etc.) ● Personal Expense

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Target vs Actual

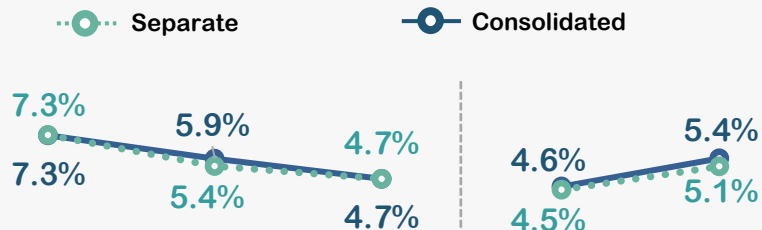
Sustainability

Expected Credit Loss

KTC

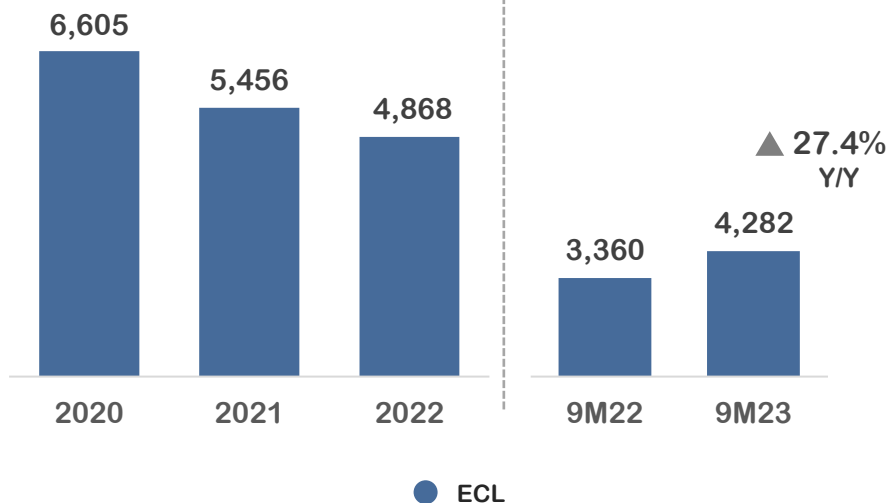
Expected Credit Loss

Credit Cost (Total ECL to Total Loan)



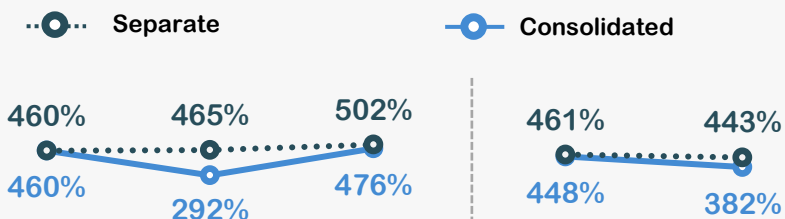
Total Expected Credit Loss

Unit: MB



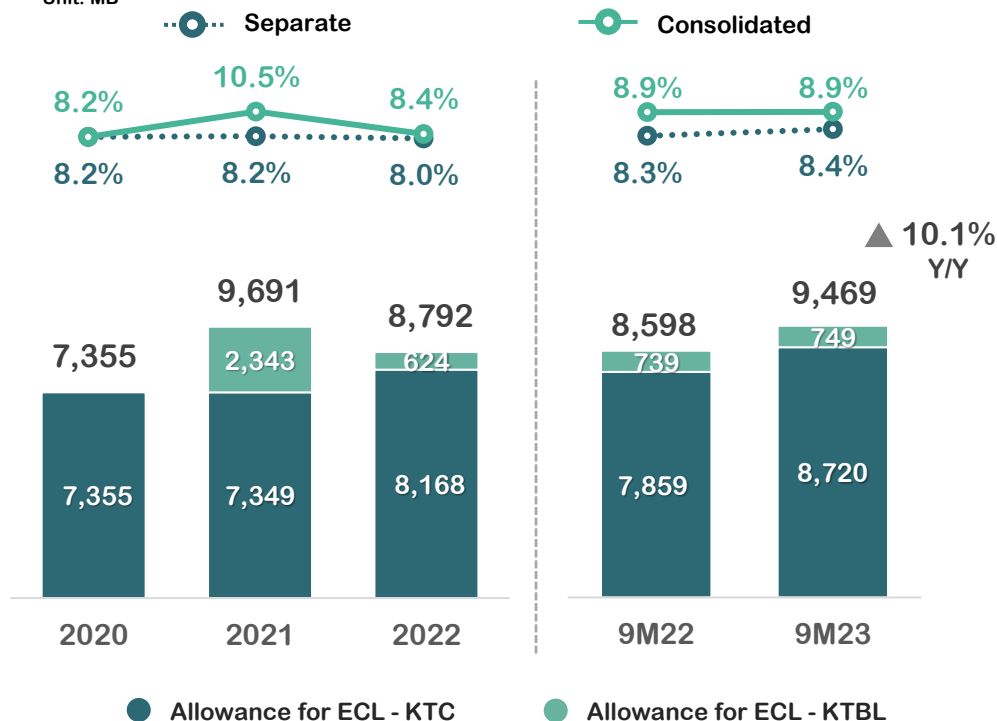
Allowance for Expected Credit Loss

NPL Coverage ratio (Total Allowance to NPLs)



Total Allowance for Expected Credit Loss (Total Allowance to Total Loan)

Unit: MB



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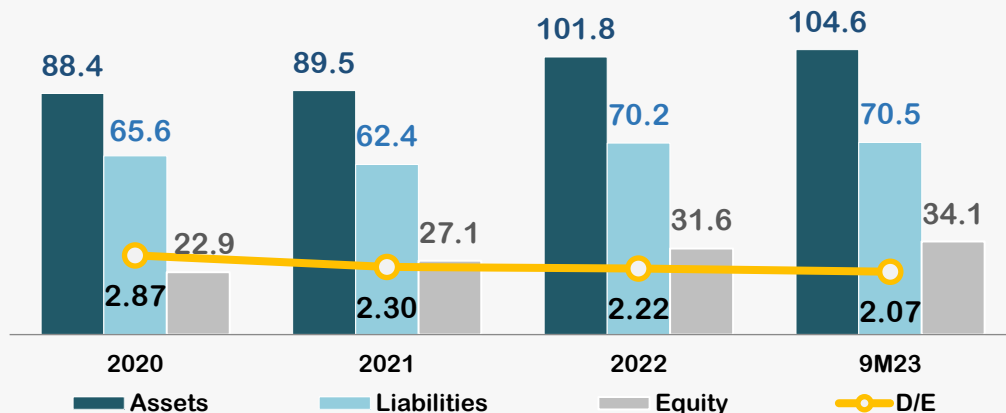
Sustainability

Balance Sheet and Source of Fund

KTC

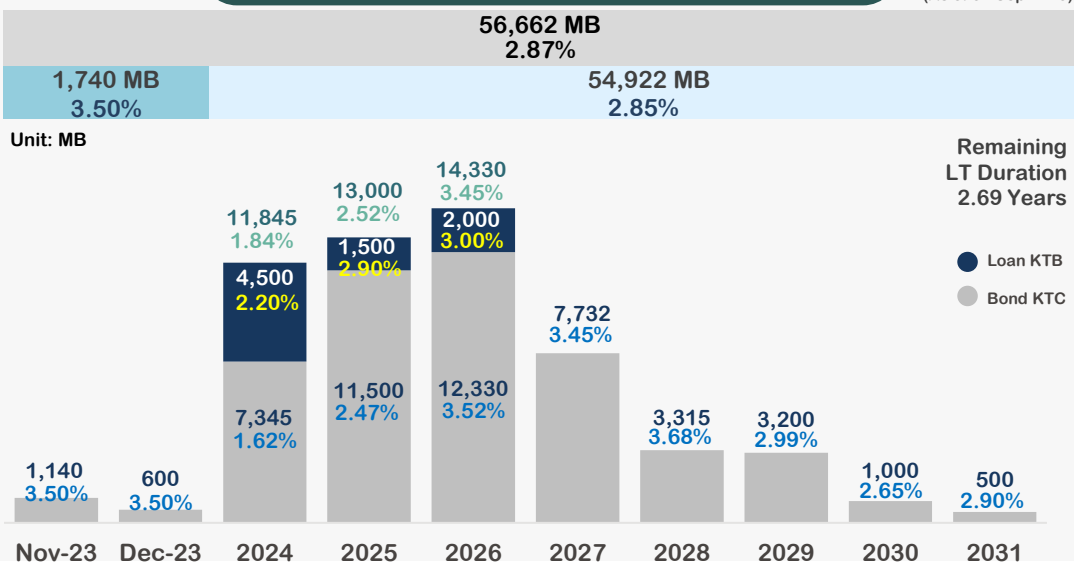
Balance Sheet Highlight

THB Billion



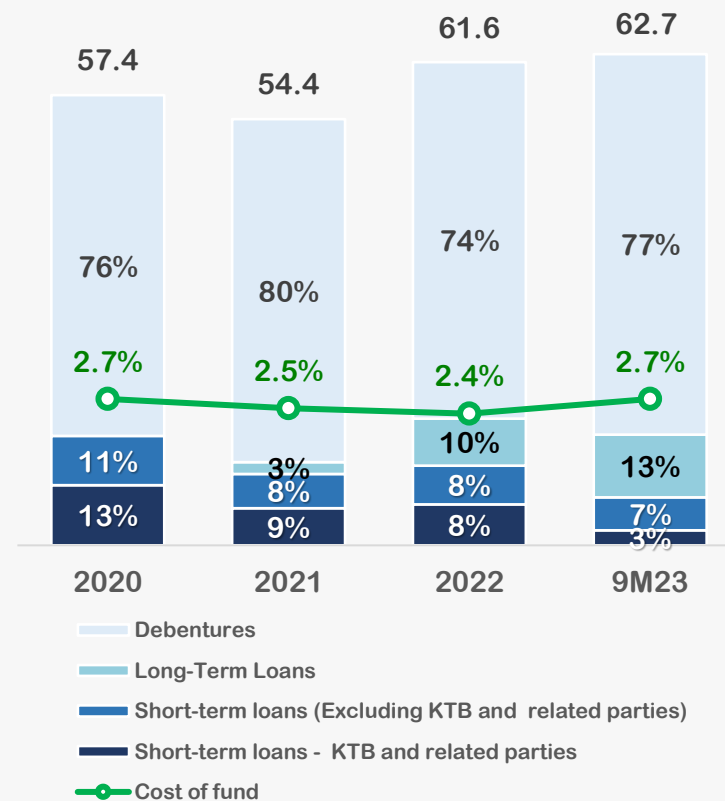
Maturity Profile

(As of 30 Sep 2023)



Interest Bearing Debt (Original Term)

THB Billion



Total ST Credit Line = 29,371 MB
ST: KTB = 19,061 MB, Others = 10,310 MB
LT: KTB = 11,000 MB

KTC rating **AA-** by **TRIS RATING**

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KTC Portfolio Performance

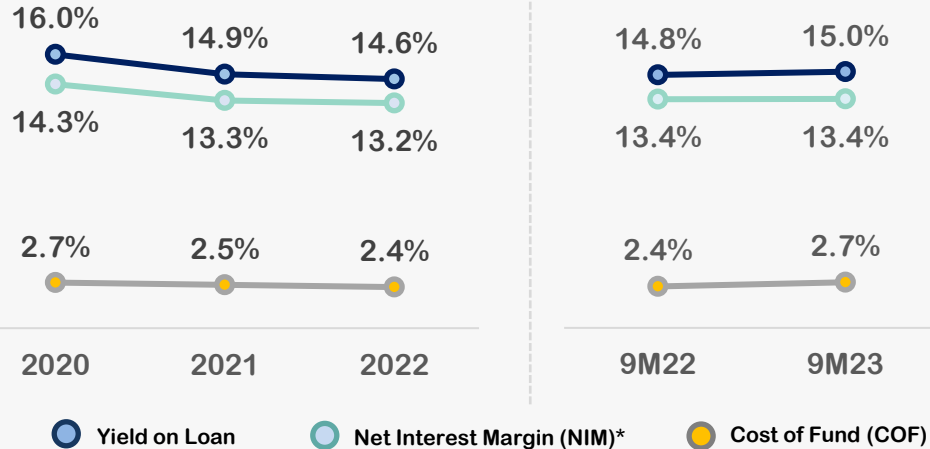
Target vs Actual

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Profitability Ratio

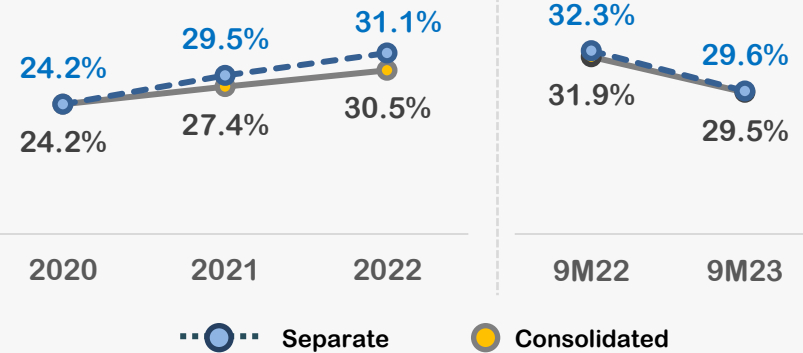
KTC

Yield on Loan & NIM & COF



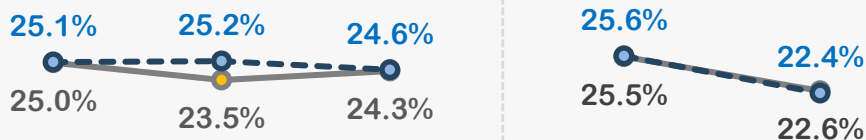
*Net Interest Margin (NIM) = (Interest Income (Inc. Credit Usage) - Financial Expense) / Average Gross Receivables

Net Profit Margin

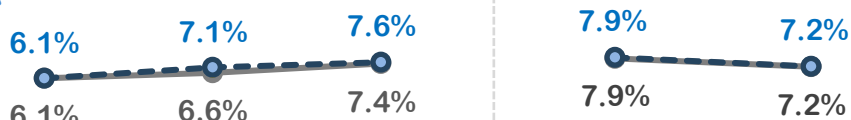


ROE & ROA

ROE

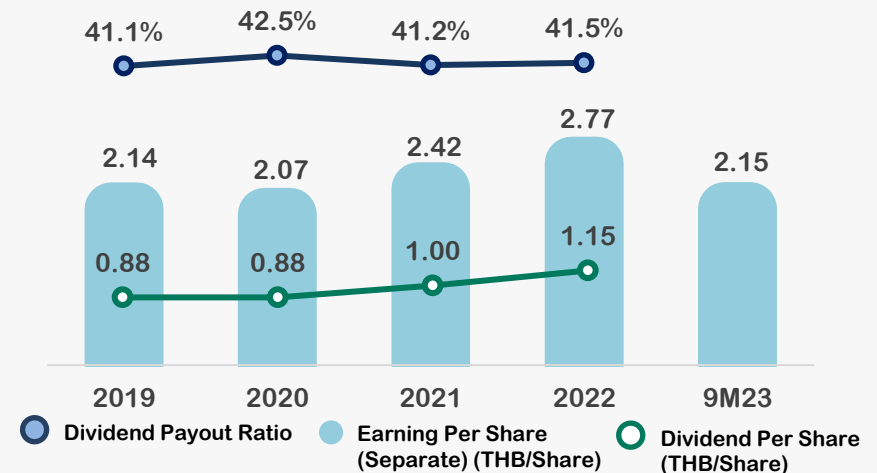


ROA



Legend: Separate (Dark Blue), Consolidated (Yellow)

EPS & Dividend Payout



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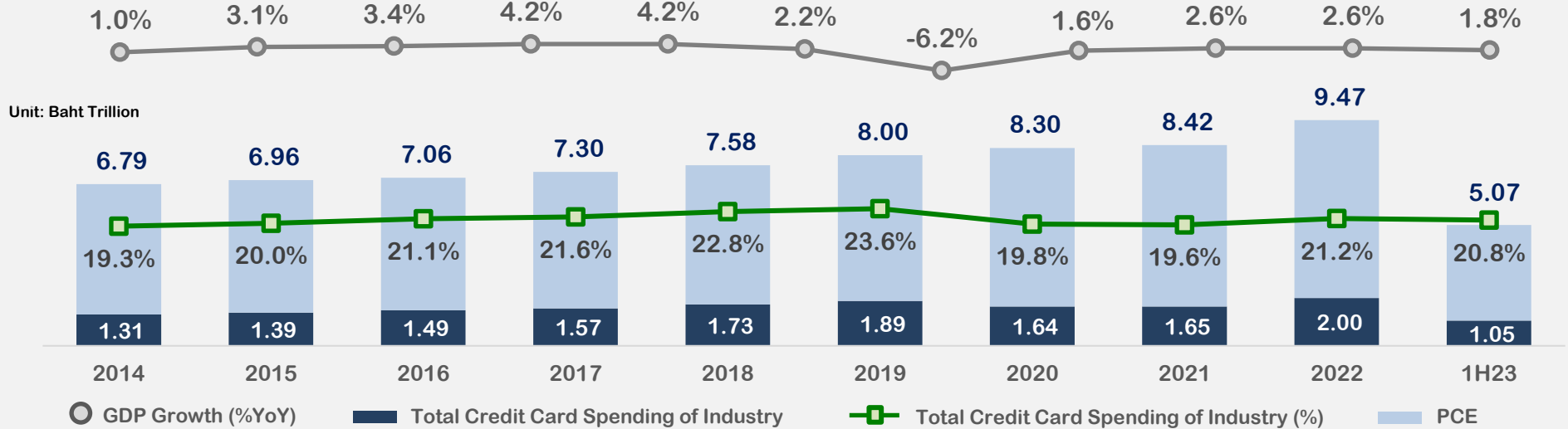
Sustainability



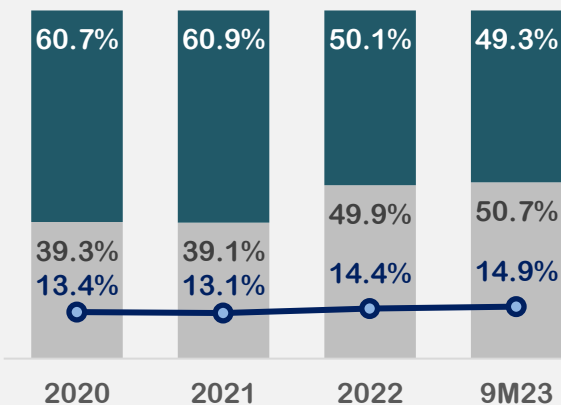
Credit Card Industry & Market Share

KTC

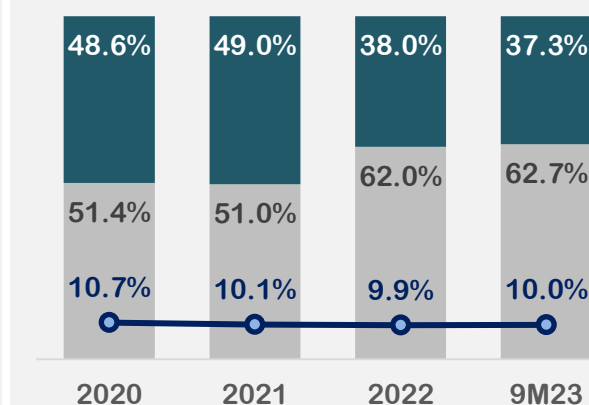
Credit Card Penetration



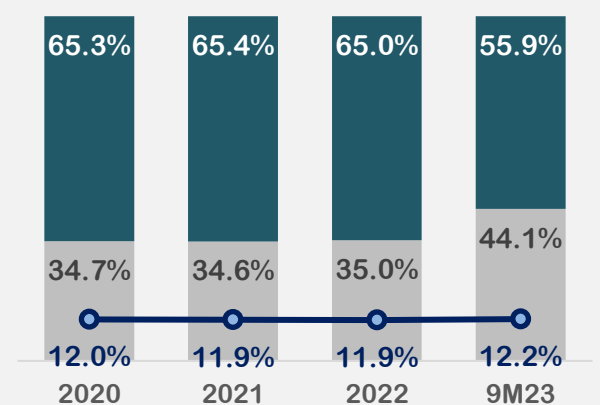
Credit Card Portfolio



No. of Credit Cards



Credit Card Spending



Commercial Bank Non-Bank KTC

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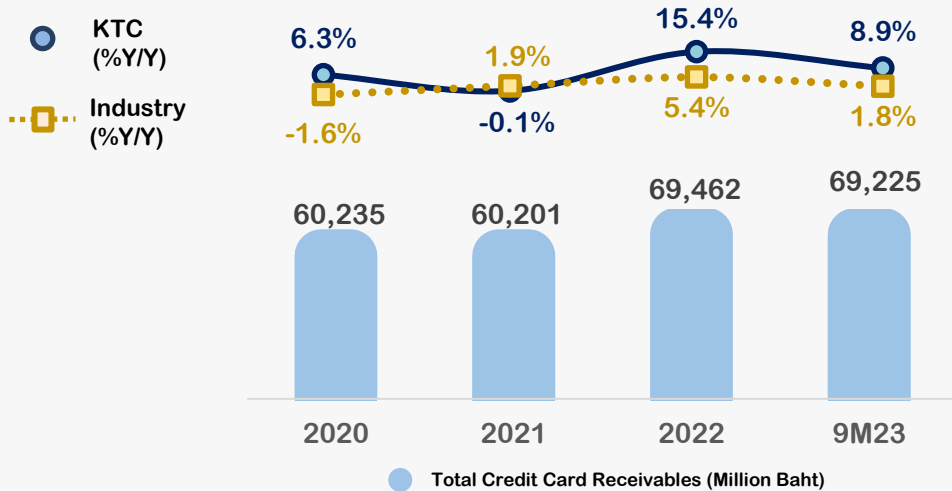
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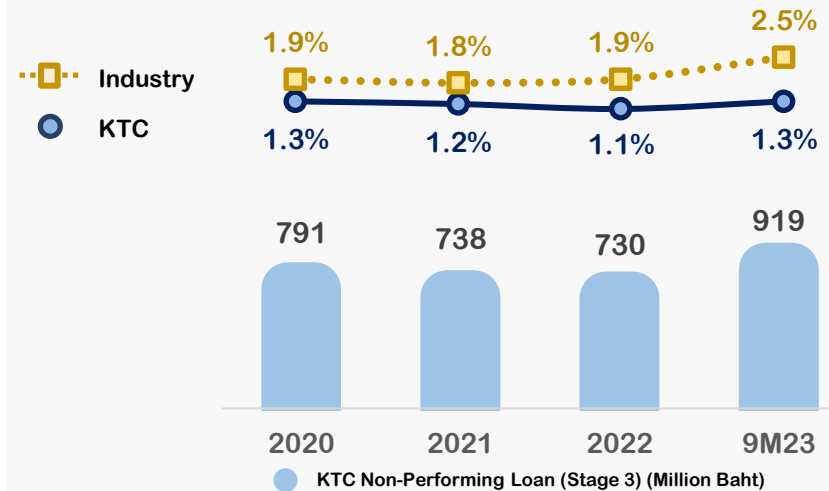
Credit Card Performance

KTC

Portfolio Growth



Portfolio Quality

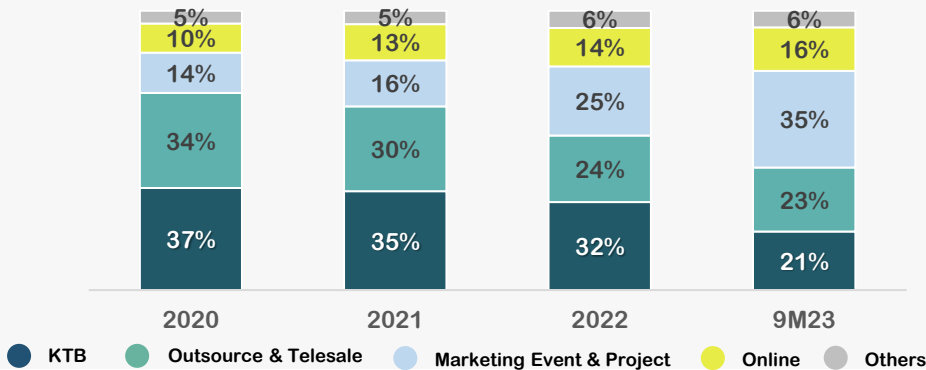


Acquisition Channel

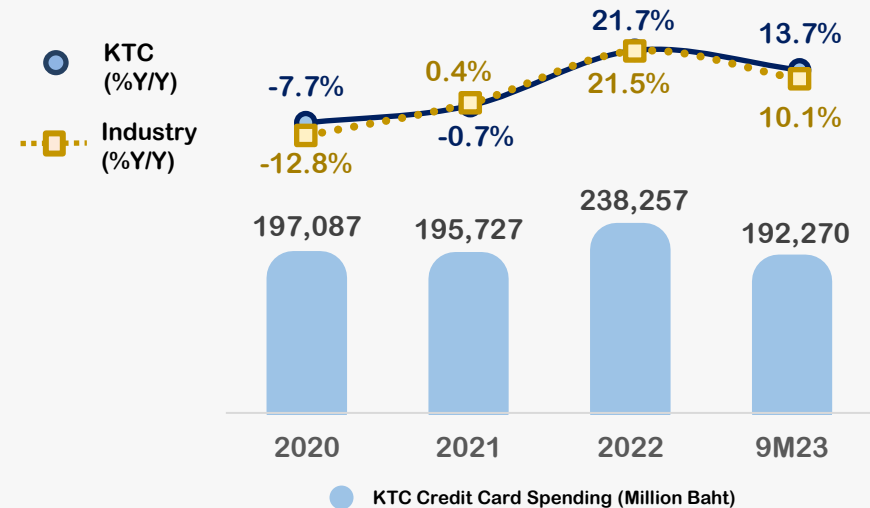
No. of Credit Card (Million Cards)



Acquisition Channel (%)



Card Spending



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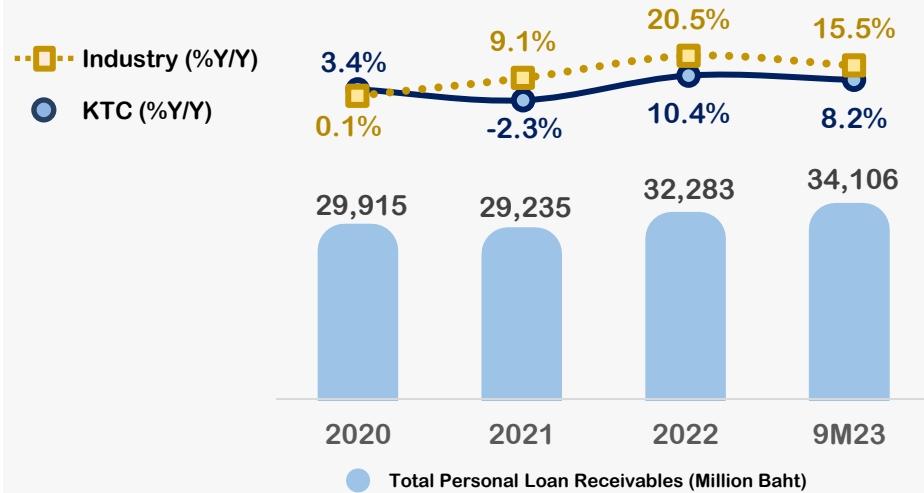
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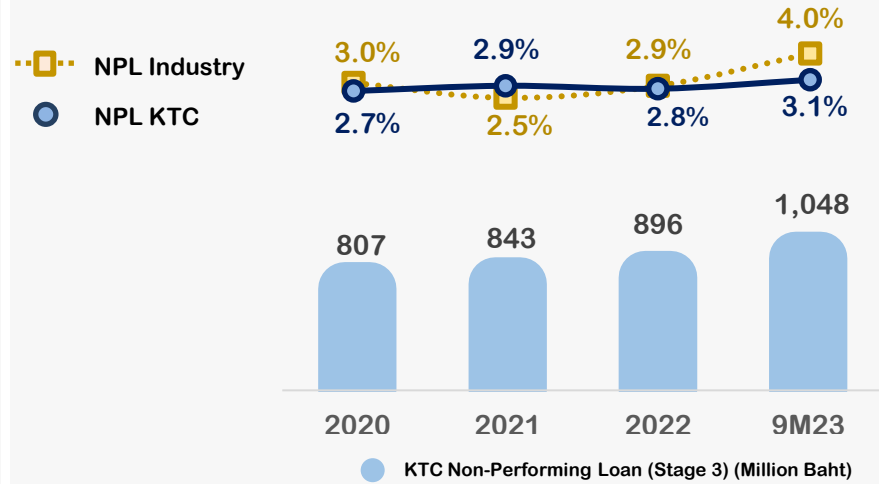
Personal Loan Performance

KTC

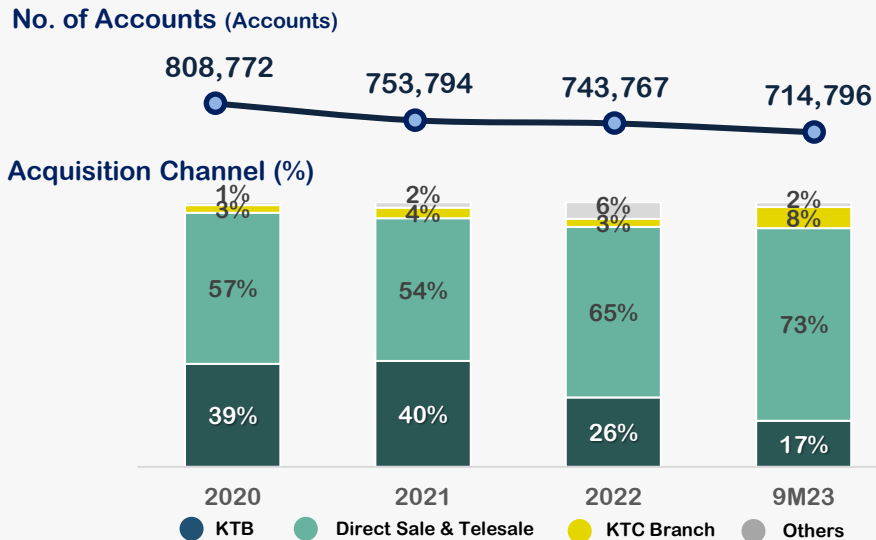
Portfolio Growth



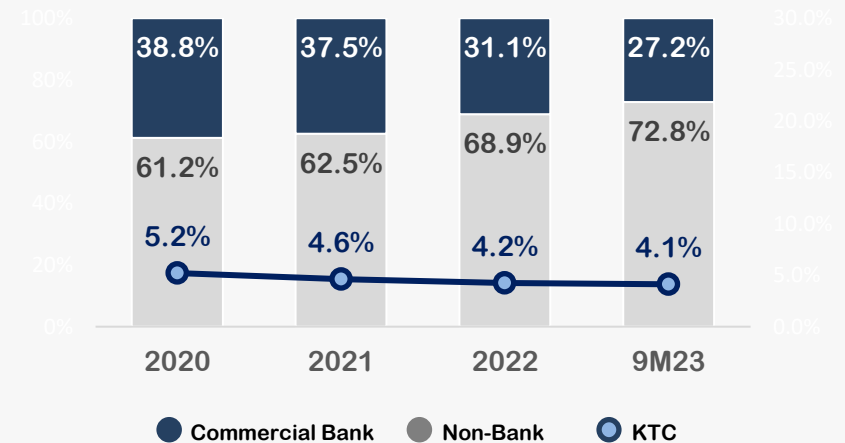
Portfolio Quality



Acquisition Channel



Market Share



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Target vs Actual

KTC

Financial Target 2023

| | |
|-------------------------------------|------------|
| Net Profit | > 7,079 MB |
| Total Portfolio Growth | 15% |
| Credit Card Spending Growth | 10% |
| KTC PROUD Receivables Growth* | 7% |
| New Booking of P BERM Car for Cash | 9,000 MB |
| New Booking of KTBL Commercial Loan | 3,000 MB |
| Portfolio Quality (%NPL) | < 1.8% |

Actual 9M23

| |
|----------|
| 5,534 MB |
| 10.0% |
| 13.7% |
| 6.2% |
| 1,929 MB |
| 1,446 MB |
| 2.3% |

*KTC PROUD receivables excludes BOT's Relief Measures

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Target 2024

KTC

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Net Profit
> 2023



Portfolio
Growth

10%

NPL

Same Level
as 2023

15%

Credit Card
Spending Growth



5%

KTC PROUD
Portfolio Growth



6,000_{mb}

KTC P BERM
New Booking



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Sustainability Overview

Vision

KTC is a membership company in payment and retail lending business with emphasis on being a trusted organization with sustainable growth

Purpose

To provide better financial products and services to enhance quality of life for all Thais

KTC

Strategies

Economic Dimension

Better Product & Service



“Digital Transition for Customers and Employees”

Social Dimension

Better Quality of Life



“Financial Access and Education for All Thais”

Environmental Dimension

Better Climate



“Environmentally Friendly”

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National Awards



In SETTHSI Index since 2020 & SET ESG Ratings AAA in 2023



Certified as an ESG100 company and recognized for outstanding sustainability performance by ThaiPat Institute since 2016



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



Excellent AGM Scoring by Thai Investors Association (TIA) in 2023



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

International Awards



MSCI ESG Ratings BBB Since July 2023



FTSE4Good Index since 2021



ASEAN CG Scorecard award (ASEAN Asset Class PLCs category), average score of 97.5 in 2022

World Class Standards



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



The Information Security Management System ISO/IEC 27001:2013



The Privacy Information Management System ISO/IEC 27701:2019

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