



บริษัท บัตรกรุงไทย จำกัด (มหาชน)

591 อาคารสมัยชาวนิช 2 ชั้น 14 ถนนสุขุมวิท แขวงคลองตันเหนือ เขตวัฒนา กรุงเทพฯ 10110

โทร: 02 123 5100 โทรสาร: 02 123 5190 ทะเบียนเลขที่ 0107545000110

Krungthai Card Public Company Limited

591 United Business Centre II, 14th Fl., Sukhumvit Rd., North Klongton, Wattana, Bangkok 10110 Thailand

Tel: 02 123 5100 Fax: 02 123 5190 Reg. No. 0107545000110

KTC 181 / 2023

February 10, 2023

To: The President of the Stock Exchange of Thailand
The Stock Exchange of Thailand

Subject: Operating result notification for the Company and its subsidiaries of the year ended December 31, 2022

Enclosure: Management Discussion and Analysis for the year ended 2022

KTC's Board of Directors has approved the Company and its subsidiaries Financial Statement and the Report of certified public accountant for the year ended December 31, 2022, which were reviewed by EY Office Limited details enclosed. We would like to submit the corresponding Management Discussion and Analysis to the Stock Exchange of Thailand in order to show the operating results, financial status, industry overview, and other factors that have the impact on the Company for the purpose of distributing to investors.

Please be informed accordingly

Respectfully yours

Krungthai Card Public Company Limited

(Mr. Chutidej Chayuti)

Chief Financial Officer

Executive Summary

The net profit for the year 2022 in the separate financial statements of Krungthai Card Public Company Limited (“KTC”) equaled to Baht 7,140 million whereas its consolidated financial statements of Krungthai Card Public Company Limited and its subsidiaries (“the Group”) equaled to Baht 7,079 million, increased by 14.2% and 20.4% respectively from the same period last year.

“The Group reaches the new highest record once again with profit expanded by 20.4% (YoY)”

Total loans to customers increased by 12.5% (YoY) due to the recovery of Thai economy, the increasing trend of domestic spending and the accelerated tourism sector, together with positive feedbacks from the reopening in many countries around the world, especially, China which expected to open in early January 2023. Therefore, total loan to customers and accrued interest receivables of the Group for the year 2022 equaled to Baht 104,194 million, increased by 12.5% from the year 2021 which equaled to Baht 92,636 million.

In 2022, KTC’s and Industry’s credit card spending volume grew at 21.7% and 21.5% respectively. Meanwhile, for 4Q22, KTC’s expanded by 19.3%, above the industry’s at 16.0% due to the recovery of domestic demand.

The total revenue of the Group for the year 2022 equaled to Baht 23,231 million, increased by 8.3% (YoY) from an increase of interest income (including credit usage fee) and fee income by 5.6% (YoY) and 15.8% (YoY) respectively. Total bad debt recovery for the year 2022 equaled to Baht 3,421 million, increased by 4.7% (YoY).

Total expense for the year 2022 equaled to Baht 14,377 million, rose by 1.3% (YoY) due to administrative expense increased by 10.8% (YoY) mainly from an increase in marketing expense by 34.5% (YoY) and fee and service expense by 16.2% (YoY). Meanwhile, expected credit loss decreased by 10.8% (YoY) and finance costs dropped by 1.6% (YoY).

2022 was another good year for the Group for both credit card and personal loan business in which portfolios grew better than expected and expanded by 15.4% (YoY) and 10.4% (YoY) respectively. Furthermore, credit card spending volume continued to increase after everyone resumed their normal lives as in the pre-COVID period. As the country was opened, more foreign tourists entered the country together with more activities from domestic. Even though KTC P BERM Car for Cash portfolio showed slower growth than projected, it began to accelerate in the last quarter by continual cooperating closely with Krungthai Bank (“KTB”). Its target of new booking portfolio at year ended 2023 is set to Baht 9,000 million. However, the balance of its new receivables at the year ended 2022 equaled to Baht 1,055 million which was a quality portfolio with low NPL ratio. Although the total portfolio of credit card and personal loan is expanding, the Group still emphasized on the strict criteria for customers’ credit approval. Thus, provisions and write-offs will be fluctuated according to the nature of each portfolio. While, its calculation model has not been changed in any way, which still covers risks that might occur in the future appropriately. On the other hand, the legacy portfolio of lease receivables would be gradually written-off in 2022 and its value will be decreased in the following year. As a result, the total expected credit losses decreased. Moreover, the finance costs are well-managed; therefore, the financial costs also decreased. Whereas the administrative expense increased from acquiring new customers and marketing promotional campaign to invest in portfolio expansion. Total revenue grew



mainly from an increase of interest income and fee income which expanded in response to an increase in business volume, Consequently, the Group was able to reach the new highest profit record once again.

Operating's Result for Y2022 and 4Q2022

Y2022 Financial Statement (Unit: Million Baht)	Consolidated Financial Statement			Separate Financial Statement		
	Y2021	Y2022	Growth (%YoY)	Y2021	Y2022	Growth (%YoY)
Total Revenues	21,442	23,231	8%	21,172	22,966	8%
Bad Debt Recovery	3,266	3,421	5%	3,191	3,323	4%
Total Operating Cost	7,326	8,117	11%	7,081	7,896	12%
Finance Costs	1,416	1,392	(2%)	1,407	1,383	(2%)
Share of Profit (Loss) from Investments in an associate	11	17	63%	-	-	-
Profit before Expected Credit Loss	12,711	13,740	8%	12,685	13,687	8%
Expected Credit Loss	5,456	4,868	(11%)	4,863	4,746	(2%)
Bad Debt	5,726	5,770	1%	4,869	3,927	(19%)
Doubtful Accounts (Reversal)	(270)	(902)	(434%)	(6)	819	12,626%
Profit before Income Tax	7,255	8,871	22%	7,822	8,941	14%
Income Tax Expense	1,467	1,818	24%	1,571	1,801	15%
Net Profit	5,789	7,054	22%	6,251	7,140	14%
Total Comprehensive Income (Loss)						
Owners of the parent	5,879	7,079	20%	6,251	7,140	14%
Non-controlling interests	(90)	(26)	(71%)	-	-	-
Earning per Shares	2.28	2.75	20%	2.42	2.77	14%

Total portfolio amounted to Baht 104,194 million expanding from the growing credit card and personal loan business

At the end of 2022, total loan to customers and accrued interest receivables equaled to Baht 104,194 million, expanded by 12.5% (YoY), comprising of credit card receivables in amount of Baht 69,462 million, increased by 15.4% (YoY), personal loan receivables in amount of Baht 32,283 million, increased by 10.4% (YoY) and leasing receivables in amount of Baht 2,449 million, decreased by 23.5% (YoY). In 2022, the Group wrote off the existing debt with full provisions and prepared to acquire new commercial leasing loans customers which expected to increase substantially in 2023. By the end of 2022, the new booking of KTC P BERM Car for Cash was equivalent to Baht 1,055 million and the new booking of Commercial Loan was equivalent to Baht 1,372 million.



4th Quarter Financial Statement (Unit: Million Baht)	Consolidated Financial Statement			Separate Financial Statement		
	4Q2021	4Q2022	Growth (%YoY)	4Q2021	4Q2022	Growth (%YoY)
Total Revenues	5,512	6,253	13%	5,452	6,182	13%
Bad Debt Recovery	848	855	1%	828	836	1%
Total Operating Cost	1,923	2,276	18%	1,877	2,141	14%
Finance Costs	344	378	10%	342	375	9%
Share of Profit (Loss) from Investments in an associate	2	10	352%	-	-	-
Profit before Expected Credit Loss	3,247	3,609	11%	3,233	3,666	13%
Expected Credit Loss	1,832	1,508	(18%)	1,207	1,513	25%
Bad Debt	1,190	1,314	10%	1,180	1,204	2%
Doubtful Accounts (Reversal)	642	194	(70%)	27	309	1,050%
Profit before Income Tax	1,414	2,101	49%	2,026	2,153	6%
Income Tax Expense	290	456	57%	408	435	7%
Net Profit	1,124	1,645	46%	1,618	1,718	6%
Total Comprehensive Income (Loss)						
Owners of the parent	1,248	1,666	33%	1,618	1,718	6%
Non-controlling interests	(124)	(21)	(83%)	-	-	-
Earning per Shares	0.48	0.65	33%	0.63	0.67	6%

Card spending volume ↑ 21.7% (YoY)

Economic activities are continuously picking up from the fully opened country policy which led to higher domestic spending. As a result, Credit card spending volume rose which generated the volume equaled to Baht 238,257 million at year ended 2022, higher than the same period of 2019 or pre-COVID-19 period and tends to continuously increase in 2023.

For 4Q22 and the year 2022, the credit card spending volume of KTC expanded by 19.3% and 21.7% which amounted to Baht 69,225 million and Baht 238,257 million respectively. KTC's total member base amounted to 3,289,839 accounts, comprising of 2,550,592 credit card accounts, increased by 1.4% (YoY) and 739,247 personal loan accounts, decreased by 1.7% (YoY) due to the closure of inactive accounts.

For the year 2022, KTC's credit card spending volume increased by 21.7%, which was higher than the industry growth of 21.5%.

Cost of fund continuously well managed

For the year 2022, the Group managed its cost of fund efficiently; the cost of fund was 2.4%, decreased from the same period last year at 2.5%. An average interest income was 14.6%, decreased from the same period last year at 14.9%. As a result, the net interest margin for the year 2022 decreased to 12.2% from 12.4% in the same period last year.

The portfolio quality constantly improved

NPL Ratio (% of total NPL) for 4Q22 was at 1.8%, decreased from 3Q22 and 4Q21 at 2.0% and 3.6% respectively. The NPL of credit cards, personal loans and lease receivables was at 1.1%, 2.8% and 8.9% respectively.



Total NPL decreased from 4Q21 by Baht 3,317 million and from 3Q22 by Baht 1,917 million, remaining amounted to Baht 1,846 million in 4Q22 due mainly to a significant decrease in NPL of lease receivables (KTBL) from the written-off of existing debt with full provisions since 3Q22. However, the total NPL of the Group was still at a satisfactory level due to rigorous debt collections and ongoing operations.

	4Q2021		3Q2022		4Q2022	
	NPL	%Total Receivables	NPL	NPL	%Total Receivables	NPL
NPL 1.8%						
Total NPL	3,317	3.6%	1,917	2.0%	1,846	1.8%
NPL – Credit Card	738	1.2%	783	1.2%	730	1.1%
NPL – Personal Loan	843	2.9%	920	3.0%	896	2.8%
NPL – Leasing	1,736	54.3%	214	11.1%	219	8.9%

Bad Debt Recovery

3,421
(Million Baht)

 **4.7%**
YoY

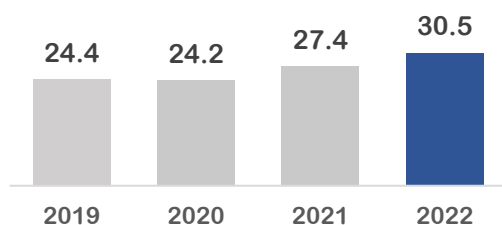
An increase of KTBL's write-off caused higher NPL coverage ratio

The Group was able to maintain good debt collection capability, total bad debt recovery for the year 2022 equaled to Baht 3,421 million, comprising of KTC amounted to Baht 3,323 million, increased by 4.1% (YoY) and KTBL amounted to Baht 98 million, increased by 29.4% (YoY).

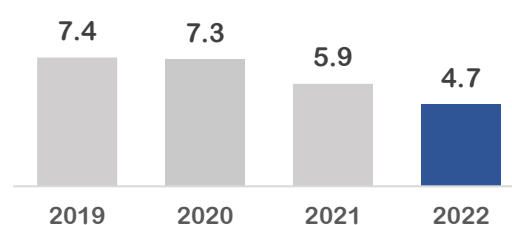
For the year 2022, the allowance for expected credit loss of the company in the separate financial statement equaled to Baht 8,168 million, increased by 11.1% (YoY) while in the consolidated financial statement equaled to Baht 8,792 million, decreased by 9.3% (YoY) as the allowance for expected credit loss from personal loans and credit cards increased by 16.0% (YoY) and 7.4% (YoY) respectively. While the allowance for expected credit loss from lease receivables decreased by 73.4% (YoY). In addition, NPL of lease receivables (KTBL) decreased significantly from the written-off of existing debt with full provisions. Thus, total NPL decreased, resulting in NPL coverage ratio in the separate and consolidated financial statements for the year 2022 increased to 502.1% and 476.3% respectively.

Key Financial Ratio

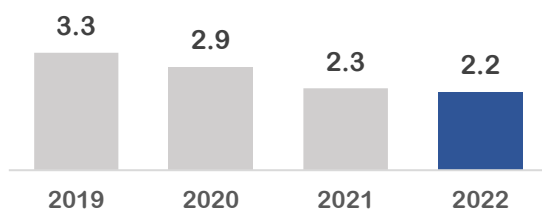
Net Profit Margin (Unit: %)



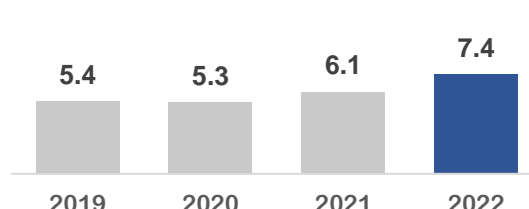
ECL/Total Receivables (Unit: %)



Debt to Equity (D/E) Ratio
(Unit: Times)



Interest Coverage Ratio
(Unit : Times)



Key Financial Ratio	Y2021	Y2022	Y2021	Y2022
	(Separate)	(Separate)	(Consolidated)	(Consolidated)
Earnings per Share (Baht)	2.42	2.77	2.28	2.75
Book Value per share (Baht)	10.4	12.2	10.5	12.2
Cost to Income	33.4%	34.4%	34.2%	34.9%
Operating Cost to Income	26.6%	25.7%	27.3%	26.4%
NPL Coverage Ratio	464.8%	502.1%	292.2%	476.3%
Expected Credit Loss/Total Receivables	5.4%	4.7%	5.9%	4.7%
Allowance for Expected Credit Loss/Total Receivables	8.2%	8.0%	10.5%	8.4%
Return on Equity (ROE)	25.2%	24.6%	23.5%	24.3%
Return on Asset (ROA)	7.1%	7.6%	6.6%	7.4%
Dividend Payout Ratio	N/A	N/A	41.2%	N/A

Cost of fund was 2.4% and D/E was only 2.2 times

At the end of 2022, the Group's total borrowing equaled to Baht 61,635 million, increased by 13.3% (YoY) whereas sources of fund



structure were both from short-term and long-term borrowings at the ratio of 24% : 76%.

The Group distributed its sources of borrowing that derived from Thai commercial banks, securities companies, insurance companies and various funds, comprising of short-term loans from related financial institutions amounted to Baht 5,230 million and from other financial institutions amounted to Baht 4,949 million, long-term loans from KTB amounted to Baht 6,000 million and debentures amounted to Baht 45,456 million. Cost of fund for the year 2022 stood at 2.4%, decreased from the previous year at 2.5%. Debt-to-equity ratio stood at 2.2 times, which is well below the bond covenant limited at 10 times.

KTC's total credit lines from financial institutions equaled to Baht 34,340 million

KTC's short-term credit lines amounted to Baht 28,340 million (from KTB Baht 18,030 million) and long-term credit lines from KTB amounted to Baht 6,000 million. As the company utilized some of those credit lines at amounted of Baht 13,631 million, at the end of 2022, its available credit lines equaled to Baht 20,709 million. Meanwhile, the Group's total credit line was Baht 35,471 million and available credit line was Baht 20,741 million.

Industry Overview

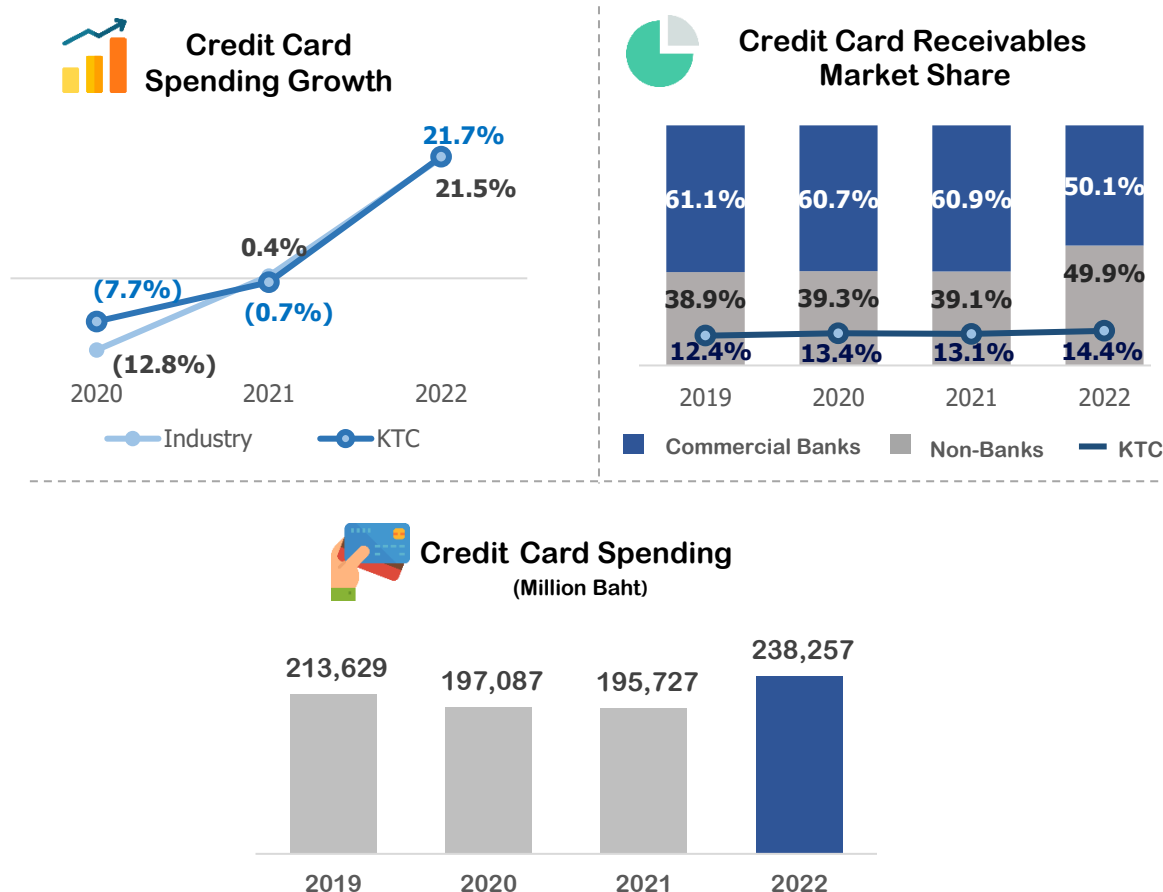
Industry Data	Y2021	Y2022
Credit Card Receivables (Million Baht)	458,181	482,966
Growth	1.9%	5.4%
Proportion of KTC Credit Card Receivables VS Industry	13.1%	14.4%
Amount of Credit Card (Cards)	24,849,285	25,733,923
Growth	2.8%	3.6%
Proportion of KTC Credit Card VS Industry	10.1%	9.9%
Credit Card Spending (Million Baht)	1,649,491	2,004,737
Growth	0.4%	21.5%
Proportion of KTC Credit Card Spending VS Industry	11.9%	11.9%
Personal Loan Receivables (Million Baht)	707,715	849,152
Growth	21.9%	20.0%
Proportion of KTC Personal Loan Receivables VS Industry	4.1%	3.8%

Source: Bank of Thailand

According to the Bank of Thailand (BOT)'s monetary policy report at the end of 4Q22, Thai overall economy expanded continuously mainly from the recovery of tourism and private sectors consumption, as reflected by the continuous increase in the number of tourists as well as the support from service sector and improved employment and labor income. BOT projected its economic growth for the year 2022 at 3.2% and for the year 2023 at 3.7% (from previously projected as of September at 3.3% and

3.8% respectively). A recovery in both the tourism sector and private consumption will mitigate the risk of a global economic slowdown and might create a growing demand for consumers' personal loan.

Credit card and personal loan business began to grow continuously as evidenced by the total industry credit card receivables in 2022 equaled to Baht 482,966 million, expanded by 5.4% compared to the same period in 2021. The total card spending volume for the year 2022 equaled to Baht 2,004,737 million, expanded by 21.5%, while personal loan receivables for the year 2022 equaled to Baht 849,152 million, expanded by 20.0% due to consumer confidence as well as economic activities are back to normal.



Revenue & Expense

Revenue:

Total interest income (including credit usage fee) for the year 2022 equaled to Baht 14,382 million, increased by 5.6% (YoY) from an increase of interest income from credit card receivables at amount of Baht 7,051 million, increased by 8.5% (YoY), interest income from personal loan receivables at amount of Baht 7,220 million, increased by 3.0% (YoY) and interest income from lease receivables at amount of Baht 110 million, increased by 6.0% (YoY). An increase of interest income derived from a well-grown receivable portfolio as well as a better direction of the economic recovery and back to normal economic activities.

Total Revenue

(Million Baht)

23,231

8.3%
YoY



Interest Income
(Including Credit Usage Fee)

14,382 Million Baht

	Y2021	% Total Revenue	Y2022	% Total Revenue	% Growth
Interest Income - Credit Card	6,501	30.3%	7,051	30.4%	8.5%
Interest Income - Personal Loan	7,009	32.7%	7,220	31.1%	3.0%
Interest Income - Leasing	104	0.5%	110	0.5%	6.0%



Net Interest
Margin (NIM)

12.2%



Average Interest Received
Cost of Fund

14.6%
2.4%



Fee Income
(Excluding Credit Usage Fee)

4,973 Million Baht

	Y2021	% Total Revenue	Y2022	% Total Revenue	% Growth
Fee income (Excluding credit usage fee)	4,294	20.0%	4,973	21.4%	15.8%

For the year 2022, fee income (excluding credit usage fee) equaled to Baht 4,973 million, increased by 15.8% (YoY) due to fee income from interchange increased by 27.0% (YoY), fee income from cash advance increased by 24.2% (YoY) and merchant discounts fee increased by 20.2% (YoY). However, fee income from debt collection decreased by 41.6% (YoY) because the Group reduced debt collection fee as mandated by the Debt Collection Supervisory Committee since 3Q21. Debt collection fee was reduced from the previous rate of 100 baht per installment to 50 baht per round. Thus, debt collection fee rate decreased throughout the year 2022. Furthermore, other income increased by 60.4%, which derived from the promotional campaigns support from business partners.

Expense:

Total administrative expense for the year 2022 equaled to Baht 8,117 million, increased by 10.8% (YoY) mainly from an increase of marketing expense by 34.5% (YoY) regarding to the recruiting of new members and higher marketing promotional campaign to invest in building additional membership portfolios. Moreover, fee and service expense increased by 16.2% (YoY) mainly from interchange fee as number of transactions increased. Cost to income for the year 2022 was at 34.9%, close to the previous year at 34.2%.

Expected credit loss for the year 2022 equaled to Baht 4,868 million, decreased by 10.8% (YoY) as the Group was able to continuously well-control its portfolio quality. Thus, the written-off of credit card and personal loan receivables decreased. On the other hand, provisions increased in response to the expanding credit card and personal loan portfolio. The written-off of lease receivables (KTBL) increased due to the written-off of existing debt that had already been set aside.

Finance costs for the year 2022 equaled to Baht 1,392 million, decreased by 1.6% (YoY), resulting from efficient management and cost controlling at appropriate level.

Total Expense
(Million Baht)

14,377 | 1.3%
YoY

Finance Cost
(Million Baht)

1,392

Operating's Expense
8,117 Million Baht

	Y2021	% Total Revenue	Y2022	% Total Revenue	% Growth
Personal expense	2,422	11.3%	2,501	10.8%	3.2%
Marketing expense	652	3.0%	877	3.8%	34.5%
Fee and service expense	2,237	10.4%	2,599	11.2%	16.2%
Other administrative expense	2,015	9.4%	2,140	9.2%	6.2%

Expected Credit Loss (ECL)
4,868 Million Baht

	Y2021	% Total Revenue	Y2022	% Total Revenue	% Growth
ECL - Credit Card	2,404	11.2%	2,409	10.4%	0.2%
ECL - Personal loan	2,459	11.5%	2,337	10.1%	(5.0%)
ECL - Leasing	592	2.8%	122	0.5%	(79.5%)

Financial Position

Asset Increased

The Group's assets as of December 31, 2022 equaled to Baht 101,796 million, increased by 13.8% (YoY). The main income-generating assets were loan to customers and accrued interest receivables, accounting for 93.7% of total assets or equaled to Baht 95,402 million, whereas the remaining of 6.3%, comprising of crucial assets such as cash and deferred tax assets, etc.

Total Assets (MB)
101,796 ↑ 14%

Asset	Y2021	Y2022	% Growth
Credit Card - Loans to customers and accrued interest receivables, net	56,075	65,031	16.0%
Personal Loan - Loans to customers and accrued interest receivables, net	26,013	28,547	9.7%
Leasing - Loans to customers and accrued interest receivables, net	857	1,825	113.0%

Total Liabilities ↑ 13%

Liability	Y2021	Y2022
Total liability	62,387	70,220
Total borrowing	54,403	61,635

Total Equity ↑ 17%

Equity	Y2021	Y2022
Total Shareholder Equity	27,084	31,576

Total portfolio expanded by 12.5% YoY

(Unit: Million Baht)	Consolidated Financial Statements			
	Credit Card	Personal Loan	Leasing	Total
Stage 1	62,185	25,558	-	87,743
Stage 2	6,258	5,432	-	11,690
Stage 3	730	896	-	1,627
Financial assets applied simplified approach to calculate lifetime expected credit losses	-	-	2,449	2,449
Total loans to customers	69,174	31,886	2,449	103,509
Add Accrued interest receivables and undue interest receivables	288	397	-	685
Total loan to customers and accrued interest receivables	69,462	32,283	2,449	104,194
Less Allowance for expected credit loss	(4,431)	(3,736)	(624)	(8,792)
Total loans to customers and accrued interest receivables, net	65,031	28,547	1,825	95,402

The changes in the allowance for expected credit loss as of December 31, 2022 are as following table.

(Unit: Million Baht)	Allowance for Expected Credit Loss				
	12-month ECL (Stage 1)	Lifetime ECL: Not Credit Impaired (Stage 2)	Lifetime ECL: Credit Impaired (Stage 3)	Financial Assets Applied Simplified Approach to Calculate Lifetime Expected Credit Losses	Total
Balance as of January 1, 2022	3,918	2,365	1,066	2,343	9,691
Changes in staging	351	(378)	27	-	-
Changes in risk parameters	(363)	1,438	4,721	258	6,053
New financial assets originated or purchased	622	-	-	39	661
New financial assets derecognized	(280)	(642)	(747)	(174)	(1,844)
Written-off	-	-	(3,927)	(1,842)	(5,770)
Balance as of December 30, 2022	4,247	2,782	1,138	624	8,792

For the year 2022, total loan expanded by 12.5% (YoY) with total portfolio equaled to Baht 104,194 million, comprising of total credit card receivables of Baht 69,462 million, total personal loan receivables of Baht 32,283 million, and total lease receivables of Baht 2,449 million. The Group's allowance for

expected credit loss equaled to Baht 8,792 million, decreased by 9.3% (YoY) due to the written-off of KTBL lease receivables dropped by 73.4% (YoY).

The Bank of Thailand (BOT) had issued measures to assist debtors who have been affected by the COVID-19 outbreak. These include the reduction of the minimum repayment rate, consideration of credit line extensions, deferring of installment payments and converting into low interest long-term loans. In this regard, the Group has complied with and followed the Bank of Thailand's guidelines on all measures to assist debtors in accordance with the BOT's sustainable debt settlement measures. As of December 30, 2022, the Group provided assistance to debtors in all statuses according to the Notification of the Bank of Thailand No. BOT.RPD2C.802/2564 equaled to Baht 1,986 million or 2.0% of total portfolio at the end of 2022.

2022 Target vs Actual

The Group operated its core business in line with the target. The Group generated profit attributable to owners of the parent in amount of Baht 7,079 million. Credit card spending volume for the year 2022 grew at 21.7% or equaled to Baht 238,257 million due to the recovery of domestic economy, an increase in spending as well as more active economic activities from both domestic spending and tourism sector that increased significantly. As the result, the card spending volume of the Group strongly grew substantially beyond the projection.

Target	2022 Target	2022 Actual	Notes
Net Profit (MB)	> 6,251	7,079	Revenue grew well, finance costs decreased and ECL dropped by 11% (YoY)
Total Receivables (MB)	> 100,000	104,194	Portfolio expanded from both credit card and personal loan business, as well as building new portfolio of KTC P BERM Car for Cash
Credit Card Spending Growth	10.0%	21.7%	Upward trend in spending growth from opening the country and accelerating recovery of Thai economy
Personal Loan Receivables Port Growth	7.0%	10.4%	Loan grew faster than expected and still in high demand
New Booking of P BERM Car for Cash (MB)	11,500	1,055	Targeted Baht 10,000 million new booking for KTC P BERM Car for Cash by year ended 2023
Portfolio Quality (%Total NPL)	3.6%	1.8%	Well-controlled NPL whereas the portfolio keeps expanding

Personal loan business grew at 10.4% or equaled to Baht 32,283 million by focusing on new customers and retaining existing customers. The new booking of P BERM Car for Cash equaled to Baht 1,055 million which was in line with the adjusted target in 3Q22. Nevertheless, the Group still set the target for new booking of P BERM Car for Cash for the year 2023 in amount of Baht 9,000 million with the strategy for loan acquisition end-to-end process at Krungthai branches to facilitate customers to get loan approval and receive money within only 1 hour (Previously within 2 hours). The customers will experience quicker process and easier service access through more than 900 branches of KTB.

The Group's NPL at the end of 2022 was at 1.8% which was aligned with the total portfolio quality. Total loan portfolio equaled to Baht 104,194 million, with profit for the year 2022 equaled to Baht 7,079 million which was higher than the year 2021 as targeted.

Growth Direction in 2023

Target	2023 Target
Net Profit	> Y2022
Total Portfolio Growth	15%
Credit Card Spending Growth	10%
Personal Loan Receivables Port Growth	7%
New Booking of P BERM Car for Cash	9,000 MB
New Booking of Commercial Loans (KTBL)	3,000 MB
Portfolio Quality	Same as Y2022

KTC's business direction in 2023 will have a great change in various aspects, including organizational structure, strategies, operating processes, technologies, and services to strengthen the organizational foundation with the concept of "A Transition to the New Foundation" under the framework of 3 driving dimensions as follows.

- Manage the whole business structure to align with IT and operating systems (Enterprise Architecture)
- Encourage KTC employees to develop important skills in various areas in order to move forward together with the company (Enterprise Skill Assets)
- Manage data information from planning data storage, data accessing as well as data destruction by focusing on safety, accuracy, and transparency (Enterprise Data Assets)

KTC is still striving to grow its payment business and retail lending business by paying special attention to increase KTC P BERM Car for Cash receivables and building up customer base to generate steady and sustainable profit. Meanwhile, credit card and personal loan business will grow at the accelerated rate by emphasizing on acquiring new customers as well as creating marketing activities in accordance with the changing circumstances. Thereby, marketing expense and provisions may increase in line with the expanding portfolio. Nonetheless, the economy currently encounters with increasing finance costs which affected to higher in cost of fund, including higher marketing expense and provisions which would be varied based on portfolio quality. Moreover, the company will have constant developing business model, namely MAAI Loyalty Platform, which will not be generated income in the early stage. However, the company assures that it will achieve growth target in terms of credit card spending and portfolio expansion where NPL will not be higher than targeted.



KTBL business will focus on commercial loans acquisition, such as, trucks and its target of new booking for the year ended 2023 equals to Baht 3,000 million. Regarding to retail loans, the company continues to offer products to customers; however, loan approval will depend on customers' credit quality. The company continues to focus on managing the existing portfolio and aims to generate profit in 2023.

The year 2023 will be the transition period where new executives, or successors, are taking on various responsibilities. There will still be existing executives acting as a coach working closely to make the transition seamless and help drive the organization continuously.

KTC's Integrated Strategy with Sustainable Development

With the vision of "KTC is a membership company in payment and retail lending business with sustainability as key element". KTC established a sustainability framework that integrated the company's strategy and sustainability together under the basis of good governance and appropriate risk and cost management to meet business needs, sustainability key issues and corporate vision to be in line with the United Nations Sustainable Development Goals and the new normal.

The company prepared the 5-year sustainability strategy (2022-2026) covering 3 dimensions, namely the Economic Dimension (Better Product and Service), the Social Dimension (Better Quality of Life) and the Environment Dimension (Better Climate) by utilizing technology and digital innovation to develop operations, to launch and develop products and services that meet the needs and create a good experience and trust for members and stakeholders such as KTC Mobile, KTC QR PAY with information security standards, cyber security and personal privacy information security, which leading to the creation of opportunities to access financial products and services for the people in the society thoroughly and mitigate the impact on the environment in a sustainable way. Moreover, the company continues to elevate its integration between business operations and sustainability in various dimensions continuously such as respecting human rights, employees' health care, providing assistance to debtors affected by the COVID-19 situation, including raising environmental awareness and giving back to society through various activities. This represents a commitment to drive results in combining all 3 sustainability dimensions with a comprehensive business, to build stable business growth with balanced care for all stakeholders and to elevate its integrated sustainability and earn local and international recognition as a leading company in consumer finance business.