

IR News

January 3, 2007

Product and Service Update: November – December 2006

KBank News:

KBank has issued K-B/E Investment with 4.875% p.a.

- ❑ KBank has issued K-B/E Investment. These B/E were offered to retail and corporate customers who reside in Thailand. There are four types of B/E offered and all of them are non-refundable.

Tenor	Credit line	Rate	Reserving Date	Offering Date	Maturity Date
3 Months	≥ 5,000,000	4.875%	12-14 December 06	14 December 06	14 March 07
6 Months	≥ 5,000,000	4.875%	12-14 December 06	14 December 06	14 June 07
6 Months	≥ 5,000,000	4.875%	19-21 December 06	21 December 06	21 June 07
3 Months	≥ 5,000,000	4.875%	26-28 December 06	28 December 06	28 March 07

KBank launched Money Plus Fair to boost deposits and investments

- ❑ The Bank launched Money Plus Fair from November 16 through December 29, 2006 at every KBank branch. The Bank offered a variety of fixed deposits and mutual funds to customers before the anticipated interest rate decline next year.
- ❑ Customers seeking high return with low risk can invest in either Fixed-Plus Fixed Deposit

Deposit amount (Bt)	Interest rate	
	Fixed-Plus Fixed Deposits 3 Month	Fixed-Plus Fixed Deposits 6 Month
100,000 – 1,000,000	4.00%	4.25%
1,000,001 – 10,000,000	4.50%	4.50%
≥ 10,000,000	4.50%	4.75%

- ❑ or Fixed Deposit Flexible 8 Month 4.50% with a minimum deposit of Bt50,000

Tenor	Interest rate received
Less than 3 months	-
3 months to less than 6 months	4.00%
6 months to 8 months	4.50%

- ❑ Customers seeking a tax-exempt high return can invest in our Long Term Equity Fund (LTF) or Retirement Mutual Fund (RMF) that can be used to reduce tax payments up to a maximum of Bt600bn within an investment year. They can also invest in the Ruang Khao Government Bond Fund 6 and 12 month that gives a tax-exempt high return. With a minimum of Bt5,000, customers can also invest in the Ruang Khao Treasury Fund which mainly invests in government bonds. This fund is highly liquid and can be traded daily.

Corporate and SME Business:

KBank together with three other large banks issued Bt5.5bn in loans to Amata group

- ❑ KASIKORNBANK, Government Saving Bank, Mizuho Bank and KfW Bank issued Bt5.5bn in loans to Amata-EGCO Power Limited and Amata Power (Bangpakong) Limited with tenor of seven and ten years. KBank acted as business consultant and lent Bt1.356bn while GSB, Mizuho and KfW lent Bt1bn, Bt1.5bn and USD45mn, respectively.
- ❑ The Amata group would use these funds to refinance its old loans and invest in the distillation plant, which will supply water for its own industrial process with excess to sell to other companies. The funds will also help increase its financial flexibility.
- ❑ Amata-EGCO Power Limited and Amata Power (Bangpakong) Limited is a power plant that produces electricity and supply to EGAT (Electricity Generating Authority of Thailand) and Amata Nakorn Industrial Estate.

KBank has developed K SME Care Program for SME customers

- ❑ As KBank continues to focus on SMEs in the coming year, the Bank has created K SME Care Program to build stronger SME business. KBank expects SME loans to grow 20% or Bt50bn in 2007.
- ❑ The Bank will gradually develop new projects under K SME Care Program. In the beginning of 2007, the first program that will be launched is K SME Venture Capital Fund. The K SME Care will cover several issues, such as:

1. Capital	Besides lending, KBank is developing a new subsidiary under KASSET to increase equity financing channels to SME clients. KASSET will hold 100% in this new subsidiary, which is being created to manage K SME Venture Capital Fund. The K SME Venture Capital Fund will hold stake in SMEs for at least five years. The initial funds of Bt200mn will come from KBank. This venture capital is the first of its kind among Thai commercial banks.
2. Advice	KBank and its partners, with specialization in certain areas, will develop programs to provide good business advice to SMEs.
3. Research/Market Information	KBank produces data, knowledge and updated news that are useful for SME business decision-making.
4. Education/ Training	KBank coordinates with leading private and public organizations to develop seminars about business management for SMEs nationwide.

Retail Business:

KBank launched Smart Shopping Program to increase spending per credit card

- ❑ KBank launched Smart Shopping Program in December 2006 to give perks to customers who pay through KBank's smart chip credit cards. Both KBank Visa and KBank MasterCard are included at more than 39 KBank partners, with more than 300 shops. Customers will find this to be more convenient as they will no longer need to collect coupons or stickers to redeem perks. The spending data will be automatically recorded in the smart chip. KBank expects this program to increase spending per card by 5-10%.
- ❑ KBank is the first bank in Thailand to use smart chip technology to record personal and spending data in the credit card. The Bank started to use the smart chip credit card last year and has gradually changed magnet credit cards to smart chip credit cards. KBank has already changed 45% of the Bank's credit cards to smart chip credit cards and expects to change all credit cards to smart chip credit cards by 2008. KBank currently has about 1mn credit cards.

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