

IR News

August 5, 2022

KBank aims to become the Regional Digital Bank of the new era, making inroads into Vietnamese market with targets of lending worth Baht 20 billion and 1.2 million customers within next year



KASIKORNBANK (KBank) is pressing ahead to become the Regional Digital Bank of the new era in AEC+3. Guided by the strategy of leveraging its key strengths – customer relations, partnerships and technologies – the Bank is determined to deliver services accessible to local users through deployment of “challenger bank” technology. Aiming to invest more than Baht 2.7 billion to fortify its service network within the region, KBank has announced its commitment to broadening its presence in the Vietnamese market in order to serve customers across all segments with digital services. The Bank has set targets of loans amounting to Baht 20 billion and a retail customer base of 1.2 million by 2023.

Riding the wave of post-COVID economic recovery, KBank is gearing up to become the Regional Digital Bank of the new era

Ms. Kattiya Indaravijaya, KBank Chief Executive Officer, noted that bright prospects lie ahead for the ASEAN economy in the post-COVID era. Aside from a recovering economy, ASEAN is known for its large marketplace with a growing share of young people – the main driver for its economic expansion. Moreover, the bloc's economy is set to see exponential growth as more and more consumers lead a digital life. Against this backdrop, KBank has set its sights on expanding our services within the region in a bid to provide greater opportunity for Thai businesses while delivering a positive customer experience to local retail and business clients, ensuring that they will gain improved access to transactional banking and loan services for broader service coverage.

• Investment of Baht 2.7 billion to fortify the status of the Regional Digital Bank of the new era with the disruptive DNA of a ‘challenger bank’

Ms. Kattiya said that, guided by our regional bank business plan, KBank will focus on development of technologies and manpower, investment in startups and business acquisition in key strategic areas during the next three years. Within a budget of Baht 2.7 billion, KBank will work towards building business networks embedded with the DNA of a ‘challenger bank’ to deliver services on digital platforms to local users with high agility, while aiming to become the Regional Digital Bank of the new era

• Synergy of three strengths: customer relations-partnerships-technologies

KBank has employed the Asset-Light Digital Banking Strategy to expand its businesses in the AEC+3 market, emphasizing the business partnership format. Through investment in and cooperation with local technology companies and startup businesses, KBank has achieved satisfactory progress in terms of networks and service technologies that are more responsive to users’ requirements. Key strategies that have led KBank’s operations consist of: (1) **‘Aggressive Play’ in lending to corporate customers**, including investors and local business operators; (2) **‘Mass Acquisition Play’ in expanding the customer base via cooperation with business partners** with focus on provision of transactional banking services via digital channels and achievement of transaction linkage at the regional level as a

regional payment platform; and (3) **‘Disruptive Play’ in developing new patterns of financial services**, especially digital lending, with the use of alternative data to reach out to the underbanked group, which constitutes a large customer base in the AEC+3 bloc, and stepping forward to become a Banking-as-a-Service (BaaS) business.

KBank making greater inroads into Vietnam – ASEAN’s most-promising market

Mr. Pipit Aneaknithi, KBank President, said that the Vietnamese economy is poised to record the fastest growth in ASEAN, thanks to its huge potential in attracting investment from around the world. Additionally, Vietnam has emerged unscathed from the COVID-19 crisis, and its public debt is below 60 percent of GDP. Vietnam also exhibits a promising outlook and is set to become a newly industrialized country (NIC) – with high upper middle-income status – by 2030, and a developed country by 2045.

The Vietnamese government has the policy of promoting the country to become a new technology hub for Asia. The country has more than 100 million people, and they are relatively young, with a working-age majority. Its middle-class population has grown significantly in recent years. Domestic consumption is projected to grow at 7 percent over the next three years. Additionally, spending via digital channels is prevalent in Vietnam, as evidenced by the fact that more than 50 percent of its consumers shop online.

- **Tapping all segments via digital product solutions**

Mr. Pipit said further that KBank aims to be the first foreign bank in Vietnam to offer full-fledged ‘digital product solutions’ to all customer segments, including local and international investors, particularly those operating trading, services, basic infrastructure and industrial businesses, as well as retail and small business customers via deposit products, personal loans and payment acceptance systems. As a leader in digital and mobile banking services in Thailand, KBank will use its technological capabilities to improve related services for customers in Vietnam. This will include the use of K PLUS Vietnam as a base for creating a digital lifestyle ecosystem for retail customers nationwide, and the offering of digital lending with the launch of KBank Biz Loan to small merchants. We have focused on a direct approach to customers through our partners and local platforms via the investment of KASIKORN VISION, an investment arm of KBank, as well as the establishment of KBTG Vietnam to support technological development for service provision both in Vietnam and region-wide.

- **Business model in Vietnam – reinforcing the “Regional Digital Bank of the new era” strategy**

Mr. Pipit added that KBank has entered the Vietnamese market with the aim of offering digital services connected to customers through banking channels and partner platforms. The move reinforces the Bank’s strategy of becoming the Regional Digital Bank of the new era. As a ‘challenger bank’ focusing on greater flexibility and using technologies to reach out to consumers, KBank is confident that it will be able to connect banking services to local customers in Vietnam in a broad, convenient, fast and responsive manner. By 2023, the Bank has set a target of 1.2 million Vietnamese retail customers, providing loans of Baht 20,000 billion, and to continuously expand new products and services.

Presently, KBank has an overseas service network covering the AEC+3 countries and beyond, for 16 countries in all. The newest overseas branch is in Ho Chi Minh City. Aside from more than 84 financial partners worldwide, the Bank has more than 20 startups in which it has invested and partnerships within the region, as well as a regional customer base of more than 1.85 million people.

For more information, please contact
Investor Relations Unit
Office of Corporate Secretary
Corporate Secretariat Division
KASIKORNBANK PCL
Tel. 0-2470-6900 to 1, 0-2470-2660 to 1
Email: IR@kasikornbank.com

DISCLAIMER: This document is intended to provide material information relating to investment or product in discussion and for reference during discussion, presentation or seminar only. It does not represent or constitute an advice, offer, contract, recommendation or solicitation and should not be relied on as such. In preparation of this document, KASIKORNBANK PUBLIC COMPANY LIMITED (“KBank”) has made several crucial assumptions and relied on the financial and other information made available from public sources, and thus KBank assumes no responsibility and makes no representations with respect to accuracy and/or completeness of the information described herein. Before making your own independent decision to invest or enter into transaction, the recipient of the information (“Recipient”) shall review information relating to service or products of KBank including economic and market situation and other factors pertaining to the transaction as posted in KBank’s website at URL www.kasikornbankgroup.com and in other websites including to review all other information, documents prepared by other institutions and consult financial, legal or tax advisors each time. The Recipient understands and acknowledges that the investment or execution of the transaction may be the transaction with low liquidity and that KBank shall assume no liability for any loss or damage incurred by the Recipient arising out of such investment or execution of the transaction.
The Recipient also acknowledges and understands that the information so provided by KBank does not represent the expected yield or consideration to be received by the Recipient arising out of the execution of the transaction. Further the Recipient should be aware that the transaction can be highly risky as the markets are unpredictable and there may be inadequate regulations and safeguards available to the Recipient.
KBank reserves the rights to amend either in whole or in part of information so provided herein at any time as it deems fit and the Recipient acknowledges and agrees with such amendment. Where there is any inquiry, the Recipient may seek further information from KBank or in case of making complaint, the Recipient can contact KBank at IR@kasikornbank.com or +(662) 470 6900 to 01, +(662) 470 2673 to 74