



**บริษัท บัตรกรุงไทย จำกัด (มหาชน)**

591 อาคารสมัยชวาพาณิชย์ 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, 14<sup>th</sup> Fl., Sukhumvit Rd., North Klontong, Wattana, Bangkok 10110 Thailand

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

KTC

93 / 2563

February 7, 2020

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

Subject: Operating result notification of the year ended December 31, 2019

Enclosure: Management Discussion and Analysis for the year ended December 31, 2019

KTC's Board of Directors has approved the Company's Financial Statements and the Report of certified public accountant for the year ended December 31, 2019, which were audited by Deloitte Touche Tohmatsu Jaiyos Company Limited, details enclosed. We would like to submit the corresponding Management Discussion and Analysis to the Stock Exchange of Thailand for the purpose of distributing to investors.

Please be informed accordingly

Respectfully yours,

Krungthai Card Public Company Limited

(Mr.Chutidej Chayuti)

Chief Financial Officer

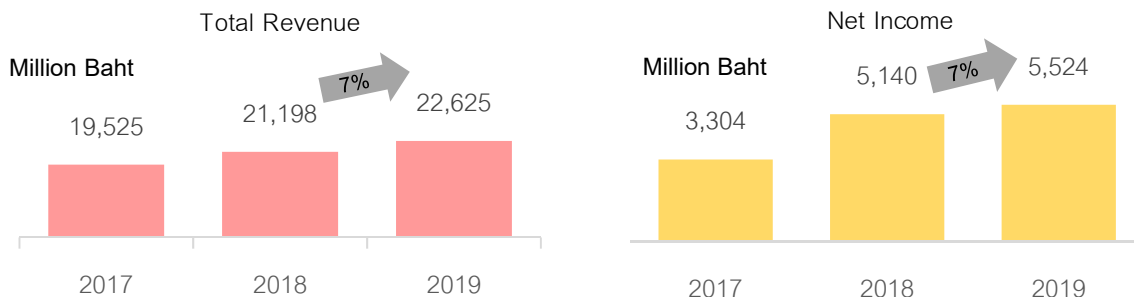
## Executive Summary

Net profit for 2019 grew at 7.5%. The Company attained net operating profit of 5,524 MB, 7.5% higher than that of 5,140 MB in 2018. As total portfolio consistently expanded at 9.8% as targeted, the Company's income continuously grew from last year. Total credit card receivables growth also soared to the highest in 3 years since January 2017 at 10.9%. Credit card spending continued to expand from Q3 to festive season in Q4. Even though Personal Loan receivables extended only 7.9% below the target, the Company's total member base still expanded. In addition, the Company not just sustainably managed its low NPL level but also maintained same level of its financial expense. Its operating cost was slightly up 2.6%, mainly from the increase in marketing expense of 11.5%. Meanwhile, as total portfolios remained expanding and credit card member base still grew, more provisions were set up as well as higher write offs, therefore, bad debts and doubtful accounts had increased. Nonetheless, the Company was still able to generate revenue growth at 6.7% from both credit card and personal loan businesses. Additionally, thanks to the Company's policy to be a learning organization, its personnel were ready to constantly acquire new knowledge, its working processes were consistently enhanced for better performance, and its technologies were available to support business operations. All these aforementioned factors had contributed to the Company's sustainably successful business operations.

Business plans for 2020. KTC has outlined targets for its separate financial statements (businesses include credit card, personal loan, and car title loan under personal loan license) with its credit card spending growth around 15% and its total receivable portfolio expansion of 10% approximately. NPL is expected to be strictly monitored, yet likely to be slightly higher than last year. The Company's net profit is also aimed at no less than previous levels.

## Performance Summary

### Overall performance analysis for year 2019





Year 2019 was another year that KTC successfully achieved its sustainable profit growth from last year with its new record-breaking profit. Its total revenue also expanded at 6.7%. Although the Company had faced constantly increased and fierce competition in consumer finance business, along with digital disruption from the impacts of rapid technological developments, complete consumer behavioral changes to focus only on speed and convenience, as well as strict regulations from regulatory bodies, the Company had tirelessly adjusted and improved its business plans to promptly respond to these challenges. Regardless, KTC had accomplished its new high profits consecutively for 7 years with net profit of 5,524 MB or accounted for a 7.5% growth from last year. Due to the Company's capabilities to vigorously adapt itself, its credit card spending outgrew that of the industry and its credit card receivables growth soared to the highest in the past 3 years. The Company also continued to strengthen its total receivable portfolio's quality as well as its efficiency in debt collection. Hence, its NPL level remained lower than that of the industry. KTC's performance overview can be summarized as the followings.

- The company's consolidated financial statements reported net profit of 5,524 MB, which grew 7.5% from expansion of the portfolio. The total comprehensive income amounted 5,470 MB.
- Credit card spending continued to expand in every quarter of year 2019. By quarterly comparison, KTC's growths (yoy) in Q1, Q2, Q3 and Q4 were at 10.4%, 10.5%, 10.4%, and 11.1% respectively whereas the industry's ones were at 8.6%, 7.8%, 11.0%, 7.7% and 8.5% respectively. For the whole year of 2019, the industry's growth was at 9.0% while KTC's one was at 10.6%, with its total credit card spending amounted to 213,629 MB. The Company's credit card member base increased by 5.2% (yoy). Under its modified conceptual framework following consumer behavioral change, the Company had offered additional benefits thru discounts, cash back and points redemption. Simple and convenient online marketing had also been provided. All these factors had accomplishedly contributed to the Company's credit card spending growth.



Operating Result (unit: Million Baht)	Y2019	Prop (%)	Y2018	Prop (%)	Growth %
Total Revenue	22,625	100%	21,198	100%	7%
- Bad debt recovery	3,496	15%	3,342	16%	5%
Administrative Expense	7,722	34%	7,524	35%	3%
Financial Expenses	1,566	7%	1,555	7%	1%
Bad debt and Doubtful Accounts	6,433	28%	5,703	27%	13%
Profit Before Tax	6,904	31%	6,416	30%	8%
Income Tax Expense	-1,380	6%	-1,277	6%	8%
Net Profit	5,524	24%	5,140	24%	7%
Other comprehensive income (loss) for the year, net of tax	(54)	0%	1	0%	-3,995%
Total comprehensive income for the year	5,470	24%	5,141	24%	6%

- Total receivables for 2019 was 85,834 MB, a 10% growth from the previous year. Credit card receivables increased from 51,062 MB to 56,653 MB and personal loan receivables increased from 26,821 MB to 28,933 MB.
- Total revenue was up 7% from last year or amounted to 22,625 MB, resulting from the increase in interest income (including credit usage fee) of 8%, in fee income of 5% and in bad debt recovery income of 5%.
- Net interest margin at the end of 2019 was at 15.0%, compared to last year of 15.1%. This is because of the decline in average interest received from 17.99% to 17.80%, and so did funding cost from 2.89% to 2.81%. Hence, net interest margin hardly changed from the previous year.
- Total portfolio's quality was effectively managed. Its total NPL this year was down to 1.06%, from the end of 2019 at 1.14% (yoy).
- Bad debts and doubtful accounts amounted to 6,433 MB, up by 13% compared to the prior year. This was due to ongoing expansion in the portfolio and more bad debts write-offs. Yet, the Company's allowance for doubtful accounts to NPL ratio remained at the high level of 620%.
- Net operating cost to income ratio was at 25.3%, down from last year of 26.6%, indicating the Company's capability in efficiently manage its expense ratio.

## Business Overview in 2019

The slowdown in global economy had unavoidably affected the Thai economy in 2019. The Bank of Thailand had adjusted its growth forecast to 2.5%. For 2020 outlook, the Thai economy is likely to expand from its low base this year with GDP growth forecast in the range of 2.5%-2.9%. Key driving forces would be from potential expansion in domestic demands from household spending as well as from government's economic stimulus measures.

In 2019, overall consumer finance industry continued to grow from last year. The industry's credit card receivables as of December 2019 amounted 457,090 MB, a 9.2% growth, compared to last year of a 6.2% growth with total amount of 418,747 MB. The industry's personal loan receivables amounted to 579,788 MB. Meanwhile, the industry's total credit card spending in 2019 amounted to 1,885,725 MB, a 9.0 % growth, lower than last year of 9.2% due to overall Thai economic slowdown.

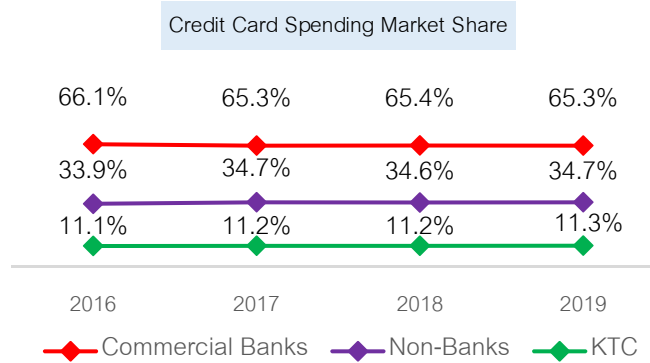
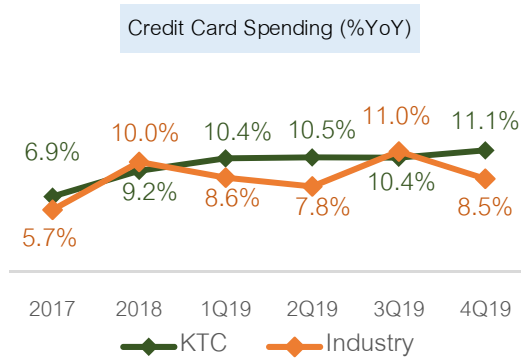
For year 2019, KTC's credit card receivables accounted for 12.4% of the industry, increased from the end of last year at 12.2%, with its credit card spending's market share at 11.3%, higher than last year of 11.2%. For personal loan receivables, KTC accounted for 5.0% of the industry, however the current number cannot be compared to the past one as the industry's personal loan receivables data included the number from car title loan since February 2019.

Industry Comparison	2017	2018	2019
Credit Card Receivable (MB)	394,123	418,747	457,090
Growth (%)	9.4%	6.2%	9.2%
KTC credit card receivables to industry	12.3%	12.2%	12.4%
Number of cards (cards)	20,334,780	22,105,554	23,620,374
Growth (%)	1.0%	8.7%	6.9%
Credit card spending (MB)	1,572,599	1,730,488	1,885,725
Growth (%)	5.7%	10.0%	9.0%
KTC credit card spending to industry	11.2%	11.2%	11.3%
Personal loan receivables (MB)	354,243	383,303	579,788
Growth (%)	6.4%	8.2%	51.3%
KTC Personal loan receivables to industry	7.0%	7.0%	5.0%

Source: The Bank of Thailand

## KTC's credit card spending compared to the industry's

The Company's credit card spending for year 2019 was higher than that of the industry. KTC's credit card spending growth for year 2019 was 10.6% while that of the industry was 9.0%. The Company's market share for year 2019 was at 11.3%, up from the end of 2018 at 11.2%.



## Higher interest income from both main businesses

- Increase in total revenue.** Total revenue for 2019 amounted to 22,625 MB, a 7% increase. Interest income (including credit usage fee), fee income and other incomes amounted to 13,607 MB, 5,032 MB and 3,985 MB respectively and were accounted for 60%, 22% and 18% of total revenue respectively. In term of other revenues, 88% of those were mainly from bad debts recovery.
- Higher interest income from both main businesses.** The Company had extended its member base by focusing its operations solely on Customer Needs, along with selecting marketing campaigns that satisfy member's demands and thoroughly cover their daily transactions. KTC FOREVER points were also used to promote member's long-term loyalty. In addition, extreme online benefits were offered at no less than those of regular shops to ensure member's choice of KTC as their preferred card. The Company's total credit card receivable and personal loan receivable portfolios grew 11% and 8% respectively. Interest income (including credit usage fee) amounted to 13,607 MB, with both credit card and personal loan interest income increased at 7% and 8% consequently.
- Maintained net interest margin.** The Company's net interest margin at the end of 2019 stayed at 15.0%, compared to that of 15.1% in 2018. This was due to average interest rate received declined from 17.99% to 17.80%. However, cost of fund was also lower from 2.89% to 2.81%. Thus, net interest margin hardly changed.

Unit: Million Baht	2Q18	% of total revenue	2Q17	% of total revenue	Growth
Total interest income including credit usage fee	13,607	60%	12,641	60%	8%
- Credit card receivables	6,255	28%	5,820	27%	7%
- Personal loan receivables	7,327	32%	6,791	32%	8%
- Other receivables (Circle loans / self-employ)	25	0%	30	0.1%	-15%
Fee income (excluding credit usage fee)	5,032	22%	4,795	23%	5%
Financial cost	1,566	7%	1,555	7%	1%
Net Interest Margin	15.0%		15.1%		

- Higher fee income.** Fee income (excluding credit usage fee) grew at 5% compared to the previous year or amounted to 5,032 MB. The increase was mainly from cash advance fee and from interchange fee which is the fee charged between issuing banks or issuing credit card companies and banks or intermediary payment companies. Merchant discounts fee which is the fee charged to KTC merchants for providing services almost unchanged from last year. Meanwhile, fee income from debt collection grew at a slower pace.

## Expense Management

- Total expense increased by 6% (yoy) to support portfolio expansion.** For 2019, the Company's total expense (excluding income tax) amounted to 15,721 MB, up 6% from 14,782 MB. Total administrative expense was only up 3% (yoy) with the breakdown of the 3% (yoy) rise in personnel expense and the 12% (yoy) rise in marketing expense which was due to new members acquiring cost to expand new bases of both credit card and person loan as well as the increase in marketing campaigns to promote more card spending and more cash advance. Fee expense and other administrative expenses barely changed with the increase of only 0.3% (yoy) and 0.5% (yoy) respectively. Bad debts and doubtful accounts were higher by 13% (yoy) as a resulting of higher bad debts write-offs and more provisions set up for doubtful accounts from ongoing expansion of the portfolio. Meanwhile, funding cost was almost the same, slightly up by 0.7% (yoy) thanks to the Company's capability in effectively managing and suitably apportioning its funding sources.
- Decline in operating cost to income ratio from last year due to continuous improvement of work processes.** Total cost to income ratio was at 34.1%, lower from the previous year of 35.5%. When operating expense excluding marketing expense and interchange fee expense was only considered, net operating cost to income ratio was at 25.3%, down from last year of 26.6%. This was owing to continuous increase in work process improvement, which includes the communication tool, 'KTC

Mobile', that has also been enhanced for its simple use and for satisfying member's needs as a financial tool to help control their expense and risk.

Unit: Million Baht	2019	% of total revenue	2018	% of total revenue	Growth
Personal Expense	2,450	11%	2,374	11%	3%
Marketing Expense	1,014	4%	909	4%	12%
Fees	2,373	10%	2,366	11%	0.3%
Other Administrative Expense	1,884	8%	1,874	9%	1%
<b>Total Administrative Expense</b>	<b>7,722</b>	<b>34%</b>	<b>7,524</b>	<b>35%</b>	<b>3%</b>

### Maintained high quality of receivable portfolio.

- Total receivable portfolio grew 9.8%.** In 2019, total receivables amounted to 85,834 MB with the breakdown of 56,653 MB (up 10.9% yoy) from total credit card receivables and 28,933 MB (up 7.9% yoy) from total personal loan receivables. When deducting the allowance for doubtful accounts of 5,650 MB, the Company's net receivables was at 80,183 MB, with the amount of 53,254 MB which was 66% of total net receivables accounted for net credit card receivables, and with the rest of 26,807 MB accounted for net personal loan receivables.
- A 2% increase in member base from last year.** At the end of December 2019, the Company had total members of 3.4 million accounts, up 2% from last year, with current membership consisting of total number of 2,510,914 credit cards (grew 5%) and total number of 888,342 personal loan accounts (contracted 7%) from closing inactive personal loan accounts.
- Strictly monitored NPL level of both credit card and personal loan businesses.** Thanks to the Company's emphasis on NPL portfolio's quality, its total NPL level stood at 1.06%, dropped from last year of 1.14% with NPL for credit card down to 0.93% from 0.99% while NPL for personal loan was up from 0.76% to 0.92%. The Company's ratio of the allowance for doubtful accounts to NPL remained high at 620%, compared to last year of 616%.

Unit: Million Baht	2019	% of total revenue	2018	% of total revenue	Growth
- Credit card's bad debts and doubtful accounts	3,508	16%	2,858	13%	23%
- Personal loan's bad debts and doubtful accounts	2,917	13%	2,834	13%	3%
- Other bad debts and doubtful accounts*	9	0.04%	11	0.1%	-20%
<b>Total bad debts and doubtful accounts</b>	<b>6,433</b>	<b>28%</b>	<b>5,703</b>	<b>27%</b>	<b>13%</b>

\* Other loans include circle loan, self-employed loan, etc.



- **Rise in bad debts and doubtful accounts.** Bad debts and doubtful accounts amounted to 6,433 MB, higher by 13% (yoy) from last year of 5,703 MB. This was due to not only more provisions set up following portfolio expansion but also higher bad debts which were under legal process and due this year for write offs.

KTC Financial Highlight (Unit: Million Baht)	4Q2019	4Q2018	Growth (Y-Y%)	2019	2018	Growth (Y-Y%)
Total Revenue	5,927	5,455	9%	22,625	21,198	7%
Total Expense (Excluding Financial Cost)	3,878	3,533	10%	14,155	13,226	7%
Total Expense (Including Financial Cost)	4,278	3,921	9%	15,721	14,782	6%
Net Profit	1,319	1,229	7%	5,524	5,140	7%
Credit card receivables, net	53,254	47,937	11%	53,254	47,937	11%
Personal Loan receivable, net	26,807	24,644	9%	26,807	24,644	9%
Other net receivables	123	132	-7%	123	132	-7%
Total Asset	85,409	79,648	7%	85,409	79,648	7%
Borrowings	57,540	54,122	6%	57,540	54,122	6%
Total Liabilities	65,674	63,296	4%	65,674	63,296	4%
Total shareholders' equity	19,735	16,352	21%	19,735	16,352	21%

\* Other loans include circle loan, self-employed loan, etc.

### Financial status and sources of fund raising

- **Increase in credit card receivables.** The Company's assets at the end of 2019 were at 85,409 MB, up from 79,648 MB by 7% compared to the previous year. The main income generating assets were net receivables of 80,183 MB, accounted for 94% of total assets whereas the rest of 6% comprised of cash, other receivables, deferred tax assets and other assets.
- **Effective fund raising.** The Company's total borrowings amounted to 57,540 MB or a 6% increase from last year. Fund raising structure was both from short-term and long-term borrowings. Short term borrowings were loans from related financial institutions of 3,840 MB and from other financial institutions of 7,536 MB. Long term borrowings were from debentures issuances of 46,165 MB. The Company had acquired its funding from various sources, i.e. Thai commercial banks, securities companies, insurance companies and other asset managements. At the end of 2019, the Company's total credit lines amounted to 29,540 MB, comprising of 18,030 MB from Krung Thai Bank and 11,510 MB from other commercial banks. However, the Company had utilized some of those credit lines, hence total available credit line at the end of December 2019 was 23,660 MB. The Company's cost of funds at the end of 2019 stood at 2.81%, down from last year of 2.89% thanks to the Company's capability in effectively managing its borrowing cost to be appropriately proportioned with portfolio

expansion. In the meantime, the Company's debt to equity ratio was at 3.33 times, very well below the bond covenant limited at 10 times.

KTC Financial Highlight (Unit: Million)	4Q2019	4Q2018	Growth (Y-Y%)	2019	2018	Growth (Y-Y%)
Gross profit margin	87.9%	86.9%	1%	87.7%	86.8%	1%
Net profit margin	22.3%	22.5%	-1%	24.4%	24.2%	1%
Interest coverage ratio (times)	5.1	5.0	3%	5.4	5.1	6%
Debt to equity ratio (times)	3.3	3.9	-14%	3.3	3.9	-14%
Return on equity	29.2%	34.0%	-14%	30.6%	35.5%	-14%
Return on asset	6.4%	6.4%	-0.3%	6.7%	6.7%	-0.2%
Allowance/ Total receivables	6.6%	7.0%	-6%	6.6%	7.0%	-6%
Allowance / NPL	620%	616%	1%	620%	616%	1%
Book Value	7.7	6.3	21%	7.7	6.3	21%
Earning per shares (Baht)	0.51	0.48	7%	2.14	1.99	7%

Total comprehensive profit for year 2019 amounted to 5,470 MB composing of net profit for 5,524 MB and other comprehensive loss for 2019 tax year of 54 MB which was due to the loss from new estimates of employee benefit program and income tax relating to items that will not be reclassified subsequently.

### Actual performance compared to 2019 targets

KTC had successfully accomplished its total portfolio growth of 10% as previously anticipated, along with maintained its NPL level at 1.1% as planned. Even though credit card spending growth was only 11%, behind the target of 15%, the Company continued to attain steady income from both credit card and personal loan businesses. Income from bad debt recovery remained high. And thanks to effective fund raising, funding cost continued to stay at low level. Meanwhile, the Company's total expense increased due to higher marketing budgets to support member base expansion. Also, as total portfolio grew potently, more provisions were set up as well as bad debts increased, hence bad debts and doubtful accounts were higher than last year. As a result, the Company's profit grew at a slower pace of 7.5%.

## Potential Impacts from TFRS9

Federation of Accounting Professions has announced new accounting standards, new financial reporting standards and translation of new financial reporting standards which are already announced in the Royal Gazette and will be enforced for financial statements with the accounting period starting from January 1, 2020. One of new financial reporting standards is TFRS9: financial instruments.

Impacts from applying the new accounting standard TFRS9 are anticipated to be on numerical financial reporting rather than on actual business operations. The most impact is from the standards for bad debts write offs which is more strictly than the previous ones. In TFRS9 standards, the Company is able to write off bad debts only when it can no longer reasonably anticipate that those debt could be collected (referred to TFRS9 standards, 3.2 financial assets write offs). Hence, when the Company writes off bad debts for tax benefits according to the Ministerial Regulation No. 186 (B.E 2534) issued by virtue of the Revenue Code regarding writing off bad debts from debtors' accounts, the Company is probably not able to immediately report such write offs in accounting until it can expect with great certainty that those debts will not be repaid in which then, accounting write offs can be done.

The differences in the Company's new financial reporting according to TFRS9 standards can be explained as followings.

1. Bad debts written off for tax benefits will not be removed from the report until proven that such debts could no longer be repaid. Hence, new NPL under TFRS9 is comparable to Write offs + NPL under old standard. For example, Company A is used to write off bad debts at 7-8% yearly and left with NPL around 1%. Under TFRS9, new base of NPL would be around 8-9%.
2. According to the new standards, the Company will still acknowledge interest income from NPL until such NPL is written off, and even it's already in Stage 3.
3. The new standards require the Company to set up provisions for NPL (both principle and interest) according to the calculation following ECL Model (Expected Credit Loss Model) which is not 100% provisions set up as before.
4. In case that there is difference between interest income and provisions set up for interest, the new standards require the Company to recognize such difference in income statement.
5. Owing to new reporting of NPL, relevant ratios such as allowance for doubtful accounts to total receivables (Allowance/Port), allowance for doubtful accounts to receivables with over 90 days past due (NPL Coverage), will also be affected. With changes in many parts of the new standards and with the impact of ECL Model, portfolio characteristics and various impacts to portfolio would affect different ways in provisions set up. Therefore, the new estimates to use as a base to calculate aforementioned ratios would be somewhat difficult. Regardless, based on current facts, the Company believes that under the new standards, the ratio of Allowance to Port according to

the new base would be roughly 9%-11% and NPL Coverage would be around 100-200%. Once TFRS9 is fully adopted, such ratios are expected to be more precisely estimated.

With provisions set up for doubtful accounts as of December 31, 2019, when applying ECL Model calculation, there is a certain amount of excess. Therefore, management has arranged the additional amount into Management Overlay as defined in TFRS9 standards so that the Company can enter TFRS9 without excess provisions

And for benefits of comparison between old and new financial reports, the Company will continue to publish its old formats under Management Report in MD&A for 1-year period starting from Q1, 2020.

## Business plans for year 2020

Rapid evolution of digital technology has affected business operations and people's lifestyle as never seen before. The swift incoming of FinTech, together with the entry into digital economy that allows cashless spending and payment will alter usual ways of conducting financial transactions. In addition, the government policy of National e-Payment intended to change consumer behavior to cashless society has led the significant role of technology-based intermediary payment companies into people's life. Owing to all aforementioned factors, KTC has enhanced its various strategies to assure its continuously and satisfactory solid performance as well as its long-term secure stance in the business.

KTC business directions in 2020 aims at building its growth with a new vision of becoming financial platforms that stand alongside Thai society with a user-friendly concept. Two main platforms which are 'Payment Platform' and 'Retail lending Platform' will be introduced with 3 strengths of security, speed and impressive experience to assure member satisfaction as well as to support the Company's new business expansion into secured retail lending, adding to its existing credit card and personal loan businesses.

Meanwhile, KTC is capable of providing diverse and one stop service consumer lending. Car title loan, Pico Plus (multi-purpose lending offered to retails at provincial level) and Nano Finance (retail lending for self-employed individuals of low-income earners) have already been launched gradually for their services.

In addition, in order to conduct its businesses to promptly and precisely meet customer demands and expectations, KTC has stepped up to be 'Agile Organism' or a living organism. Starting with new conceptual framework, business operations will be flexible and able to swiftly cope with changes. This can be done thru 5 key factors which are 1) Strategy – Create opportunities and utilize existing resources to add values to all stakeholders, 2) Structure – Define clear roles and responsibilities for personnel and encourage them to initiate jobs as well as to solve their own problems for better performance, 3) Process – Analyze incidents in workplace, build a learning cycle and promote decision making, along with reduce risk and create success, 4) People – Connect talented people together, motivate personnel for a sense of corporate ownership which in turn will

drive the efficiency of the organization, and 5) Technology – is a necessary part that needed to be merge with every dimension of the organization. For 2020, KTC has determined its strategies in each area as follows.

#### Credit Card Business – ‘Everyone, every day and everywhere’

With the aim for KTC credit card to be its member’s every day and everywhere choice whether spending thru online or thru both domestic and international stores, KTC will focus not only on providing worthwhile KTC FOREVER point rewards but also on creating impressive experiences for both general and premium members as well as for young generation whose lifestyle concentrating on online communications. Segmentation strategy for marketing campaigns is also applied by managing existing portfolio at maximum efficiency. In the meantime, KTC continues to emphasize on expanding merchant networks to thoroughly cover its member’s lifestyle. The Company will also enhance the efficiency of its communication channels so that its members can receive any information they require.

#### Merchant Business – expand merchant networks

KTC targets to expand merchant business by providing merchant members with payment solutions that suitably address their needs in various business segments in order to build their satisfactory service experience as well as to promote sustainable growth for the Company. The Company will also focus on offering installment payment with KTC card and full payment plans. In addition, KTC aims to penetrate diverse segments especially Alipay to support growing Chinese market, along with online stores. The Company will continue to work closely with Krung Thai Bank to develop and expand opportunities for further businesses together, which will in turn increase the Company’s revenues.

#### Personal Loan Business – focus on sustainable growth

For personal loan business, KTC plans to increase lending, together with strengthen portfolio’s quality with 4 key factors which are

- 1) Acquire new members whose needs are to uplift their quality of life.
- 2) Maintain current member base with aims for their long-term loyalty and that KTC card is their first choice by alleviating debt burdens for members with good discipline payment thru marketing campaigns that truly satisfy their needs.
- 3) Develop products and services that promote member’s complete satisfaction. With new service, member can request for an emergency credit limit increase with self-service transaction for 24 hours a day.
- 4) Promote members with good quality of life for sustainable and in unison growth by initiating their financial disciplines thru organizing Financial Literacy seminar and thru providing useful articles via simple medias, as well as further arranging knowledge sharing workshops for career and investment advice in order to help enhance member’s future income.

## Member Base Expansion

Strategies to expand member base are both challenging and providing good opportunities for KTC. To thoroughly satisfy retail customers, KTC offers them with diverse and one stop service lending products, including the latest one 'KTC P' BERM', which is composed of car title loan, motorcycle title loan and cash loan. Online application will be increasingly focused. Yet, main member acquiring channels are still thru Krung Thai Bank and outsource sales.

## Other Supporting Strategies

- **Promote online service to support current consumer behavior.** KTC has stepped up into Digital Age thru online market expansion. The Company aims to develop its products and services to satisfy members favoring online self-service transactions. These include mobile application 'KTC Mobile' as well as 'KTC Online' which has been enhanced to support every device whether it's PCs or Tablets or Mobiles or any OS devices. Website 'www.ktc.co.th' has also been adjusted for simple and up-to-date use so that members can appreciate seamless experience and enjoy highest satisfaction.
- **KTC FOREVER/ Installment payment service thru KTC Flexi and online stores thru U-Shop,** a marketing strategy that concentrates on providing diverse benefits. The Company will continue to use KTC FOREVER points rewards and KTC Flexi as its key driving forces to add values for its long-term loyalty members. Members can redeem points for goods and services at service points as well as via online. Other marketing activities will also be covered such as various insurance product offerings, 'KTC U SHOP' which goods will be carefully selected by its quality and by seller's credibility, along with campaigns using segmentation strategy.
- **Further promote tourism market by distinguishing itself from other competitors with KTC World service.** These strategies include collaborative marketing with airline partners, travel agents, hotels, tourism organizations both domestic and foreign etc. as well as providing discounts and privileges. Travel information and online planes ticket booking are also available via website [www.ktcworld.co.th](http://www.ktcworld.co.th) to meet with member's lifestyle in digital era. In addition, travel communities are created thru KTC World Facebook, Instagram and Twitter to service travel information for KTC credit card members.