



IR News

August 2, 2023

KASIKORNBANK spins off “KASIKORN INVESTURE COMPANY LIMITED” to reduce business costs while bolstering capabilities in financial services for retail customers



Guided by the strategy of long-term business growth, KASIKORNBANK (KBank) has spun off “KASIKORN INVESTURE COMPANY LIMITED” (KIV), with Mr. Patchara Samalapa assuming the position of Group Chairman of KIV. The move is aimed at enhancing flexibility in its expansion of financial services to retail customers, especially by leveraging its business partners’ capabilities with KBank’s existing infrastructure in order to minimize business cost and credit cost. Currently, there are 14 companies under KIV’s structure with a total investment value of around 30 billion Baht.

Ms. Kattiya Indaravijaya, KBank Chief Executive Officer, said that KASIKORN INVESTURE COMPANY LIMITED, or KIV, has been established as a holding company under KASIKORNBANK FINANCIAL CONGLOMERATE in order to invest in other companies with its partners in alignment with KBank’s strategy aiming to empower every customer’s life and business. KIV will have a vital role in strengthening KBank and its partners through risk-based income generation under appropriate costs.

“The Bank has adjusted KIV’s management model – with Mr. Patchara Samalapa assuming the position of Group Chairman of KIV – and spun off KIV to make it more flexible and agile in business operations. KBank has also expanded collaboration with its partners by leveraging the Bank’s existing capabilities more efficiently. We are confident that these actions will help enhance our competitiveness in providing financial services to retail customers and generate new revenue streams for KBank, resulting in higher business profit than that managed by the Bank itself, and allowing the Bank to enjoy steady growth in a robust and sustainable manner.”

Mr. Patchara Samalapa, Group Chairman of KASIKORN INVESTURE COMPANY LIMITED, said, “KIV’s goal is to enhance KBank’s capability in providing financial services to retail customers, with an important challenge of reducing operating cost and credit cost to ensure profitability. KIV’s business operations focus on the expertise of its partners in diverse fields, along with KBank’s existing infrastructure and resources, including over 20 million customers, K PLUS, financial resources, data, IT and a branch network. As a result, KIV has an in-depth understanding of a wide range of customers, allowing it to provide comprehensive financial services that meet the needs of low-income households, small-sized merchants, and customers without regular income, all of whom require financial support to bolster their liquidity. These groups can thus gain improved access to financial services within the system.”

Presently, KIV’s structure consists of 14 companies, with a total investment value of approximately 30 billion Baht.

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KBank

EMPOWER

Every Customer's Life
and Business



KBank

EMPOWER

Every Customer's Life
and Business

Digital
Payment

Commercial &
Consumer Lending

Data & Technology Capabilities

Investment
& Insurance

Regional
Market



Accelerate Sustainable Growth to Create Long Term Value





Game-Changing Opportunity for Banking Services

- Growth Opportunity
- Financial Inclusion
- New Revenue Streams

Mass Market = Opportunity to Improve Profitability?

Loan with Bank on Credit History

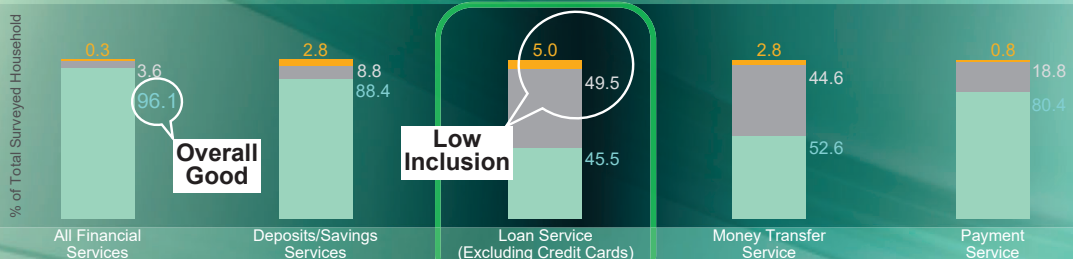
15 M
Has NCB

25 M
No NCB

60% Difficult to Assess Ability to Pay

BOT's Survey on Financial Inclusion

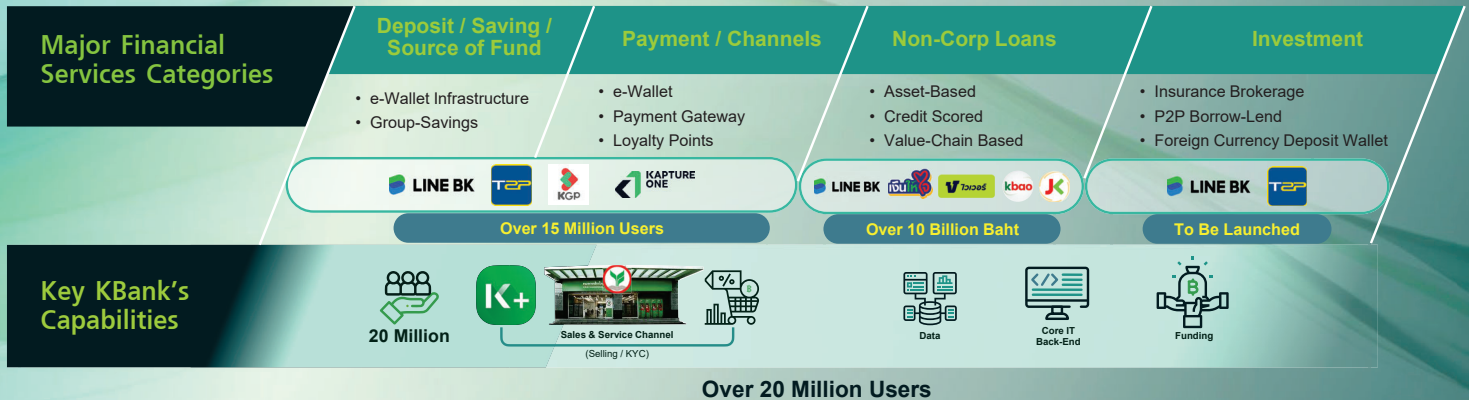
Usage Self-Exclusion No-Access



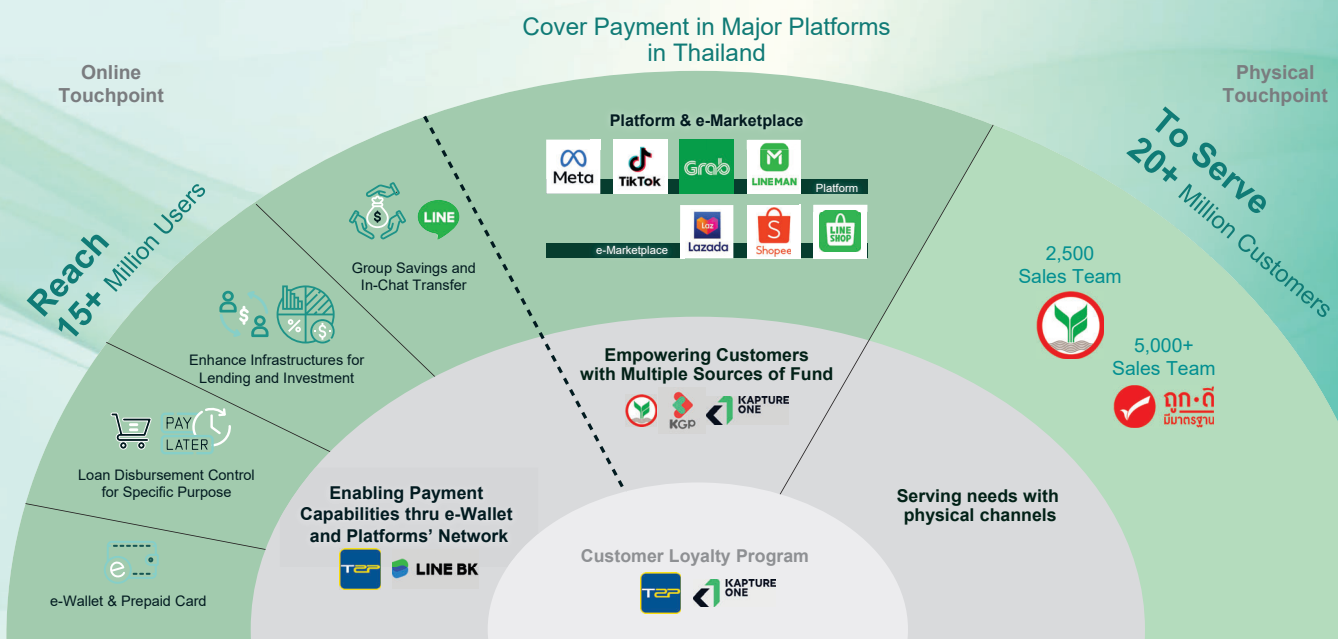
10% of Household Lending is Under Grey Market = Non-Banks Unsecured

KIV Business Model - Profitably Servicing the Mass Market (Inclusive of Underbanked)

Bank's + Partner's Capabilities = Cost Down



Key Success Factors - As Many Touchpoints per Customer as Possible



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Cover Payment in Major Platforms in Thailand



350+
Million Transactions / Year



35+
Million Users

Online Touchpoint



Empowering Customers with Multiple Sources of Fund



Enabling Payment Capabilities thru e-Wallet and Platforms' Network



Customer Loyalty Program



Serving needs with physical channels

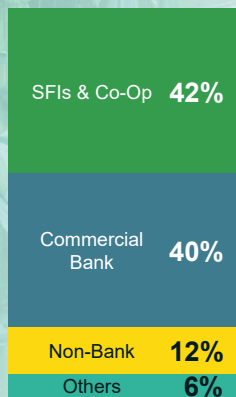
2,500 Sales Team



5,000+ Sales Team



1Q23 Household Debt Composition



• Limited Access, Specific Groups - Mostly are Loans with Collateral.

• Mostly are Housing Loan, Hire Purchase, Secured Personal Loan.

└ Personal Loan and Credit Card 7%

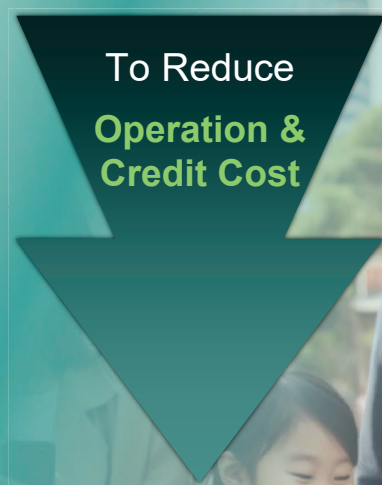
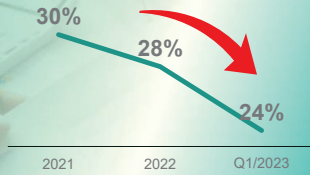
• Mostly are Unsecured Loan and Mixed-Use of Personal and Business.

25% Interest Rate Not High; Even for Listed Non-Bank, If We are Competing with Grey Market Lender

1Q/23 Outstanding

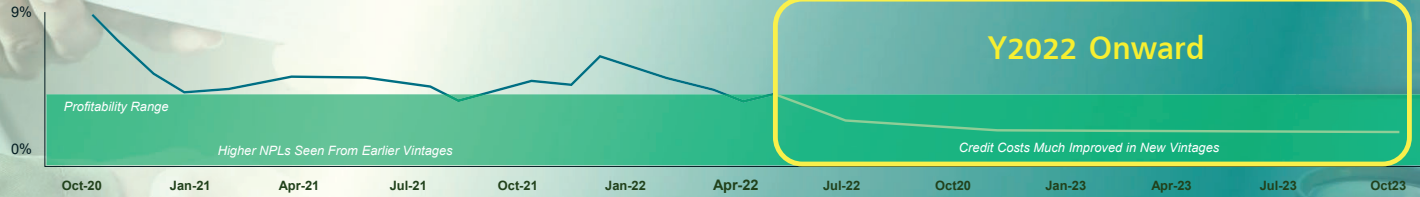
Non-Bank **1.85** Trillion Baht

Top 10 - Net Income Margin



Fixed On-Boarding and Credit Decision to Bring Down Credit Cost From 2021 Level

%NPL After 6 Months of Booking



On Boarding

Offline



Sales Staff Shop Owner

Online



Customer Self-Onboard

AS IS Pain

- High Fraud From Purely Digital Onboarding
- High Cost to Serve From Offline Channel

TO BE

- Partial Staff Assist
- Verify Identification, Domicile, Residence, Reference Person

Credit Decision

- Multiple Underwriting Policies

Rule-Based Criteria

Score

Asset Base

Control Disbursement

- Optimal Loan-To Value and Risk-Based Offering: Pricing, Limit, Tenor, Ask for Guarantor

Improve Recovery = Lower Credit Cost

Further Improvements

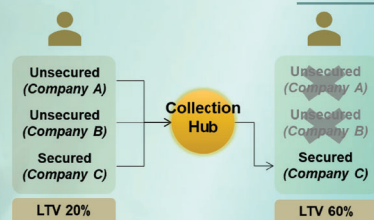
- Voice Analytics and AI to Improve Agent Productivity and Solve Agent Shortage
- Debt Consolidation Across Banks

Ability to Collect Cash



90.7 Bn Bad Loan
3.7% Year1 Cash Collected
4-5 Years Break Even
10% ROE for Year1

Debt Consolidation



One call solves multiple bills

Significantly Increase KBank's Corporate Values



- Faster Speed and Efficiency of Business Operations
- More Accessibility in Ecosystems
- Better Cost Effectiveness
- A Crucial Role to Boost KBank's ROE Performance in the Next 3-5 Years

KIV's Economic Profits



| | | | |
|------------------------|--------|---------------|---------------|
| KIV's Investment Value | 21,500 | 25,000-30,000 | 65,000-70,000 |
| No. of Investments | 6 | 14 | 14 |
| Loan Book | 37,000 | 40,000-45,000 | 75,000-80,000 |

*** Economic Profits = Profit Sharing of Companies Under KIV + Net Interest Income from Loan to Companies Under KIV + Additional Sale and Service for Kbank
 Investment Value = Capital Injection + Accumulated Profit Sharing of Companies Under KIV + Realized and Unrealized Gains (Losses) on Investment

KASIKORN INVESTURE

Reinventing Financial Services Ecosystem

KASIKORN INVESTURE COMPANY LIMITED (KIV)

A holding company under KASIKORNBANK
FINANCIAL CONGLOMERATE to invest in
other companies with its partners

Investment Value

Total around **30,000**
Million Baht

There are **14** Companies
under KIV's Structure



*In the restructuring process