



Management Discussion and Analysis (MD&A)

For the Quarter Ending June 30, 2025

ธนาคารกสิกรไทย
开泰银行 KASIKORNBANK



บริการทุกระดับประทับใจ

Executive Summary of Management Discussion and Analysis

For the Quarter Ending June 30, 2025

Thailand's economy continued to slow down in the second quarter of 2025, particularly in private spending, industrial production, and revenue from foreign tourists. This aligns with a decline in both consumer and business confidence indices. Additionally, public spending, both current and investment expenditures, contracted due to the high base in the same period of last year, when the fiscal year 2024 Budget Act came into effect. For the second half of 2025, the Thai economy is expected to grow at a significantly slower rate compared to the first half of the year or even face the risk of stagnation. This is mainly due to a sharp contraction in exports following high growth in the first half. Furthermore, Thai exports may begin to be affected by the US import tariffs, which could have an impact on investment sentiment. Meanwhile, momentum from the tourism sector is expected to weaken significantly, and the government's economic stimulus package is likely to remain limited. These downside risks are also expected to continue weighing on Thailand's economy in 2026.

Amid a range of challenges stemming from high risk economic factors both domestically and globally, as well as concerns regarding the global economic slowdown, the Bank and its subsidiaries continue to operate with prudence and remain committed to delivering sustainable value to all stakeholders. This includes fulfilling responsibilities towards depositors, investors, and borrowers - both individuals and businesses, by providing credit in a responsible and fair manner, as well as fully supporting government initiatives, such as the "You Fight, We Help" project, other relief measures for customers affected by various events, and interest rate cuts in line with the policy rate. The commitment aims to ease customers' burden, support them to sustain their lives and business, as well as delivering stable returns to shareholders through the execution of K-Strategy 3+1 and Productivity under good corporate governance and appropriate risk management while fostering the K-Culture that aligns everyone towards shared goals.

Regarding operating performance for the second quarter of 2025 compared with the first quarter of 2025, the Bank and its subsidiaries reported net profit attributable to equity holders of the Bank of Baht 12,488 million, a decrease of Baht 1,303 million or 9.45 percent, primarily due to a decline in net interest income in line with market conditions. Additionally, the Bank provided support to customers by reducing loan interest rates. Net interest margin decreased to 3.31 percent, while non-interest income totaled Baht 13,944 million, an increase of Baht 266 million or 1.95 percent, mainly from insurance service result and investment income. Other operating expenses totaled Baht 20,803 million, an increase of Baht 751 million or 3.75 percent from the preceding quarter, primarily due to IT-related expenses to support the expansion of customer service channels and marketing expenses. Additionally, expected credit loss (ECL) totaled Baht 10,050 million, an increase of Baht 232 million or 2.36 percent, in line with the principle of prudence to maintain appropriate ECL in order to cope with uncertainties surrounding the continued economic slowdown, including impacts from other future events.

For operating performance during the first half of 2025 compared to the restated performance for the same period of 2024, the Bank and its subsidiaries reported operating profit before expected credit loss and income tax expense of Baht 56,847 million, a decrease of Baht 2,470 million or 4.16 percent, due to a decline in net operating income, derived primarily from net interest income of Baht 70,080 million, a decrease of Baht 5,234 million or 6.95 percent, in line with interest rate conditions and loan interest rate reduction to provide support to customers. Meanwhile, non-interest income stood at Baht 27,622 million, an increase of Baht 2,409 million or 9.55 percent, due mainly to gains on financial instruments measured at fair value through profit or loss, investment income, and net fees and service income. Other operating expenses amounted to Baht 40,855 million, a decrease of Baht 355 million or 0.86 percent, due to continuous productivity improvements amid the economic slowdown. In line with our consistently prudent approach, the Bank and its subsidiaries set aside expected credit loss (ECL) of Baht 19,868 million to maintain an appropriate level of ECL in response to the prevailing circumstances and volatile economic conditions. As a result, net profit attributable to equity holders of the Bank for the first half of 2025 was Baht 26,280 million, a decrease of Baht 260 million or 0.98 percent.

The Bank's key financial ratios for the first half of 2025 remained within the targets, reflecting effective and prudent management. Net interest margin (NIM) stood at 3.36 percent, cost to income ratio at 41.82 percent, NPL ratio at 3.18 percent, credit cost ratio at 1.62 percent, and coverage ratio at 162.77 percent.

Regarding capital position of KASIKORNBANK FINANCIAL CONGLOMERATE, the capital adequacy ratio per the Basel III Accord was 20.66, with a Tier 1 capital ratio of 18.68 and Common Equity Tier 1 ratio of 17.71, both of which 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. The Bank is committed to manage its capital efficiently to ensure an appropriate capital structure.

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1. Overview of Operating Environment

1.1 Global and Thai Economy in the Second Quarter of 2025 and Outlook

In the second quarter of 2025, the global economy faced increasing risks from the growing uncertainty surrounding US international trade policies. The US economy showed signs of a slowdown in both manufacturing and domestic spending, alongside a surge in imports ahead of the implementation of new US import tariffs. Meanwhile, the economies of the Eurozone and China also began to lose momentum, partly due to US import tariffs. China's fragile real estate sector and domestic consumption were still heavily reliant on government stimulus measures. The economic weakness across multiple countries, combined with the risk from ongoing uncertainty around trade wars, is expected to continue into the second half of the year. As a result, the International Monetary Fund (IMF) has projected that global economic growth in 2025 will slow compared to 2024. Additionally, the uncertainty regarding the impact of US import tariff hikes has affected the direction of central bank policy rates globally. While the US Federal Reserve (Fed) held its policy rate steady throughout the first half of 2025 to assess the inflationary impact of such measures, other central banks began easing interest rates to counteract the economic slowdown.

The Thai economy continued to slow in the second quarter of 2025, extending the weakening trend from the previous quarter. Private spending softened due to the weakness seen in household purchasing power, which hurt both the domestic automobile and real estate markets. Meanwhile, foreign tourist revenue also decelerated. Additionally, government budgetary disbursements for both current expenditures and investment remained lower than the previous year. Looking ahead, Thailand's economic growth in the second half of 2025 is projected to slow further or even stagnate compared to the first half because of the potential sharp contraction in exports, following front-loaded shipments in the first half. Moreover, Thai exports may begin to be affected by the US import tariffs, which would in turn affect the private investment climate. Meanwhile, momentum from tourism is expected to wane, and government economic stimulus measures remain limited.

In this quarter, Thailand's policy interest rate was reduced to 1.75 percent. Additionally, the Monetary Policy Committee (MPC) unanimously resolved at its meeting on August 13, 2025, to further lower the rate to 1.50 percent, marking the fourth consecutive quarterly reduction. The MPC is likely to consider additional policy rate cuts in order to mitigate the impact of risks that continue to weigh on the Thai economy throughout the remainder of this year and into 2026.

1.2 Banking Industry

The overall performance of domestically registered commercial banks in the second quarter of 2025 recorded slower growth in net profit compared to the same period of last year and negative growth compared to the previous quarter. The drop in net profit from the previous quarter was attributable to higher expected credit loss (ECL) provisions and a continued decline in core business income, particularly net interest income,

which came under pressure from sluggish loan growth and declining domestic interest rates. The impact was further compounded by the implementation of the “You Fight, We Help” project, which provided interest payment exemptions to participating borrowers. Additionally, net fee and service income fell in line with the still-weak economic activity. However, non-interest income from other sources continued to rise, driven by net gains from investments and financial instruments measured at fair value through profit or loss (FVTPL).

As of the end of the second quarter of 2025, outstanding loans to customers and accrued interest receivables - net at 17 domestically registered commercial banks totaled Baht 13.68 trillion, a decline of 0.92 percent compared to the end of 2024, and 1.26 percent compared to the same period of last year. The contraction was mainly due to continued loan repayments, while new loan disbursements grew at a relatively slower pace, in line with the broader economic slowdown. Meanwhile, outstanding deposits stood at Baht 16.14 trillion, a slight increase of 0.09 percent compared to the end of 2024 and 1.01 percent compared to the same period of last year, primarily driven by savings deposits. In contrast, fixed deposits declined in line with the downward trend in domestic interest rates in recent months. On asset quality, the non-performing loan (NPL) ratio edged up slightly, particularly in the SME and retail loan portfolio.

For the remainder of 2025, the core income of the commercial banking sector may continue to face growing uncertainties from multiple factors, all of which contribute to heightened risks for Thailand’s economic outlook in 2025–2026. It is expected that financial institutions will adopt a more cautious approach to credit risk, particularly regarding loan quality, and will consider setting provisions for expected credit losses under a prudent framework to prepare for potential future uncertainties and risks. Additionally, commercial banks may continue their debt restructuring to assist borrowers in line with responsible lending guidelines. Efforts also include reducing the debt burden for retail customers and SMEs participating in the “You Fight, We Help” project.

2. Risk Management and Risk Factors

2.1 Credit Risk Management

In the second quarter of 2025, the Thai economy exhibited signs of a slowdown, with rising risks expected in the second half of the year due to both domestic and external factors. Credit risk is a primary concern that the Bank prioritizes in its management efforts. Via active credit portfolio management (ACPM) and stress testing, KBank can identify potential risks and formulate response plans in a timely manner amid economic challenges. We monitor and assess the impact of significant events to ensure that all customer segments and supply chain networks can achieve sustainable growth in line with the Bank's operational strategy. In this quarter, KBank developed credit risk management strategies to address immediate situations, as well as long-term risk response plans, as follows:

- **Managing lending risks:** The Bank closely reviewed loan growth targets for each industry, focusing on diversification of credit exposure across customer segments, products, industries, and counterparty countries to mitigate potential impacts and maintain appropriate returns within risk appetite.
- **Introducing relief measures for retail and SME customers:** This has been done through the “You Fight, We Help” project, which offers a reduction in installments, in line with the Bank of Thailand's guidelines, and allows customers to retain collateral assets. The Bank also introduced assistance measures for clients affected by the earthquake and other natural disasters.
- **Ensuring quality loan expansion:** Focus was on both business and retail consumer loans. For business loans, we prioritized existing healthy credit customers, secured loans, and clients in high-growth industries and their supply chains. For retail consumer loans, the Bank's approval process is based on the credit policy and credit scoring model which assess customer risk levels. Aside from ensuring that customers' income criteria for unsecured loans are more appropriate, we also conducted affordability assessment, in line with responsible lending guidelines, ensuring that our customers still have enough residual income for daily life after monthly installments are made.
- **Developing risk-based credit approval models:** This involved incorporating customers' payment transaction data and alternative data to offer credit accessibility in a suitable manner. Additionally, the Bank has initiated the development of AI technology to enhance customer screening in the credit approval process.
- **Improving products and risk management process:** The Bank discontinued products that posed excessive risk and enhanced the early warning system (EWS) to enable faster risk management. We also prioritized continuous improvement of the credit approval process to be more efficient and rigorous.

Moreover, KBank continuously provided credit in line with its strategic plans to reduce greenhouse gas emissions, thereby addressing climate-related risks. The Bank also planned to efficiently manage non-performing assets through NPL sales and adequate provisions to cover expected credit loss, in alignment with our prudent business operations amid ongoing economic uncertainties.

2.2 Market Risk Management

In the second quarter of 2025, US import tariff policy remained a primary risk. Although the US announced a 90-day postponement of the import tariff increase from its original effective date of April 9, 2025, other factors emerged. On May 16, 2025, Moody's downgraded the credit ratings of US government bonds, citing projected increases in the fiscal deficit and public debt. Simultaneously, the Fed maintained its policy interest rate at 4.25-4.50 percent and signaled two policy rate cuts later this year, pending an assessment on the impacts of the import tariff policy on inflation and the overall economic situation before making further interest rate decisions. These external factors led to a weakening of the US dollar and volatile US government bond yields during this quarter.

Regarding domestic economic factors, the Bank of Thailand (BOT) cut its policy interest rate for the third consecutive quarter to 1.75 percent because of the high uncertainty surrounding the Thai economy as a result of the risks associated with US trade policy and a decline in the number of international tourist arrivals. However, there was a substantial inflow of capital into the Thai bond market and other markets across the Asian region. This led to a continuous decrease in Thai government bond yields while the Thai Baht strengthened, reaching an 8-month high of approximately Baht 32.40 per US dollar, fueled by sustained selling pressure on the US dollar, even amidst domestic political uncertainty.

The Bank closely monitored market conditions by continuously analyzing and assessing the impacts of market rates to ensure that the Bank can respond appropriately and promptly to volatility in money and capital markets. Additionally, the Bank continued to place importance on efficient risk management processes, overseen by the Risk Oversight Committee, the Market Risk Management Sub-committee, and the Enterprise Risk Management Division, to ensure that all risk levels remained within the Bank's established limits.

2.3 Liquidity Risk Management

In the second quarter of 2025, the Bank's liquidity remained high and sufficient to meet its lending policy requirements. However, the Thai economy showed signs of slower growth, with additional risks from both internal and external factors. These developments did not significantly impact the Bank's liquidity or total deposits.

The Bank remained vigilant and monitored the situation, as well as conducting an analysis and assessment on various impacts. The Bank also prepared and considered appropriate options for managing its liquidity in both foreign currencies and Thai Baht to prevent any potential liquidity shortfalls. This proactive

approach went hand-in-hand with review and improvement of the Bank's risk management and liquidity monitoring processes to ensure that they remain aligned with economic conditions and the rapid adjustments in financial asset prices. These efforts were closely supervised by the Risk Oversight Committee, the Asset and Liabilities Management Sub-Committee, and the Enterprise Risk Management Division to keep risks within established limits. Furthermore, the Bank also monitored and evaluated potential impacts on the amount of loans, deposits, and liquidity over both the short and long term, helping it determine suitable fund mobilization strategies going forward.

2.4 Digital Risk Management

The Bank places importance on building confidence in and ensuring the security of its services for customers amidst the increasing complexity of the risk environments. It focuses on managing relevant risks across all operational processes, particularly operational risk and information technology risk, along with enhancing the efficiency of operational processes and internal controls to keep pace with prevailing situations and align with international standards, including the policies and best practices of the Bank of Thailand. All these efforts are aimed at supporting the Bank's business strategies and its goal of becoming a leader in digital banking service in Thailand.

The Bank has enhanced the mobile banking security, in line with the Bank of Thailand's guidelines. Key measures include the prevention of identity theft in transactions and maintenance of security across various aspects, including data, mobile banking applications, and mobile devices. This also includes monitoring emerging threats to promptly uplift preventive measures, reduce widening impacts and damage to the customer, and foster trust in the secure mobile banking services.

Additionally, the Bank has bolstered its capabilities to meet the customers' needs and enhance business efficiency by integrating AI technology into services and operations under stringent risk management, with a defined AI risk management framework and policy in accordance with regulation and international standards. This framework covers the entire AI lifecycle to ensure that the development and applying AI are appropriately conducted and align with Responsible AI Principles.

For overall digital risk management, the Bank focuses on controlling risks across all dimensions, including risk identification, prevention, detection and response, as well as system recovery, while fostering a cybersecurity culture. This covers the Bank's critical business processes and systems in four key areas:

- **Governance:** The Risk Oversight Committee is responsible for risk management in alignment with the policy and strategy within the risk appetite.
- **Policies:** The risk management framework has been reviewed and revised in line with the Bank's organizational structure, business vision for maintaining our growth and leadership in Thailand's digital banking business, as well as regulatory requirements and capability to efficiently cope with emerging threats.

- **Processes and technology:** Cybersecurity measures have been enhanced to effectively detect and prevent emerging and sophisticated threats in a timely manner, while continuously enhancing system efficiency. These efforts aim to strengthen information security for digital financial transactions and services across the Bank and companies within KASIKORNBANK FINANCIAL CONGLOMERATE, as well as managing risks stemming from business partners and third parties in an appropriate manner.
- **People and culture:** KBank promotes a corporate culture that raises cybersecurity awareness and builds confidence towards the Bank's cybersecurity through various forms of communications among four personnel groups: the Board of Directors and high-ranking executives, employees of KBank and companies within KASIKORNBANK FINANCIAL CONGLOMERATE, customers, and counterparties.

3. Business Directions and Operations of Core Businesses

3.1 Sustainable Development and Corporate Governance

□ Sustainable Development in Action

KBank places great importance on its ongoing sustainability operations. As an organization that fully offsets its greenhouse gas emissions through the use of carbon credits and has achieved carbon neutrality, it has been certified as a Carbon Footprint Organization and a Carbon Neutral Organization by the Thailand Greenhouse Gas Management Organization (Public Organization) for eight consecutive years.

Key operations per the sustainability plans in the second quarter of 2025 are as follows:

- Hosted the seminar “EARTH JUMP 2025: Transition Thru Turbulence” in collaboration with public and private sector agencies. The event featured global and national experts and business leaders who shared knowledge and guidance on navigating uncertainties in international climate and environmental cooperation, with the goal of advancing sustainable development across all sectors in Thailand.
- Organized activities to support SME customers in achieving sustainable growth. Notable initiatives included the K SME SIERRA program for business clients who are already successful and ready to scale up their operations. This program offered participants business knowledge and strategies to cope with volatile economic conditions. Additionally, the K SME CARE Batch 26 was organized to provide knowledge and networking opportunities across several key industries.
- Pioneered a new structure for marketing activities aimed at achieving minimal or zero waste. This included the introduction of eco-friendly modular booths made from PlasBrick, a Thai innovation using recycled plastic materials. These booths will be reused for the Bank’s marketing events throughout the year.
- GreenPass is a platform for registering and selling Renewable Energy Certificates (RECs), developed in collaboration between the Bank and INNOPOWER Co., Ltd. It enables retail and SME customers with solar rooftop installations to earn additional income by easily and conveniently registering and selling RECs — all free of charge.
- Engaged in a foreign exchange hedging contract linked to green activities with Thai AirAsia Company Limited, marking a first for Thailand’s aviation industry. The contract references the Low Emission Support Scheme (LESS), which has been certified by the Thailand Greenhouse Gas Management Organization (Public Organization).
- Held the AFTERKLASS Kareer Day event under the concept, “Discover Your Passion, Explore the Right Career,” aimed at helping participating youths to identify their future goals in both education and career paths.

□ Corporate Governance

For the corporate governance operations in this quarter, the Bank revised its Statement of Corporate Governance Principles, the Board of Directors Charter, the Credit and Investment Committee Charter, and the Corporate Governance and Sustainability Committee Charter to align with the resolutions of the meeting of shareholders concerning the structure of the Board of Directors and their assigned responsibilities. Additionally, the Bank carried out key activities to promote good corporate governance as follows:

- An orientation program was organized for new directors, and communications were made with directors on the discharge of directors' duties, good corporate governance and sustainable development through the CG Journal and KBank Bulletin.
- Important practices were communicated to the Bank's directors, executives, and employees. These included the silent period for securities and stock futures trading, prohibition on disclosing information related to the Bank's operating results and using inside information for securities trading, compliance with personal data protection laws, essential information on the Code of Conduct, and whistleblowing channels for reporting misconduct that violates laws, regulations, or the Code of Conduct.
- Regular phishing drills were conducted for executives and employees by sending simulated phishing emails to raise awareness and enhance vigilance against cyber threats.

In addition, the Bank underwent corporate governance assessments conducted by external organizations such as the Thai Investors Association, the Thai Institute of Directors Association (IOD), and the Stock Exchange of Thailand.

3.2 Business Directions of KASIKORNBANK and the Wholly-owned Subsidiaries of KASIKORNBANK

The Bank has implemented its strategies, based on the principles of a Bank of Sustainability, with the primary objective to deliver sustainable value to stakeholders, including customers, shareholders, KBank's employees, regulatory agencies and society. This is guided by K-Culture, which shapes the attitudes and behaviors of personnel within the organization towards achieving a common goal. The culture is built on five core values: Customer at Heart, Collaboration, Agility, Innovativeness and Integrity.

The Bank has set strategic priorities by defining the K-Strategy 3+1 and Productivity, which focuses on enhancing operational efficiency across all core axes of the 3+1 strategy. This includes elevating and improving lending efficiency, scaling fee-based income businesses, strengthening the Bank's various channels, and seeking new income streams that align with customer behavior and needs, by leveraging innovation to enhance the efficiency of internal management and administration with advanced technology under robust risk management. This involves aspects such as the utilization of Artificial Intelligence (AI) and upskilling employees' knowledge and capabilities to foster an organization with a culture of continuous learning and maximum productivity, leading to increased competitiveness and supporting its status as a leading financial service provider in the region.

The Bank's business strategy is based on its commitment to maintaining financial stability as one of the country's leading financial institutions. This foundation enables the Bank to respond promptly and effectively to potential economic volatility, under good corporate governance policy. Additionally, the Bank places strong emphasis on leveraging data and analytics to drive proactive, integrated risk management. This includes establishing comprehensive risk management principles and policies, efficient capital management, and fostering a risk-aware culture across the organization. Furthermore, the Bank operates in strict alignment with the policies and measures set forth by the Bank of Thailand and other regulatory agencies, ensuring that its operations remain compliant, well-regulated, and efficient.

Our major operations and performance in alignment with the K-Strategy 3+1 and Productivity in the second quarter of 2025 were as follows:

3.2.1 K-Strategy 1: Reinvigorate Credit Performance

The Bank formulated strategy with the aim of reinvigorating credit performance and maintaining a prudent approach towards providing secured loans, focusing on quality over quantity, to existing customers and those in the supply chain of strategic partners, including credit facilities to support the transition towards a low-carbon society and reform the lending process for efficiency. Key progress in our operations is as follows:

Key Progress	Operating Performances for the First Half of 2025
<ul style="list-style-type: none"> • Built upon a prudent loan growth strategy, focusing on secured loans offered to existing business and retail customers, under a selective approach that prioritizes loan quality over quantity. • Developed tailored loan products in alignment with the behaviors and needs of targeted customer segments. • Provide credit facilities to SME clients, and selectively increased credit utilization for potential existing clients in alignment with industry suitability and ESG principles, while supporting vulnerable SME clients with liquidity solutions and debt restructuring in line with responsible lending guidelines. • Established strategic partnerships with leading property developers to expand housing loans among existing high-income customers. • Collaborated with strategic partner to launch extensive merchant campaigns, enhancing convenience and supporting the spending preferences of retail customers segments. • Increased credit lines for creditworthy retail customers to improve access to financing within an acceptable risk appetite. 	<p>Loans to Customers:</p> <ul style="list-style-type: none"> - Declined 2.00 percent YTD <p>Asset Quality:</p> <ul style="list-style-type: none"> • NPL Ratio: 3.18 percent • Credit Cost: 1.62 percent • Coverage Ratio: 162.77 percent

3.2.2 K-Strategy 2: Scale Capital-Lite Fee Income Businesses

The Bank focuses on scaling capital-lite fee income businesses by offering investment and insurance products that meet the customers' needs, along with developing digital platforms both at home and in other regional countries, with the aim of becoming a leader in digital payment services. Key progress in our operations is as follows:

Key Progress	Operating Performances for the First Half of 2025
<p>Wealth Management and Bancassurance Business (WMB)</p> <p>Focused on offering products and services that comprehensively meet customer needs.</p> <ul style="list-style-type: none"> • Mutual Fund Products: Growth of assets under management (AUM) was above market performance, primarily driven by growth of low-risk mutual funds. This includes money market funds, fixed-income funds, and term funds, which collectively increased by 14 percent from the end of 2024 and accounted for a 27 percent market share within the same investment group. • Bancassurance Products: Focus was made on need-based offerings across living benefit, retirement planning, and legacy transfer, driving 27 percent YoY growth in Ordinary Life (ORD) new business premium. • Sales and Service Model Enhancement with Digital Technology: <ul style="list-style-type: none"> - Master RM & Specialist: The collaboration model between master relationship managers (Master RMs) and private banking specialists was restructured, leading to more than 50 percent uplift in the conversion rate for investment and insurance product sales, compared to last year's sales & service model. - Digital: K PLUS digital engagement focused on customer-relevant triggers, including new gain/loss triggers that provide fund performance updates and tailored recommendations. In the second quarter of 2025, trigger volume and digital sales both grew by more than 60 percent YoY. • KBank Wealth Brand Strengthening: <ul style="list-style-type: none"> - The new UP & MORE WISDOM privilege program drove strong brand engagement, resulting in 5 percent of THE WISDOM customers up-tiering within three months of launch. 	<p>Net Fees and Service Income Growth:</p> <p>1.17 percent YoY</p> <p>Mutual Funds:</p> <ul style="list-style-type: none"> • Assets under management (AUM): <ul style="list-style-type: none"> - Ranked No. 1 in terms of AUM with 23.10 percent market share - Growth: 6.40 percent YTD • Number of new customers: 58,000 <p>Bancassurance:</p> <ul style="list-style-type: none"> • New Business Premium: <ul style="list-style-type: none"> - No. 2 with 16.43 percent market share - Growth: 8.84 percent YoY • Number of new customers: 57,000 • Customer satisfaction rate of K-Health Service: 98.00 percent (with no dispute case)

Key Progress	Operating Performances for the First Half of 2025
<ul style="list-style-type: none"> - Delivered exclusive lifestyle experiences for THE WISDOM customers through curated events with global partners, including a luxury golf trip in Japan and the BVLGARI jewelry launch, as well as “THE WISDOM Exclusive Dining” series featuring Michelin-starred restaurants and renowned chefs. 	
Payment <ul style="list-style-type: none"> • Potential Growth Areas: <ul style="list-style-type: none"> - FX Business: Revenue showed continuously growth YoY, driven by ATM & FX booth coverage expansion in strategic locations, and usage increased of K+ Go Inter in the People’s Republic of China, Japan, the Federation of Malaysia, and more than 40 other countries globally. - Merchant Business: The number-one market position was maintained through improved profitability and new revenue generated from THAI QR Code. - Cross-Border Business: Low-value remittance via K PLUS showed steady growth, driven by the expansion of service coverage globally, from the previous reach of 62 countries. • Declining Fee Areas: <ul style="list-style-type: none"> - Debit Card: Revenue declined less than expected as a result of the launch of a new theme card “CRYBABY”, and prolonged promotion of existing debit cards. - SMS Transaction Alert: Revenue declined less than expected as a result of strategic actions in managing heavy usage and overdue customers. 	Non-Interest Income Growth: 9.55 percent YoY Payment <ul style="list-style-type: none"> • Digital payment* <ul style="list-style-type: none"> - Market share: ~30 percent - Declined by 0.31 percent YoY <i>* Source: The Bank of Thailand</i> <ul style="list-style-type: none"> • CASA Ratio: 80.95 percent

3.2.3 K-Strategy 3: Strengthen and Pioneer Sales and Service Models to Deliver Value-based Results

The Bank is committed to strengthening all service channels to ensure seamless and effective access for customers. This is achieved through the strategic application of digital technology under the “Digital First” approach, supported by a team of skilled professionals, as well as appropriate cost and risk management. Key progress of our operations is as follows:

Key Progress	Operating Performances for the first Half of 2025
<ul style="list-style-type: none"> • Enhanced Digital-First Experience: <ul style="list-style-type: none"> - Expanded the variety of wealth offerings on K PLUS, including complex funds, travel insurance plans, and Dollar-Cost Averaging (DCA) options, to help reduce risks from market volatility through consistent investment. This was implemented with personalized mutual fund market gain and loss triggers. • Strengthened Leading Position in Digital Banking: <ul style="list-style-type: none"> - K PLUS for retail users: Continued to develop the platform to promote financial discipline in line with the “Better Finance for Better Life” concept through inflow categorization, improved international experience via “K+ Go Inter” menu and enhanced security. - K BIZ for the business sector: Achieved a 6.8 percent YTD increase in business users, driven by the launch of KBIZ Mobile Banking and improvements in security and convenience. • Achieved Channel Productivity: <ul style="list-style-type: none"> - Reduced the number of branches and e-Machines under the right-sizing strategy to enhance the efficiency of service channels. - Promoted digital self-service transactions, leading to a 20 percent YoY decline in Contact Center calls. 	<ul style="list-style-type: none"> • Number of domestic K PLUS users: <ul style="list-style-type: none"> - 23.4 million users - Growth: 1.4 percent YTD • Number of K BIZ users: <ul style="list-style-type: none"> - 1.2 million users - Growth: 6.8 percent YTD • Digital Transaction: <ul style="list-style-type: none"> - Increased to 94.5 percent • Branch network*: <ul style="list-style-type: none"> - 756 branches - A net decline of 25 branches from the end of 2024 <p><i>* Excluding three branches classified as other branch platforms per the Bank of Thailand's condition</i></p> <ul style="list-style-type: none"> • Self-Service Channel (K-ATM and K-CDM): <ul style="list-style-type: none"> - 9,907 machines - A net decline of 379 machines from the end of 2024 • No. 1 in Overall Brand NPS, based on the 2024 survey results (branches, e-Machines, K PLUS and K-Contact Center)

3.2.4 K-Strategy +1: New Revenue Creation for Medium and Long Term

The Bank has a policy of exploring new business opportunities to generate new revenue streams under robust risk management through key business units, as outlined below:

- **Broadening our Reach to the Mass Market and the Underbanked with Limited Access to KBank Services:** This endeavor is carried out through investment of KASIKORN INVESTURE CO., LTD. (KIV), to integrate the capabilities of our strategic partners with the Bank’s infrastructure, with the aim of enhancing financial service agility for retail customers and reducing costs associated with the credit risks in both lending and asset quality management, with the establishment of subsidiaries, as follows:

- **NGERN HAI JAI CO., LTD.:** The company offers auto title loan services, for both transfer and non-transfer of registration book.
 - **KASIKORN LINE CO., LTD.** The company provides personal loans to retail customers through a new digital-based underwriting model to keep credit costs within budget. The company also uses customer data to increase credit limits for existing customers with good repayment discipline. This is done in conjunction with the development of scoring to track customer behavior for faster management, thus broadening opportunities for quality credit extension, for both existing and new clients.
 - **JK ASSET MANAGEMENT CO., LTD.:** The company purchases NPLs, partly from KBank as backlog for debt collection.
 - **KASIKORN CARABAO CO., LTD.:** The company aims to increase the volume of retail business loans via device financing by leveraging partners' strength on network.
 - **KASIKORN GLOBAL PAYMENT CO., LTD.:** The company provides payment gateway services as an intermediary to build up business synergy within KIV. The company focused on expanding customer base with new merchants and increasing the volume of services among existing customers. Emphasis was also placed on managing key accounts and developing new tools to continually drive business growth.
 - **T2P HOLDING CO., LTD.:** The company utilizes digital wallet as an infrastructure to develop solutions for the B2B2C segment in collaboration with companies within the KIV group. It also offers lending to SMEs with limited access to KBank's services via the Vyvr application.
- **Becoming a Leading Regional Financial Service Provider:** This endeavor will be achieved by creating channels to access international markets, along with offering services that support cross-border transactions and business operations for customers in three key countries: the People's Republic of China, the Republic of Indonesia, and the Socialist Republic of Vietnam. Major operations are as follows:
- **People's Republic of China:** KASIKORNBANK (CHINA) CO., LTD. focuses on providing services that support investment and trade expansion of Chinese firms in the Southeast Asian region, reflecting the growing connectivity of regional economies. Key operations included:
 - **Corporate and SME:** Business loans for SINO-AEC customers grew steadily in line with the Bank's strategy to support Chinese companies investing in Thailand and other ASEAN countries, particularly the Socialist Republic of Vietnam and the Republic of Indonesia. Focus was also on offering foreign exchange services in Vietnamese Dong to facilitate smooth cross-border transactions for clients and their trading partners.
 - **Retail:** Deposit products were introduced to high-net-worth individuals, along with privileges from application for KBank THE WISDOM Card, catering to the needs of customers doing business in Thailand.

- **Republic of Indonesia:** PT Bank Maspion Tbk aimed to engage in bank-wide transformation to lay a foundation for sustainable growth. Major operations were as follows:
 - **Corporate:** Emphasis was placed on expanding loans to multinational corporations and promoting products and services that support both domestic and international transactions.
 - **SME:** Secured loans for medium-sized enterprises were promoted to facilitate quality growth.
 - **Retail:** Notable effort was expanding the deposit base, particularly current accounts and savings accounts (CASA). Focus was also on promoting bill payment acceptance via QR code under the Quick Response Code Indonesia Standard (QRIS), with more than 10,000 participating merchants thus far.
- **Socialist Republic of Vietnam:** Major operations included:
 - **Corporate:** Emphasis was placed on prudent credit extension, particularly among clients in industries with growth potential. Other key actions were managing financial costs amid volatile interest rates and increasing non-interest income.
 - **SME:** Efforts were made to expand the payment service business for small and micro retail merchants through payment acceptance products via electronic media and utilization of such transaction data for the consideration of lending services.
 - **Retail:** Focus was on expanding the credit card base, one of the Bank's core products, while offering cross-selling complementary financial products to build a solid deposit base and facilitate long-term sustainable growth. As of the second quarter of 2025, the number of K PLUS Vietnam users reached 1.56 million, a 2.63 percent increase from the end of 2024.
- **Developing Innovation for Future Growth:** This is built upon the traditional banking business in alignment with prevailing consumer behavior, technology, and competitive landscapes, with the aim of enhancing growth and creating new sources of revenue. Key initiatives are as follows:
 - **Financial Innovation**
 - **MAKE** had 3.3 million users, while **KhunThong** had more than 2.7 million users.
 - **MeowJot**, an application designed as an automated expense tracker, has more than 440,000 users.
 - **Development of Practical AI-Based Innovations**, such as the AINU identity verification service, which can confirm that the individual is a real living person, and the InsurTech service, which uses AI to provide an initial damage assessment from photographs of vehicles involved in accidents. These solutions have already been adopted by more than 20 business partners.

- **Future of Finance**

- **Orbix Trade - a Digital Asset Exchange:** The company enhanced the account opening process for greater efficiency, while also improving risk management systems and abnormal transaction detection to enhance customer confidence.
- **Orbix Invest - a Digital Asset Fund Manager:** The company implemented digital asset fund management strategies to meet the needs of investors.
- **Orbix Custodian - a Digital Asset Custodian Service Provider:** The company obtained a business license in March 2025 from the Office of the Securities and Exchange Commission of Thailand.
- **Orbix Technology - a Quarix Blockchain Infrastructure Developer:** The company is committed to developing financial innovations on blockchain for KASIKORNBANK FINANCIAL CONGLOMERATE and external business partners. The company is currently operating three innovation projects under the Bank of Thailand's Regulatory Sandbox that have successfully been implemented in real-world use:
 - (1) **Q-money by KBank** has developed the inbound tourists using USDC & THBS project, which enables foreign visitors to conveniently pay for goods and services in Thai Baht via QR code (Thai Baht Programmable Payment) while in Thailand. The Bank is set to begin testing this service under the Enhanced Regulatory Sandbox of the Bank of Thailand and the Digital Asset Regulatory Sandbox of the Office of the Securities and Exchange Commission of Thailand. Additionally, the Bank has also been approved to participate in the Regulatory Sandbox for the Outbound Tourist Using Regulated Stablecoin & e-Money project. This initiative allows Thai tourists to use Q-money to make payments for goods and services in Singapore via PayNow and Grab QR, with regulated stablecoins serving as the payment mechanism.
 - (2) **Project Carina** – a cross-border fund transfer initiative in collaboration with J.P. Morgan.
 - (3) **Q-Bond** – the first-ever use of Quarix Blockchain in bond transactions in Thailand, marked by the issuance and offering of a 1-year Q-Bond by PTT Public Company Limited.
- **Kubix - an ICO Portal:** The company has created a new dimension for fundraising via tokenization, which provides businesses with greater access to alternative funding sources, while connecting investors to new investment formats in the digital world.

- **Uplift Banking**

- **SKILLKAMP:** The service has been officially launched as an e-Marketplace that aggregates certified online learning courses. Currently, it offers 335 courses with more than 8,000 registered users.
- **Koncierge+:** An IT solution platform tailored for business customers in the hotel industry. The Bank opened a connection with solution service providers that offer seven key strategic solutions to support comprehensive hotel business management. These include property management system, revenue management system, channel management, digital marketing, data collection for carbon footprint calculation for hotels and housekeeping services for hotels and financial inclusion.

- **Sustainability**
 - **WATT'S UP:** An e-Marketplace platform to rent or purchase electric motorcycles (EV bikes), leveraging customer data to extend related financial services such as green loans and insurance products. Currently, the platform has attracted more than 8,000 users and offers rental services, station search, and battery-swapping services with over 100 stations across the Bangkok Metropolitan Region.
 - **GreenPass:** A collaborative platform between KBank and Innopower Co., Ltd., a service provider for the registration and sales of Renewable Energy Certificates (REC). The platform facilitates access for both business and individual customers who have installed solar rooftops. It is the first platform in Thailand to play a key role in generating additional income for small-scale electricity producers.
 - **KCLIMATE 1.5:** The company provides greenhouse gas management and processing software, as well as environmental, social, and governance (ESG) data submission services. These services support KASIKORNBANK FINANCIAL CONGLOMERATE in assessing and delivering financial services to clients. The company plans to offer green-related services to the general public, in accordance with the approval granted by the Bank of Thailand.
 - **Creative Climate Research Center (CCRC):** A comprehensive knowledge and research hub focused on achieving net-zero carbon emissions. The center aims to support knowledge development, research initiatives, and the creation of collaborative networks both domestically and internationally. Its goal is to help develop Thailand's climate ecosystem and facilitate a smooth transition towards sustainability.

3.3 Operations of Support Groups

■ IT Management

KASIKORN BUSINESS-TECHNOLOGY GROUP (KBTG) is committed to strengthening and enhancing the capabilities of KASIKORNBANK FINANCIAL CONGLOMERATE in alignment with the K-Strategy 3+1 and Productivity. This will be achieved through cost-effective technological development, combined with leveraging the potential of regional IT talents across Thailand, the People's Republic of China, and the Socialist Republic of Vietnam. The aim is to create a competitive advantage and elevate productivity for the Bank, while ensuring the stability of its systems and technology, which covers operations in four core areas as follows:

1. **IT Development project to support the Bank's double-digit ROE goal:** This initiative encompasses the operational strategies of KBank's core businesses, including lending, payments, and wealth management. Key areas of execution include:
 - **Enhancement of credit capabilities** through an end-to-end credit transformation of the credit process, under a newly designed system architecture aligned with global best practices, to continuously, promptly, and effectively meet the evolving needs of customers in the digital era.

- **Modernization of the application system architecture across key business segments**, including payment services and service channels. This effort enhances agility, eliminates redundancies, and supports the Bank's regional service expansion.
2. **Building confidence through operational IT excellence:** This is to ensure flexible, stable, and cost-efficient services in line with KASIKORNBANK FINANCIAL CONGLOMERATE's technology standards, focusing on the following initiatives:
- **Quality assessment of the Bank's key services** in the second quarter of 2025 reported zero IT system disruptions impacting critical service channels (according to statistics compiled by the Bank of Thailand on IT system disruptions affecting commercial banks).
 - **Establishment of two main data centers:** They have been designed with high structural resilience, capable of withstanding earthquakes up to 7.0 on the Richter scale and aftershocks from nearby regions, including neighboring countries such as the Republic of the Union of Myanmar, and domestic areas, for instance Kanchanaburi. They serve as a robust backbone reinforcing Bank's overall IT infrastructure resilience.
 - **A robust remote infrastructure management system:** This system has been implemented under the "Secure Work from Anywhere" model, without requiring physical access to the data centers. Additionally, it facilitates secure operations from anywhere, which helps enhance operational agility and flexibility for employees in all circumstances.
3. **Development of innovative products to drive new revenue streams:** This initiative spans various emerging business domains such as AI, Web3, and financial innovation, with the following key developments:
- **"Meow Jot" application:** An automated expense-tracking tool that extracts and summarizes expenses from e-slips generated through mobile banking and various payment platforms. The application also allows users to download data for further analysis. As of the second quarter of 2025, Meow Jot had 440,000 users.
 - **Enhancement of the MAKE by KBank application:** MAKE by KBank helps users manage their savings and monthly expenses to build better financial discipline. A new subscription package called MAKE Max has been introduced to offer enhanced features for more effective savings management. In this quarter, there were 3.3 million users and more than Baht 25 billion in deposits within the MAKE by KBank system.
 - **Development and application of AI technology for business:** Two AI-powered services, both SOC 2 Type II certified, a global cybersecurity standard, have been introduced to enhance trust and confidence among over 20 business partners who have already adopted the services, as follows:

- (1) AINU: A Secure identity verification service using facial recognition, liveness detection to verify real-time present, and optical character recognition (OCR).
 - (2) InsurTech for vehicle damage assessment: An AI-driven solution that detects vehicle damage and conducts preliminary assessments from photos. This tool enables accurate claim estimations and detailed reporting, streamlining the claims process for insurance partners.
4. **Becoming an AI-driven organization:** KBank aims to embed AI capabilities and world-class technologies across its businesses operations and IT functions, which key initiatives include:
- **Enhancing business operations with analytics, AI, and Gen AI:** Advanced data analytics, AI, and Gen AI models have been developed to support decision-making and improve operational efficiency across multiple domains, including lending, asset management, wealth management, marketing, and customer service. Intelligent chatbots were developed to enhance the overall service efficiency and customer satisfaction.
 - **Optimizing internal operations with AI and Gen AI:** AI technologies are integrated into various internal workflows, including Software Development, threat detection in Cybersecurity, and monitoring network traffic patterns to maintain system stability. These tools ensure seamless customer service and improve organization agility. Additionally, AI enhances the intelligence and precision of enterprise information retrieval.
 - **KBTG AI Festival:** This event was launched to raise awareness of AI and provide hands-on experience for KBTG employees through an AI Hackathon. The event encouraged employees to showcase practical AI innovations for the organization, and aimed to enhance employees' capabilities, empowering them to grow from AI users into AI builders.

■ **Data Intelligence and IT Integration**

The Bank focuses on data management and leverages data analytics in alignment with its core business strategies, namely lending, wealth management services, payments, and service channels, including projects related to enhancing financial and operational efficiency in order to support the Bank's strategic goal of achieving a double-digit ROE. In addition, the Bank places emphasis on building important foundational capabilities, such as strengthening effective collaboration between business and IT units, maintaining modern technology and infrastructure for sound data and AI management, and continuously developing the capabilities of its workforce, as follows:

1. **Support businesses using the capacities of data and AI:** This endeavor aims to enhance financial and operational efficiency, as well as supporting analytical and creative work, such as debt collection analytics, fraud detection, early warning analytics to prevent a decline in CASA/fund flows, the development of learning materials and internal communications, as well as the AI-assisted coding practices to elevate workforce capabilities.

2. **BU-IT integration capability:** This effort aims to design and develop data-driven business solutions leveraging the capabilities of AI and IT, enabling the Bank to meet customer needs more accurately. This approach focuses on ensuring that resources for high-priority projects align with IT asset guidelines, and on-time, on-budget delivery through BU-IT synergy, helping the Bank achieve targeted business outcomes and generate a ROI on IT investment that exceeds the minimum hurdle rate.
3. **Data & AI management:** This initiative is based on the principles of responsible data usage through secure data storage, high data quality, and cloud-based data management. The framework also involves establishing modern and enforceable data policies, defining standard business data on the platform, maintaining data quality standards, and conducting gap analyses to enhance the development and application of AI in line with the AI Responsible Principles.
4. **Technology & infrastructure:** This effort is to ensure that the big data and AI platforms are efficient, cost-effective, secure, and reliable, supporting operations of the Bank. In this quarter, data from key sources was migrated to its cloud-based modern data platform (MDP), usage quotas were implemented to control costs, and capabilities such as enabling Qlik Sense with MDP data and managing Power BI licenses.
5. **People:** This initiative aims to promote data and AI literacy across all levels of the organization through educational materials featuring AI use case studies and a GenAI campaign to encourage employees to create internal profile images, AI communities and idea clinics, as well as organize hackathons.

■ Human Resource Management

The Bank's human resource management is based on the "Productivity FITS" concept, in alignment with its strategic direction to enhance people productivity. Key initiatives include:

- **Workforce Optimization and Mobility:** Revisited workforce planning and skill composition based on the 2025-2027 business plan, economic outlook, and emerging AI/technology trends. It is expected that the workforce optimization and mobility initiative will help KBank to achieve its personnel expense management target in accordance with the established plan.
- **Performance-Driven Rewards:** Adjusted remuneration policy to link with the delivery of performance objectives and long-term strategies, covering not only financial but also non-financial KPIs such as customer satisfaction and productivity improvement. For executives, the Bank has adjusted remuneration to create a balance between short-term (annual) and long-term performance, reflecting our commitment towards performance-driven culture, productivity improvement, and long-term sustainability.
- **Talent Capability Development:** Strengthened employee capabilities and leadership skills to meet business needs, focusing on applying acquired skills in real work scenarios with measurable business outcomes, particularly those in alignment with the K-Strategy 3+1 and Productivity.

Concurrently, importance is placed on leveraging AI to enhance work efficiency under the “Do Less, Get More” concept.

- **Productivity Culture and Engagement:** Fostered productivity culture and employee engagement through the “Productivity STAR Mission” program, in which employees submitted more than 1,000 ideas, aimed at improving operational processes and reducing inefficiencies for further implementation. Additionally, the K-People Touch system was introduced for managers to drive performance more efficiently, for instance, through goal setting, providing feedback, coaching and performance tracking, in order to reinforce KBank's Performance-Driven Organization foundation while caring for the work team.

4. Operating Performance and Financial Position

4.1 Operating Performance

The Thai economy in the second quarter of 2025 continued to slow while the outlook for the second half of the year remains at risk of low or even no growth amid ongoing uncertainties surrounding trade wars and concerns over the global economic slowdown. Against this backdrop, the Bank and its subsidiaries continued to operate with prudence, focusing on delivering sustainable value to all stakeholders, fulfilling responsibilities towards depositors, investors, and borrowers, both individuals and businesses, under responsible lending guidelines. The Bank also provided full support for government initiatives such as the “You Fight, We Help” project, other relief measures for customers affected by various events, and interest rate cuts in line with the policy rate. The commitment aims to ease customers’ burdens and support their ability to sustain their lives and businesses, as well as delivering stable returns to shareholders through the continuous execution of the Strategy 3+1 and Productivity.

For the second quarter of 2025, the Bank and its subsidiaries reported net profit attributable to equity holders of the Bank totaling Baht 12,488 million, a decrease of Baht 1,303 million or 9.45 percent, compared to the first quarter of 2025, primarily due to a decline in net interest income in line with market conditions. Additionally, the Bank provided support to customers by reducing loan interest rates to enhance their financial flexibility and strengthen their business potential. Meanwhile, net interest margin (NIM) decreased to 3.31 percent, although non-interest income totaled Baht 13,944 million, an increase of Baht 266 million or 1.95 percent, derived mainly from insurance service result and investment income.

Other operating expenses amounted to Baht 20,803 million, an increase of Baht 751 million or 3.75 percent, primarily due to IT-related expenses to support the expansion of customer service channels, as well as marketing expenses. However, the Bank and its subsidiaries continued to prioritize management of expenses within the allocated budget framework. As a result, other operating expenses decreased by 1.68 percent compared to the same quarter of the previous year

Additionally, KBank set aside expected credit loss (ECL) of Baht 10,050 million, an increase of Baht 232 million or 2.36 percent, in line with our ongoing prudent approach of maintaining ECL at an appropriate level to cope with uncertainties surrounding the continued economic slowdown and potential impacts from future developments.

Operating Performance for the Second Quarter of 2025

(Unit: Million Baht)

	Q2-2025	Q1-2025	Change		First half of 2025	First half of 2024 (Restated)*	Change	
			Increase	Percent			Increase	Percent
			(Decrease)				(Decrease)	
Net Interest Income	34,655	35,425	(770)	(2.17)	70,080	75,314	(5,234)	(6.95)
Non-Interest Income	13,944	13,678	266	1.95	27,622	25,213	2,409	9.55
Total Operating Income - net	48,599	49,103	(504)	(1.02)	97,702	100,527	(2,825)	(2.81)
Total Other Operating Expenses	20,803	20,052	751	3.75	40,855	41,210	(355)	(0.86)
Expected Credit Loss	10,050	9,818	232	2.36	19,868	23,357	(3,489)	(14.94)
Net Profit (attributable to equity holders of the Bank)	12,488	13,791	(1,303)	(9.45)	26,280	26,540	(260)	(0.98)
Basic Earnings per Share (Baht) ¹⁾	5.27	5.67	(0.40)	(7.05)	10.94	11.04	(0.10)	(0.91)

* Since January 1, 2025, one of the Bank's subsidiaries has adopted TFRS 17: Insurance Contracts. The consolidated financial statements for 2024 have been restated retrospectively for comparative purposes. The adoption of this financial reporting standard does not have a material impact on the consolidated financial statements of the Bank and its subsidiaries.

¹⁾ Basic Earnings per Share = Net profit (attributable to equity holders of the Bank) deduct dividend from other equity instruments after income tax divided by weighted average number of common shares

For operating performance during the first half of 2025 compared to the restated performance for the same period of 2024, the Bank and its subsidiaries reported operating profit before expected credit loss and income tax expense of Baht 56,847 million, a decrease of Baht 2,470 million or 4.16 percent, due to a decline in net operating income, derived primarily from net interest income of Baht 70,080 million, a decrease of Baht 5,234 million or 6.95 percent, in line with interest rate conditions and loan interest rate reduction to provide support to customers. This resulted in a decrease in net interest margin to 3.36 percent. Meanwhile, non-interest income stood at Baht 27,622 million, an increase of Baht 2,409 million or 9.55 percent, due mainly to gains on financial instruments measured at fair value through profit or loss, investment income, and net fees and service income

Other operating expenses amounted to Baht 40,855 million, a decrease of Baht 355 million or 0.86 percent, due to continuous productivity improvements amid the economic slowdown. Cost to income ratio stood at 41.82 percent. In line with our consistently prudent approach, the Bank and its subsidiaries set aside expected credit loss (ECL) of Baht 19,868 million to maintain an appropriate level of ECL in response to the prevailing circumstances and volatile economic conditions. As a result, net profit attributable to equity holders of the Bank for the first half of 2025 was Baht 26,280 million, a decrease of Baht 260 million or 0.98 percent.

Major financial ratios that reflected operating performance of KBank and subsidiaries in the second quarter of 2025 compared to the previous quarter, and in the first half of 2025 compared to the same period of last year included:

(Unit: Percent)

Financial Ratio	Q2-2025	Q1-2025	Increase (Decrease)	First half of 2025	First half of 2024 (Restated)	Increase (Decrease)
Return on Assets (ROA) ²⁾	1.14	1.27	(0.13)	1.21	1.25	(0.04)
Return on Equity (ROE) ³⁾	8.87	9.58	(0.71)	9.33	9.99	(0.66)
Net Interest Margin (NIM) ²⁾	3.31	3.41	(0.10)	3.36	3.71	(0.35)
Cost to Income Ratio	42.81	40.84	1.97	41.82	40.99	0.83

²⁾ Annualized

³⁾ Return on average equity (ROE) = Net profit (attributable to equity holders of the Bank) deduct dividend from other equity instruments after income tax calculated on an annualized basis divided by average equity of equity excluded other equity instruments at the beginning of the quarter / period / year and equity at the end of the quarter / period / year

(Unit: Percent)

Financial Ratio	Jun. 30, 2025	Mar. 31, 2025	Increase (Decrease)	Dec. 31, 2024 (Restated)	Increase (Decrease)
Significant increase in credit risk loans ⁴⁾					
to total loans ⁵⁾	7.17	7.60	(0.43)	7.41	(0.24)
Significant increase in credit risk loans and					
credit impaired loans ⁶⁾ to total loans ⁵⁾	10.31	10.75	(0.44)	10.54	(0.23)
NPLs gross ⁷⁾ to total loans ⁸⁾	3.18	3.19	(0.01)	3.20	(0.02)
Total allowance to NPL gross (Coverage Ratio) ⁹⁾	162.77	159.49	3.28	152.34	10.43
Loans ¹⁰⁾ to Deposits Ratio	89.49	89.39	0.10	91.36	(1.87)
Capital Adequacy Ratio ¹¹⁾	20.66	20.52	0.14	20.35	0.31
Tier 1 Capital Ratio ¹¹⁾	18.68	18.55	0.13	18.37	0.31

⁴⁾ Significant increase in credit risk loans used in calculation are loans to customers and loans to financial institutions whose credit risk has increased significantly

⁵⁾ Loans used in calculation are loans to customers and loans to financial institutions, including accrued interest receivables and undue interest receivables

⁶⁾ Credit impaired loans used in calculation are loans to customers and loans to financial institutions whose credit risk has impaired

⁷⁾ NPL gross used in calculation are loans to customers and loans to financial institutions which are non-performing loans

⁸⁾ Loans used in calculation are loans to customers and loans to financial institutions

⁹⁾ Included allowance for expected credit loss of loan commitment and financial guarantee, deposit to financial institutions, investments and other financial assets

¹⁰⁾ Loans = Loans to customers

¹¹⁾ KASIKORNBANK FINANCIAL CONGLOMERATE's Capital Adequacy Ratio (CAR)

□ Net Interest Income

KBank's consolidated net interest income for the second quarter of 2025 was Baht 34,655 million, decreasing by Baht 770 million or 2.17 percent over-quarter. The decrease came mainly from interest income from loans to customers, which dropped by Baht 839 million or 2.66 percent due to decreasing average yield in line with the policy interest rate reduction. However, interest expenses from deposits dropped by Baht 235 million or 5.34 percent due mainly to declining average interest rates.

For the first half of 2025, KBank's consolidated net interest income was Baht 70,080 million, a decrease of Baht 5,234 million or 6.95 percent when compared to the same period of the previous year. The decrease was derived mainly from interest income from loans to customers which declined by Baht 8,607 million or 12.16 percent in line with declining average yield and average loan volume. Meanwhile, interest income from investment and trading transactions rose by Baht 2,050 million or 14.24 percent due partly to an increase in average transaction volume. However, interest expenses from deposits dropped by Baht 627 million or 6.80 percent due to declining average interest rates. Interest expenses from interbank and money market items also decreased by Baht 547 million or 22.23 percent due largely to decreases in average transaction volume and average yield.

(Unit: Million Baht)

	Q2-2025	Q1-2025	Change		First half of 2025	First half of 2024 (Restated)	Change	
			Increase (Decrease)	Percent			Increase (Decrease)	Percent
Interest Income	43,938	44,962	(1,024)	(2.28)	88,900	95,725	(6,825)	(7.13)
Interbank and money market items	2,980	3,264	(284)	(8.72)	6,244	6,618	(374)	(5.66)
Investments	8,290	8,156	134	1.65	16,446	14,396	2,050	14.24
Loans to customers	30,662	31,501	(839)	(2.66)	62,163	70,770	(8,607)	(12.16)
Hire purchase and finance leases	2,006	2,041	(35)	(1.72)	4,047	3,941	106	2.70
Interest expenses	9,283	9,537	(254)	(2.67)	18,820	20,411	(1,591)	(7.79)
Deposits from customers	4,179	4,414	(235)	(5.34)	8,593	9,220	(627)	(6.80)
Interbank and money market items	963	952	11	1.21	1,915	2,462	(547)	(22.23)
Contributions to Financial Institutions Development Fund and Deposit Protection Agency	3,112	3,092	20	0.67	6,204	6,213	(9)	(0.16)
Debts issued and borrowings	1,014	1,062	(48)	(4.53)	2,076	2,471	(395)	(15.95)
Others	15	17	(2)	(16.11)	32	45	(13)	(29.20)
Total Interest Income – net	34,655	35,425	(770)	(2.17)	70,080	75,314	(5,234)	(6.95)
Yield on Earning Assets (percent)	4.20	4.32		(0.12)	4.27	4.72		(0.45)
Cost of Fund (percent)	1.24	1.27		(0.03)	1.26	1.38		(0.12)
Net Interest Margin (NIM) (percent)	3.31	3.41		(0.10)	3.36	3.71		(0.35)

❑ Non-Interest Income

KBank's consolidated non-interest income in the second quarter of 2025 totaled Baht 13,944 million, increasing by Baht 266 million or 1.95 percent over-quarter. The increase came mainly from insurance service result which rose by Baht 850 million or 27.30 percent, due to higher insurance revenue and a decrease in insurance claims paid. However, net insurance finance expenses rose by Baht 217 million or 5.46 percent due to changes in the time value of money and the financial risks associated with the groups of insurance contracts. Meanwhile, revenue from foreign exchange transactions and gains on financial instruments measured at fair value through profit or loss declined in line with market conditions.

When compared to the same period of last year, non-interest income in the first half of 2025 totaled Baht 27,622 million, increasing by Baht 2,409 million or 9.55 percent due mainly to gains on financial instruments measured at fair value through profit or loss which rose by Baht 1,321 million or 20.63 percent in line with market conditions and insurance service result which increased by Baht 677 million or 10.55 percent, driven by higher insurance revenue. In addition, income from investment increased by Baht 600 million or 854.07 percent, and net fees and service income rose by Baht 193 million or 1.17 percent in line with fees from international trade services.

(Unit: Million Baht)

	Q2-2025	Q1-2025	Change		First half	First half	Change	
			Increase (Decrease)	Percent	of 2025	of 2024 (Restated)	Increase (Decrease)	Percent
Non-Interest Income								
Fees and Service Income	13,080	13,499	(419)	(3.10)	26,579	25,598	981	3.83
Fees and Service Expenses	4,864	5,066	(202)	(3.97)	9,930	9,142	788	8.62
Fees and Service Income - net	8,216	8,433	(217)	(2.58)	16,649	16,456	193	1.17
Gain (Loss) on Financial Instrument Measured at Fair Value through Profit or Loss	3,574	4,150	(576)	(13.90)	7,724	6,403	1,321	20.63
Gain (Loss) on Investments	319	210	109	51.63	530	(70)	600	854.07
Share of Profit (Loss) from Investments using Equity Method	218	176	42	24.28	394	424	(30)	(7.08)
Dividend Income	1,056	973	83	8.56	2,028	2,139	(111)	(5.18)
Insurance Service Result	3,967	3,117	850	27.30	7,084	6,407	677	10.55
Other Operating Income	766	574	192	33.39	1,340	1,581	(241)	(15.21)
<u>Less</u> Net Insurance Finance Expenses	4,172	3,955	217	5.46	8,127	8,127	-	(0.01)
Total Non-Interest Income	13,944	13,678	266	1.95	27,622	25,213	2,409	9.55

□ Other Operating Expenses

KBank's consolidated other operating expenses for the second quarter of 2025 were Baht 20,803 million, an over-quarter increase of Baht 751 million, or 3.75 percent due mainly to IT-related expenses to support the expansion of customer service channels and marketing expenses. Therefore, our cost to income ratio during the second quarter of this year rose to 42.81 percent, compared to 40.84 percent in the previous quarter.

When compared to the same period of last year, other operating expenses for the first half of 2025 were Baht 40,855 million, a decrease of Baht 355 million or 0.86 percent, which could be attributed to continuous productivity improvements despite increased employee expenses. KBank focused on management of expenses within the allotted budget framework. Our cost to income ratio of the first half of 2025 was equal to 41.82 percent.

(Unit: Million Baht)

	Q2-2025	Q1-2025	Change		First half of 2025	First half of 2024 (Restated)	Change	
			Increase (Decrease)	Percent			Increase (Decrease)	Percent
Employee Expenses	10,329	10,541	(212)	(2.01)	20,870	20,236	634	3.13
Directors' Remuneration	144	27	117	431.28	171	142	29	20.25
Premises and Equipment Expenses	2,751	2,782	(31)	(1.12)	5,533	5,591	(58)	(1.03)
Taxes and Duties	1,433	1,478	(45)	(3.01)	2,911	3,303	(392)	(11.87)
Others	6,146	5,224	922	17.65	11,370	11,938	(568)	(4.76)
Total Other Operating Expenses	20,803	20,052	751	3.75	40,855	41,210	(355)	(0.86)
Cost to Income Ratio (percent)	42.81	40.84		1.97	41.82	40.99		0.83

□ Classified Loans and Expected Credit Loss

● Classified Loans

KBank and its subsidiaries classified loans into three levels per TFRS 9. The classified loans in stage 2 include the loans with significantly increasing credit risk since initial recognition but without credit impaired. As of June 30, 2025 and March 31, 2025, loans with significantly increasing credit risk (underperforming loans) to total loans ratio was equal to 7.17 percent and 7.60 percent, respectively whereas loans with significantly increasing credit risk (underperforming loans) and credit impaired loans (non-performing loans) to total loans ratio was equal to 10.31 percent and 10.75 percent, respectively.

(Unit: Million Baht)

	Jun. 30, 2025		Mar. 31, 2025	
	Loans and accrued interest receivables ¹⁾	Allowance for expected credit loss	Loans and accrued interest receivables ¹⁾	Allowance for expected credit loss
Stage 1 Performing	2,157,253	41,501	2,142,764	38,873
Stage 2 Underperforming	205,377	53,122	217,960	52,791
Stage 3 Non-performing	89,828	44,068	90,161	43,992
Total	2,452,458	138,691	2,450,885	135,656

¹⁾ Loans to customers and accrued interest receivables and undue interest receivables

● Modified Loans

KBank and its subsidiaries engaged in modification contracts with customers. In the first half of 2025, there were loans before modification amounting to Baht 15,405 million and incurred losses amounting to Baht 278 million.

● Expected Credit Loss

KBank and its subsidiaries set aside expected credit loss of Baht 10,050 million for the second quarter of 2025, which was almost on par with the previous quarter. Our expected credit loss to average loans was equal to 1.65 percent. When compared to the same period of the previous year, our expected credit loss totaled Baht 19,868 million, a decrease of Baht 3,489 million or 14.94 percent. This level of expected credit loss

matched our consistently prudent approach, reflecting the prevailing circumstances and volatile economic conditions. Our expected credit loss to average loans for the first half of 2025 stood at 1.62 percent. Additionally, our coverage ratio as of June 30, 2025, was equal to 162.77 percent.

Expected Credit Loss

(Unit: Million Baht)

	Q2-2025	Q1-2025	Change		First half of 2025	First half of 2024 (Restated)	Change	
			Increase (Decrease)	Percent			Increase (Decrease)	Percent
Expected Credit Loss	10,050	9,818	232	2.36	19,868	23,357	(3,489)	(14.94)
Expected Credit Loss to								
Average Loans (percent)	1.65	1.60		0.05	1.62	1.89		(0.27)

Allowance for Expected Credit Loss

As of June 30, 2025, our consolidated allowance for expected credit loss totaled Baht 138,691 million.

— Non-Performing Loans and Properties Foreclosed

Non-Performing Loans

As of June 30, 2025, financial conglomerate's NPLs stood at Baht 90,929 million, or 3.18 percent of the total outstanding credit, including that of financial institutions. KBank's NPLs totaled Baht 83,953 million, or 3.07 percent of the total outstanding credit, including that of financial institutions. The NPLs data is shown in the table below:

Non-Performing Loans

(Unit: Million Baht)

For the Quarter Ending	Jun. 30, 2025	Mar. 31, 2025
Financial conglomerate NPLs	90,929	91,241
Percent of total outstanding credit, including that of financial institutions	3.18	3.19
KBank NPLs	83,953	84,716
Percent of total outstanding credit, including that of financial institutions	3.07	3.10

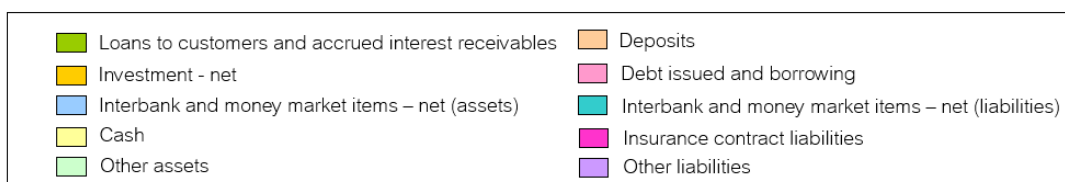
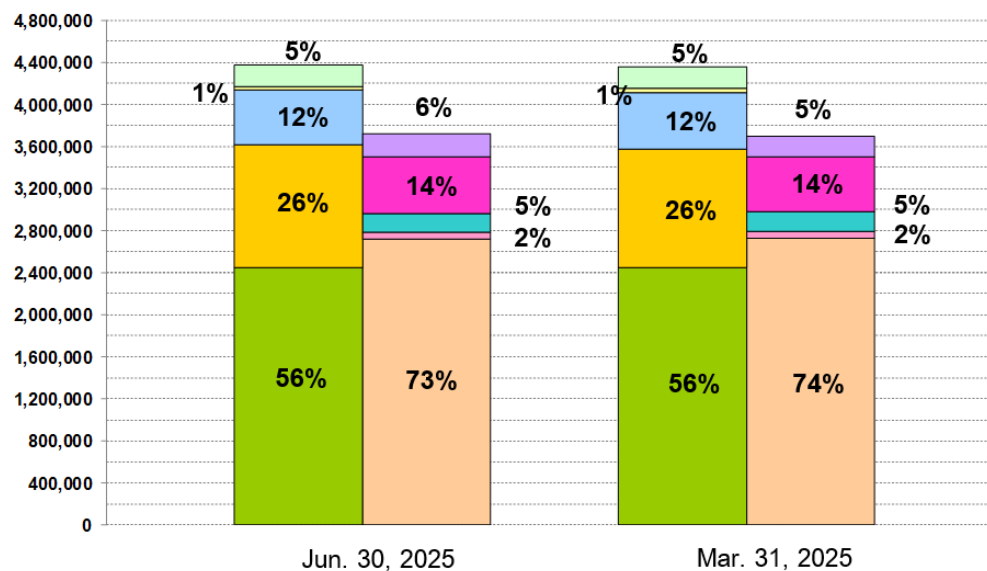
Properties Foreclosed

As of June 30, 2025, our financial conglomerate properties foreclosed had a net value of Baht 57,357 million, thus being 1.31 percent of total assets.

4.2 Financial Position

Assets and Liabilities Structure

(Unit: Million Baht)



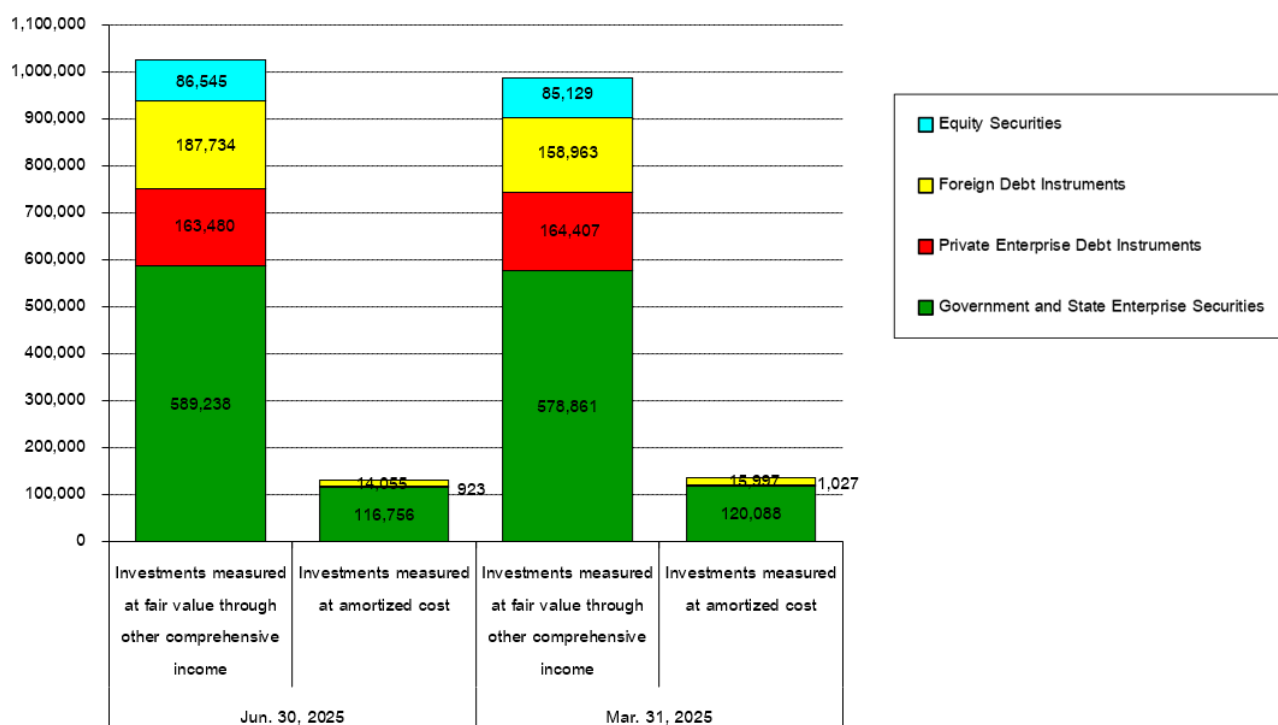
□ Assets

At the end of the second quarter of 2025, KBank's consolidated assets totaled Baht 4,374,808 million, increasing by Baht 19,596 million or 0.45 percent from the end of the previous quarter. The increase was due mainly to an increase in net investment. Meanwhile, net interbank and money market items decreased. Key details are as follows:

- Net investment at the end of the second quarter of 2025 totaled Baht 1,158,731 million, increasing by Baht 34,259 million or 3.05 percent from the end of the previous quarter in line with expectations of market conditions and interest rate trend.
- Net interbank and money market items at the end of the second quarter of 2025 totaled Baht 525,516 million, decreasing by Baht 11,254 million or 2.10 percent from the end of the previous quarter, mainly as a result of KBank's liquidity management.

Investments in Securities

(Unit: Million Baht)



Liabilities and Equity

Our consolidated liabilities at the end of the second quarter of 2025 amounted to Baht 3,720,645 million, increasing by Baht 26,789 million or 0.73 percent from the end of the previous quarter. The rise was mainly attributable to an increase in insurance contract liabilities. Significant changes in our consolidated liabilities included:

- Insurance contract liabilities amounted to Baht 537,376 million, an increase of Baht 12,352 million or 2.35 percent in line with life insurance business transactions.

Equity (attributable to KBank) at the end of the second quarter of 2025 amounted to Baht 573,330 million, decreasing by Baht 10,596 million or 1.81 percent from the end of the previous quarter. The decline was due mainly to KBank's net operating profit in the second quarter of 2025 which totaled Baht 12,488 million. Meanwhile, KBank approved payment of dividend from net profit for 2024 totaling Baht 18,955 million in April 2025 and an additional special dividend in June 2025. The total dividend payment amounted to Baht 24,878 million.

Relationship between Sources and Uses of Funds

As of June 30, 2025, the funding structure as shown in the consolidated financial statement comprised Baht 3,720,645 million in liabilities and Baht 654,163 million in equity, of which Baht 573,330 million was equity (attributable to equity holders of the Bank), resulting in a debt-to-equity ratio (Bank only) of 6.49. As of June 30, 2025, the main source of funds on the liabilities side was deposits, which equaled Baht 2,719,855 million or 62.17 percent of the total

source of funds. Meanwhile, interbank and money market items as well as debt issued and borrowings accounted for 4.12 percent and 1.51 percent of the total source of funds, respectively.

As of June 30, 2025, KBank and subsidiaries' major use of funds was loans to customers which amounted to Baht 2,433,982 million, resulting in loan-to-deposit ratio of 89.49 percent. As for the remaining liquidity, KBank invested in various selections of liquid assets, such as interbank and money market items, financial assets measured at fair value through profit or loss, and investments in securities.

KBank and Subsidiaries' Major Sources and Uses of Funds

(Unit: Million Baht)

Period	Deposits				Loans and accrued interest receivables ¹⁾			
	Jun. 30, 2025	Percent	Dec. 31, 2024	Percent	Jun. 30, 2025	Percent	Dec. 31, 2024	Percent
					(Restated)			
≤ 1 Year	2,648,466	97.38	2,654,777	97.65	1,087,229	44.33	1,135,088	45.40
> 1 – 5 Years	71,389	2.62	63,898	2.35	544,323	22.20	540,987	21.63
> 5 Years	-	-	-	-	820,906	33.47	824,280	32.97
Total	2,719,855	100.00	2,718,675	100.00	2,452,458	100.00	2,500,355	100.00

¹⁾ Loan to customers and accrued interest and undue interest receivables

As of June 30, 2025, deposits with maturities within one year were larger than loans with remaining maturities within 1 year. This is considered normal for commercial banks in Thailand, which mainly mobilized short-term funds for long-term loan extension or investment. However, the majority of deposits at KBank were renewed continually upon maturities. As a result, most deposits remained with KBank longer than their stated contractual term, thereby helping to support funding for KBank's lending.

4.3 Loans and Deposits

□ Loans

As of June 30, 2025, KBank's consolidated outstanding loans stood at Baht 2,433,982 million, increasing by Baht 707 million or 0.03 percent, compared to Baht 2,433,275 million as of March 31, 2025.

Loan Portfolio by Type of Customer and Credit Amount

(Unit: Million Baht)

	Jun. 30, 2025		Mar. 31, 2025	
	Corporate Business ¹⁾	Retail Business ²⁾	Corporate Business ¹⁾	Retail Business ²⁾
Loans	1,631,996	694,069	1,630,497	685,716*

Notes: * Update the data to align with credit management guidelines for comparative purposes.

¹⁾ "Corporate Business" refers to registered companies, certain private individual business customers, government agencies, state enterprises, as well as financial institutions, etc. KBank provides a variety of financial products and services to them, e.g., long-term and working capital loans, letters of guarantee, trade finance solutions, syndicated loans, cash management solutions and value chain solutions.

²⁾ "Retail Business" refers to private individual customers using KBank products and services, e.g., deposit accounts, debit cards, credit cards, personal loans, housing loans, financial advisory services, investment products and other transactional services.

Corporate Business Loans

As of the end of the second quarter of 2025, our corporate business loans (Corporate and SME customers) increased by Baht 1,499 million or 0.09 percent from the previous quarter. The rise was mainly seen in loans extended to commerce consumer, real estate and packaging and printing. Meanwhile, SME loan growth continued to slow due to a decline in new loans, reflecting limited business opportunities amid the prevailing economic conditions. Nevertheless, the Bank remained committed to offering a diverse range of loan products to meet customers' credit and collateral needs. We utilized both financial and non-financial transaction data to analyze customer behavior and assess repayment ability, while applying risk-based pricing tailored to each customer.

Retail Business Loans

As of the end of the second quarter of 2025, our retail loans increased by Baht 8,353 million or 1.22 percent from the previous quarter. The increase was driven by a marginal quarter-on-quarter growth in home loans, which are classified as secured loans, following collaboration with business partners, while unsecured loans slowed down. Credit card loans declined due to seasonal factors. Personal loans also dropped in line with the prudent lending policy and stringent credit quality monitoring. The Bank offered limited credit lines to new customers for whom sufficient data is not yet available, but considered increases aligned with the customer's risk profile if they showed disciplined repayment behavior in accordance with the conditions.

□ Deposits

Deposits Classified by Type of Deposit Account

(Unit: Million Baht)

	Percent of Total Deposits	Deposits		Change	
		Jun. 30, 2025	Mar. 31, 2025	Increase (Decrease)	Percent
Total Deposits	100.00	2,719,855	2,722,146	(2,291)	(0.08)
Current accounts	5.85	159,161	162,928	(3,767)	(2.31)
Savings accounts	75.10	2,042,646	2,026,637	16,009	0.79
Fixed-term deposit accounts	19.05	518,048	532,581	(14,533)	(2.73)

In the second quarter of 2025, overall competition for deposits among commercial banks remained at a low level. This reflected weaker-than-expected economic momentum, a continued slowdown in loan growth since the end of 2024, and a downward trend in the policy rate, which was lowered to 1.75 percent in the second quarter, from 2.00 percent in the first quarter – with further reductions anticipated later this year.

As of June 30, 2025, deposits of current accounts and savings accounts (CASA) increased by Baht 12,242 million or 0.56 percent compared to the first quarter of 2025. Meanwhile, fixed-term deposits declined by Baht 14,533 million or 2.73 percent compared to the first quarter of 2025. As a result, the ratio of CASA to

total deposits was equal to 80.95 percent. Overall, the deposit volume remained consistent with the Bank's liquidity level.

KBank had guidelines in place to manage deposits, with a focus on maintaining financial liquidity through appropriate cost management. We also prioritized offering deposit products tailored to the lifestyle needs of different customer segments, while ensuring their access to KBank deposit accounts for daily financial transactions. Notable product was the K-eSavings Account which offers convenient and secure self-service account opening and transaction making through digital channels. These services are supported by preventive measures including cyber awareness campaigns, and transaction alerts for digital transfers – prompting customers to verify and confirm the recipient's account, especially if it is flagged as suspicious by the Bank.

4.4 Treasury Operations

In the second quarter of 2025, the Fed maintained its policy rate at 4.25-4.50 percent during its meetings in May and June 2025. The Fed signaled a cautious monetary policy approach, opting to await clearer economic impacts from US import tariffs before adjusting its policy direction. The uncertainty surrounding these tariffs has triggered significant volatility in global financial markets and increased the risk of a global economic slowdown, while inflationary pressures remain a key concern. Furthermore, US bond market interest rates are expected to remain volatile, potentially affecting bond markets worldwide, including Thailand's.

Domestically, the Bank of Thailand cut its policy rate by 0.25 percent to 1.75 percent in April 2025. This move aimed to support economic recovery amid rising risks from US trade policies and the fragility of the domestic economy due to structural issues in the manufacturing sector, a slowdown in tourism, and elevated household debt and non-performing loans. However, inflation remains subdued near the lower bound of the Bank of Thailand's target range. Looking ahead, there is a possibility of further policy rate cuts if economic developments do not align with projections.

The Bank has adopted an investment portfolio management approach that prioritizes the maintenance of liquidity to facilitate changes in the business environment. Under this approach, we have aligned our investment strategies with changes in economic conditions, as well as movements in the financial and capital markets both domestically and internationally. Accordingly, the Bank has ensured that the overall bond holdings of its investment portfolio are aligning with global and domestic interest rate trends by cautiously maintaining portfolio duration at a relatively high level, in line with the expected downward trend in interest rates, while also aiming to minimize potential impacts of interest rate volatility on the Bank.

In the second quarter of 2025, the average interest rate for overnight interbank lending transactions was 1.79 percent per annum, a decrease from 2.11 percent per annum in the first quarter, in line with the policy rate cut.

Meanwhile, the Bank adopted a liquidity management approach within the framework of risk appetite and appropriate cost management, which remained the same as the previous quarter. Under this approach, the Bank aimed to raise funds primarily through deposits, especially from both current and savings accounts,

which are considered high-quality deposits. For foreign currency liquidity management, the Bank placed emphasis on raising funds with matching maturity in order to mitigate liquidity risks associated with non-core currencies of the Bank.

❑ Liquid Asset Ratio

KBank maintains average fortnightly current deposits at not less than 1.00 percent of total deposits and certain types of borrowings in accordance with the Bank of Thailand's regulations. As of June 30, 2025, our deposits at the Bank of Thailand and cash at cash center averaged Baht 26,961 million.

4.5 Operating Performance of K Companies and Muang Thai Life Assurance PCL

Operating Performance of K Companies ¹⁾ and Muang Thai Life Assurance PCL

(Unit: Million Baht)

Company	Performance Measurement	First Half of 2025	First Half of 2024	2024
KASIKORN ASSET MANAGEMENT CO., LTD. (KAsset)	Assets under management	1,799,755	1,662,675	1,715,068
	Market Share (Percent)	18.47	18.33	17.79
KASIKORN SECURITIES PCL (KSecurities)	Trading Volume	259,251	263,988	588,622
	Market Share (Percent)	2.77	2.60	2.77
KASIKORN LEASING CO., LTD. (KLeasing)	Loans	122,868	127,615	125,840
KASIKORN FACTORY AND EQUIPMENT CO., LTD. (KF&E)	Loans	24,576	23,813	24,471
Muang Thai Life Assurance PCL (MTL)	Net Premiums Earned	33,971	33,233	71,817
	Market Share (Percent)	10.40	10.67	10.98

Note: ¹⁾ KResearch is not included, since this company does not engage in financial business.

During the first half of 2025, K Companies and Muang Thai Life Assurance PCL (MTL) attained satisfactory qualitative and quantitative operating performance. This achievement was attributable to the close cooperation between KBank and K Companies, as well as MTL. Key details are as follows:

KASIKORN ASSET MANAGEMENT CO., LTD. (KAsset): KAsset maintained the number-one position in the mutual fund business as gauged by assets under management in this category, with a market share of 23.10 percent and total market share of assets under management (AUM) at 18.47 percent. Additionally, the company recorded the highest value of new investment inflows at more than Baht 80 billion, with a market share of 63 percent. This excellent performance was due in part to strategic cooperation with new partners while also maintaining investment collaboration with existing partners, the development of various types of new fund

products to fully meet the needs of all customer segments, as well as effective sales channels to take care of customers before and after investment. Key operations are as follows:

(1) Implementation of the core-satellite portfolio strategy as the central approach to wealth management. Under this strategy, K-WealthPLUS serves as the core fund, which has attracted the highest investment inflows among all product offerings. It is complemented by a range of satellite funds, which has helped enhance growth potential and provided flexibility in portfolio adjustment amid market volatility, including K-GSELECT, K-GPIN, K-USA, K-VIETNAM, and K-GTECH.

(2) Establishment of a strategic partnership with J.P. Morgan Asset Management (JPMAM) to develop investment products and innovations. This collaboration led to the launch of the K-WealthPLUS Series, comprising five funds that emphasize the selection and allocation of global assets, based on the principles of diversified multi-asset portfolios. Leveraging JPMAM's deep market insights, these funds aim to reduce risk and strengthen investors' portfolios. Additionally, the company conducted quarterly training sessions for the Bank's sales staff to continuously enhance their capabilities in providing effective investment advice.

(3) Development of new fund products to offer general investors new investment options and for retirement planning. Three notable funds were launched: First, K Global Equity Premium Income Fund-A (A) (K-GPIN-A(A)), which invests in the master fund, JPMorgan ETFs (Ireland) ICAV - Global Equity Premium Income Active UCITS ETF - USD (dist). This master fund focuses its investment on global equities with a strategy to generate income through selling options on stocks and stock indices. Second, K Global Dynamic Bond Retirement Mutual Fund (K-GDBONDRMF), which invests in the master fund, PIMCO GIS Income Fund, Class INST USD Acc. This master fund targets high-quality global bonds to deliver consistent returns while preserving capital. Finally, the ThaiESGX Fund, which focuses on ESG-based investments to support the sustainable development of Thailand.

(4) Improvement in effectiveness of investor communications by sending notifications through both K-My Funds and K PLUS, with personalized content tailored to each customer segment. This approach is based on in-depth customer data analytics conducted in collaboration with KBank, enabling more targeted communication that aligns with the customers' needs and improves investor engagement outcomes.

KASIKORN SECURITIES PCL (KSecurities): During the first half of 2025, the company's securities trading volume totaled Baht 259,251 million, holding a market share of 2.77 percent. It emphasized the development of services via online channels in sync with investor behavior, such as opening of online accounts and online account-related services that allow investors to conduct transactions by themselves. Focus was also on provision of quality information via multiple online channels to keep investors abreast of the latest developments. In addition, KSecurities is actively developing an integrated investment platform that consolidates comprehensive investment information and enables transactions across a wide range of investment products - all in one place. This initiative aims to enhance customer experience by providing greater efficiency, convenience, and accessibility in managing their investments.

KASIKORN LEASING CO., LTD. (KLeasing): In the first half of 2025, the company's loans totaled Baht 122,868 million, a decline of 3.72 percent YoY. The decline was primarily driven by the reduction in retail loans and dealer financing, resulting from the continued slowdown in domestic car sales. In parallel, the company strategically prioritized higher-quality customer segments to ensure long-term profitability stability.

Despite challenging market conditions – including a sluggish automotive sector and persistently high household debt – KLeasing successfully maintained strong operating performance. This was achieved through strategic initiatives focused on enhancing interest and fee income from new loans, improving operational efficiency across all functions through automation, and tightly managing asset quality in alignment with the Bank of Thailand's responsible lending guidelines. To respond to evolving consumer behavior, the company has continually advanced its digital innovation strategy with the following key platforms:

- **K EV Shop:** A centralized hub for electric vehicle (EV) and energy-efficient car campaigns, integrated via API connectivity with leading car manufacturers.
- **Digital Self-Apply:** A platform that allows customers to apply for auto loans independently and receive instant approval, supported by NDID-based identity verification, E-NCB credit checking, and automated credit scoring.
- **KLeasing Line OA:** This channel provides end-to-end services from loan application and approval notification to post-loan services, including insurance renewal and loan closure.
- **K-OK Platform:** Launched in June 2025, this tool supports customers who are still considering purchasing a vehicle by allowing them to apply and receive instant approval for the preliminary credit line based on their financial capacity and explore cars within their affordability range.

KASIKORN FACTORY AND EQUIPMENT CO., LTD. (KF&E): During the first half of 2025, KF&E's equipment leasing was Baht 24,576 million. The company collaborated with KBank to offer "Green Loans" to clean or renewable energy industries, with the aim of reducing environmental impact and promoting energy conservation. This includes the K-Energy Saving Guarantee Program (Solar Rooftop), EV charging station loans, and investment facilities for other renewable energy machinery. These efforts were carried out alongside maintaining strong relationships with equipment suppliers across various industrial sectors.

Muang Thai Life Assurance PCL (MTL): During the first half of 2025, market share of the company's total premiums in bancassurance business was 14.11 percent, ranking second in the life insurance industry. In collaboration with KBank, the company continued to develop a diverse range of life and health insurance products and offer personalized protection options to meet the needs of customers across all segments. In the first half of 2025, the company launched four new insurance products: (1) "Comprehensive & Value-for-Money" Business Loan Protection Insurance Plan, which offers life, accident, and critical illness protection, with a maximum coverage of Baht 10 million; (2) Life Insurance for Lombard Financing & Land Loan, designed for high-net-worth (HNW) individuals; (3) Happy Life Protect 10/10 Insurance Plan, which offers middle-income

customers affordable premiums with high coverage for both life and accident protection; and (4) “Worry-Free from sickness and critical illness” Life and Health Insurance Plan, which provides middle-income customers up to Baht 500,000 per incident in medical expense coverage. Customers can choose to pay the lump sum from the first Baht or coverage for the portion exceeding existing welfare benefits.

4.6 Capital Requirements

As of the end of the second quarter of 2025, KASIKORNBANK FINANCIAL CONGLOMERATE, under the Basel III capital requirements, had capital funds of Baht 573,408 million, consisting of Baht 518,369 million in Tier-1 capital (Baht 491,443 million in Common Equity Tier-1 capital) and Baht 55,039 million in Tier-2 capital. The capital adequacy ratio was 20.66, which was above the Bank of Thailand's minimum requirement and buffer requirement of 12.00 percent. Meanwhile, Tier-1 capital ratio was 18.68 percent, and Common Equity Tier-1 ratio was equal to 17.71 percent, all of which were above the BOT's minimum requirement and buffer requirement of 9.50 percent and 8.00 percent, respectively. The details are shown as follows:

Capital Adequacy Ratio¹⁾

- KASIKORNBANK FINANCIAL CONGLOMERATE²⁾

(Unit: Percent)

Capital Adequacy Ratio	Basel III					
	Minimum Requirements including Buffer Requirement ³⁾	Jun. 30, 2025	Mar. 31, 2025	Dec. 31, 2024 (Restated)	Sep. 30, 2024 (Restated)	Jun. 30, 2024 (Restated)
Tier 1 Capital Ratio	9.50	18.68	18.55	18.37	18.62	17.49
<i>Common Equity Tier 1 Ratio</i>	8.00	17.71	17.58	17.41	17.64	16.53
Tier 2 Capital Ratio	-	1.98	1.97	1.98	1.99	1.96
Capital Adequacy Ratio	12.00	20.66	20.52	20.35	20.61	19.45

- The Bank

(Unit: Percent)

Capital Adequacy Ratio	Basel III					
	Minimum Requirements including Buffer Requirement ³⁾	Jun. 30, 2025	Mar. 31, 2025	Dec. 31, 2024	Sep. 30, 2024	Jun. 30, 2024
Tier 1 Capital Ratio	9.50	17.86	17.65	17.51	17.89	16.80
<i>Common Equity Tier 1 Ratio</i>	8.00	16.83	16.63	16.49	16.86	15.77
Tier 2 Capital Ratio	-	2.05	2.04	2.04	2.06	2.04
Capital Adequacy Ratio	12.00	19.91	19.69	19.55	19.95	18.84

- Notes: ¹⁾ Excluding net profit of each period, which under the Bank of Thailand's regulations, net profit in the first half-year period is to be counted as capital after approval by the Board of Directors per KBank's regulations. Net profit in the second half-year period is counted as capital after approval of the General Meeting of Shareholders. However, whenever a net loss occurs, the capital must be immediately reduced at the end of period.
- ²⁾ KASIKORNBANK FINANCIAL CONGLOMERATE means the company under the Notification of the Bank of Thailand Re: Consolidated Supervision, consisting of KASIKORNBANK, K Companies and subsidiaries operating in support of KBank, Phethai Asset Management Co., Ltd. and other subsidiaries within the permitted scope of the BOT to be a financial conglomerate.
- ³⁾ Bank of Thailand required that the Bank maintain two capital buffers as follows:
- Conservation Buffer: BOT required that KBank maintain an additional Common Equity Tier 1 at more than 2.50 percent.
 - Domestic Systemically Important Banks Buffer (D-SIBs Buffer): BOT required that KBank as a D-SIB maintain an additional Common Equity Tier 1 at 1.00 percent of total risk weight assets.

4.7 Credit Ratings

At the end of June 2025, the Bank's credit ratings assigned by Standard & Poor's, and Fitch Ratings remained unchanged from the end of March 2025. However, on April 30, 2025, Moody's Investors Service revised the outlook on the long-term credit ratings of Thai commercial banks, including KBank, to "Negative" from "Stable". This followed Moody's Investors Service's revision of the outlook on Thailand's Baa1 sovereign credit rating to "Negative" from "Stable" on April 29, 2025, reflecting increasing risks to Thailand's economic and fiscal strength stemming from new US import tariffs and heightened global economic uncertainty.

Details of the Bank's credit ratings are shown in the following table.

KASIKORNBANK's Credit Ratings			
Credit Ratings Agency		Jun. 30, 2025	Mar. 31, 2025
Moody's Investors Service *			
<u>Foreign Currency</u>			
Outlook		Negative	Stable
Long-term - Senior Unsecured Notes		Baa1	Baa1
- Deposit		Baa1	Baa1
- Counterparty Risk		Baa1	Baa1
- Subordinated Debt		Ba1	Ba1
- Non-Cumulative Preferred Stock		Ba2	Ba2
Short-term - Debt/Deposit		P-2	P-2
- Counterparty Risk		P-2	P-2
Baseline Credit Assessment		baa2	baa2
<u>Domestic Currency</u>			
Outlook		Negative	Stable
Long-term - Deposit		Baa1	Baa1
- Counterparty Risk		Baa1	Baa1
Short-term - Debt / Deposit		P-2	P-2
- Counterparty Risk		P-2	P-2

Credit Ratings Agency	Jun. 30, 2025	Mar. 31, 2025
Standard & Poor's *		
<u>Global Scale Ratings</u>		
Outlook	Stable	Stable
Long-term Counterparty Credit Rating	BBB	BBB
Long-term Certificate of Deposit	BBB	BBB
Short-term Counterparty Credit Rating	A-2	A-2
Short-term Certificate of Deposit	A-2	A-2
Senior Unsecured Notes (Foreign Currency)	BBB	BBB
Fitch Ratings *		
<u>International Credit Ratings (Foreign Currency)</u>		
Outlook	Stable	Stable
Long-term Issuer Default Rating	BBB	BBB
Short-term Issuer Default Rating	F2	F2
Short-term Issuer Default Rating (xgs)	F3(xgs)	F3(xgs)
Senior Unsecured Notes	BBB	BBB
Viability	bbb	bbb
Subordinated Debt (Basel III-compliant Tier 2 securities)	BB+	BB+
Government Support	bbb	bbb
<u>National Credit Ratings</u>		
Outlook	Stable	Stable
Long-term	AA+(tha)	AA+(tha)
Short-term	F1+(tha)	F1+(tha)

Note: * The base levels for investment grade on long-term credit ratings for Moody's Investors Service, Standard & Poor's, and Fitch Ratings are Baa3, BBB- and BBB-, respectively. For short-term credit ratings, the base levels for investment grade as viewed by these three agencies are P-3, A-3, and F3, respectively.

Disclaimer

Certain statements shown in this report are forward- looking statements in respect of the financial position or the performance of KASIKORNBANK PUBLIC COMPANY LIMITED ("KBank"). KBank has prepared such forward- looking statements based on several assumptions, and has relied on financial and other information available from public sources as of the date such statements were made. Statements containing words such as "expect", "believe", "estimate", etc. and other similar expressions, are considered as forward-looking statements which involve uncertainties and are subject to changes at any time due to future events, including but not limited to, changes in global/national economic, political and regulatory environment. Accordingly, the readers or the recipients of information shall carefully review this report and make their own independent decision as well as thoroughly evaluate such fact or information which may have changed prior to making any investment or entering into any transaction.

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www.kasikornbank.com
K-Contact Center 02-8888888