

IR News

May 30, 2022

KVF signs CSPA to purchase 67.50 percent of shares in Bank Maspion Indonesia



On May 30, 2022, Mr. Pattarapong Kanhasuwan, Chairman, KASIKORN Vision Financial Company Pte. Ltd. (KVF), a wholly-owned subsidiary of KBank, signed a Conditional Sale and Purchase Agreement (CSPA) with Mr. Alim Markus, Chief Executive Officer of Maspion Group. KVF will hold a total of 67.50 percent of shares, with an investment value of not more than USD 220 million, or equivalent to approximately THB 7,556 million. This transaction is expected to be approved by relevant authorities, including the Bank of Thailand, and finalized by the end of 2022.

The first step is share acquisition whereby KVF will buy 30.01 percent of Bank Maspion's shares, which will increase KBank Group's shareholding to 40.00 percent from the 9.99 percent stake that the Bank has held since 2017. Then, KVF will purchase additional shares (Rights Issue) in order to increase the shareholding of KBank Group in Bank Maspion to 67.50 percent, and will increase Bank Maspion's minimum capital to USD 210 million.

The acquisition of Bank Maspion will allow KBank to conduct commercial banking business in Indonesia at a lower investment value than applying for a new license (minimum capital requirement of USD 700 million), giving KBank the opportunity for a higher return on investment. This is also the right time to expand KBank's business, as public infrastructure development and the digitalization drive in Indonesia both support the promising outlook for financial services in all customer segments along with an economic rebound anticipated in the post-COVID-19 era. In addition, this move is in line with KBank's key growth strategy to become a truly regional bank and connect businesses across the AEC, China, Japan and South Korea (AEC+3) – a region with high growth dynamics in the future.

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What's more, the acquisition of Bank Maspion, a local bank with the potential and strength to reach local small and micro businesses, is in line with KBank's expertise in supporting small and micro businesses to strengthen such enterprises' business capabilities in Indonesia.

Additionally, KBank will also leverage its mobile banking expertise through the K PLUS application in order to deliver innovative and comprehensive products and services to customers in Indonesia, which is an emerging star of ASEAN's financial technology market. This will allow K PLUS to become a truly regional platform.

Our business strategy focuses on the needs of all customer segments, as follows:

- Large Corporate Segment

To target acceleration of corporate lending to large Thai Direct Investment (TDI) firms, foreign businesses investing in Indonesia, as well as local business groups, in accordance with industrial transformation and a unified domestic market. Focus will be on providing universal banking services, including internet banking and payroll services, in response to the needs of corporate businesses.

- SME Segment

To focus on promoting credit to serve the unmet needs of SME businesses, especially medium-sized, well-established local business entities, by designing suitable products and services as well as improving end-to-end service delivery to provide a seamless experience for SME customers. In accordance with Indonesia's industrial transformation and urbanization, another focus will be on providing supply chain financing to support local SMEs in both domestic and global value chains. We will also leverage our strong technological capability to enhance payment and transactional banking services to reach out to the underserved local SMEs.

- Retail Segment

To prioritize development of retail digital lending through data analytics in order to provide convenient channels and accessibility for massive consumer and MSME demand. We will provide mobile banking services to enhance the overall customer experience in all facets of financial services.

Guided by its growth strategy, KBank expects that Bank Maspion will see aggressive loan growth in the next five years. It aims to become the largest bank in East Java by 2027.

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