

## Statement of the Board of Directors

Members of the Board of Directors are proud to work with an organization of outstanding professionalism and to supervise the operations of KBank with independence and neutrality for long-term benefit of all stakeholders.



Today's business operations are encountering plenty of new fluctuations and emerging risks. Apart from the generation of business growth, KASIKORNBANK (KBank) has to pay due care to benefits of all stakeholders and impacts on our interconnected business supply chains, which will lead the organization towards stable and sustainable growth. In the past year, the COVID-19 pandemic has had widespread impacts on economic and social systems, as well as people's ways of life, both directly and indirectly. Meanwhile, developments in digital technologies have influenced consumers' rapidly changing lives and behaviors. These are some of the challenges businesses are presently facing.

While the global economy was persistently sluggish over the previous year, KBank remained fully committed to conducting business with adherence to the principles of a Bank of Sustainability, under good corporate governance and appropriate risk management. We also emphasized balanced economic, social, and environmental aspects in order to achieve growth targets and generate long-term, sustainable returns for the maximum benefit of all stakeholders as well as the creation of benefit for society and the nation as a whole.

The Board of Directors considered and approved key business strategies in relation to the directions and policies of KASIKORNBANK FINANCIAL CONGLOMERATE and supervised Management's effective administration processes. We have in place sound internal controls and risk management as well as adequate capital funds for present and future business operations. The Board of Directors reviewed KBank's corporate governance policy, practices, and systems to enhance efficiency and uplift standards of corporate governance in tune with regulatory requirements and international benchmarks. The Board of Directors also reviewed and approved the sustainability development framework and policy as being on a par with global criteria and standards as well as corresponding to the United Nations Sustainable Development Goals (SDGs) and the Paris Agreement. Our goals related to the different dimensions include: Economic Dimension – to be an accountable bank to create sustainable profitability; Social Dimension – to be a responsible corporate citizen to create a sustainable society; and Environmental Dimension – to be an environmental stewardship towards a zero-carbon society. Additionally, we conducted an annual review of our human rights policy to encourage all units of KBank and other companies within KASIKORNBANK FINANCIAL CONGLOMERATE, suppliers, and joint venture to concretely implement those concepts in their business undertakings.

Speaking for all members of the Board of Directors, we are proud to work with an organization of outstanding professionalism, to take part in supervising KBank's businesses with independence and neutrality for long-term benefit of shareholders and other stakeholders, and to join in driving forward KBank's missions based on correctness, transparency, and compliance with the laws, KBank's Articles of Association and resolutions of shareholders' meetings, as well as the Statement of Business Conduct.

On behalf of the Board of Directors, I would like to express our appreciation for your continued confidence and trust in our business.



(Ms. Kobkarn Wattanavrangkul)  
Chairperson of the Board

## Statement of Chief Executive Officer

KBank operates our business in line with the principles of a Bank of Sustainability, with good corporate governance, as well as appropriate risk and cost management, allowing us to achieve growth and create sustainable long-term returns for all stakeholders.



KBank has operated our business in line with the principles of a Bank of Sustainability, along with good corporate governance, as well as appropriate risk and cost management, with an aim of achieving growth and sustainable long-term returns for all our stakeholders. We have been determined to maintaining our position as a leading Thai bank and to continue our responsibility to society and the environment for more than seven decades. The COVID-19 pandemic has had wide-ranging impacts on the economy, society, and people's ways of life. With care and concern for crisis-hit customers, we have given support to both retail and business clients through a myriad of measures in order to buoy up organizations and employees in weathering this difficult time. All our endeavors aim to ensure sustainable growth of the Thai economy and society.

In 2020, beset by the COVID-19 pandemic, the Thai economy contracted in line with the global economy. In spite of this, KBank continues to operate our business in line with the principles of a Bank of Sustainability. We are committed to delivering an excellent customer experience based on the Customer Centricity strategy, in order to empower every customer's life and business. KBank's strategic imperatives focus on the development of business growth and customer responsiveness. To this end, we aim to dominate digital payments, reimagine commercial and consumer lending, democratize investment and insurance focusing on retail customers, penetrate regional markets within the AEC+3 region, strengthen harmonized sales and service experiences, and improve value-based productivity by optimizing resources and capabilities. Our endeavors are achieved through collaboration and synergy with other companies within KASIKORNBANK FINANCIAL CONGLOMERATE, startup firms, and our business partners. Moreover, we have worked with KASIKORN BUSINESS-TECHNOLOGY GROUP (KBTG) in developing innovative technology for the happiness and betterment of every customer's life and business while also creating new business opportunities, thus maintaining our competitiveness and position at the forefront as a digital banking service provider. In parallel, KBank prioritizes effective risk management, cyber security, and data analytics for enhancement of our strategic capabilities with the aim of becoming a Regional Digital Bank.

Regarding our role as a Bank of Sustainability, KBank has determined sustainability goals for each dimension. **In terms of the economy**, KBank has a goal of being an accountable bank in order to create sustainable profitability by collaborating with companies in the e-commerce platform to develop products and services that meet current lifestyle needs. This goal will be achieved through steady improvement in various functions on K PLUS so that customers can use our services more conveniently anywhere and anytime. Additionally, KBank has launched various platforms – namely the “KhunThong” social chatbot, MAKE by KBank, Eatable, FinVest, and LINE BK, developed service channels to cover all customer segments, and pressed ahead with our strategy to become Regional Digital Bank. Moreover, KBank’s lending and investments are considered based on environmental, social, and governance (ESG) criteria. KBank has also promoted concrete changes and sustainable development in society and the environment at large. **In terms of social contribution**, KBank’s goal is to be a responsible corporate citizen in order to create a sustainable society via a number of projects. These include the provision of financial literacy for youth via the AFTERKLASS website, the Nan Cultivation of Wisdom program, providing assistance to customers affected by COVID-19, encouraging employees to join volunteer activities under the “Make Every Day the Day of Doing Good Deeds” project under the “Green DNA” resolution, introducing health and safety measures in accordance with the standards of the Ministry of Public Health to ensure the well-being and safety of customers using services at KBank branches, implementing occupational health and safety measures at the workplace, and ensuring adequate supplies of resources for employees working at home so as to protect them from the pandemic. **In terms of the environment**, the Chief Executive Officer, in the role of Chief Environmental Officer, aims for KBank to be an environmental stewardship towards a zero-carbon society in alignment with KBank’s strategy and global sustainability trends. KBank is the first and only commercial bank in Thailand to become a signatory of the UN Principles for Responsible Banking of the United Nations Environmental Program Finance Initiative (UNEP FI) and a supporter of the Task Force on Climate-Related Financial Disclosure (TCFD). KBank has supported operations of the Rak Pa Nan Project, which works with communities in preserving watershed forests in Thailand’s Nan Province. Moreover, as a representative of the private sector, KBank has steered the Nan Sandbox project in collaboration with the public and private sectors, as well as the local people of Nan Province.

Through the past year, KBank and its subsidiaries reported net profit of Baht 29,487 million, a decrease of 23.86 percent from the previous year. The decrease can chiefly be attributed to the prudent approach by KBank and its subsidiaries amid the COVID-19 pandemic. In 2020, KBank set aside higher expected credit loss of Baht 9,536 million, an increase of 28.04 percent compared to the preceding year, due to the highly uncertain circumstance triggered by COVID-19. Meanwhile, the capital adequacy ratio (CAR) of KASIKORNBANK FINANCIAL CONGLOMERATE according to the Basel III Accord was 18.80 percent, with a Tier 1 capital ratio of 16.13 percent; both figures were greater than the Bank of Thailand’s requirement, reflecting our robust capital position which is adequate for continuously operating business under both normal and stressed situations. Through its efficient capital management, KBank can conduct business with optimal capital structure.

Additionally, KBank has gained wide acceptance and recognition at home and abroad as the first commercial bank in Thailand and ASEAN to be selected for inclusion in the Dow Jones Sustainability Indices (DJSI) for the fifth consecutive year and selected for inclusion in the FTSE4Good Emerging Index for the fifth year running. KBank is also rated B (Management level) in the assessment of climate change management under the 2020 Carbon Disclosure Project (CDP). Furthermore, KBank was selected to be on the 2020 Thailand Sustainability Investment (THSI) list by The Stock Exchange of Thailand for the fifth year, as well as receiving many awards in other areas. These achievements reflect our sustainable development practices as a Bank of Sustainability which are tangibly ingrained in all our work processes and KBank’s own organizational culture.

On behalf of all our executives and employees, I would like to express our appreciation for your continued trust and confidence in us.



(Ms. Kattiya Indaravijaya)  
Chief Executive Officer