



IR News

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KBank enters Indonesian market to reinforce its role as “AEC+3 Bank” with 9.99% share investment in Bank Maspion Indonesia. Prepare to facilitate the positive economic connectivity between the two countries.

KBank invests a 9.99-percent stake in Bank Maspion to further enhance its service potential in the AEC+3 region and Indonesia. The investment will help KBank with 51 office networks located in major cities of Indonesia where Thai investors have placed their investment. This synergy is expected to upgrade the services of investment & trade finance, SME banking and digital banking for both banks, paving the way for KBank to serve Thai-Indonesian bilateral trade and investments which are targeted to reach USD20 billion in value within three years.

According to Mr. Predee Daochai, KBank President, KBank has committed to strengthen its presence as an “AEC+3 Bank” to serve businesses connectivity in ASEAN, China, Japan and South Korea via expansion of its service network. Our new partnership with Bank Maspion via this 9.99% stake is the proof that we will deliver on such commitment and further elevate our services to empower businesses in both countries.

Bank Maspion has just achieved BUKU2 status with key services focus on SME business and digital banking which align with KBank’s objective. The bank also provide an attractive attribute via its sound risk management which see its NPL ratio stands at 0.91 percent, versus the market ratio of 2.93 percent. Moreover, the bank’s extensive footprints of 51 office networks are strategically located in all major cities where KBank’s customer based their operations upon. Considering these factors, Bank Maspion is the best partner for KBank to establish a presence in the Indonesian market and to offer customers efficient services of cross-border trade and investment, plus advisory recommendations of proficient local service providers.

Furthermore, Bank Maspion is part of the Maspion Group – one of the leading conglomerates in Indonesia – which runs a wide coverage of businesses, e.g., finance and banking, retail/wholesale, logistics and property development, and is also the top player in durable consumer goods, such as electrical and household appliances. With the group’s domestic and global customer bases, KBank will be able to better integrate Thai customers into Indonesian supply and value chains via its service alliance with Bank Maspion.

However, Indonesia is considered one of the most unique markets in the region due to its geo-economic nature of islands country where a great diversity of cultures and consumer segments reside. Together with the crowded banking landscape where there are now over 100 banks in Indonesia, making it a highly resource intensive challenge for foreign player to tap in to the market without the right partner. KBank believes that its shareholding in Bank Maspion is the most strategic move to swiftly respond to business requirements of its customers and the Bank itself.

Mr. Alim Markus, President Director and CEO of Maspion Group, said he firmly believes that this alliance with KBank will serve as a stepping stone to many more future bilateral developments. It will provide an opportunity for Bank Maspion to explore KBank’s expertise of digital banking and SME banking operations, which will help elevate Bank Maspion’s service in the long run. Meanwhile, Bank Maspion’s service coverage in Surabaya, Jakarta, Semarang, Denpasar, Medan, Bandung, Makassar, Solo, Malang, Purwokerto and Palembang will provide greater access for KBank customers to financial and advisory services from local experts. This synergy is therefore a perfect alliance that may enable more advanced cooperation between Bank Maspion and KBank in the future.



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Mr. Predee Daochai concluded that the AEC+3 region is a crucial market for Thai businesses, and KBank has always recognized the significance the greater need of regional trade and investment interconnectivity. Over the past year, KBank's service coverage has been enlarged via new branch opening in Cambodia and service upgrading to become locally incorporated institutions (LIIs) in Lao PDR and China. This alliance with Bank Maspion is the latest strategic move, which underscores KBank resolution to serve as a partner bank in the AEC+3 region for our customers. KBank services in cooperation with Bank Maspion will start within this quarter, with the first phase of operation to be offered to corporate customers. KBank representatives will assist in integrating Thai businesses and KBank customer into the Indonesian market while connecting those customers with the access to local experts' services and market insight through Bank Maspion partnership.

Indonesia is now considered as a new growth engine with a significant economic potential in AEC. Apart from being forecasted to be the world 7th largest economy in 2030 by Deloitte, The country is endowed with the world's fourth-largest population of 260 million people and presently records the highest GDP value in the region. The value expected to approach USD1 trillion in 2017, or over 5-percent growth for the second year running. Its FDI experienced 55-percent CAGR during 2010-2015, given sound government support for reform towards attracting investors.

The value of bilateral trade and investment between Thailand and Indonesia stood at USD16 billion as of the end of 2016, and is expected to reach USD20 billion by 2020 and to support this, KBank has launched a service of direct payment in THB (Thai Baht) and IDR (Indonesian Rupiah). According to the Indonesian Investment Promotion Center (BKPM), FDI from Thailand has already reached USD7 billion from 2010 up to this year.

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