

# IR News

March 2, 2010

## Product and Service Update: February 2010

### KGroup News:

#### KGroup participated in the Money Expo 2010 in Pattaya

- ❑ KGroup participated in the Money Expo 2010 in Pattaya, from February 5-7, 2010 at the Royal Cliff Beach Resort Pattaya, under the concept "Leave everything in our hands." Questions relating to client financial needs such as loans, deposits, and insurance products were answered, with many complementary products given out at the event.
- ❑ In addition, the Bank provided K-WePlan service at the event. This service is a total financial solutions service for SMEs including seminars with KGroup executives. KGroup targets to have more than 4,000 customers applying for SME services at the event and to extend loans totaling Bt2bn.

### Corporate and SME Business

#### KBank and Humanica Ltd. provide payroll service solutions

- ❑ KBank is cooperating with Humanica Ltd., a professional in human resource management systems, to offer payroll service solutions that provide convenient payroll account management. Humanica provides safety and reliable information storage at international standards. It also provides monthly salary payment details through an SMS service to employees' mobile phones. Employees can also check this information via an e-payslip service, using their personal username and password.

#### KBank becomes the first Thai bank to offer RMB deliverable forwards

- ❑ KBank, as a part of its continued support of Sino-Thai trade, has become the first Thai bank to offer a service hedging against foreign exchange risk for RMB currency via deliverable forward. This new service will help reduce the redundant procedures and costs in hedging against RMB currency risk.
- ❑ Interested importers and exporters trading with China can ask for more information at more than 700 KBank branches or at 60 KBank International Trade Service Offices nationwide.

#### KBank and BAY released Bt5bn worth of loans to Thai National Power for power plant construction

- ❑ KBank and Bank of Ayudhya (BAY) lent Bt4,965mn worth of 16-year loans to Thai National Power Ltd., a subsidiary of International Power PLC – IPR of England, one of the largest global electricity providers.
- ❑ Thai National Power Ltd. will use the loans for the construction of a 110MW Small Power Producer – SPP. 90MW of the electricity generated will be sold to the Electricity Generating Authority of Thailand (EGAT) under a 25-year contract. The remaining 20 MW will be sold to the Federation of Thai Industrial Parks.

### KBank introduced "SME Loan of Your Choice"

□ KBank introduced "SME Loan of Your Choice", giving customers flexibility in choosing interest rates and debt payments that best fit their business operations. Customers can also change the debt repayments to working capital. This product is offered to small businesses with an annual sales turnover of Bt10-50mn.

□ Type of Debt Repayment: Customers can choose either an even installment plan for five years or pay the minimum of 60% of each period installment during the first 18 months. The program aims to increase business liquidity during the start-up period. Customers that have made repayments for at least three months will be eligible for changing the repayment to O/D loans to use as working capital.

Interest Rate:

- Type 1: fixed rates for the first 12 or 18 months, aiming at helping customers to confidently manage fixed finance costs and reduce interest rate risk during the start-up period
- Type 2: floating rates for the whole contract

The Bank offers a 3-day credit approval process with funds received within 10 days

□ In 2010, KBank targets to have around 1,000 SMEs participating in this program with Bt3bn worth of loans. Interested SMEs can apply for the program at KBank branches nationwide or call the K-Biz Contact Center at 0 2888 8822 for more information.

### KBank, together with Workpoint Entertainment, launched a TV show for SMEs

□ KBank has joined hands with Workpoint Entertainment PCL to launch a TV show for SMEs called "SME Tee Tak", a new-concept program providing business ideas, knowledge, and entertainment. The show will benefit SMEs, both well-established and those in start-up mode. Marketing strategies that can be implemented for a successful business will be presented under the show's slogan "Know your business issues before becoming an SME". The first SME participating in this TV show was the owner of a shinning bakery franchise named "Pang Woei Hoei !!!", which is well-known among teenagers.

□ Mr. Panya Nirunkul is the host of the show, together with Mr. Thawee Chaitrakulchai, First Senior Vice President of KBank, and Mr. Thanyawat Chaitrakulchai, a well-known marketing guru and public speaker. The show airs at 11:05 PM every Friday on Channel 5, starting February 5, 2010.

### KBank participated with other banks to offer financial support to 7-Eleven franchises

□ KBank, SCB, and SCIB signed agreements with CP ALL PCL to offer financial support for franchises of 7-Eleven, the successful high-end convenience store.

□ KBank will support the loans with a maximum tenor of 10 years. The interest rates are MLR-2% for the first year, MLR-1.55% for the second year, MLR-1% for the third year, and MLR thereafter. Currently, KBank's MLR is 5.85%. The Bank offers a 3-day credit approval process and funds received within 10 days. In 2010, KBank expects to grow Bt300mn worth of loans from this campaign.

□ CP ALL targets to have 7,000 branches of 7-Eleven in Thailand within 2013 and aims to increase the proportion of the franchise to 59%. Currently, there are 5,300 7-Eleven branches, of which 47% are franchise shops.

### KBank joined hands with Thammasart University, offering "K SME Academy" to increase the capacity of SMEs

□ KBank joined hands with the Thammasat Business Consulting Center (TBCC), Faculty of Commerce and Accountancy, Thammasat University, to launch "K SME Academy", specially tailored to coach medium SMEs with an annual sales turnover of Bt50-400mn, through a one-stop success program format. This study program will help SMEs to grow to the level of Bt100-1,000mn annual sales turnover.

□ "K SME Academy" program is a 12 week course with three parts: 1) Financial planning to develop expertise in financial statement analysis, 2) Business plan development, and 3) Strategies for sustainable business growth.

□ In 2010, the Bank plans to open four classes with around 30 companies in each class. This program is eligible for business owners or their descendants.



## Retail Business

### KBank joined hands with GTH, launching "GTH is me by KBank"

- KBank joined hands with GMM Tai Hub Co., Ltd. (GTH), a movie production subsidiary of Grammy Group, to launch "GTH is me by KBank", a debit card specially tailored for Thai movie lovers. The card provides all the convenience of credit card payments as well as the privilege of joining in leisure activities with actors and actresses. Special features of "GTH is me by KBank" include the ability for customers to choose their own card design at [www.gth.co.th](http://www.gth.co.th). In the site's photo gallery, they can choose from cool pictures in the GTH style, or pictures of actors or actresses from GTH movies, designed to fit the debit card. They can even upload their own pictures, or their pictures together with selected pictures of GTH stars, to put on the card. Customers can receive their card at any KBank branch nationwide, seven business days after ordering their card.
- KBank expects to issue 20,000 such cards in 2010 and aims to expand to 50,000 cards within the year 2011.

### KBank and Sansiri PCL launched "Super Jaew" 0% home loan for 1 year

- KBank has joined hands with Sansiri PCL to launch the "Super Jaew" Campaign, a home loan with zero-percent interest for one year, with special services, and providing knowledge of several aspects of customers' lifestyles. This campaign is offered to customers purchasing properties from any Sansiri PCL project from now until June 30, 2010. Interest rates are 0% for the first year, MLR-0.25% for the second and third, and MLR-1% thereafter. There are also six special mortgage rates available (both fixed and floating). The maximum credit line is 100% of the asset price. The Bank also offers 0% interest on a 10-month contract fee installment, as well as an exemption on lending fees, collateral appraisal fees, and mortgage registration fees until March 31, 2010.
- Customers will also get "Special Financial Innovations", including 1) choosing between a 100% term loan and a 70% term loan with 30% O/D, and 2) an additional loan for 10% of the asset price from K-Home Décor Loan, together with a K-Home Smiles Club credit card and a K-Express Cash card. Four additional services include: Super Car – a free V.I.P. van with driver for one day, Super Fast Track Immigration at Suvarnabhumi Airport, Super Home Innovation Advisory, and Super Financial Advisory from K-WePlan.
- The Bank expects to lend around Bt1.2bn in mortgage loans in 1Q10 for the Sansiri project with a total of Bt4.5bn in 2010. This is 50% of the total of Bt9bn in mortgage loans that Sansiri customers will borrow from financial institutions.

### KBank has offered the "Leave everything in our hands" project to gain 2 million new customers in 2010

- KBank has offered the "Leave everything in our hands" project, which provides assistance and management of diverse matters to customers, emphasizing the Bank's world-standard service. The Bank is focusing on services that go beyond customer expectations, in order to increase customer confidence and trust in allowing KGroup to handle all their relevant concerns. Potential customers who have not yet used KGroup services will see real life experiences in the Bank's branches, in a television commercial entitled "Fak."
- In 2010, KBank aims to add around 2mn new retail customers to the existing customer base of 7.7mn persons. Loan and fee income in retail business is targeted to grow at 14-16% and 36%, respectively. The Bank also aims to be number one in "Main Bank Status."

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