

# KTB Analyst Meeting 3Q2011

# 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

# TABLE OF CONTENTS

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	Page
Overview of KTB	4 – 10
Improved Operational Performance	11 – 21



# Overview of KTB

# BACKGROUND

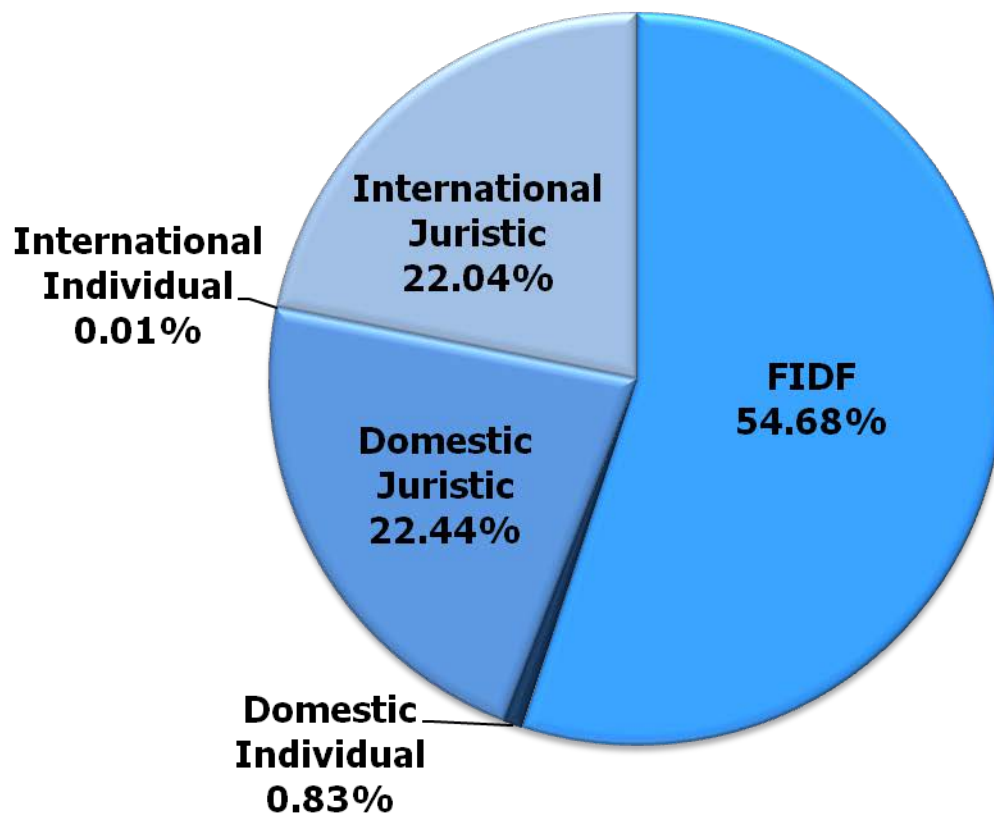
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- KTB was established in 1966 from a merger between Agriculture Bank and Provincial Bank.
  - In 1989, KTB's shares were introduced into the Stock Exchange of Thailand and it was regarded as the first state enterprise listed on the stock exchange.
  - KTB played significant role in consolidation of Thai banking sector following 1997 crisis.
  - In 2003, FIDF offered 3,450 m shares for distribution to both local and foreign investors, reduction of FIDF shareholding from 87% to 56%.
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- In 2007, KTB developed respective products and services to add convenience to customers especially the Cash Management service.
  - KTB keeps enhancing the Risk Management by introducing the Enterprise Risk Management (ERM) throughout the organization and simultaneously implements Corporate Social and Environment Responsibility (CSER).
  - Presently, KTB is the second largest commercial Bank in Thailand with 1,008 branches in Thailand and 7 branches overseas.

# SHAREHOLDING STRUCTURE

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As at September 30, 2011



# COMPETITIVE STRENGTHS WITH DIFFERENTIATION

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Strong Relationships with Corporate, Gov., SME and Retail Customers

Superior Nationwide Branch and ATM Networks

Stringent Risk Management System

Improved Operational Performance and Capital Position

# STRONG CUSTOMER RELATIONSHIPS



## Top Tier Corporate Relationship

- SET 50 and top tier corporates

## Retail Banking Customers

- Strong base of retail banking customers — approximately 16.9m customer accounts

## Government Agencies & SOEs

- 8,219 Government Agencies and SOEs
- Government disburses a substantial portion of its payments through its GFMS program with KTB
- More than 2.7m Government and SOE employees receive paychecks through their KTB account

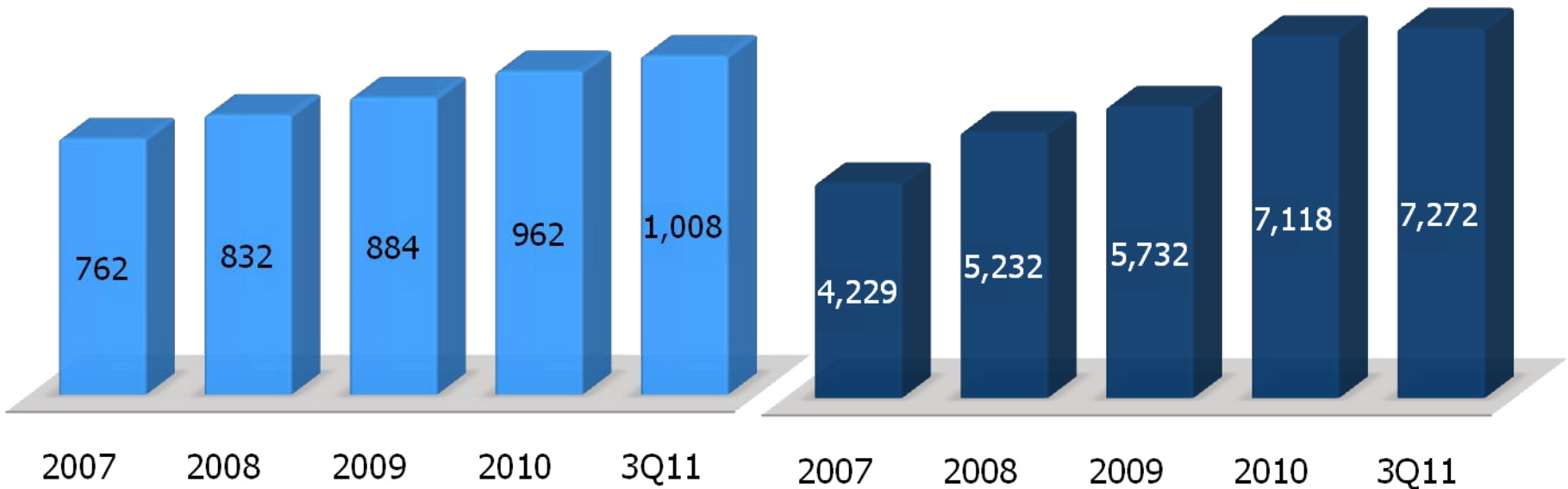
## SME Customers

- Consistent growth in SME market
- Provides financial products through 63 business centers nationwide

# FRANCHISING AND ATM NETWORK

Domestic & Sub Branches<sup>(1)</sup>

ATMs<sup>(2)</sup>



Source: (1) BOT data as of September 30, 2011  
(2) ATMs Data as of September 30, 2011

# STRINGENT RISK MANAGEMENT SYSTEM

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Risk management policies related to all major risks associated with the Bank's business including credit, operation and market risks are closely managed by the Risk Management Group.

Relationship Management are divided into 4 separate Business Units to cover different customer segments (Corporate, SME, Government, and Retail).

All credit process has been executed through two main functions namely Relationship Management and Credit Review functions which are separated with clear check and balance framework (two reporting lines) where RMs directly interact with clients to initiate credit applications and Credit Review functions countersign the applications.

Regular Credit Examinations is done by Credit Audit Department under the Internal Audit Group.



# Improved Operational Performance and Capital Position

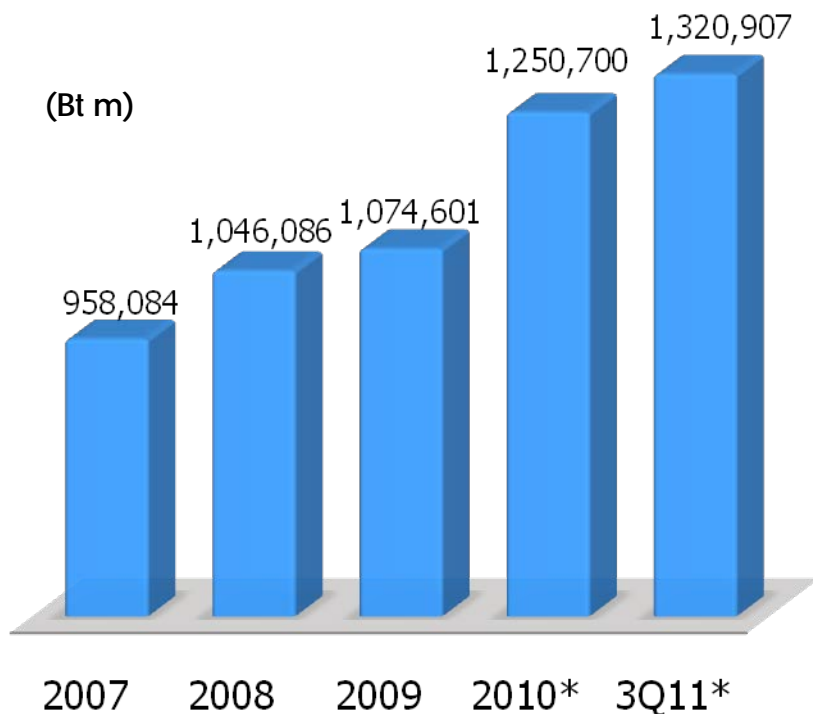
# 3Q2011 FINANCIAL HIGHLIGHT

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- Total Loans increased 5.6% from 2010.
- Total deposits grew by 1.7% from 2010 while deposit including Bill of Exchange grew 6.2% from 2010
- Net interest income dramatically increased by 30.8% from 3Q10. NIM for 3Q11 was 2.9% increased from 2.5% in 3Q10
- Total other operating income showed a remarkable increase of 27.2% and fee income, which is expected to be recurring, also rised by 17.0% from 3Q10.
- Cost to income ratio decreased from 51.9% in 3Q10 to 44.9% in 3Q11 due to a rise in total income.
- NPLs ratio (gross) continuously decreased from 5.3% as at December 31, 2010 to 4.3% as at September 30, 2011.
- Coverage ratio decreased from 60.6% as at December 31, 2010 to 59.0% as at September 30, 2011.
- CAR and Tier 1 Ratio decreased from 15.52% and 9.90% as at December 31, 2010 to 14.21% and 9.08% as at September 30, 2011 respectively.

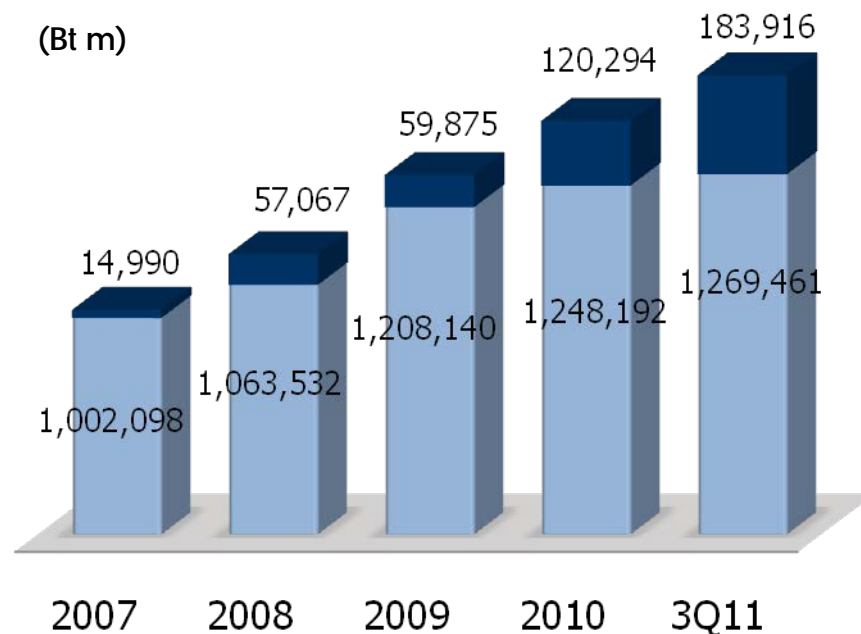
# LOANS AND DEPOSITS

## Loans



Loans Growth (YTD)				
2007	2008	2009	2010	3Q11
3.4%	9.2%	2.7%	16.4%	5.6%

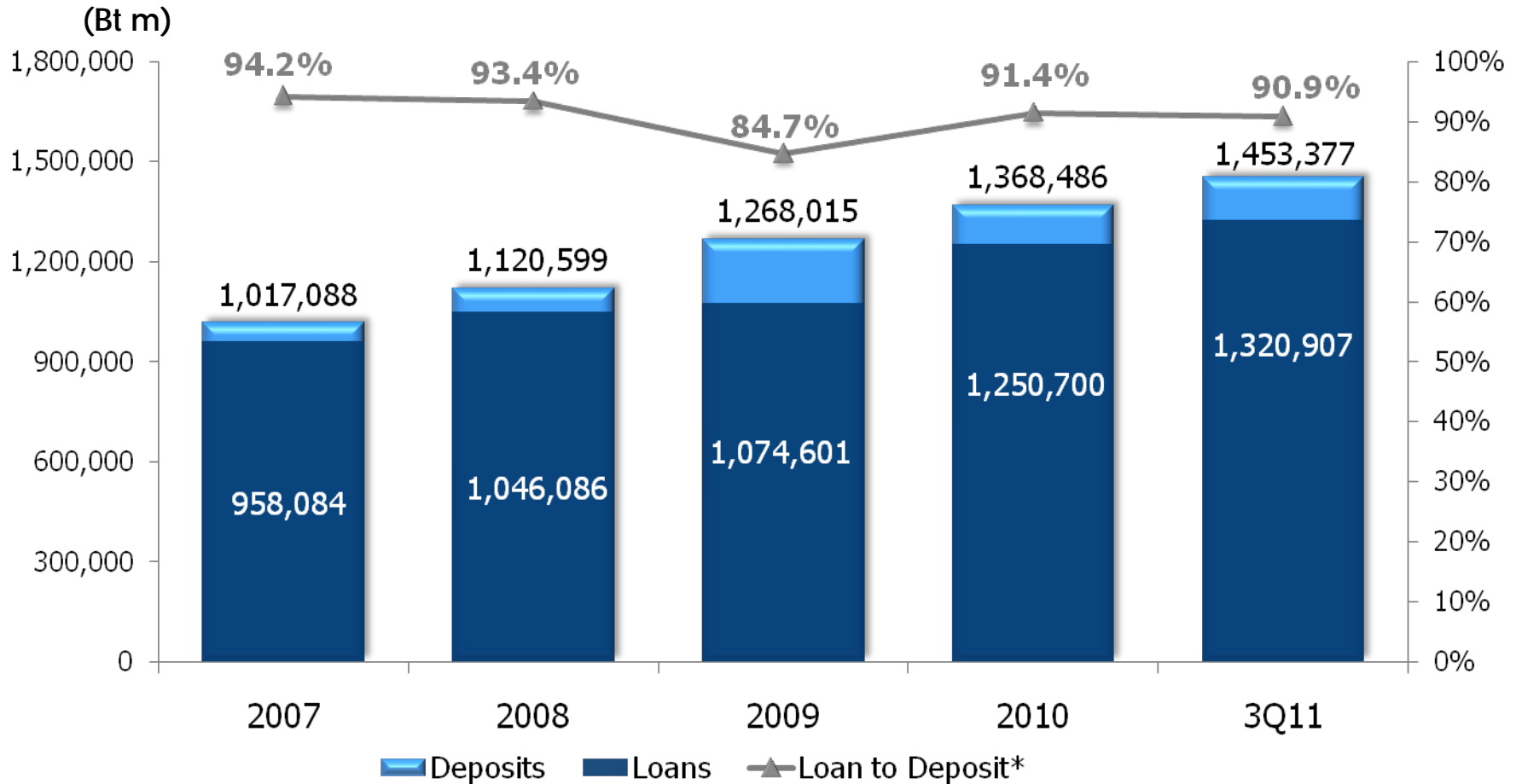
## Deposits & Bill of Exchange



Deposits & Bill of Exchange (YTD)				
2007	2008	2009	2010	3Q11
0.7%	10.2%	13.2%	7.9%	6.2%

Note: 3Q11 data are unconsolidated, and unaudited as of September 30, 2011  
 \*2010 and 3Q11 Loan – less deferred revenue

# LIQUIDITY

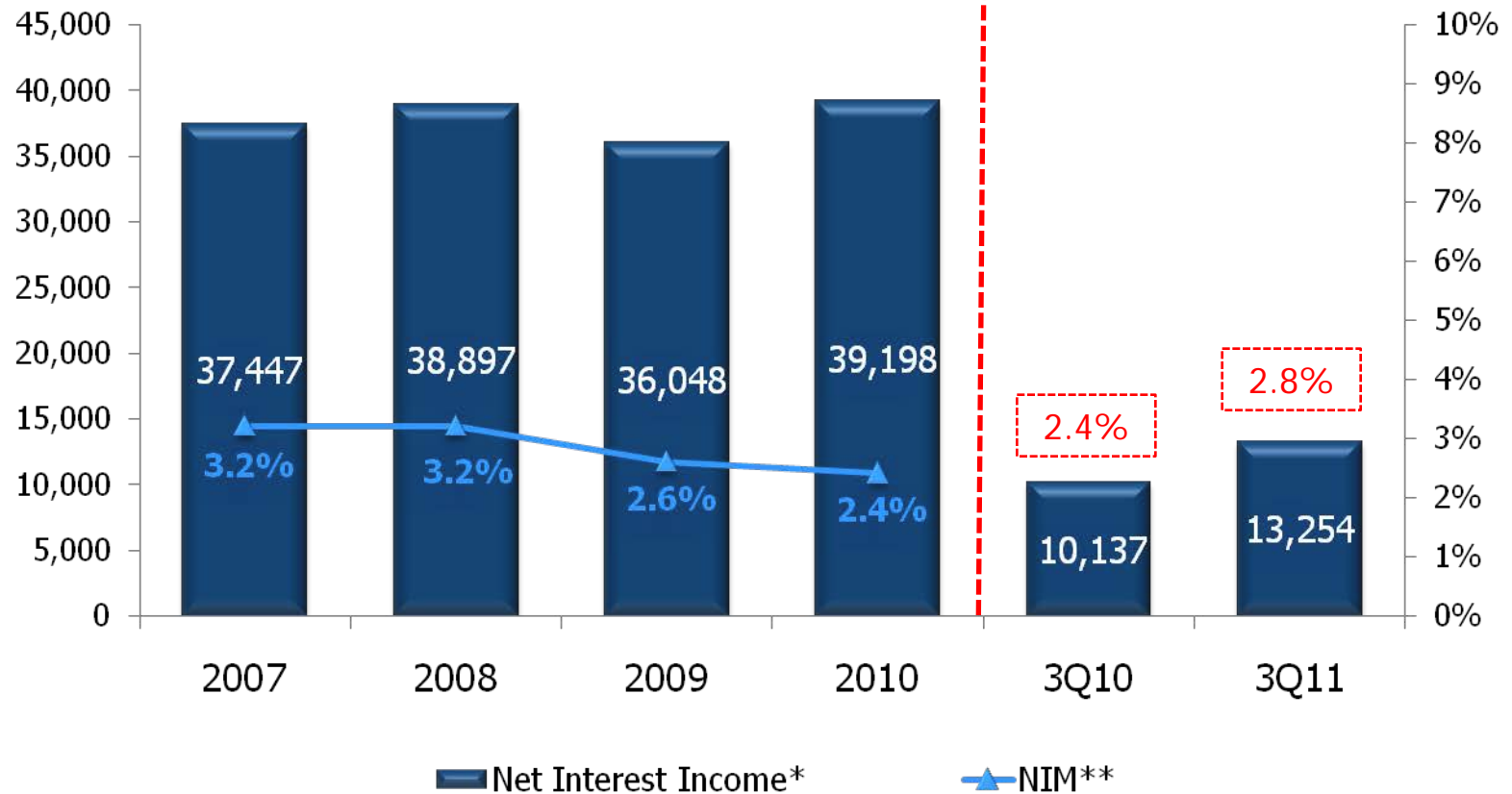


Note: 3Q11 data are unconsolidated, and unaudited as of September 30, 2011

\*Loan to Deposit Ratio: Total Deposits included bill of exchange

# NET INTEREST INCOME AND NIM

(Bt m)

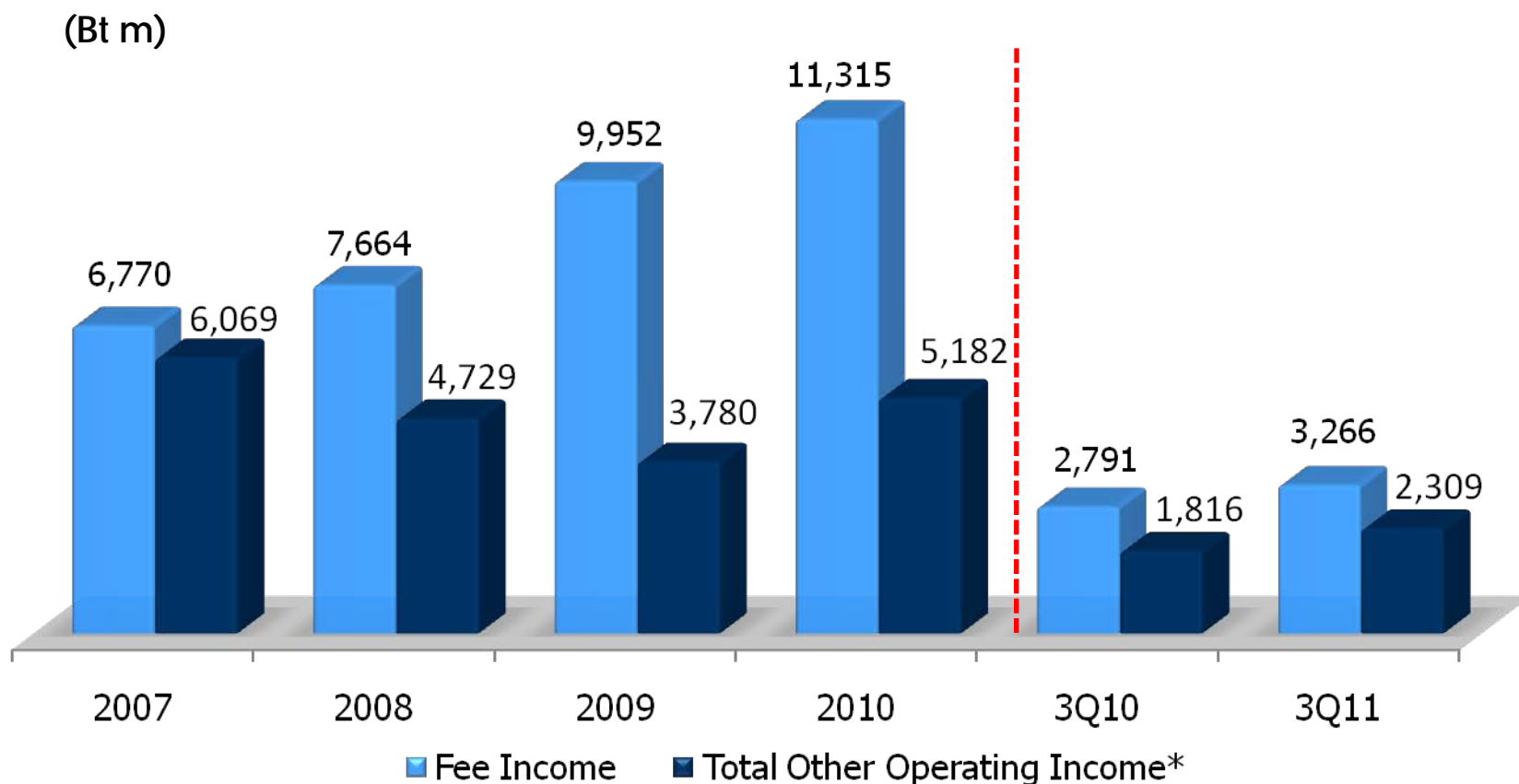


Note: 3Q11 data are unconsolidated, and unaudited as of September 30, 2011

\*Net Interest Income excluded dividend

\*\*NIM is based on average earning assets and excluded dividend

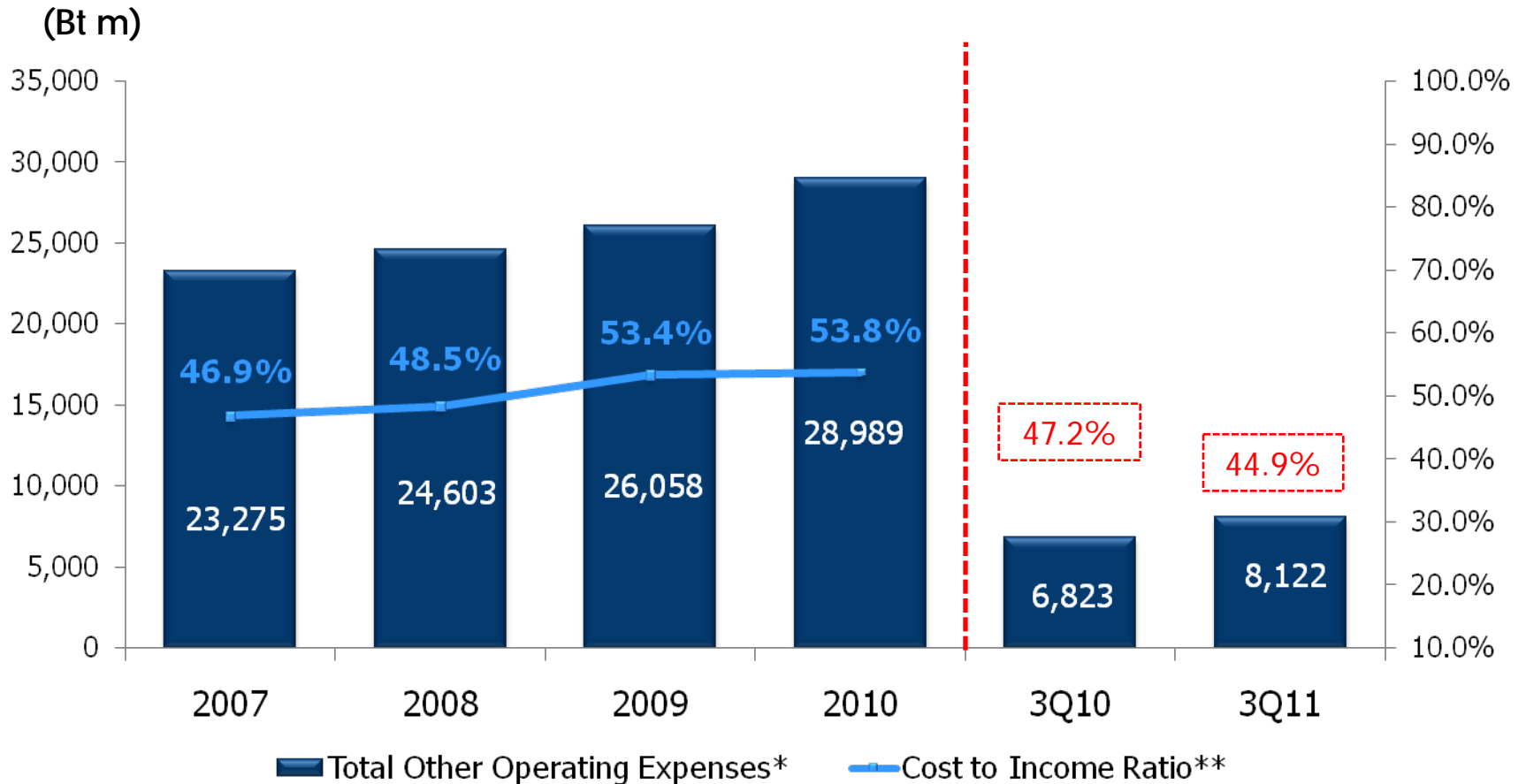
# FEE INCOME AND TOTAL OTHER OPERATING INCOME



Note: 3Q11 data are unconsolidated, and unaudited as of September 30, 2011

\*Total Other Operating Income included dividend income

# COST EFFICIENCY

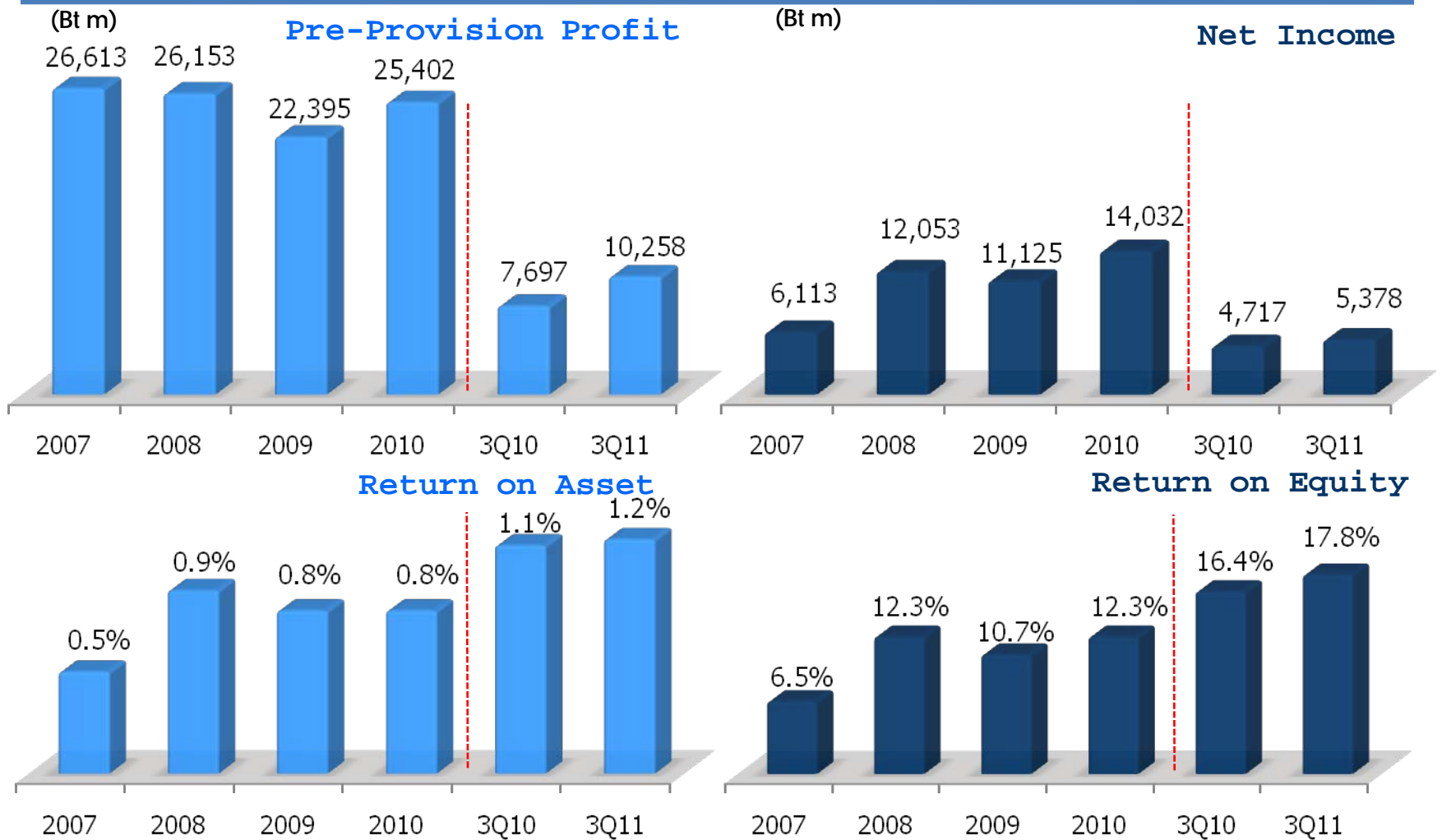


Note: 3Q11 data are unconsolidated, and unaudited as of September 30, 2011

\* Total Other Operating Expenses excluded contribution to deposit protection agency and fee expenses

\*\* Total Other Operating Expenses excluded loss on impairment of properties foreclosed, loss on impairment of land, and loss on impairment of other assets

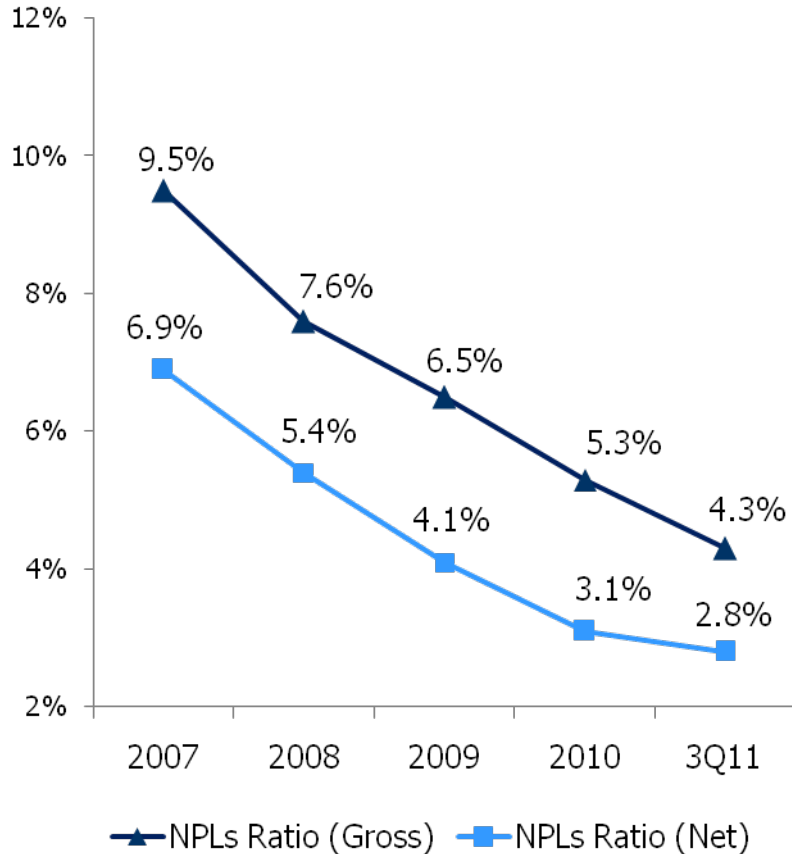
# PROFITABILITY



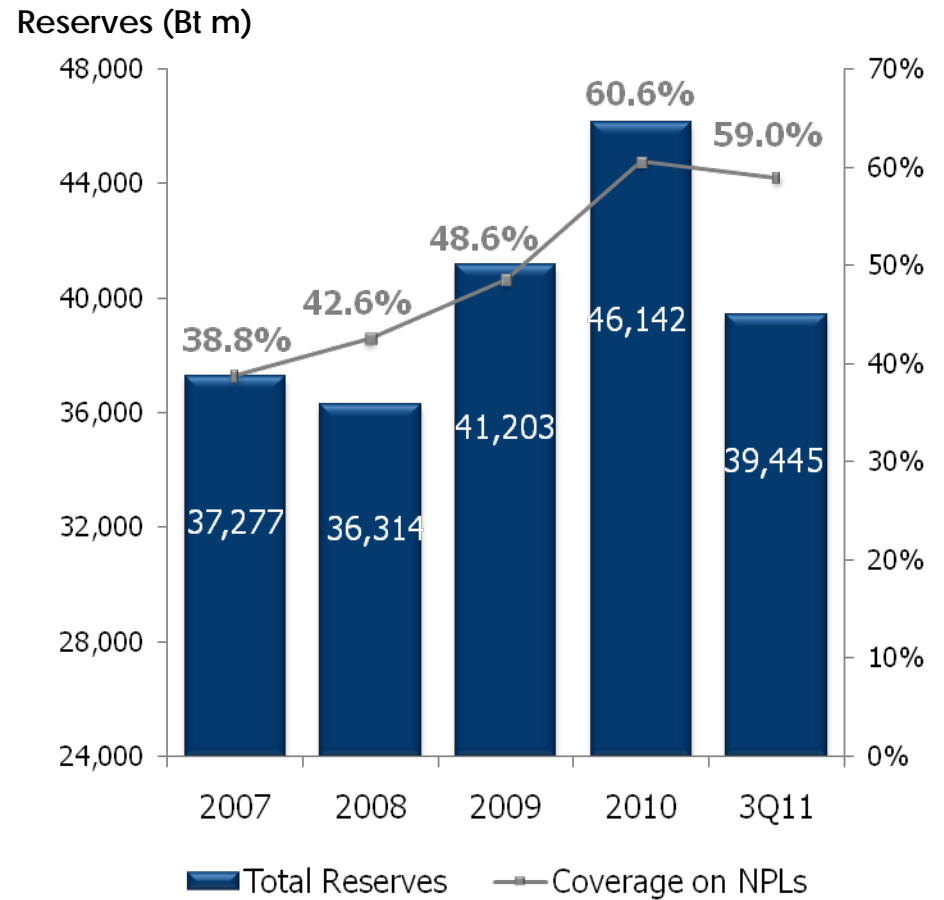
Note: 3Q11 data are unconsolidated, and unaudited as of September 30, 2011  
 Pre-Provision Profit = income before income tax + bad debts and doubtful accounts

# NPLS

## NPLs Ratio



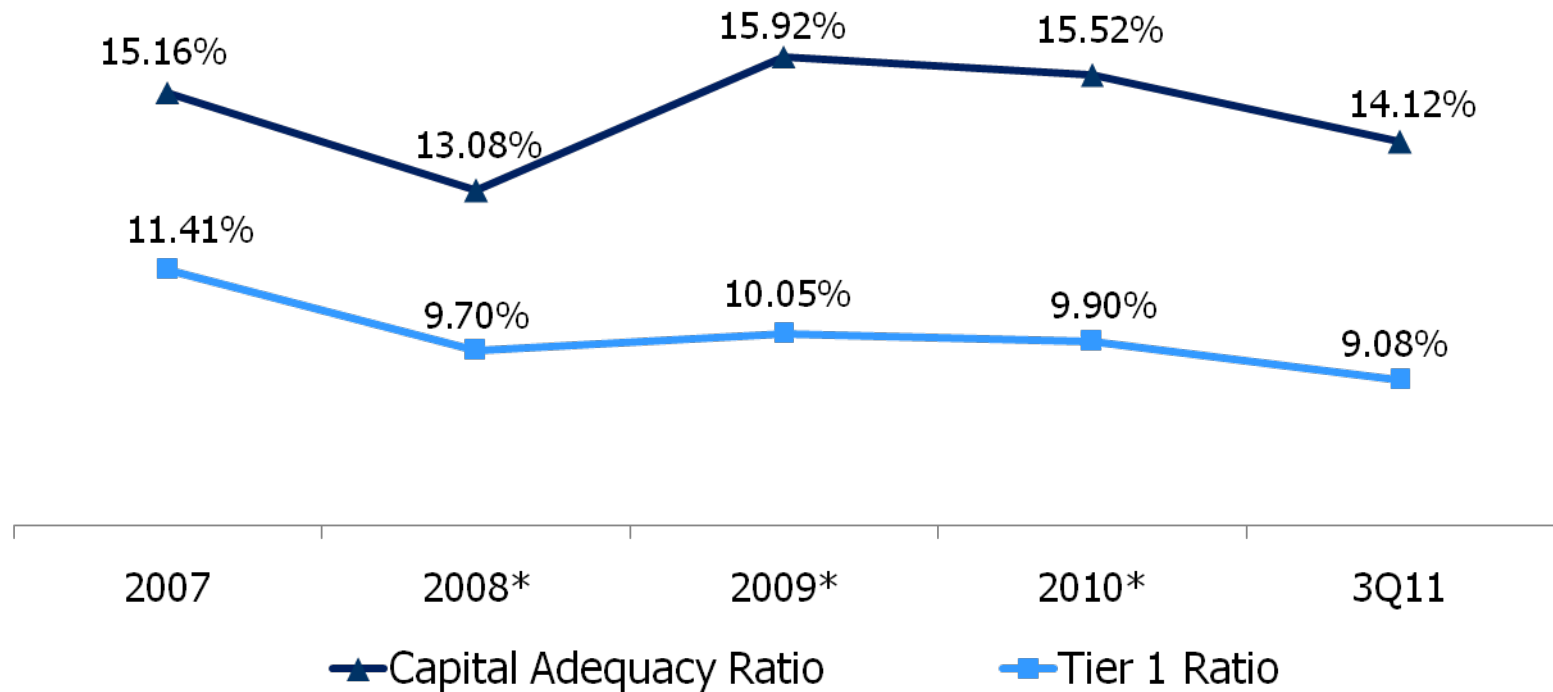
## Coverage Ratio



Note: 3Q11 data are unconsolidated, and unaudited as of September 30, 2011  
Total Reserves included interbank

# STRONG CAPITAL BASE

The Bank adopted IAS 19 (Employee Benefits) by adjusting total amount of employee benefits obligation with brought forward retained earnings of the year 2011. As a result, the Bank's brought forward retained earnings decreased about Bt 8,083 million and Tier 1 Ratio and CAR also declined in 1Q11.



Note: \*2008, 2009, 2010, 3Q11 Capital Adequacy and Tier 1 Ratio are adjusted in line with the new BOT's regulations regarding Basel II

# Thank You