



**Investor Presentation**  
**4Q2020 & FY2020 Financial Results**

# Loan under COVID-19

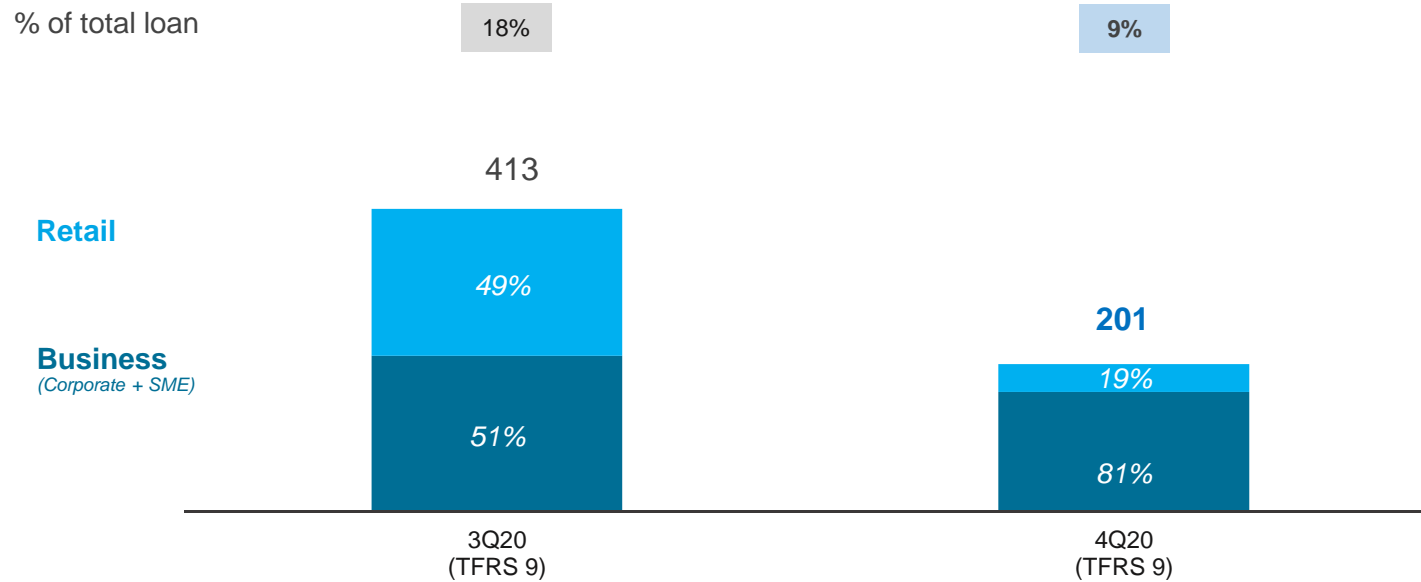
Lesser Loan under COVID-19 Relief Measure in Compliance with BOT's Staging Regulations

Consolidated



## COVID-19 Relief Measure Loan

(THB bn)



\* Including BOT & GSB soft loans of 17 bn as at 3Q20 and 18 bn as at 4Q20

## 4Q20 Highlights: *Safeguards for Uncertainties*

### 4Q20 Highlights:

- **Loan growth** (YTD) mainly derived from government (low-risk portfolio) and retail customers
- **Improving CoF** while continuing similar industry trend on NIM pressure YoY in the low interest rate environment; maintaining high CASA of 78%
- **Lower NPL ratio (gross)** from asset quality management given BOT's staging criteria under moratorium
- **Continued strengthening provision with prudence** based on economic slowdown and uncertainties
- **Non-NII contraction** QoQ and YoY given lower share of profit from investments and gain on FVTPL QoQ and gain on investments in 4Q19 together with continual challenges on fees due to digital channel migration
- **Better OPEX and C/I** YoY from lower impairment loss of properties for sale in 4Q19 and employees' expenses while slightly increased QoQ from other expenses; **Normalized C/I on a pressure** QoQ and YoY during low interest rate environment
- **Maintain solid capital level** above BOT's requirement to withstand any uncertainties

# 4Q20 Highlights:

Consolidated



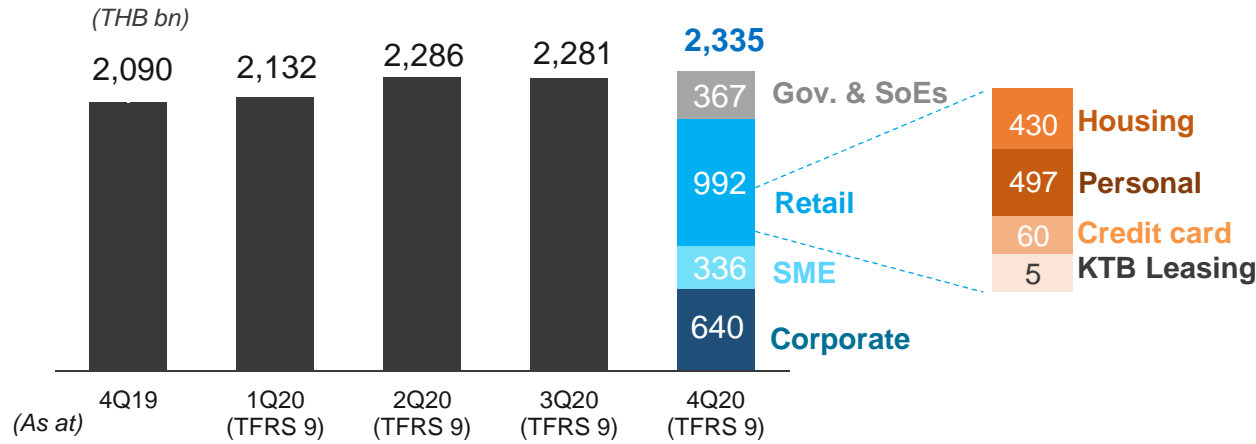
	4Q20	QoQ	YoY	FY20	YoY	
Profitability	Net profit (THB bn) <sup>(1)</sup>	3.5	+12.9%	-53.7%	16.7	-42.9%
	PPOP (THB bn)	14.6	-11.7%	-2.5%	68.8	+8.9%
	ROE <sup>(1)</sup>	4.03%	+44 bps	-475 bps	4.91%	-418 bps
	ROA <sup>(1)</sup>	0.43%	+4 bps	-57 bps	0.53%	-49 bps
	Total income (THB bn)	28.6	-5.6%	-9.7%	122.2	-2.7%
	NIM	2.59%	-23 bps	-32 bps	2.91%	-31 bps
	<i>NIM<sup>(2)</sup></i>	<i>2.59%</i>	<i>-7 bps</i>	<i>-32 bps</i>	<i>2.76%</i>	<i>-31 bps</i>
	Non-NII (THB mon)	8.3	-4.9%	-24.4%	33.9	-9.2%
	Cost/income ratio	48.8%	+352 bps	-376 bps	43.7%	-599 bps
	<i>Cost/income ratio<sup>(2)</sup></i>	<i>48.8%</i>	<i>+162 bps</i>	<i>+330 bps</i>	<i>45.5%</i>	<i>+192 bps</i>
Asset Quality & Stability		Dec'20	QoQ	YTD		
	Loan (THB bn) <sup>(3)</sup>	2,335	+2.3%	+11.7%		
	NPL ratio (gross)	3.81%	-40 bps	-52 bps		
	Coverage ratio <sup>(4)</sup>	147.3%	+1170 bps	+1550 bps		
	CAR	19.11%	+28 bps	+10 bps		
Tier 1	15.79%	+28 bps	+55 bps			

(1) Net profit, ROE, ROA represented for equity holders of the bank  
(2) Excluding extra items on interest income received from the auction and/or provisions on impairment loss of properties for sale  
(3) Loan to customers less deferred revenue under TFRS 9  
(4) Coverage ratio = Allowance for expected credit losses (loans, interbank & money market items, loan commitments and financial guarantee contracts) / gross NPLs  
As at December 31, 2019, Coverage Ratio = Actual provisioning for loan loss / Gross NPLs

# Loan

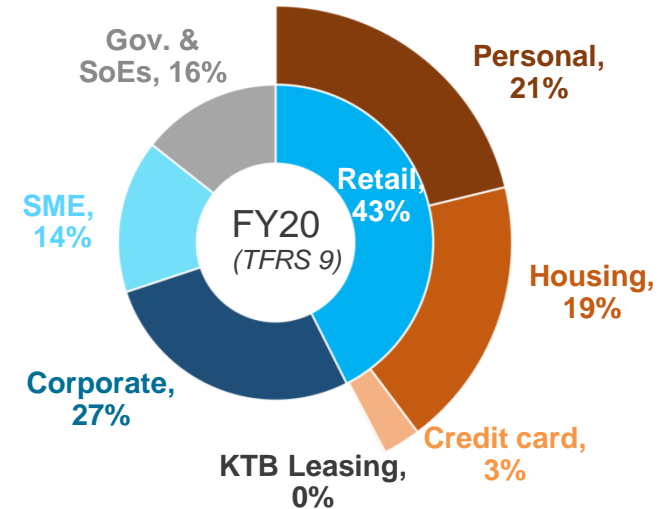
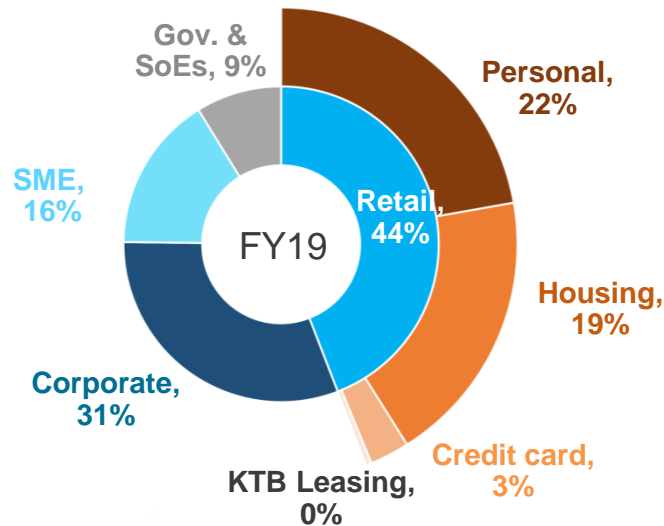
YTD Growth Driven from Government and Retail

## Loan Growth



Loan Growth by Segment	4Q20 (YTD)
Gov. & SoEs	+100.7%
Retail	+7.3%
Housing	+8.6%
Personal	+7.0%
Credit card	+5.9%
KTB Leasing	-31.6%
SME	+1.0%
Corporate	-1.6%
<b>Total</b>	<b>+11.7%</b>

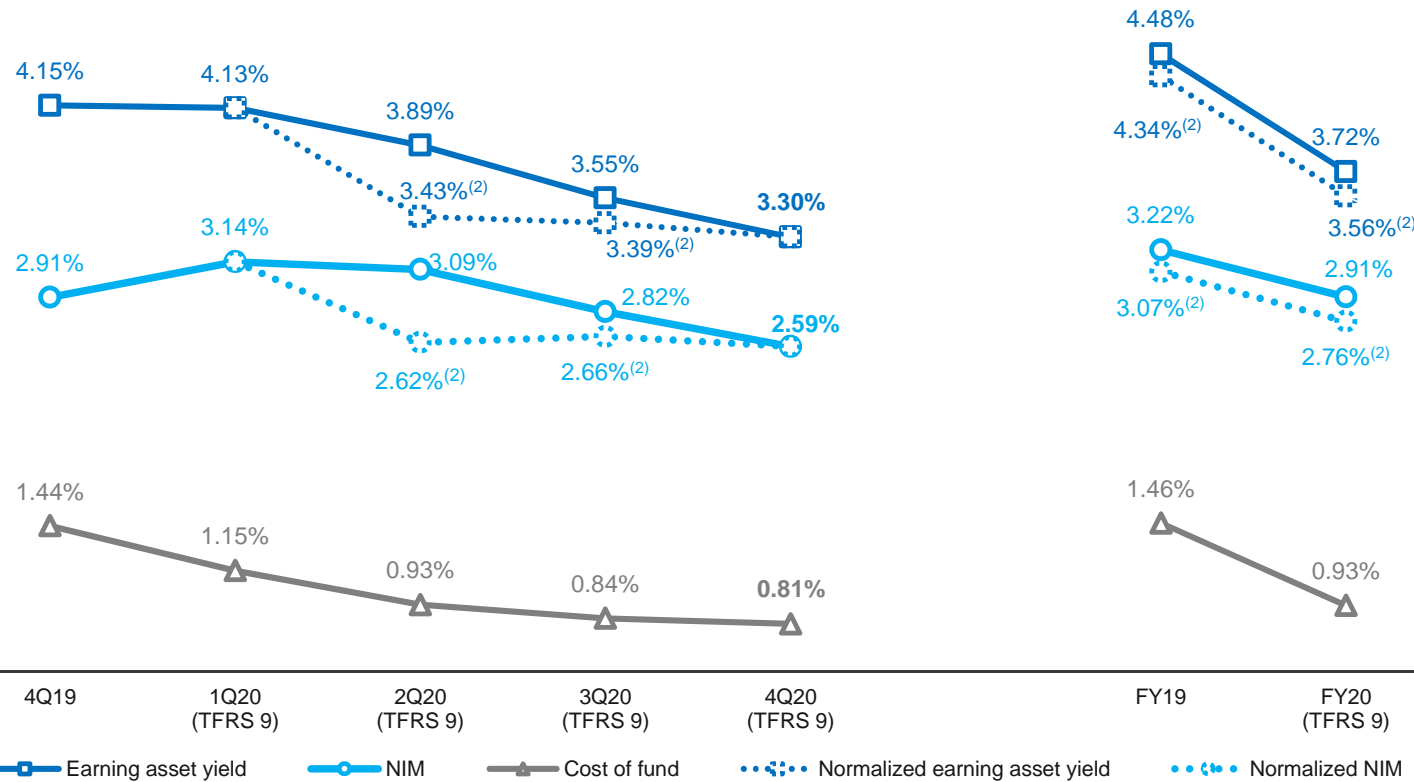
## Loan Breakdown



# Profitability Drivers

Yield & NiM Trend in Alignment with Industry Trend While Minimizing Cost of Fund Given Unfavorable Macro-economic Environment

## Yield, NIM and CoF



(1) Including extraordinary item: interest income due to the partial payment from the auction of mortgaged guarantee assets amounted Baht 3,899 mn in 1Q19, Baht 3,524 mn in 2Q20 and Baht 1,223 mn in 3Q20.  
 (2) Excluding extraordinary item: interest income due to the partial payment from the auction of mortgaged guarantee assets amounted Baht 3,899 mn in 1Q19, Baht 3,524 mn in 2Q20 and Baht 1,223 mn in 3Q20.  
 (3) If excluding extraordinary item, net interest income FY20 decreased 1.0% YoY.

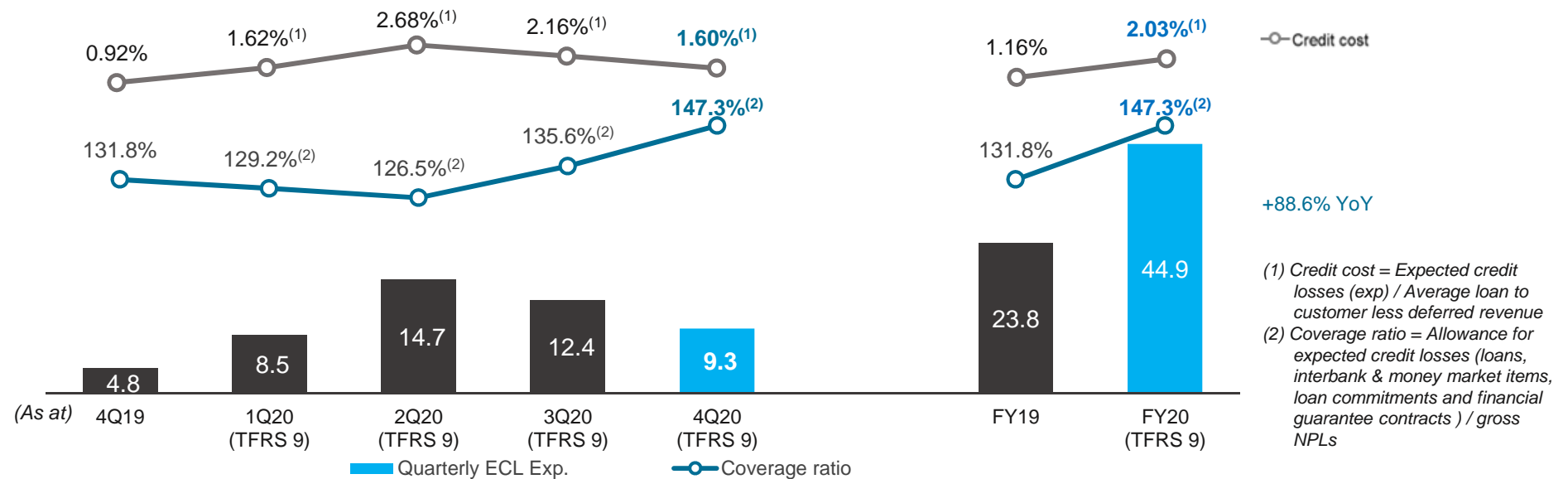
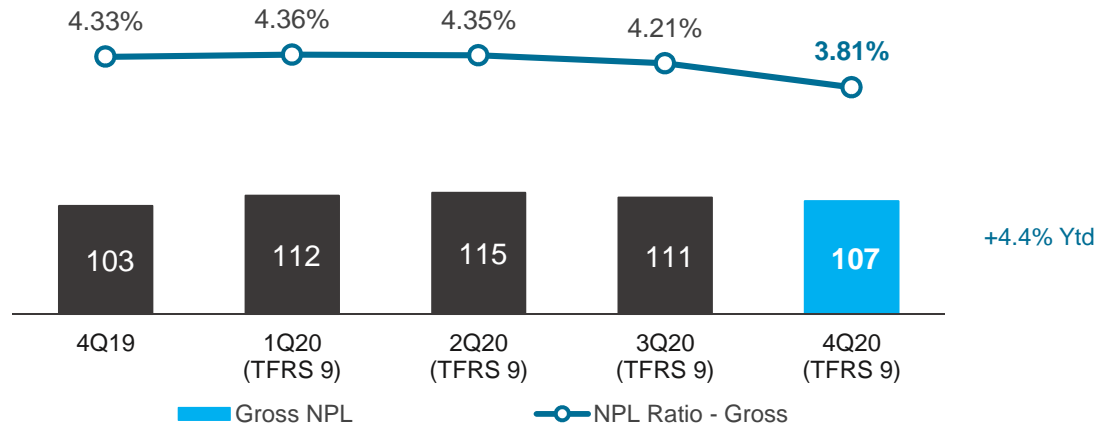


# Asset Quality

Building up Provision During Macro-economic Uncertainty Despite Asset Quality Management and BOT's Staging During Moratorium

## NPL

(THB bn)



(1) Credit cost = Expected credit losses (exp) / Average loan to customer less deferred revenue  
 (2) Coverage ratio = Allowance for expected credit losses (loans, interbank & money market items, loan commitments and financial guarantee contracts) / gross NPLs

Note: Loans under COVID-19 relief measure undergo staging standstill according to BOT regulations till end-2021; hence, NPL movement might not reflect the real situation until then.

# Non Interest Income

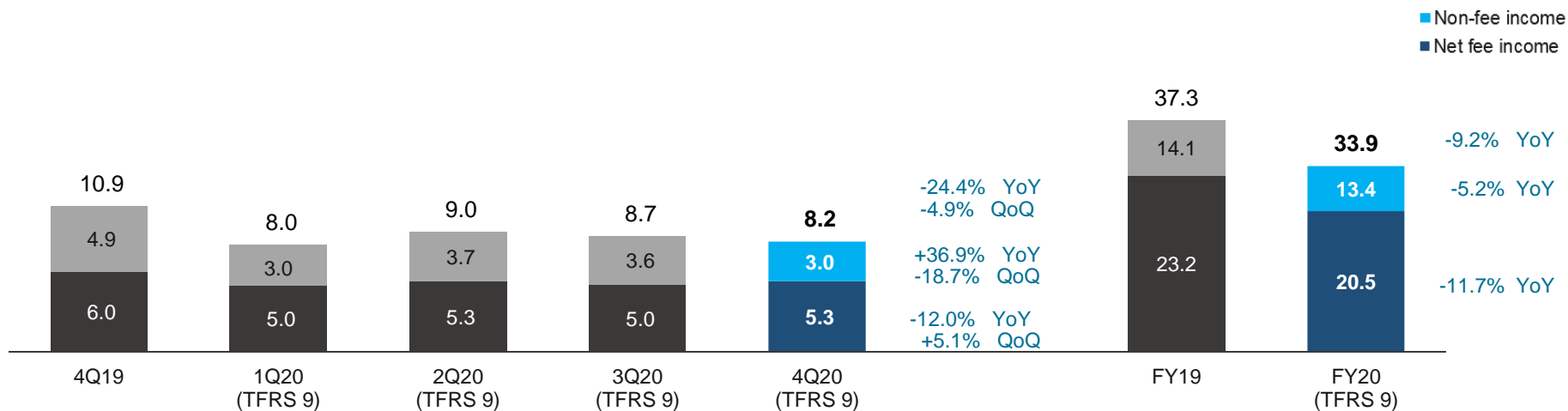
Recovering on Bancassurance and Management Fee Amid Digital Migration Impact during COVID-19

Consolidated

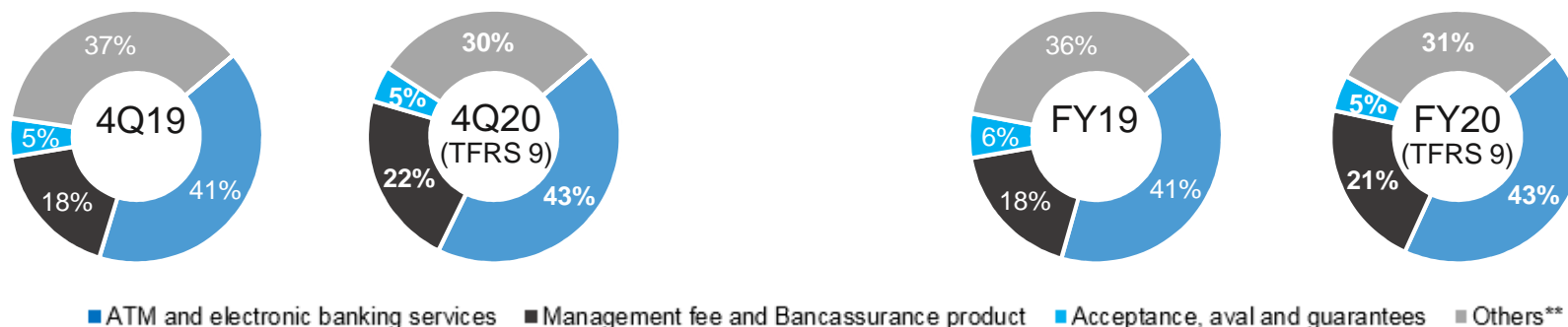


## Non Interest Income

(THB bn)



## Fee Breakdown (Gross)\*



\* Classification per notes to F/S disclosure

\*\* Including fee from KTC, Global Market, and other services



# OPEX

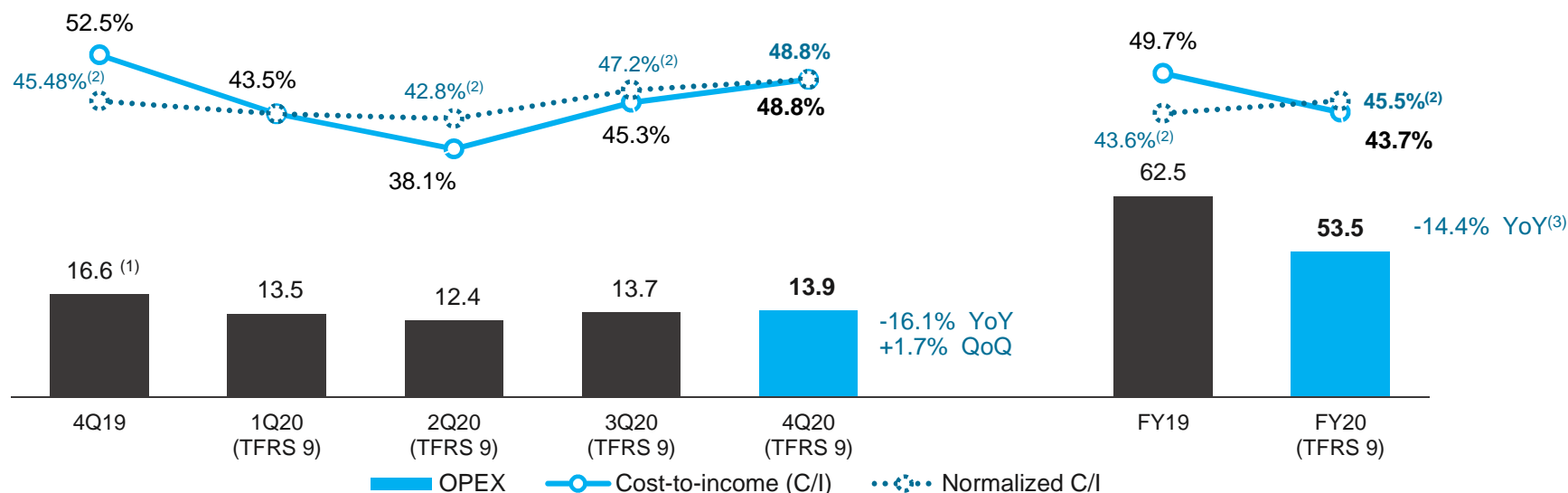
Managing to Control Normalized OPEX Whilst Rising Normalized C/I Ratio



Consolidated

## Operating Expense

(THB bn)



## OPEX Breakdown



(1) Including extraordinary items i.e. provision on impairment of properties for sale in 1Q19, 2Q19 and 4Q19; provision on employees' benefits in 3Q19; and interest income from loan in relation to partial payment from the auction of mortgaged guarantee assets of Baht 3,899 mn in 1Q19, of Baht 3,524 mn in 2Q20 and of Baht 1,223 mn in 3Q20.

(2) Excluding extraordinary items i.e. provision on impairment of properties for sale in 1Q19, 2Q19 and 4Q19; provision on employees' benefits in 3Q19; and interest income from loan in relation to partial payment from the auction of mortgaged guarantee assets of Baht 3,899 mn in 1Q19, of Baht 3,524 mn in 2Q20 and of Baht 1,223 mn in 3Q20.

(3) If excluding extraordinary items of FY19, operating expenses in FY20 increased 0.7% YoY.

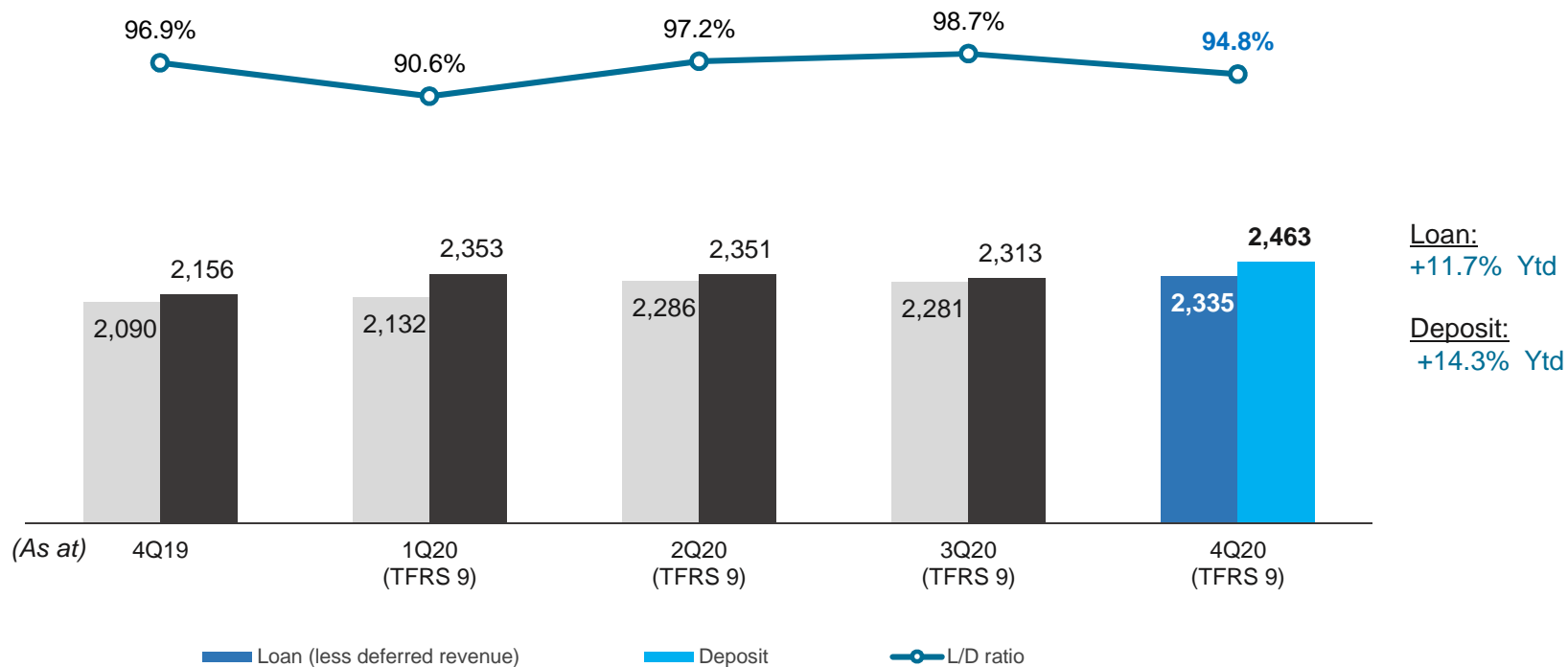
(4) Others including directors' remuneration.

# Asset-Liability Management and Funding

Improving L/D Ratio with 4Q20 CASA as High as 78%

## Loan vs Deposit (L/D ratio)

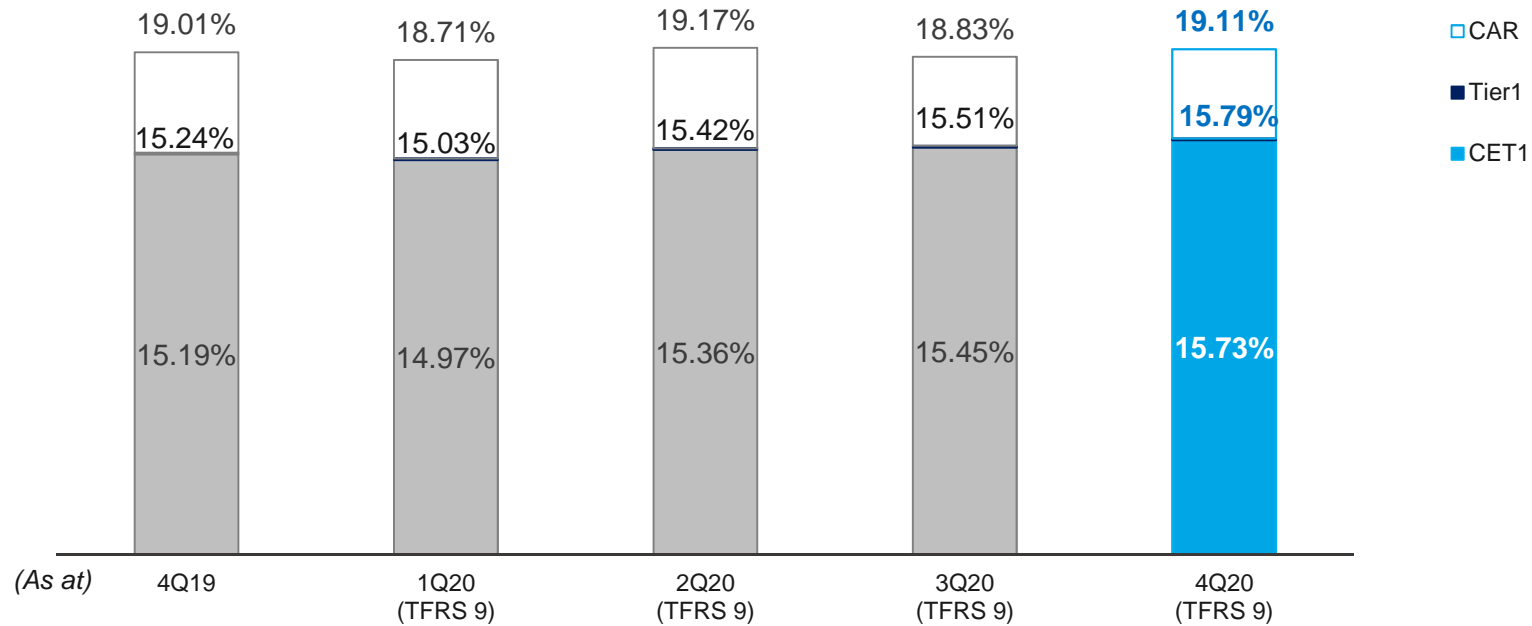
(THB bn)



# Capital

*Solid Capital Level Above BOT's Requirement to Withstand Uncertainties*

## CET1 vs CAR Ratios





# Appendix

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# COVID-19 will lead to new normal

## Economy



Economy will take a long time just to return to pre-covid level



Gov't will be key driver, using its balance sheet, generating business opportunity



High debt burden will be a challenge to economic recovery



Deglobalization may happen, resulting in reorganizing of supply chain

## Consumer & Business Behavior



Consumers move to Online Platform



Health and Hygiene will be top of mind



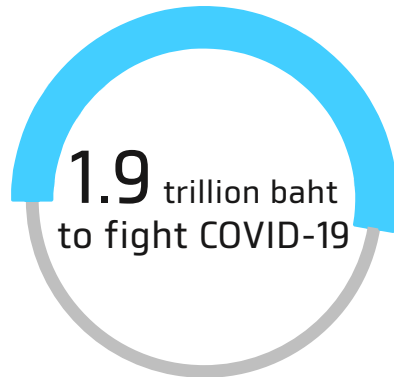
Digital Transformation will accelerate



Business will try to diversify from one particular segment or market

# Gov't to step in as key driver opening up business opportunity

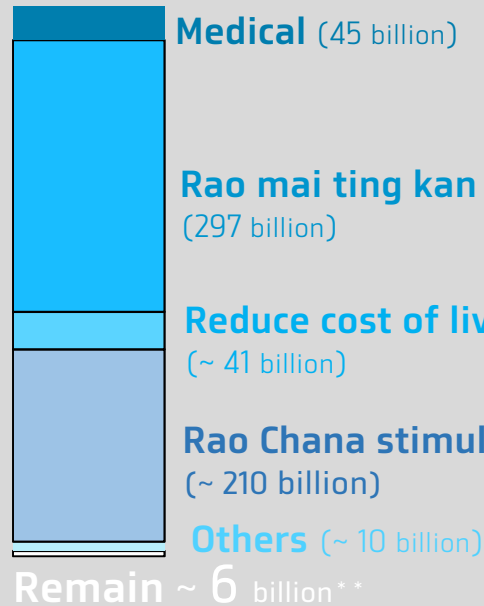
**Fiscal measures**  
**1 trillion baht**



**BOT measures**  
**0.9 trillion baht**

- Soft loan**  
Budget 500 billion  
(Remain 376 billion)\*
- BSF**  
Budget 400 billion

**Relief measures 0.6 trillion baht**



**Money flowing to**

- Retailers
- F&B
- necessary goods

**Revitalize measures 0.4 trillion baht**

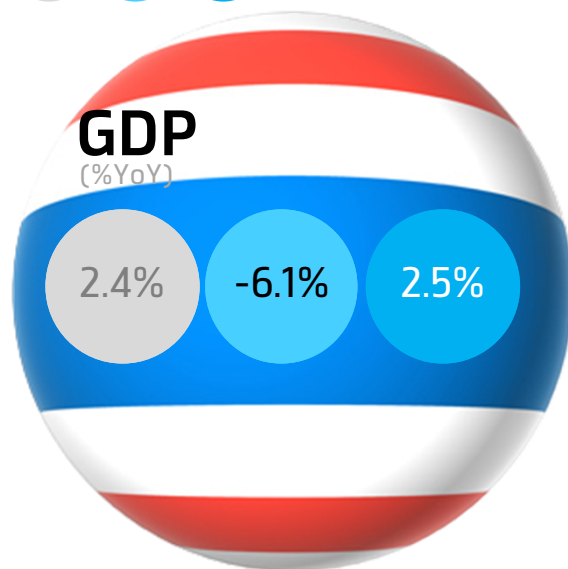


**Money flowing to**

- F&B
- Tourism
- Construction
- EEC
- Retailers

Source : BOT NESDC and MOF  
\* As of 1 Feb. 2021 \*\* As of 22 Jan. 2021  
Note : Cabinet approved to transfer 10 billion baht from Revitalize measures to Relief measures In order to finance Rao Chana scheme.

2019  
(Actual)   2020  
(Actual)   2021F



### Key Highlights for 2021

Unit: (%YoY)



4.6%   -1.0%   1.9%

#### Private consumption

- Labor markets still fragile, dampening household spending.
- Fiscal stimulus through co-payment and Rao Chana stimulus scheme partially supports domestic spending.



1.4%   0.8%   3.5%

#### Public consumption

- Public consumption tends to improve in parallel with regular budget disbursement.



-3.2%   -6.0%   2.9%

#### Export \*

- Export is projected to gradually recover in line with global economic momentum.
- In addition to downside risk, export growth remains cautious due to particularly a containers' shortage.



0.2%   -8.4%   1.8%

#### Private investment

- Private investment is likely to remain subdued amid uncertainty.
- Diminishing uncertainty to support expansion of private investment in 2021.



2.8%   5.7%   7.0%

#### Public investment

- Public investment is expected to be a key driver of economic recovery.



-4.7%   -12.4%   4.8%

#### Import \*

- Imports is expected to gradually improve in line with global economic activities.

Remark: \* Customs basis, Value in USD



#### THB/USD \* \*

30.0   31.3   29.8

- Current account remains in surplus, owing to trade surplus.
- Capital flow returning to emerging markets tends to pressure US dollar to be weaker.

\*\* Annual average



#### Inflation Rate

(%YoY)

0.7%   -0.9%   1.0%

- Headline inflation is expected to gradually recover in line with economic recovery.



#### Domestic Tourists

(millions)

166.0   99.0   109.6

- Authorities impose new COVID-control amid new wave of pandemic, discourage domestic tourists activities.
- With still strict entry policy on foreign travelers, number of foreign tourists may be limited in 2021.



#### Policy rate

(%) (End-year)

1.25%   0.50%   0.50%

- MPC kept their policy rate at historically low to further ease borrowing cost for households and business.
- MPC could possibly trim the benchmark rate if economic faces more severe shocks.

# KTB's COVID-19 Relief Measures

Phase I		Phase II	
Individual clients		Individual clients	
KTB's Measure: Retail loan	Personal loan under supervision & Housing loan ( $\leq 3$ MB) <ul style="list-style-type: none"> <li>• Payment holiday on principal &amp; interest: <b>4-month</b></li> <li>• Lower interest rate 0.25% (existing): <b>4-month</b></li> </ul>	BOT's Additional Measures:	For Credit card and Personal loan under supervision: <ul style="list-style-type: none"> <li>• Reduction on interest rate ceilings, service, fees, and penalties (interest effective 1 Aug'20 onwards):               <ul style="list-style-type: none"> <li>• Credit card: 18% to 16%</li> <li>• Personal loan – revolving credit, installment payment: 28% to 25%</li> <li>• Personal loan – auto title loan: 28% to 24%</li> </ul> </li> <li>• Credit limit extension from 1.5x to 2.0x of average monthly income for good customers with monthly income less than THB 30,000 (till 31 Dec'21)</li> </ul>
	For Personal loan & Housing loan ( <i>reduced income proof</i> ) <ul style="list-style-type: none"> <li>• Payment holiday on principal: <b>6-month</b></li> <li>• Lower interest rate 0.25% (existing): <b>6-month</b></li> </ul>		For retail customers impacted from COVID-19: <ul style="list-style-type: none"> <li>• Credit card: convert into 48 installments or as appropriate per debtor's capability; interest rate <math>\leq 12\%</math>/ annum</li> <li>• Personal loan under supervision: reduce min. payment or convert into 48 installments or as appropriate per debtor's capability; interest rate <math>\leq 22\%</math>/ annum</li> <li>• Personal loan – installment &amp; hire purchase (automotive): reduce installment at least 30%; interest rate <math>\leq 22\%</math>/ annum</li> <li>• Hire purchase: 3-month debt payment holiday (principal &amp; interest) or reduce installment by extending payment period</li> <li>• Housing loan or Home for Cash: 3-month debt payment holiday (principal &amp; interest) or lower interest rate as appropriate or reduce installment by extending payment period</li> </ul>
Corporate clients			For SME customer impacted from COVID-10 (post 22 Oct'20): <ul style="list-style-type: none"> <li>• Debt restructuring based on SME repayment capability; to maintain debtor's asset classification till 31 Dec'20 or to provide assistance of payment holiday on principal and/ or interest for up to 6 month from end-2020 depending on the condition</li> </ul> Extending soft loan application period of financial institution to BOT for another 6 month; including company in MAI as eligible soft loan borrower
KTB's Measure: Business loan	Business loan $\leq 100$ MB ( <i>Automatically</i> ) <ul style="list-style-type: none"> <li>• Payment holiday on principal &amp; interest: <b>6-month</b></li> </ul>		
	Business loan (medium-size or higher) ( <i>reduced income proof</i> ) <ul style="list-style-type: none"> <li>• Payment holiday on principal: <b>up to 12-month</b></li> <li>• Payment extension (P/N &amp; Trade Finance): <b>up to 6-month</b></li> </ul>		
KTB's Measure: Soft loan	Business loan $\leq 500$ MB <ul style="list-style-type: none"> <li>• Credit limit: <b>up to 20%</b> (<i>of 31 Dec'19 outstanding loan</i>)</li> <li>• Interest: <b>2.0% first 2-year</b> ; Debt payment holiday on principal: <b>up to 12-month</b> ; No interest payment: <b>6-month</b> (<i>First 6-month interest - subsidize by government</i>)</li> </ul>		
	Other Measures		
BOT's Measure:	<ul style="list-style-type: none"> <li>• Series of policy rate cut</li> <li>• Pre-emptive measures on loan classification</li> <li>• Provisioning: ECL based on drawn portion</li> <li>• FIDF fee reduction from 0.46% o 0.23% (consequently, lowering on lending rates)</li> </ul>		



# KTB's COVID-19 Relief Measures (Continued)

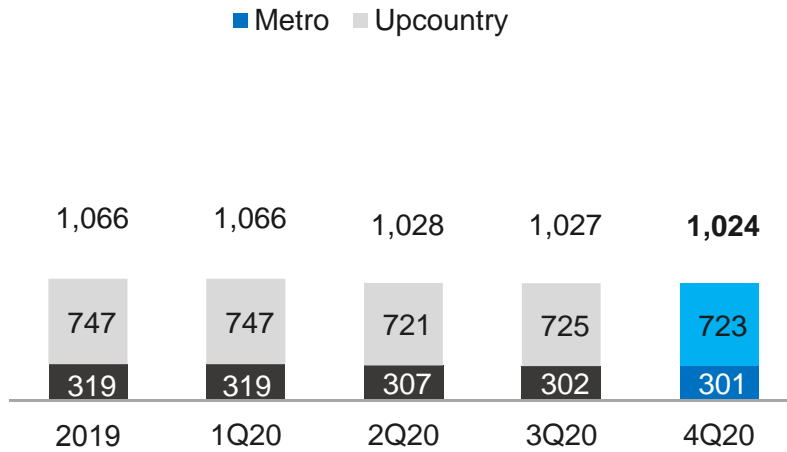
Other Measures	
<b>BOT's Additional Measures:</b>	<p>Effective 18 Jun'20, BOT had requested commercial banks on:</p> <ul style="list-style-type: none"> <li>• No interim dividend payment base on 2020 performance</li> <li>• No share repurchase</li> <li>• Capital plan for next 1-3 years</li> </ul>
	<ul style="list-style-type: none"> <li>• BOT had launched DR BIZ program: a one-stop service mechanism for businesses of multi-creditors to manage debt restructuring based on debtor's capability</li> <li>• Debt consolidation for debtors with repayment potentials: a practice of consolidating loans on housing and other retail loans (such as credit card, personal loan under supervision and hire purchase) while utilizing the remaining value of housing loans' collateral</li> </ul>
	<ul style="list-style-type: none"> <li>• BOT had announced guidelines on:               <ol style="list-style-type: none"> <li>1. Interest calculation on amount overdue based on only the overdue principal excluding the principal of future installments not yet due (effective 1 Apr'21)</li> <li>2. Interest rate on amount overdue based on contractual interest plus no more than 3% per annum (effective 1 Jul'21)</li> <li>3. The sequence of debt repayment by first repaying the fee &amp; interest and principal of longest overdue (effective 1 Jul'21)</li> </ol> </li> </ul> <p>Additional waive or leniency of overdue interest could be considered for the overdue prior to April 1, 2021</p>
	<ul style="list-style-type: none"> <li>• On December 22, 2020, the BOT had updated the guideline on SME affected by COVID-19 (soft loan) for flexibility. This included the adjusted definition of "Business Group" to separately consider the relationship of individual from corporate entity, in which only one-level of corporate entity relationship shall be considered. The additional adjustment also included the increased frequency for SME soft loan application to no more 2 times instead of only once.</li> </ul>
	<ul style="list-style-type: none"> <li>• On January 12, 2021, the BOT had requested financial institutions, SFIs and non-financial institutions operators (non-bank companies) to quickly and continually provide financial assistance to debtors who effected from such situation per additional relief guidelines as follows:               <ol style="list-style-type: none"> <li>1. To extend the filing period for retail debts' relief request till June 30, 2021 from previous timeframe of July 1 2020 till December 31, 2020.</li> <li>2. For SMEs, financial institutions and SFIs shall provide financial assistance to qualified SMEs through payment deferment on principal and/ or interest depending on debtor capability on a case-by-case basis given appropriate timeline but not exceeding end of June 2021.</li> <li>3. Financial assistance guideline for all types of debtors (i.e. retails, SMEs and corporate clients with potentials) shall be considered appropriately on loan types, debtors' risk level, nature of business and impact regions for debt restructuring, additional working capital and liquidity enhancement, consideration on payment deferment for SMEs with loans not exceeding Baht 100 million, and leniency on other terms and conditions as appropriate</li> </ol> </li> </ul>

# Network



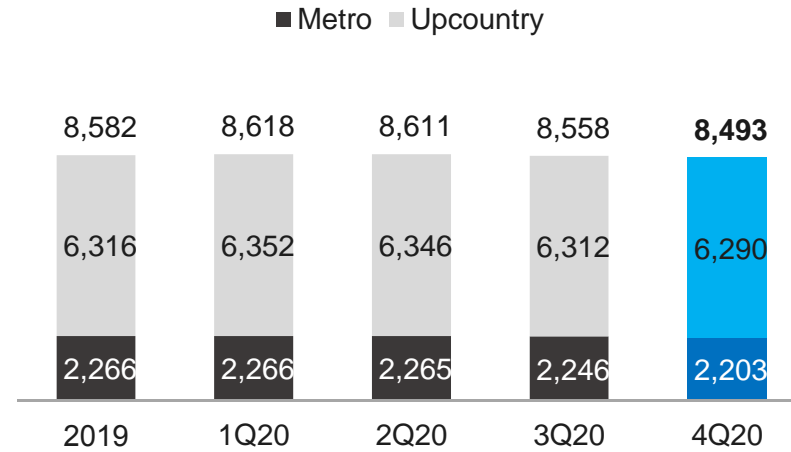
## Branches\*

(unit: branches)



## ATMs

(unit: machines)



\* Including Head Office

## Disclaimer

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*Information contained in our presentation is intended solely for your reference. Such information is subject to change without notice, its accuracy is not guaranteed and it may not contain all material information concerning the company.*

*In addition, the information contains projections and forward-looking statements that reflect the company's current views with respect to future events and financial performance.*

*These views are based on assumptions subject to various risks. No assurance can be given that future events will occur, that projections will be achieved, or that the company's assumptions are correct.*

*Actual results may differ materially from those projected.*



# Thank you

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