KASIKORNBANK

Investor Presentation as of 4Q24

February 2025

For further information, please contact the Investor Relations Unit or visit our website at www.kasikornbank.com

บริการทุกระดับประทับใจ

KASIKORNBANK at a Glance

Vision: "KASIKORNBANK aims to be the most innovative, proactive, and customer centric financial institution, Delivering world class financial services and sustainable value to stakeholders by harmoniously combining technology and talent"

- Established on June 8, 1945 with registered Capital of Bt5mn (USD0.15mn)
- Listed on the Stock Exchange of Thailand (SET) since 1976

Core Value:
Customer at Heart | Collaboration | Agility | Innovativeness | Integrity

Consolidated (2024)

Financial Figures

	Assets	Loans[1]	Deposits
Value	Bt4,325bn (USD127.3bn)	Bt2,505bn (USD73.7bn)	Bt2,719bn (USD80.0bn)
Rank[2]	#3	#2	#3
Market share	16.26%	16.44%	16.61%

Key Ratio And Operating Figures

Key ratio	CAR 20.25%[3]	ROE 8.99%[4]	ROA 1.13%
Operating	Branches 781	K PLUS Users 23.1mn	Employees[5] 18.9k/ 31.7k

Share Information

Share Price (Closing on December 30, 2024)			
KBANK		KBANK-F	
Bt155.50 (USD4.58)		Bt156.00 (USD4.59)	
Highest	Lowest	Highest	Lowest
Bt158.00 (USD4.65)	Bt119.00 (USD3.50)	Bt240.00 (USD7.06)	Bt119.00 (USD3.50)

Share Capital	
Authorized	Issued and paid-up
Bt30.2bn (USD0.89bn)	Bt23.7bn (USD0.70bn)
Number of shares	Market Capitalization
2.4bn	Bt368.4bn (USD10.84bn)
EPS	BVPS
Bt20.20 (USD0.59)	Bt231.21 (USD6.80)

Note:
1. Loans = Loans to customers
2. Assets, loans and deposits market share is based on C.B.1.1 (monthly statement of assets and liabilities) of 17 Thai commercial banks as of December 2024
3. Capital Adequacy ratio (CAR) has been reported in accordance with Basel III Capital Requirement from 1 January 2013 onwards. CAR is based on KASIKORNBANK FINANCIAL CONGLOMERATE, which means the company under the notification of the Bank of Thailand re: consolidated supervision, consisting of KBank, K companies and subsidiaries operating in supporting KBank. Phethai Asset Management Co., Ltd. and subsidiaries within the permitted scope from the BOT's to be financial conglomerate.
4. ROE = Net profit (attribute to equity holders of the Bank) deduct dividend from other equity instruments after income tax divided by average equity of equity excluded other equity instruments
5. Bank only and Consolidated Number of employees includes employees of KBank, the wholly-owned subsidiaries of KBank and support service providers of KBank.
6. Exchange rate at the end of December 2024 (Mid Rate) was Bt34.00 per USD (Source: Bank of Thailand)[1]

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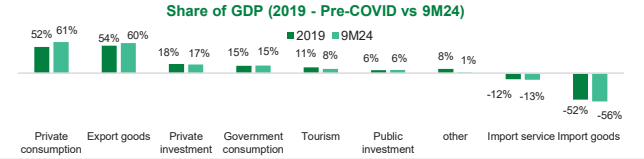
Thailand GDP is projected to grow at a slower pace of 2.4% in 2025 due to weakening momentum in tourism, private consumption, and exports. However, private consumption and exports will remain key drivers, along with improved government spending.

Key GDP Forecasts and Assumptions

%YoY	2019	2022	2023	2024F* (Dec 24)	2025F* (Dec 24)
GDP	2.1	2.5	1.9	2.6	2.4
Private Consumption	4.0	6.2	7.1	4.6	2.4 ↓
Government Consumption	1.6	0.1	-4.6	2.0	3.6 ↑
Total Investment	2.0	2.3	1.2	0.1	2.6 ↑
- Private investment	2.6	4.7	3.2	-0.7	2.0 ↑
- Public investment	0.1	-3.9	-4.6	2.8	5.5 ↑
Gov't Budget Deficit (% of GDP)	-3.0	-3.5	-3.3	-4.1	-4.1
Exports (Customs Basis)	-2.6	5.7	-0.8	5.4	2.5 ↓
Imports (Customs Basis)	-4.8	13.6	-3.7	6.0	3.4 ↓
Current Account (USD bn)	38.0	-16.9	6.6	10.5	8.7 ↓
Headline Inflation	0.7	6.1	1.2	0.4	0.7 ↑
Avg Dubai Oil Price	63.2	97.0	82.0	79.5	76.0 ↓
No. of Foreign Tourists (Mn)	39.9	11.1	28.2	35.5	37.5 ↑
Policy Interest Rate**	1.25	1.25	2.50	2.25	1.75 ↓
USD/THB (End Period)**	29.98	34.61	34.41	34.50	35.50 ↑

Share of GDP (2019 - Pre-COVID vs 9M24)



Operating Environment for 2025

Key Challenges

- **Short-term:** trade uncertainty, global economic slowdown, sluggish domestic consumption, and uncertain fiscal measures
- **Thailand's Structural Challenges:** manufacturing slowdown, competitiveness in human capital, ageing society, fiscal constraints, and high household debt

Possible Upsides

- Fewer Trump trade measures than expected
- Additional government stimulus measures

Uneven Economic Recovery

Positive Sectors

Hotel and Restaurants, Transport and Storage, Private Hospitals, Retail Spending, Food and Beverage Exports

Negative Sectors

Property, Auto, Electronic and Electrical Appliances

Interest Rate and Exchange Rate

Interest Rate Outlook

- Anticipate **two 25bps BOT rate cuts** in 2025, bringing the repo rate down to 1.75%

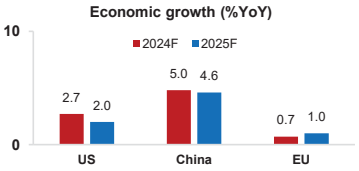
Exchange Rate Outlook

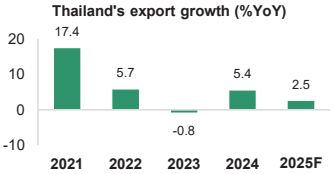
- THB is expected to be **35.50 Baht per USD** at the end of 2025, amid Trump's trade effect and a more cautious Fed rate cut path.

Notes: MPC's policy rate is at 2.25% (as of December 20, 2024) | Source: * KResearch (as of December 4, 2024) | ** KBank Capital Markets Research (as of January 9, 2025)

Operating Environment: Economic Outlook for 2025

Global Economy & Export





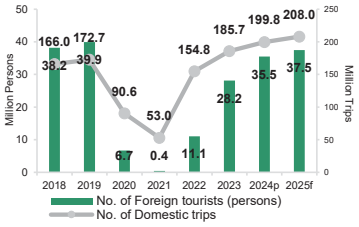
- US and China's economic growth expected to decelerate while Eurozone economy likely to remain weak
- Thai export growth expected to slow, primarily due to anticipated US tariff hike likely to take effect in 2H25

Government Policy

Short-term Policy	Implementation Period	Impact to Thai Economy & Banking Industry
Easy E-Receipts Digital wallet/ cash handout (Phase 2-3)	16 Jan-28 Feb 2025 End of Jan-Apr 2025	▪ Expected to provide a short-term boost to the economy especially during 1H25 ▪ Estimated boost of around 0.3% of GDP
Debt Relief (You Fight, We Help)	3 years	Help retail and SMEs debtors to improve the liquidity and financial burdens

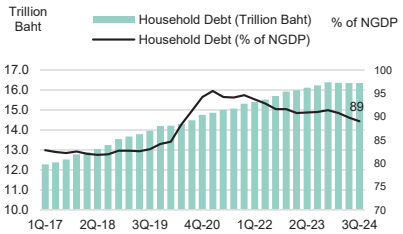
Long-term Policy	Impact to Thai Economy & Banking Industry
Entertainment Complex	Depending on project's attractiveness comparing to other neighboring destinations
Tax Reform	Expected to improve fiscal sustainability
Household Debt reduction	Slow consumption and retail loan growth

Tourism



- Tourist arrivals in 2025 expected to accelerate to **37.5 million persons**
- Rebound in tourism sector will continue to be main driving factor for Thai economy, despite declining momentum

Household Debt



- Household Debt to GDP in 2025F expected to further drop to a range of 85.0-87.5%, due to retail loan deleveraging
- Thus, retail loan growth will continue to be subdued.

Source: BOT, NESDC and KResearch Forecast

Source: Ministry of Tourism & Sports (MOTS) , Ministry of Finance (MOF), Forecasted by KResearch

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2025 Financial Targets

Consolidated	2024 Actual	2024 Targets	2025 Targets	Notes (2025)
NIM	3.64%	Maintain	3.3 – 3.5%	NIM declines in line with interest rate trend and selective loan growth; NIM minus credit cost improve
Loan Growth	0.57%	3 – 5%	Flat	Focus on growing quality loans in recovering sectors, secured loans, and selective regional expansion; continue revamping credit strategy to strengthen asset quality
Net Fee Income Growth*	6.73%	Mid to High-Single digit	Mid to High-Single digit	Improve net fee income growth driven by wealth management business, despite lower conventional transaction fees amid changing consumer behavior
Cost to Income Ratio**	44.09%	Low to Mid-40s	Low to Mid-40s	Continuing cost management and productivity improvements as revenue slow down
Credit Cost per year (bps)	189 bps	175 – 195 bps	140 – 160 bps	Continue prudent financial policy; credit cost reaches a normalized level; controlled NPL ratio amid uncertain economic recovery.
NPL Ratio (Gross)***	3.18%	< 3.25%	< 3.25%	
ROE****	8.99%	N/A	N/A	
ROA	1.13%	N/A	N/A	
Dividend Policy	Not Less than 25%(1) Dividend Payout on Consolidated Net Profit			(1) However, if facing an unforeseen circumstance, the Bank may consider not to pay at the above-mentioned level of not less than 25 percent of dividend payout ratio by considering prudence and suitable return to shareholders.

Note: * Net Fee Income = Fees and Service Income – Fees and Service Expense; ** Cost to Income Ratio = Total Other Operating Expenses to Total Operating Income – net (Total Operating income less Underwriting Expenses); *** NPL Ratio (Gross) = NPL (gross) to total loans; NPL (gross) used in the calculation are loans to general customers and loans to financial institutions that are non-performing loans; total loans used in the calculation are loans to general customers and loans to financial institutions **** ROE = Net profit deducted Additional Tier 1 dividend after tax/Average total equity excluded Additional Tier 1

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K-Strategy: Three Strategic Priorities +1, Innovation and Productivity

Clear pathway to achieve double-digit ROE by 2026; three strategic priorities +1 in medium- and long-term to increase competitiveness, capture growth opportunities; elevating innovation and productivity to deliver sustainable value to stakeholders

Vision

BANK OF SUSTAINABILITY

"KASIKORNBANK aims to be the most innovative, proactive, and customer centric financial institution, delivering world class financial services and ***sustainable value to stakeholders*** by harmoniously combining technology and talent"

K-Strategy

Stakeholders

Shareholder
Generate **sustainable total return**

Customer
Make our customers **successful** in their life and business

Employee
Provide **learn and lead opportunities**

Regulator
Co-create **future of finance**

Society
Thrive for **better quality of living**

Purpose

"Delivering Sustainable Value to Stakeholders"

3 + 1 & P Strategic Priorities

1 — Reinvigorate **credit performance**

2 — Scale **capital-lite fee income** businesses

3 — Strengthen and pioneer **sales and service models** to deliver value-based results

+1 — **New revenue creation** in medium- and long-term

P — Elevate **innovation** and **productivity** by blending **advanced technology, AI, and human intelligence** while fostering a culture of learning and high performance

Conduct business with good corporate governance principles and appropriate risk and cost management

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Reinvigorate Credit Performance: A Brief Recap

- Revamp credit strategy and reinvigorate key capabilities to enable business growth with sustainability
- Drive optimization through portfolio structure-mixed adjustment and risk-adjusted return on capital (RAROC) improvement
- Enhance end-to-end credit transformation to elevate credit capabilities for business growth

1 Credit

Key Strategies

Credit Performance

2 New Customers
(Focus on existing non-credit customers)
→ **Growing Quality Credit Product Portfolio**

3 Existing Customers
(Focus on existing healthy credit customers)
→ **Proactive Retention & Anti-Attrition, especially consumers and SME segment**

Elevate Credit Capabilities

Origination
- **Tailor-made credit approval processes and analytics to ensure credit quality**
- **Optimize Commercial Portfolio Strategy**
- **Fraud Analytics**

Monitoring & Data Acquisition
- **Embed Artificial Intelligence (AI) and Machine Learning (ML) Driven Monitoring Approach**
- **Decision Led Multi-Dimension Dashboard Development**

Collection & Recovery
- **Enhance Collection Analytics to Increase Recovery**
- **Uplift Collection Operation Capability**

Key Measurements

New Loans:
- **Penetration of new to credit***
- **Loan Growth**

Asset Quality:
- **NPL ratio**
- **Credit Cost**
- **Coverage Ratio**

Note: *New to credit = existing non-credit customers (middle to high income customers)

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Reinvigorate Credit Performance

What We Have Done in 2024

- Maintained a **prudent loan growth strategy**, prioritizing secured loans and enhancing loan quality among existing customers
- **Partnered with leading businesses** to offer tailored loan products and campaigns, focusing on liquidity enhancement and spending convenience
- Leveraged data analytics to **expand the higher-segment existing customer base** by promptly and effectively addressing their needs
- **Retained high-value customers** by deploying anti-attrition protocols targeting quality customers

2024 Key Results

97%
New Bookings from Existing Customers*

90%
New Bookings from Secured Loans*

91%
New Bookings from Consumer Lending with Monthly Income > Bt30,000

Note: *New bookings of KBank's SME and retail loans

Reinvigorate Credit Performance

What We Have Done in 2024

Origination

Optimizing Underwriting Policies to Minimize Risk and Improve New Lending Quality

- Strengthened underwriting criteria with ***risk-based approvals*** and stricter documentation for high-risk customers
- Enforced ***strategic lending caps***, preventing over-lending and income fraud
- Elevated income thresholds and ***tightened debt burden criteria***, ensuring a more robust and financially resilient customer base

Elevating Credit Origination Scoring through Alternative Data to Capture Previously Overlooked Customers

- Strengthened credit scoring by leveraging ***alternative data*** such as utility payment behavior, social network footprint and transaction patterns
- Refined customer segmentation with ***deeper insights***, enabling more precise risk assessment and approval

5% Approval Increased

Monitoring & Data Acquisition

Active Risk Monitoring: EWS for Large Commercial Lending

- Developed an ***early warning system*** (EWS) that continuously tracks financial & audit reports, public news and stakeholder behaviors to anticipate potential risks
- Proactively engaged and ***tailored risk-mitigation*** strategies with relationship managers to align the portfolio with target risk level

Mitigated ~Bt3.5billion in High-Risk Exposure

Sub-segmentation Monitoring for Enhanced Portfolio Oversight

- Developed a comprehensive monitoring dashboard with deep-dive sub-segmentation enabling ***daily tracking*** of new bookings and their risk composition
- Established a ***circuit break protocol***, ready for activation if asset quality issues or deviations arise
- Integrated a ***continuous feedback loop*** that analyzes NPL and asset quality issues to refine origination standards and mitigate future risks

Collection & Recovery

Enhancing Collection Efficiency with Data-Driven Strategies

- Leveraged ***advanced analytics*** to refine collection strategies, optimizing the best time, number and location to contact customers while ***enhancing collection scores*** for targeted and effective recovery treatments
- ***Reengineered phone-based collection*** operations, maximizing resource efficiency by prioritizing high-impact calls and streamlining workflows
- Expanded collection capabilities, ***launching new AMC to optimize outflow recovery***, introducing phone-based collections for small SMEs and strengthening ***field collector*** operations to improve recoveries

Improved Past-Due Contact Rate by 9%

Reduced Overall Roll Rate by 10%

Reinvigorate Credit Performance

What We Will Do Next in 2025

- **Create tailored product programs** and bundle insurance with lending products
- **Re-establish SME support program** (i.e. K-SME CARE)
- **Rebalance portfolio:**
  - Diversify portfolio by expanding retail lending to well-balanced portfolio
  - Increase revenue from high-yield unsecured products within controlled risk limits
  - Enhance spending and customer engagement to position our credit card as the market leader

Origination

Revamp Loan Origination to Enable Agile & Data-Driven Lending Decisions

- **Enhance Loan Origination System (LOS)** to enable dynamic parameter adjustments to align with evolving product programs
- **Strengthen SME Lending** to assess beyond income statements by incorporating wealth & behavior
- **Optimize Lead Generation** using predictive analytics to target high potential borrowers

AI-Assisted Approval Decisions

- Implement AI Models to support credit approvers by automating risk assessments, enhancing decision quality & productivity

Monitoring & Data Acquisition

Leveraging Risk Monitoring to Enable SME Growth and Scalable Consumer Lending

- **Expand Early Warning Signs to SMEs** to enhance risk foresight by integrating early warning indicators tracking financial health, industry trends and external risk factors to anticipate challenges and support sustainable SME growth
- **Deploy AI-Driven Portfolio Monitoring** to detect risk concentration cross sectors, regions and borrower segments to flag early signs of stress and emerging portfolio risks
- **Enable Risk-Based Limit Adjustments** by adjusting limits based on real time risk indicators ensuring exposure & risk alignment

Collection & Recovery

Transforming Collection with Analytics and Strategic Process Enhancements

- **E2E Collection Revamp** by upgrading the collection systems, dialers and data infrastructure while integrating analytics for improved collection score, job-prioritization and automation
- **Strengthen Field Collectors (FCR) and Dynamic Resource Allocation –** Deploy FCR for high-risk, high-balance consumer customers and implement dynamic demand-supply to optimize collection productivity and recovery efforts

Scale Capital-lite Fee Income Businesses (Wealth): 2024 Key Highlights

Elevating Wealth Management Advisory with comprehensive & competitive investment & protection solutions, integrated digital-augmented sales & service model, and strengthening K WEALTH & THE WISDOM Brands.

1 — 2 — Fee — 3 — +1

Scale Capital-lite Fee Income Businesses: Wealth

Key Strategy

Comprehensive Product Offerings

Sale & Service Model Enhancement

K-Wealth Brand Strengthening

What We Have Done in 2024

- **Steer product recommendations towards a globally diversified Core & Satellite** offering to improve customer stickiness and protect from high market volatility, (70% growth in Global Balance fund AUM and 49% growth in customers with Core & Satellite)
- **JPMAM x KAsset:** provide comprehensive global asset allocation support and education
- **Create long-term protection & savings offerings through best-in-class products,** such as health, legacy & living benefits themes, and long-term saving plans
- **Roll-out regular engagement and advisory framework** based on investment complexity, engaging 200K affluent customers with dedicated RM, as well as wealth and banca specialists
- **Offer need-based suite products tailored to customer persona** by remapping high-value customers into 25 sub-segments based on demographics and need-based signals, with 625K leads and recommended sales scripts to ensure high-quality advisory, resulting in lead-based calls contributing to 60% of MF volume and 30% for BA
- **Establish a "Wealth Specialist" support model (both investment and bancassurance)** to enable **"Master RM"** to effectively fulfil customer wealth needs
- **Enhance digital-first journey by human-assisted advisory** to elevate customer experience and augment RM sales journey with technology, featuring **Digital wealth app 1.0** e.g. consolidated portfolio, fund recommendations, and tax saving summary
- **Tailor K-Health Service specifically for health bancassurance customers** by enhancing after-sales services and creating better experience for WISDOM and SIERRA customers
- **Establish privilege by tier for WISDOM** based on the concept: The higher "Investment", the greater benefits you receive

2024 Key Results

Mutual Fund (MF)

#1	▲ 31%YoY
MF AUM (+14% YoY)	**MF Net Fee** Growth

Bancassurance (BA)

#2	▲ 22%YoY
BA New Life Premium (+25% YoY)	**BA Net Fee** Growth

Scale Capital-lite Fee Income Businesses (Wealth): Y2025 Plan

With a base of over 24 million customers, we aim to deepen engagement and increase penetration by enhancing wealth management through comprehensive offerings, customer-centric sales and service transformation, expert advisory, and exclusive privileges to foster lifelong relationships

What We Will Do Next in 2025

- **Broaden product offerings to incorporate sophisticated and complex investment solutions** such as USD funds, structured notes, and overseas stocks, while maintaining the Balance fund as #1 in the market
- **Shifting bancassurance sales away from product push to need-based offerings** through customer analytics, providing effective product suggestions with convincing scripts and right timing
- **Ensure product excellence in bancassurance** by expanding best-in-class offerings in health, retirement, legacy, and living benefits tailored to customers' needs in all segments
- **Expand "Master and Specialist"** client coverage model to High Net Worth segment to ensure the highest levels of banking, lending, and wealth (investment and bancassurance) service
- **Revamp digital sales tool** to aim at providing an instant customer view with data driven and AI assisted product offerings, sales scripts and/or updated portfolio scripts at the RM's fingertips
- **Develop Digital Wealth App 2.0** introducing new features designed for a broader range of segments including Bond IPO, regular savings plans, and goal-based investment features
- **Expand health service** to additional customer segments through the introduction of **Health Buddy**, enhancing accessibility and support
- **Amplify wealth value proposition and K-Wealth knowledge hub** for investment and insurance as expert advisors, with a strong emphasis on customer education to empower informed decision-making
- **Effectively communicate the exclusive privileges** of THE WISDOM to enhance customers' perceived value and strengthen brand loyalty

Scale Capital-lite Fee Income Businesses (Payment): 2024 Key Highlights

Achieved revenue target both growth areas and declining fee areas, as well as improved cost and productivity as planned

1

2

Fee

3

+1

Scale Capital-lite Fee Income Businesses: Payment

Key Strategy

- Expand into **growth areas** related to tourism and international trade and business sectors
- Optimize cost on **declining fee areas** due to changes in customer behavior
- Develop **new payment revenue model** from product solution offerings for **x-border and merchant business**

What We Have Done in 2024

Growth Areas:

- **FX Business:** New high record of FX fees with double-digit growth YoY from expanding ATM and FX booth coverage in strategic areas whereas the number of tourists is 89% of the peak in 2019
- **Merchant Business:** Strengthen No.1 position from fine-tuning profitability, keeping the market share growth at 35.4%
- **X-Border Business:** Low-value remittance on K PLUS from country coverage expansion from 62 countries to worldwide

Declining Fee Areas:

- Debit Card revenue declined lower than expected owing to the issuing of the new theme card. Also, with the cost saving of the card operation
- Cost saving caused by IT cost optimization, End-to-end process improvement, and Overall payment cost reduction

2024 Key Results

▲ 9.86% YoY
Non-Interest Income Growth

#1
Digital Payment
(~30% Market Share)

#1
Mobile Active Users

Cost per Transaction*

Note: * Internal measurement

Scale Capital-lite Fee Income Businesses (Payment): Y2025 Plan

Boost up growth areas from new revenue while continue prolong revenue and improve cost & productivity of declining fee areas

What We Will Do Next in 2025

- Boost revenue from **Growth Areas**;
  - o FX Business: **K PLUS to go international** for Outbound spending
  - o Merchant Business: New revenue with Ecosystem expansions
  - o X-Border Business: Enrich remittance capability with Source of Fund (FCD) amplification, cross-currency transfer, corridor coverage expansions, and new revenue from Intermediary Banking as a Service (BaaS)
- Sustain **Declining Fee Areas** via cost and productivity improvement;
  - o Migrate customer onboarding and servicing from branches to K PLUS
  - o Migrate calls in call center related to Payment services

Strengthen and Pioneer Sales and Service Models: 2024 Key Highlights

Create Digital-first experience that integrates with human assistance to deliver value-based results

1 2 3 Channel +1

Strengthen and Pioneer Sales and Service Models

Key Strategy

Digital First Experience

- Create **digital-first experience with cross-channel integration** to deliver better customer experience, sales, and services
- Strengthen **leading position in digital banking** for both retail and business users

Human Assisted Experience

- Maximize digital sales and services for **cost optimization**
- **Migrate basic transactions to digital channels** and complement with human assistance for complex transactions

What We Have Done in 2024

- **Enhanced digital-first experience** through digital wealth product variety on K PLUS, including mutual fund with open architecture, gold, and foreign currency deposit wallet.
- **Strengthened leading position in digital banking**
  - **K PLUS:** Introduced 'Better Finance for Better Life', featuring consolidated financial portfolio management and budget monitoring and expanded international QR payment through Alipay+ and WeChat
  - **K BIZ:** Launched K BIZ mobile app to complement diverse business needs
- **Achieved channel productivity**
  - Successfully migrated servicing calls to digital channels, covering 10% of call traffic at contact center
  - Implemented a right-sizing strategy, reducing 30 branches and 700 e-machines
  - Leveraged e-machines for cash withdrawals via other banks' mobile banking, e.g., Bangkok Bank

2024 Key Results

#1
Overall Brand NPS [1)]
(Branch, E-machine, K PLUS, K-contact center)

23.1mn
K PLUS users
(+6% YoY)

1.2mn
K BIZ Users
(+13% YoY)

Digital Onboarding
49% → 57%

Digital Transaction
91% → 93.6%

Cost per transaction [2)]

Note: [1)] NPS = Net Promoter Score [2)] Internal measurement

Strengthen and Pioneer Sales and Service Models: Y2025 Plan

Create Digital-first experience that integrates with human assistance to deliver value-based results

What We Will Do Next in 2025

- **Lead in digital-first experience**
  - Improve cross-channel integration to enhance end-to-end experience and reduce drop-offs
  - Increase digital onboarding from 57% to 63% and secure #1 Overall Brand NPS.
- **Maintain leading position in digital banking**
  Reach 23.9 Million K PLUS users and 2.1 Million K BIZ users through:
  - **K PLUS**: Reinforce 'Better Finance for Better Life' concept through budget control and disciplined investing
  - **K BIZ**: Empower SME customers with improved payment experiences and business controls
- **Maximize channel productivity**
  - Migrate 8% of total calls at contact center
  - Reduce 35 branches and 300 e-machines
  - Expand partnerships for cash withdrawals via other banks' mobile banking
  - Improve cost per transaction

2024 Key Achievements of K-Strategy

Continue driving progress through the 3+1 strategic focus to enhance competitiveness

Reinvigorate Credit Performance

- 97% New Bookings from Existing Customers [1]
- 90% New Bookings from Secured Loans [1]
- 91% New Bookings from Consumer Lending with Monthly Income > Bt30,000

Scale Capital-lite Fee Income: Wealth

Mutual Fund (MF)	Bancassurance (BA)
#1 MF AUM (+14% YoY)	#2 BA New Life Premium (+25% YoY)
▲ 31% YoY MF Net Fee Growth	▲ 22% YoY BA Net Fee Growth
▲ 280K New MF Customers	▲ 81K New BA Customers

Scale Capital-lite Fee Income: Payment

#1 Digital Payment (~30% Market Share)

#1 Mobile Active Users

▼ Cost per Transaction [2]

Strengthen and Pioneer Sales and Service Models

#1 Overall Brand NPS [3] (Branch, E-machine, K PLUS, K-contact center)

- 23.1mn K PLUS Users
- 781 Branches
- 10,286 E-Machines
- ▲ 57% Digital Onboarding (49% in 2023)
- ▲ 93.6% Digital Transaction (91% in 2023)

Note: [1] New booking of KBank's SME and retail loans [2] Internal Measurement [3] NPS = Net Promoter Score

New Revenue Creation for medium- and long-term

- Create value and total solutions by developing collaborative ecosystems with partners
- Cautiously explore opportunities while closely monitoring risks for immediate and timely risk mitigation

1 KASIKORN INVESTURE (KIV)

"New Business to Gain Profitability from Mass Market"

- o Profitably Servicing in the Mass Market (Underbanked)
- o Strategic partnership to increase capabilities with minimum investment
- o Product offering: deposit, payment, loans and investment

2 REGIONAL PENETRATION

"Asset-Light Regional Digital Expansion with Prudent Risk Management"

Strategy

CHINA | INDONESIA | VIETNAM

Corp-orate	Serve Local Large Corporates, Thai Investors and SINO-AEC Investors		
	Prudent Lending, Focusing on Potential Target Industries		
	Regional Cross-Border Payment & Settlement		
SME	Acquire supply chain & transactional banking customers under Better SME concept by leveraging corporate relationships	Acquire secured lending customers and cross-selling fee-income products	Grow acquiring business; cross-sell lending via transactional data
RETAIL	Acquire retail deposits with cross-selling opportunities	Acquire high-quality customers to build a sustainable deposit base to reduce cost of funds	
		Cross-selling	
		Deposits	

3 INNOVATION FOR FUTURE GROWTH

"Ecosystem Play and Innovation Creation"

1. FINANCIAL INNOVATION	Technology solution to empower customer life
2. FUTURE OF FINANCE	Blockchain for digital asset issuance and investment
3. UPLIFT BANKING	Develop marketplace in targeted industries e.g. education, travel to uplift customers life quality (fin/non-fin)
4. SUSTAIN -ABILITY	Completed green solutions with strategic partners to build "Green Platform"

+1 Key Measurement

% Contribution to net profit will be around 5% in 3 to 5 years

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New Revenue Creation: 2024 Key Achievements

Continue driving progress through the 3+1 strategic focus to enhance competitiveness

+1 New Revenue Creation in Medium- and Long-term

KASIKORN INVESTURE (KIV)

KASIKORN LINE

- **7.4mn** Line BK Platform Users
- **Bt21.6bn** Outstanding Loans
- **8.6mn** Saving Accounts
- **1.2mn** Debit cards

NGERN HAI JAI

- **Bt20.8bn** Outstanding Loans

KGP

- **Bt49.6bn** (72% YoY) Gross Merchant Volume

REGIONAL PENETRATION

- ▲ **3.3%** of Net Total Income (2.9% for 2023)
- **#1** The Biggest Thai bank in China
- **1.52mn** K PLUS Users in Vietnam
- **10,035** QRIS merchants in Indonesia

INNOVATION FOR FUTURE GROWTH

Financial Innovation

- make by KBank: **2.95mn** MAKE Users & **#1 NPS** (NPS = 91)
- KHUNTHONG **2.5mn** Users
- MeowJot **250k** users with **3k** subscriptions
- THaLLE — Large Language Model (LLM)
- Verification Tech
- Car AI Tech

Future of Finance (Digital Asset Ecosystem)

- orbix
  - 4 digital asset licenses
  - 3 ISO certifications
  - Cross border payment on blockchain
  - Bond issuance on blockchain
  - 5X market share growth

Uplift Banking

- SKILL KAMP — Marketplace for online learning platform
- KON CIERGE+ — B2B travel solutions for hotel business (SMEs)

Sustainability

- CREATIVE CLIMATE Research Center — ThaiCBN & NET Zero CEO course
- K-GreenSpace — A one-stop green living e-Marketplace
- green pass — 1st REC aggregator platform for retail
- WATT'S UP — e-Marketplace platform for EV Bike with >3,000 users and swap station search in-app >100 stations

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Productivity Improvement : Driving Efficiency, Delivering Results

Bankwide Productivity Culture

Workforce Productivity

- **Optimize Workforce** – Target 20% productivity growth, in the next few years, by restructuring roles, cutting non-essential tasks, and mobilizing talent
- **Performance-Driven Pay** – Link rewards to performance, reduce non-productive costs, and enhance performance management
- **Strategic Skills & AI** – Develop high-impact roles, advance future (AI Related skills), and intensively improve underperformance

Technology Enablement

- **BU Alignment with Effective Resource Management** - Project Prioritization aligned with KBank Strategy, Strategic Resource Management by revisit workforce, reshape and uplift resource skills, and continuous tracking and monitoring progress and outcome by TMO Office
- **AI and Automation** - Experiment and adopt AI & Automation in the software development and operation to accelerate processes with efficiency
- **Cost efficient management** - Strategic vendor and contract management through managed vendors as a holistic view, eliminating unused or duplicated service licenses, Infrastructure Optimization by maximum efficiency current resources and assets, Prolonged End of Support with risk mitigation, and Technology Refreshment.
- **Application optimization** - Application Redesign by using a common platform/ reusable design, Application Redundancy Review, Performance Tuning through revisit high processing or resource consuming functions and perform the tuning

Fixed Asset Optimization and Operation Efficiency

- **Branches -** Optimize branch size and coverage, effectively managing rental expenses and asset utilization, leverage strategic negotiations and subleasing opportunities, and integrating renewable energy solutions
- **Main Buildings -** Strengthen the effective utilization of main buildings through a strategic space management approach. Prolong equipment life cycles , expanding our Progress Facility Management's expertise in facility repair operations.
- **E-Machine -** Enhance cost efficiency in E-Machine space rental through strategic rate negotiations while maximizing utilization by optimizing the number of profitable E-Machines
- **Vehicle & Telephone** - Optimize vehicles and chauffeur's allocation with operational needs, strengthen telephone management by effectively implementing the Telephone's FITs policy to optimize the usage, and balancing service packages to align with actual usage.

Budget Centralization & Others

Centralized Budget Management

- **Implement a centralized budget review and approval process to ensure efficient allocation, minimize spending, and maximize resource utilization**

Other Expenses Management

- **High-Impact Examples:**
  - **Marketing Expenses:** Increase return on marketing spending
  - **Professional Fees:** Streamline external service costs
  - **Transportation Expenses:** Revisit air travel policy

3 + 1 Strategic priorities

Credit

Service Channel
- **Branch:** Right sizing, Demand migration, Lean & Digitalize
- **E-Machine:** E-Machine reduction, Management cost reduction, Relocation and cross-bank cardless withdrawal
- **Contact Center:** Demand migration, AHT reduction, System & Facility management
- **K Plus:** Optimize channel cost by negotiate fee paid, Deliver Digital-first experience, Generate revenue from lead generation and theme sales

Credit x Asset Quality Management
- **Transform Collection with Analytics and Strategic Process Enhancements**
  - **E2E Collection Revamp** by upgrading collection systems, dialers and data infrastructure while integrating analytics for improved collection score, job-prioritization and automation
  - **Strengthen Field Collectors (FCR) and Dynamic Resource Allocation** through deploy FCR for high–risk, high–balance consumer customers and implement dynamic demand-supply to optimize collection productivity and recovery efforts
- **NPA:** Focus on strategic high value and integrate with an instrument to support sales team to identify high-potential assets with dynamic pricing model

Wealth

Wealth x Sale Effectiveness Improvement
- **Broaden product offering:** Promote BAL for sustainable AUM, Develop top-ranked BA products
- **Target the right customers:** Trigger lead coverage expansion, Impactful trigger & offering
- **Effective game plan for visits:** Collaboration with specialist & referral, Need-base advisory approach
- **Revamp digital sales tool :** Providing an instant customer view with data driven and AI assisted product offering
- **Digital Augmentation:** Embed advisory triggers in digital customer journey

Payment

Payment Productivity
- **Potential Growth Areas (Sunrise):** Scale up business, FX via K Plus go international for Outbound spending, Merchant through Ecosystem expansions & new partner, Relocate ATM & FX booth to strategic areas.
- **Sustain Declining Fee Areas (Sunset):** Maximize digital migration - Customer Onboarding & Servicing to digital channel (K PLUS), and migrate calls from call center to Payment services

Regional

Regional Productivity
- **Full-fledged efforts:** Develop new IT solutions using RPA and AI, and optimize miscellaneous expenses with a focus on business-related benefit
- **MVP Experiment:** Test and validate key concepts through rapid prototyping, data-driven insights, and iterative improvements
- **Marketing:** Reprioritize projects, focus on more effective communication channels

Productivity Improvement

Enhance productivity ratio e.g.
- CI Ratio
- People Productivity
- Channel Cost/transaction
- Cost/unit
- Sale Productivity
- Digital Migration

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Capital Management: To Improve Capital Efficiency and Shareholders' Returns

Financial Stability

- Prudent capital for business growth amid economic turbulence and new regulations (e.g. Basel III reforms* and any others)

Long-term CET1 13.0 to 15.0%

Shareholder Returns

- Dividend Policy: Dividend payout ratio of not less than 25%
- Dividend payment in 2024 was Bt9.50 or 47.02% payout on consolidated level, improved from Bt6.50 or 36.97% in 2023.

Investment for Growth

- Strategic investments focus on capturing long-term sustainable returns
- Reduce unprofitable assets to invest in areas with growth potential

Remark: *Impact from Basel III reform = 1-2%; Bank of Thailand has not yet announced detailed requirements of Basel III reform; thus, the actual impacts of Basel III may vary from projections.

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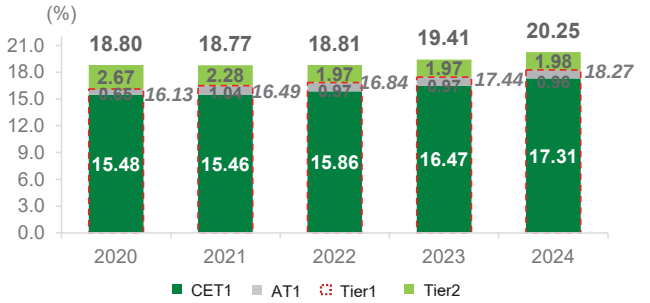
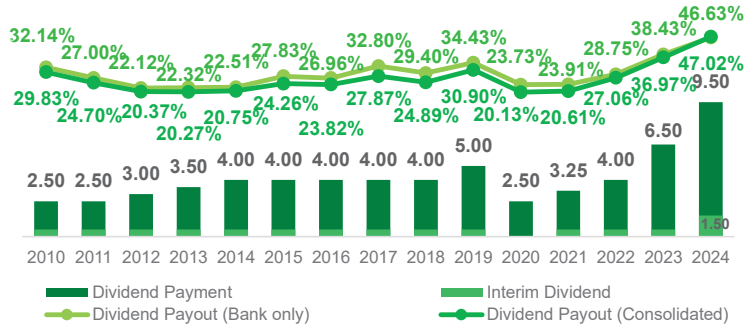
Capital and Dividend

December 2024 (Consolidated)

KASIKORNBANK FINANCIAL CONGLOMERATE*



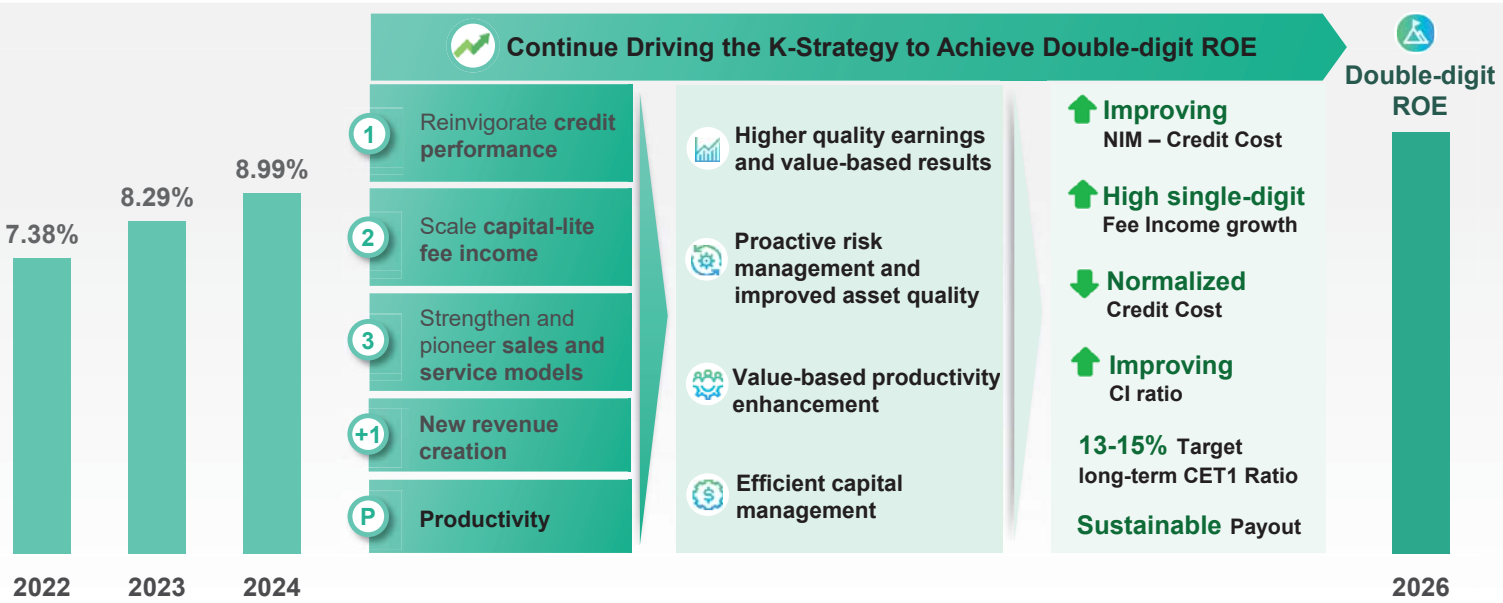
Dividend Per Share and Dividend Payout Ratio



- **Capital** Capital adequacy remains sufficient through the changing economic environment and to support business growth; maintained adequate Tier 1 ratio, as required under Basel III and new requirements
- **Dividend** In determining dividend payments, the Bank will take into consideration its operating results as well as suitable sustainable long-term returns to shareholders. The Bank aims to pay not less than 25% dividend payout on consolidated net profit. However, if facing an unforeseen circumstance, the Bank may consider not paying at the above-mentioned level of not less than 25% of dividend payout ratio by considering prudence and suitable return to shareholders

Note: * KASIKORNBANK FINANCIAL CONGLOMERATE means the company under the Notification of the Bank of Thailand re: Consolidated Supervision, consisted of KBank, K Companies and subsidiaries operating in supporting KBank, Phethai Asset Management Co., Ltd. and other subsidiaries within the permitted scope from the BOT's to be financial conglomerate.

Clear Pathway to Achieve Double-digit ROE by 2026



Summary

- K-Strategy: clear pathway to achieve double-digit ROE by 2026; three strategic priorities +1 in medium- and long-term; productivity to increase competitiveness and capture growth opportunities; elevating innovation and productivity to deliver sustainable value to stakeholders
- Double-digit ROE target by 2026: focus on three priorities (reinvigorate credit performance, scale capital-lite fee income businesses, and strengthen and pioneer sales and service models); building on competitive strengths and prioritizing growth opportunities to deliver high quality earnings growth and improve productivity
- Selective Growth: loans to grow carefully with prudent underwriting policy and NPL outflow management in line with economic conditions; appropriate liquidity maintained; proactive asset quality management closely monitored and constantly reviewed; prudent loan loss reserves; manageable cost to income ratio
- Adequate Capital: capital adequacy remains sufficient to support new business growth; adequate Tier 1 ratio as required under Basel III and new regulatory requirements amid global economic uncertainty
- Sustainable Development: conduct business with the principles of a Bank of Sustainability under appropriate risk management and good corporate governance principles, while striving to be a trusted partner to stakeholders, with inclusive growth to ensure that KBank can support stakeholders to achieve their full potential growth and ensuring financial or future-proof resilience under a challenging operating environment

Appendix

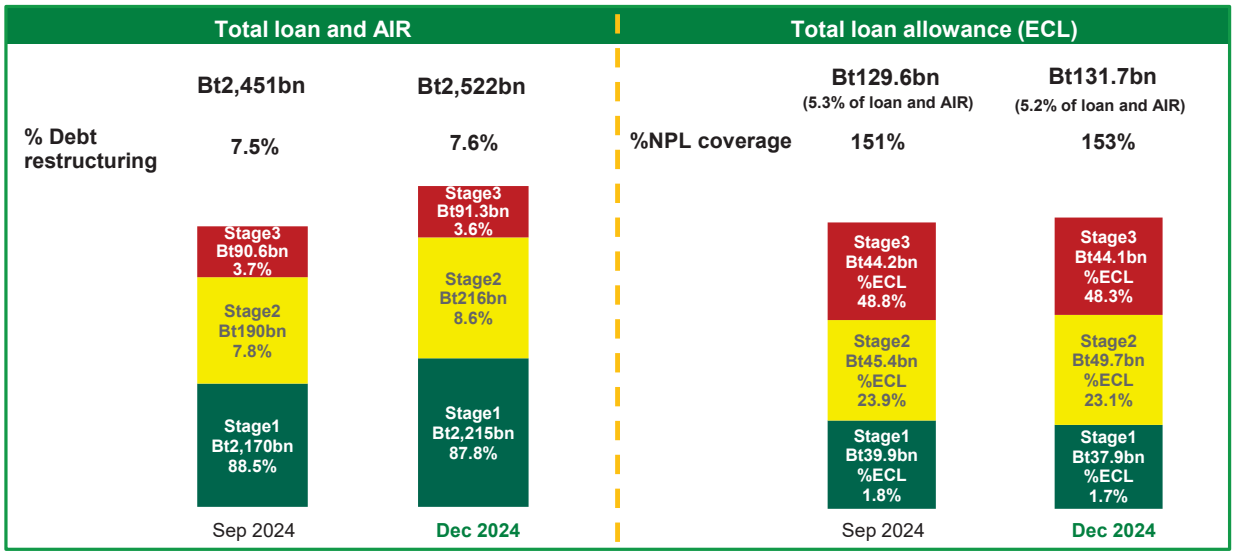
Y2024 Financial Performance

Consolidated	2023 Actual	Y2024 Actual	2024 Targets	Notes (Y2024)
NIM	3.66%	3.64%	Maintain	NIM was slightly lower, in line with our focus on strengthening asset quality. However, NIM minus credit cost showed improvement.
Loan Growth	-0.19%	0.57%	3 – 5%	Loan growth was marginal, mainly supported by the corporate sector and home loans, while SMEs, personal loans, and auto loans declined. The loan portfolio strategy remains centered on enhancing asset quality and optimizing risk-adjusted returns.
Net Fee Income Growth*	-5.17%	6.73%	Mid to High-Single digit	Net fee income increased in line with the target range, primarily driven by wealth management and commercial fees, with an ongoing emphasis on wealth management business.
Cost to Income Ratio**	44.10%	44.09%	Low to Mid-40s	Expense growth aligned with slow revenue growth. Cost to income ratio was in line with target range due to effective cost management and productivity improvements, as well as investments to support K-Strategy and future growth.
Credit Cost per year (bps)	208 bps	189 bps	175 – 195 bps	Credit cost aligned with target range at high level to safeguard against future uncertainties. Maintain prudent and precautious policy with credit cost to reach normalized level in 2025.
NPL Ratio (Gross)***	3.19%	3.18%	< 3.25%	
ROE****	8.29%	8.99%	N/A	
ROA	0.99%	1.13%	N/A	
Dividend Policy	37%	Not Less than 25%[a] Dividend Payout on Consolidated Net Profit		*[a] However, if facing an unforeseen circumstance, the Bank may consider not to pay at the above-mentioned level of not less than 25 percent of dividend payout ratio by considering prudence and suitable return to shareholders.*

Note: 1) Net Fee Income = Fees and Service Income – Fees and Service Expense; 2) Cost to Income Ratio = Total Other Operating Expenses to Total Operating Income – net (Total Operating income less Underwriting Expenses); 3) NPL Ratio (Gross) = NPL (gross) to total loans; NPL (gross) used in the calculation are loans to general customers and loans to financial institutions that are non-performing loans; total loans used in the calculation are loans to general customers and loans to financial institutions; 4) ROE = Net profit deducted Additional Tier 1 dividend after tax/Average total equity excluded Additional Tier 1; 5) In alignment with the Bank's prudent policy to optimize asset quality management for maximum efficiency, some unsecured business loans that have ceased operations with plan to sell in the future, have been reclassified as financial assets measured at fair value through profit or loss (FVTPL).

Classified Loans

- Credit cost aligned with target range at high level to safeguard against future uncertainties.
- Maintain prudent and precautious policy with credit cost to reach normalized level in 2025

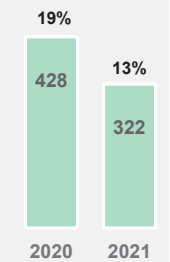


Note: % Debt Restructuring including comprehensive debt restructuring loans

Balance Sheet Cleanup Updates

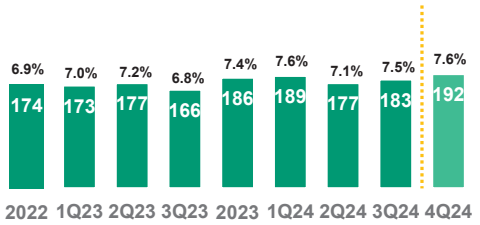
Loans in Relief program (1)

System-wide supportive measures



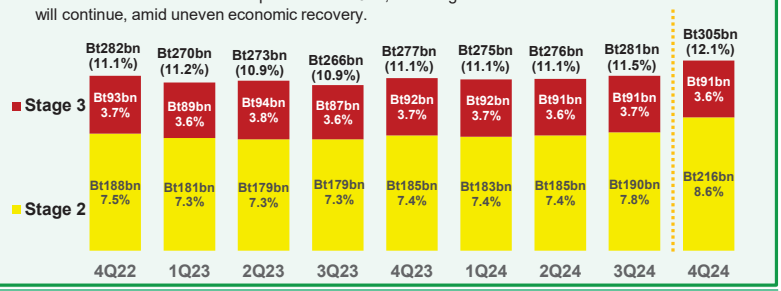
Loans in Debt Restructuring (DR)

- Ongoing financial supports to well-disciplined payment customers



Loan and AIR (Stage 2 & 3)

- Proactive balance sheet cleanup finished in 2024, while regular NPL resolutions as business as usual will continue, amid uneven economic recovery.



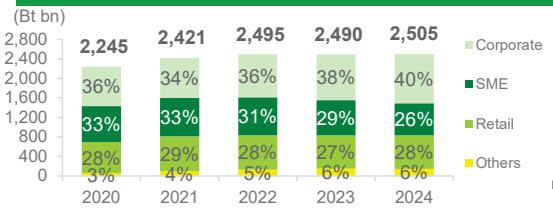
	2019	2020	2021	2022	1Q23	2Q23	3Q23	4Q23	2023	1Q24	2Q24	3Q24	4Q24	2024
Total Loan Allowance (bn)	125	134	145	134	128	128	130	134	134	130	130	130	132	132
ECL to Loan and AIR (%)	6.2%	6.0%	5.9%	5.3%	5.2%	5.2%	5.3%	5.3%	5.3%	5.2%	5.2%	5.3%	5.2%	5.2%
Credit Cost (bps)	174 bps	205 bps	173 bps	211 bps	205 bps	208 bps	209 bps	220 bps	208bps	189bps	189bps	189bps	198bps	189bps
NPL ratio (%)	3.65%	3.93%	3.76%	3.19%	3.04%	3.20%	3.11%	3.19%	3.19%	3.19%	3.18%	3.20%	3.18%	3.18%
NPL Coverage (%)	148.6%	149.2%	159.1%	154.3%	156.7%	147.3%	154.9%	152.2%	152.2%	150.3%	151.9%	150.7%	153.3%	153.3%
Write – off (bn)	26.4	21.5	27.4	59.0	1	4.3	3.7	5.1	14.1	9.1	7.5	3.2	2.5	22.3
NPL Sales (bn) (2)	7.1	6.8	0	72.0	35.6	15.0	23.0	4.8	78.4	7.9	6.3	4.9	10.9	30.0

Note: 1) Loans in relief programs including debt resolution measures during the early stage of COVID-19; covering broad-based payment holiday and opt-in program; loans in CDR before 3Q23 included one-year scheme
2) NPL sales = legal claim amount, not book value of transferring amount

Composition of Growth: Loans by Business

- Selective careful loan growth with prudent underwriting policy in line with economic conditions

Loan Portfolio Structure



Loan Portfolio

Consolidated	Amount (Bt bn) Dec 23	Amount (Bt bn) 2024	2024 Loan Growth (%)	2024 Yield Range (%)	Y2025 Loan Growth Target (%)
Corporate Loans	935	1,013	8.4%	3-5%	-2% to 0%
SME Loans	719	656	(8.7%)	6-8%	-2% to 0%
Retail Loans	684	688	0.5%	6-8%	5% to 7%
Other Loans	153	148	(3.3%)		
Total Loans[1)]	2,490	2,505	0.6%	5.9%	Flat

Note: From time to time, the Bank has adjusted loan definitions based on loan portfolio management; thus, the latest loan base is not comparable with previous reports.
[1)] Other loans through the World Business Group were included. In 2024, WBG loans were Bt102bn, decreasing -2.1% YoY

	2024	2025 Outlook
Corporate Loans	▪ Loan portfolio increased YoY, mainly from short-term loans, driven by Financial Institutions, Petroleum & Petrochemical Products, Industrial Agriculture, and Packaging & Printing.	▪ Corporate loan growth projected, driven by customers' new investment opportunities ▪ Continue focus on supporting ESG loans in prospective industries
SME Loans	▪ SME loans decreased YoY, primarily driven by a reduction in the commercial unsecured loan portfolio. This aligns with KBank's strategy to focus on prudent lending during economic slowdowns by prioritizing secured loans and high-potential existing customers through a selective approach to mitigate risk and maintain portfolio quality.	▪ Maintain focus on secured lending, prioritizing quality over quantity within our existing customer base. ▪ Support customers in recovering industries with growth potential to achieve sustainable expansion, enhance liquidity for competitiveness, and provide restructuring options to fragile customers, ensuring debt quality and recovery in alignment with ESG and Responsible Lending principles; reactivate K SME support program.
Retail Loans	▪ Retail loans increased YoY as KBank strategically focused on growth through secured lending, prioritizing high-potential existing customers, and ensuring debt levels across all retail loan products remain manageable under responsible lending principles. ▪ Home loans increased YoY, supported by strategic partnerships that enhance credit quality and portfolio stability. Meanwhile, credit card loans decreased YoY due to adjustments in the minimum payment rate; personal loans declined YoY following tightened credit policies targeting higher-segment existing customers.	▪ Maintain focus on higher-segment existing customers, prioritizing secured loans to drive sustainable growth ▪ Strengthen risk management and collection capabilities to support long-term stability ▪ Enhance liquidity and support daily expenditures, ensuring customers avoid excessive debt through responsible lending practices

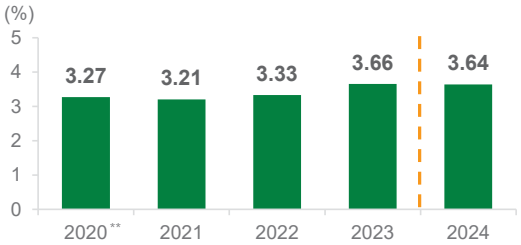
Loan Definition
Corporate Loans: Loans of KBank and KBank's Subsidiaries in Corporate Segments (annual sales turnover > Bt400mn)
SME Loans: Loans of KBank and KBank's Subsidiaries in SME Segments (annual sales turnover ≤ Bt400mn)
Retail Loans: Loans of KBank and KBank's Subsidiaries in Retail Segments

Other Loans: Composed of loans through the World Business Group, insurance business (MTL), and other loan types not directly attributable to the main business groups.

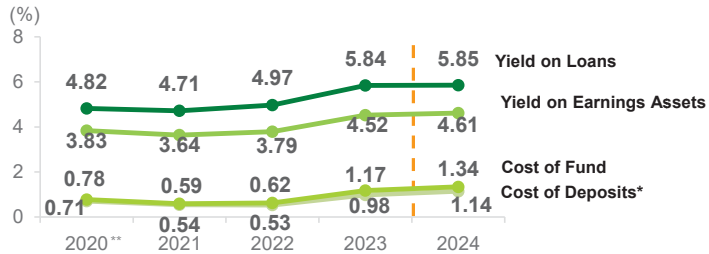
Net Interest Margin

December 2024 (Consolidated)

NIM



Yield on Earnings Assets and Cost of Fund



- NIM slightly decreased to 3.64% in 2024, in line with our focus on strengthening asset quality. However, NIM minus credit cost showed improvement.
- High portion of CASA (80%) also helped support cost of fund

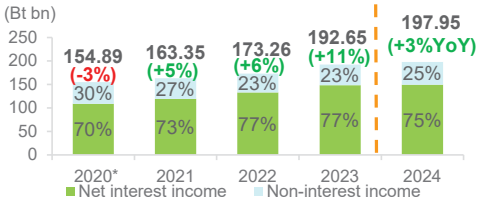
	2020	2021	2022	2023	2024	1Q24	2Q24	3Q24	4Q24
NIM (%)	3.27	3.21	3.33	3.66	3.64	3.76	3.67	3.61	3.52
Yield on Earnings Assets (%)	3.83	3.64	3.79	4.52	4.61	4.74	4.67	4.57	4.47
Yield on Loans (%)	4.82	4.71	4.97	5.84	5.85	6.09	6.01	5.85	5.71
Cost of Fund (%)	0.78	0.59	0.62	1.17	1.34	1.35	1.39	1.32	1.31
Cost of Deposits (%), incl DPA	0.71	0.54	0.53	0.98	1.14	1.14	1.16	1.14	1.14

Note: Cost of deposits including contributions to the Financial Institutions Development Fund (FIDF) and Deposit Protection Agency (DPA).
* The FIDF fee is temporarily reduce from 0.46% to 0.23% for 3 years, according to the BOT announcement in the Royal Gazette, during January 2020 to December 2022.
** The Bank and its subsidiaries have adopted new accounting standards (TFRS 9: Financial Instruments) since January 1, 2020 onwards, some financial statements and financial ratios are not comparable with previous years' financial figures before Y2020, which were based on the prior accounting standards (non-TFRS9).

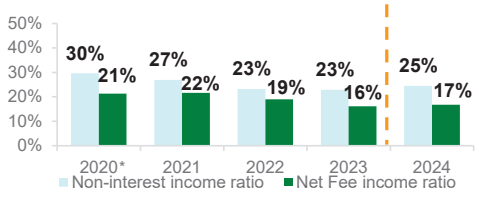
Composition of Growth: Net Fees and Non-interest Income

December 2024 (Consolidated)

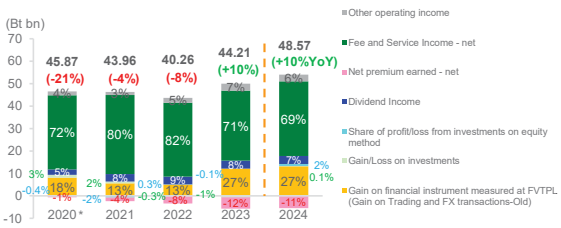
Total Operating Income - net



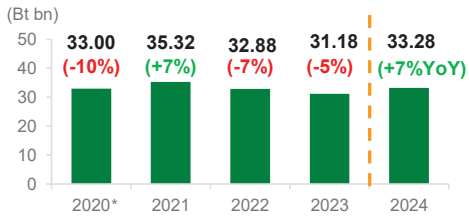
Non-interest Income Ratio and Net Fee Income Ratio



Non-interest Income



Net Fee Income



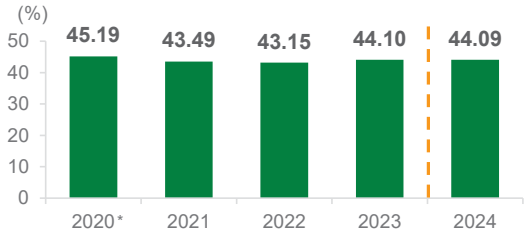
- 2024 non-interest income accounted for 25% of total net operating income and net fee income accounted for 17%.
- 2024 non-interest income increased 10% YoY, mainly from net fee income, gains from FVTPL, including revenue from foreign exchange transactions, and gains on investment according to market conditions.
- 2024 net fee income increased 7% YoY, primarily driven by wealth management and commercial fees, with an ongoing emphasis on wealth management business.

Note: - Non-interest Income Ratio = Non-interest Income/Total Operating Income - net
- Net Fee Income Ratio = Net Fee Income / Total Operating Income - net
- Net Premium Earned - net = Net Premium Earned less Underwriting Expense
* The Bank and its subsidiaries have adopted new accounting standards (TFRS 9: Financial Instruments) since January 1, 2020 onwards, some financial statements and financial ratios are not comparable with previous years' financial figures before Y2020, which were based on the prior accounting standards (non-TFRS9).

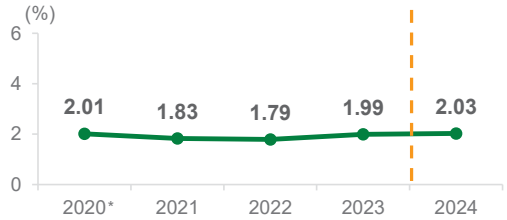
Cost to Income Ratio

December 2024 (Consolidated)

Cost to Income Ratio



Cost to Average Assets Ratio



- 2024 cost to income ratio was 44.09%. Expense growth aligned with slow revenue growth. Cost to income ratio was in line with target range due to effective cost management and productivity improvements, as well as investments to support K-Strategy and future growth.

	2020	2021	2022	2023	2024	1Q24	2Q24	3Q24	4Q24
Cost to Income Ratio (%)	45.19	43.49	43.15	44.10	44.09	41.30	43.40	44.17	47.59
Cost to Average Assets Ratio (%)	2.01	1.83	1.79	1.99	2.03	1.93	2.04	2.00	2.13

Note: * The Bank and its subsidiaries have adopted new accounting standards (TFRS 9: Financial Instruments) since January 1, 2020 onwards, some financial statements and financial ratios are not comparable with previous years' financial figures before Y2020, which were based on the prior accounting standards (non-TFRS9).

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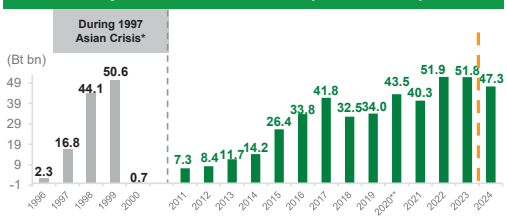
Asset Quality and Expected Credit Loss (Provision)

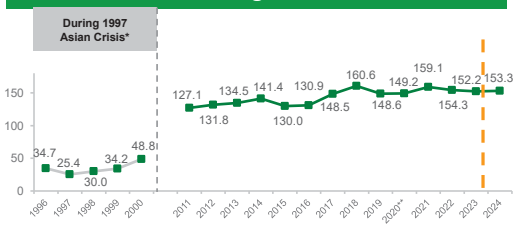
December 2024 (Consolidated)

Expected credit loss (Provision)

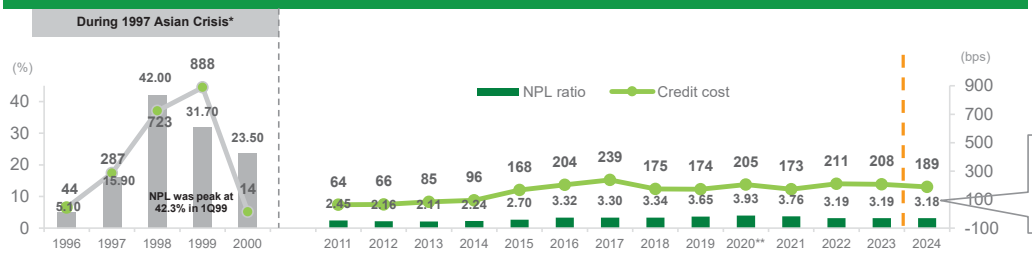


Note: Provision referred to Impairment Loss on Loans and Debt Securities; from January 1, 2020 onwards based on TFRS9, provision refers to Expected Credit Loss

Coverage Ratio



NPL Ratio and Credit Cost



NPL Ratio by Business	2017	2018	2019	2020	2021	2022	2023	2024
Corporate Business	<2%	<2%	<2%	<2%	<2%	<2%	<2%	<2%
SME Business	~5%	~5%	~6%	<7%	<7%	<7%	<7%	<6%
Retail Business***	~4%	~4%	~4%	<5%	<5%	<5%	<5%	<5%

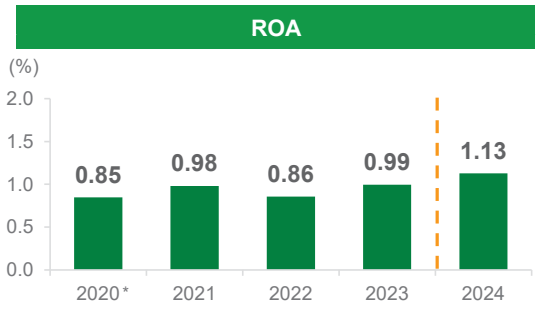
- NPL ratio in 2024 was at 3.18%, with coverage ratio of 153.3%.
- Credit cost aligned with target range at high level to safeguard against future uncertainties.
- Maintain prudent and precautious policy with credit cost to reach normalized level in 2025

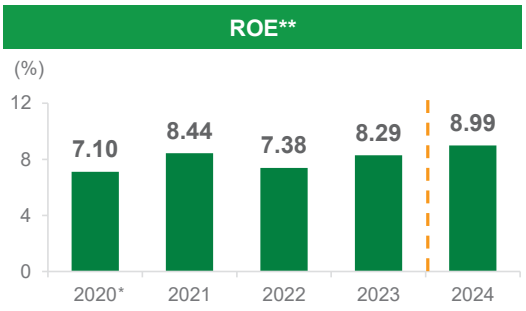
Notes: * Data in 1996-1997 is KBank only
** The Bank and its subsidiaries have adopted new accounting standards (TFRS 9: Financial Instruments) since January 1, 2020 onwards, some financial statements and financial ratios are not comparable with previous years' financial figures before Y2020, which were based on the prior accounting standards (non-TFRS9).
*** NPL ratio in retail business, excluding 180 dpd (days past due) of credit card and consumer loans for peer comparison

บริการทุกระดับประทับใจ

ROA and ROE

December 2024 (Consolidated)





	2020	2021	2022	2023	2024	1Q24	2Q24	3Q24	4Q24
ROA (%)	0.85	0.98	0.86	0.99	1.13	1.25	1.18	1.11	0.97
ROE (%)	7.10	8.44	7.38	8.29	8.99	9.99	9.54	8.74	7.75

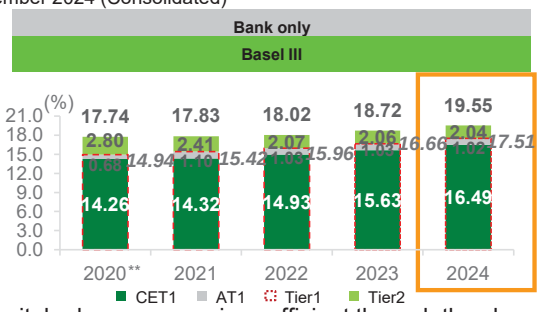
Note: * The Bank and its subsidiaries have adopted new accounting standards (TFRS 9: Financial Instruments) since January 1, 2020 onwards, some financial statements and financial ratios are not comparable with previous years' financial figures before Y2020, which were based on the prior accounting standards (non-TFRS9).

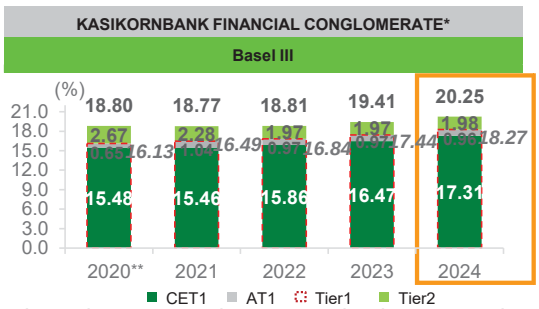
** ROE = Net profit (attributable to equity holders of the Bank) deduct dividend from other equity instruments after income tax divided by average equity of equity excluded other equity instruments

บริการทุกระดับประทับใจ

Capital (Reported Number: Excluding Net Profit of Each Period)

December 2024 (Consolidated)





- Capital adequacy remains sufficient through the changing economic environment and to support business growth; maintained adequate Tier 1 ratio, as required under the Basel III and new requirements.

	2020	2021	2022	2023	2024	1Q24	2Q24	3Q24	4Q24
Bank only									
CAR (%), excluding net profit of each period	17.74	17.83	18.02	18.72	19.55	18.75	18.84	19.95	19.55
Tier 1 (%), excluding net profit of each period	14.94	15.42	15.96	16.66	17.51	16.70	16.80	17.89	17.51
KASIKORNBANK FINANCIAL CONGLOMERATE*									
CAR (%), excluding net profit of each period	18.80	18.77	18.81	19.41	20.25	19.37	19.42	20.58	20.25
Tier 1 (%), excluding net profit of each period	16.13	16.49	16.84	17.44	18.27	17.42	17.46	18.59	18.27

Note: * KASIKORNBANK FINANCIAL CONGLOMERATE means the company under the Notification of the Bank of Thailand re: Consolidated Supervision, consisted of KBank, K Companies and subsidiaries operating in supporting KBank, Phethai Asset Management Co., Ltd. and other subsidiaries within the permitted scope from the BOT's to be financial conglomerate.

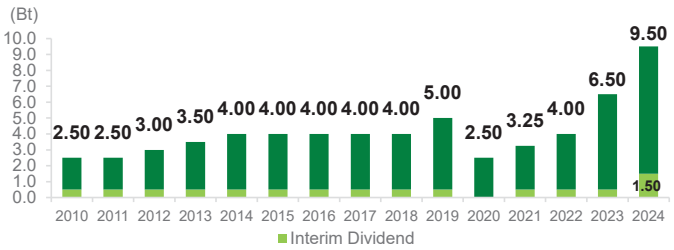
Under Bank of Thailand regulations, net profit in the first half of the year is to be counted as capital after approval by the Board of Directors as per the Bank's regulations. Net profit in the second half of the year is also counted as capital after approval of the General Meeting of Shareholders. However, whenever a net loss occurs, the capital must be immediately reduced accordingly.

** The Bank and its subsidiaries have adopted new accounting standards (TFRS 9: Financial Instruments) since January 1, 2020 onwards, some financial statements and financial ratios are not comparable with previous years' financial figures before Y2020, which were based on the prior accounting standards (non-TFRS9).

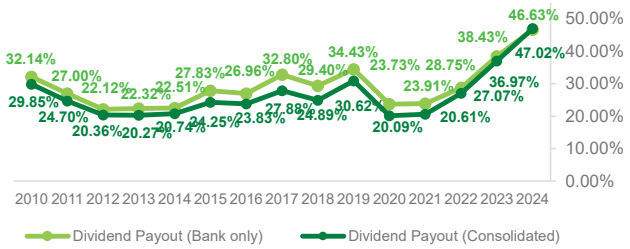
บริการทุกระดับประทับใจ

Dividend

Dividend Per Share



Dividend Payout Ratio



- **Dividend** In determining dividend payments, the Bank will take into consideration its operating results as well as suitable sustainable long-term returns to shareholders. The Bank aims to pay not less than 25% dividend payout on consolidated net profit. However, if facing an unforeseen circumstance, the Bank may consider not to pay at the above-mentioned level of not less than 25% of dividend payout ratio by considering prudence and suitable return to shareholders.

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Dividend Per Share (Bt)	2.50	2.50	3.00	3.50	4.00	4.00	4.00	4.00	4.00	5.00	2.50	3.25	4.00	6.50	9.50
Dividend Payout Ratio (%) (Consolidate	29.85	24.70	20.36	20.27	20.74	24.25	23.83	27.88	24.89	30.62	20.09	20.61	27.07	36.97	47.02

Note:

* The Board of Directors' Meeting No.1/2020 held on 30 January 2020 has approved the share repurchase project for financial management purposes of KASIKORNBANK, not exceeding totaling 23,932,600 shares, equal to 1% of the total paid-up capital of the Bank and the maximum not exceeding Bt4,600mn, which was conducted through the Stock Exchange of Thailand during 14-27 February 2020, and the Bank had the resale period during 31 August – 16 September 2020. By the end, the Bank was unable to resell as planned. To comply with laws and regulations, the Board of Directors' Meeting No.11/2020, held on 18 September 2020, resolved to approve the decrease in paid-up capital of the Bank by writing off the unsold amount of the repurchasing shares in full. The Bank of Thailand has also approved the decrease in paid-up capital accordingly.

- In 2020-2021, the BOT suspended the banks' interim dividend payment of Y2020 and allowed to pay dividend for Y2020 and Y2021 not exceed 50% of net profit for the previous year.
- On June 2022, the BOT announced to remove the dividend payout ratio limit.
- Dividend payout will be calculated based on dividend divided by net profit attributable to shareholders net of dividend on other equity instrument including additional Tier 1 instrument.

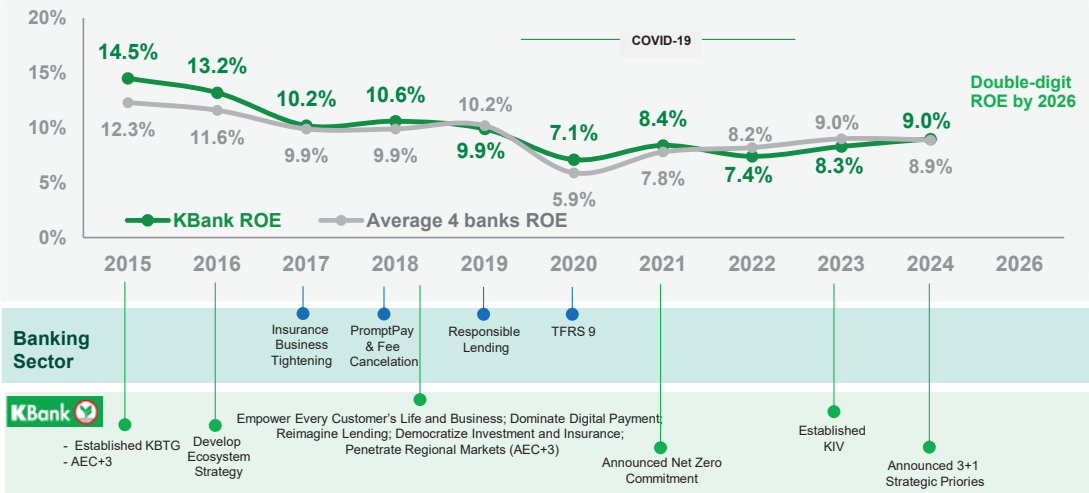
KBank: Strategy

KBank Journey

Key Operating Environment, Challenges and Risks

	Operating Environment	KBank
1992		Re-engineering
1997	Asian Financial Crisis	
2000 – 03		Re-organization
2005		Customer Centricity
2007		Digital Transformation
2008	Subprime Crisis Airport Closed	
2009	Political Unrest (2009 - 2014)	- MTGH Acquisition - Mobile Banking App
2011	Thai Big Flood	
2013	BASEL III	
2014		SD Policy

Operating Environment – Lingering Economic Uncertainties, Multiple Challenges, and Intense Competition over the Past Ten Years
(Global and Domestic Economic Uncertainties; Digital Disruption; Geopolitical Risk; Climate Change; High Household Debt; COVID-19; etc.)



Note: * Average 4 banks : SCB, BBL, KTB, BAY
KBTG = KASIKORN BUSINESS-TECHNOLOGY GROUP; KIV = KASIKORN INVESTURE

บริการทุกระดับประทับใจ

KBank: Company Structure by Investment Purpose

	Credit	Wealth	Payment	Beyond Banking	Regional Business
Key Subsidiaries	KLeasing	KAsset		**KX** (Venture Builder and Venture Capital Fund) **KXVC** (Venture Capital to invest in AI, Web3 & Deep Tech)	KASIKORNTHAI BANK (Lao PDR)
	KFactory & Equipment	KSecurities		**UNITA CAPITAL** (Holding Company for Digital Asset Business) **ORBIX TRADE** (Digital Asset Exchange) **ORBIX CUSTODIAN** (Digital Asset Custodian) **ORBIX INVEST** (Digital Asset Fund Management) **ORBIX TECHNOLOGY & INNOVATION** (Blockchain Infrastructure Development) **KUBIX** (ICO Portal)	KASIKORNBANK (CHINA)
		MTL*		**KOP50** (Holding Company for ESG Business) **KENERGYPLUS** (e-Marketplace platform & IT Solution) **KCLIMATE 1.5** (Supporting services for carbon accounting and reporting ESG data.) **Creative Climate Research Center** (Providing Climate Research & Offering training Course)	**KVF** (KASIKORN VISION FINANCIAL) **Bank Maspion (84.55%)**
					KVISION KTech (China) KBTG Vietnam

KASIKORN INVESTURE (KIV)
JV/Investment
(Partner Network & IT Capability)

KLINE (JV) & KLINE Insurance Broker
(Loan, Insurance brokerage and channel for e-payment Business)

T2P Holding (JV)
(Lending & Financial Transaction Solutions)

KBAO (JV) **TD TAWANDANG (Investment)** **CJ More (Investment)** (Financial Services)	**KGP (Investment)** (Online Payment Solutions)
JK AMC (JV) **JAM (Investment)** (Asset Management Business)	**BUZZEBEES** (Synergy-Driven)** (CRM Solution Platform)
NGERN HAI JAI (Investment) (Auto Loan)	**Grab Holdings** (Synergy-Driven)** (On Demand Service)

Note : * Indirect subsidiary – MTL is a subsidiary of Muang Thai Group Holding
** Synergy-Driven with Beacon VC

บริการทุกระดับประทับใจ

K-Strategy: Three Strategic Priorities +1, Innovation and Productivity

Clear pathway to achieve double-digit ROE by 2026; three strategic priorities +1 in medium- and long-term to increase competitiveness, capture growth opportunities; elevating innovation and productivity, to deliver sustainable value to stakeholders

Vision

BANK OF SUSTAINABILITY

"KASIKORNBANK aims to be the most innovative, proactive, and customer centric financial institution, delivering world class financial services and ***sustainable value to stakeholders*** by harmoniously combining technology and talent"

K-Strategy

Stakeholders

Shareholder
Generate **sustainable total return**

Customer
Make our customers **successful** in their life and business

Employee
Provide **learn and lead opportunities**

Regulator
Co-create **future of finance**

Society
Thrive for **better quality of living**

Purpose

"Delivering Sustainable Value to Stakeholders"

3 + 1 & P Strategic Priorities

1. Reinvigorate **credit performance**
2. Scale **capital-lite fee income** businesses
3. Strengthen and pioneer **sales and service models** to deliver value-based results
+1. **New revenue creation** in medium- and long-term
P. Elevate **innovation** and **productivity** by blending **advanced technology, AI, and human intelligence** while fostering a culture of learning and high performance

Conduct business with good corporate governance principles and appropriate risk and cost management

บริการทุกระดับประทับใจ

Double-digit ROE by 2026 with Strong Execution, Prudent Discipline and Concrete Measurement

Proactively Enhance Overall Risk-adjusted Return on Capital to Uplift Shareholder Value

1 Reinvigorate credit performance
- Revamp credit strategy and reinvigorate key capabilities to enable sustainable business growth with sustainability
- Drive optimization through portfolio structure-mixed adjustment and risk-adjusted return on capital (RAROC) improvement
- Enhance end-to-end transformation to elevate credit capabilities for business growth

2 Scale capital-lite fee income businesses
- Sustainable and holistic wealth advisory and competitive bancassurance products offering sales and service model enhancement and brand strengthening
- Dominate digital payment and increase main operating bank with #1 K PLUS in mobile banking platform

3 Strengthen and pioneer sales and service models to deliver value-based results
- Create Digital-first experience and seamlessly integrate with Human Assisted and Cross-Channel experiences to accelerate revenue generation

+1 New revenue creation in medium- and long-term
- Create value and total solutions by developing collaborative ecosystems with partners
- Cautiously explore opportunities while closely monitoring risks for immediate and timely risk mitigation

Higher quality earnings and value-based results

Proactive risk management and improved asset quality

Value-based productivity enhancement

บริการทุกระดับประทับใจ

Reinvigorate Credit Performance

- Revamp credit strategy and reinvigorate key capabilities to enable business growth with sustainability
- Drive optimization through portfolio structure-mixed adjustment and risk-adjusted return on capital (RAROC) improvement

1 Credit
2
3
+1

	Key Strategies		Key Measurements
New Customers (Focus on existing non-credit customers)	**Growing Quality Credit Product Portfolio**	• Maintain momentum from 2024 with a prudent loan growth strategy, prioritizing secured loans through a selective approach. • Focus on enhancing loan quality over rapid growth while serving higher-income existing KBank customers. • Utilize data-driven modeling techniques focusing on internal data (e.g. existing K PLUS customers and payment data) to selectively acquire new-to-credit customers aligned to desired risk appetite	**New Loans:** • **Penetration of new to credit*** • **Loan Growth** **Asset Quality:** • **NPL ratio** • **Credit Cost** • **Coverage Ratio**
Existing Customers (Focus on existing healthy credit customers)	**Proactive Retention & Anti-Attrition, especially consumers and SME segment**	• Stay proactive in identifying and offering tailored customer solutions to prevent refinancing and strengthen customer loyalty. • Drive higher utilization of working capital and top-up loans for prudent SME clients to promote a sustainable and healthy loan portfolio. • Enhance spending volume and encourage active customer usage to position KBank cards as the primary choice, reclaim market share, and reinforcing leadership position.	

Note: *New to credit = existing non-credit customers (middle to high income customers)

บริการทุกระดับประทับใจ

Enhance End-to-End Credit Transformation to Elevate Credit Capabilities for Business Growth

Origination		Monitoring & Data Acquisition		Collection & Recovery	
Tailor-made credit approval processes and analytics to ensure credit quality	• Deeper approval processes customization according to customer risk and persona • Enhance approval scores and analytics using payment and alternative data	**Embed Artificial Intelligence (AI) and Machine Learning (ML) Driven Monitoring Approach**	• Enhance corporate early warning system with expanded data and near real time analytics	**Enhance Collection Analytics to Increase Recovery**	• Enhance analytical models to identify best location, time, number to contact, and persona models • Identify sub-segment strategy for the right customer collection treatments
Optimize Commercial Portfolio Strategy	• Dynamically evaluate target industry to ensure highest risk-adjusted return on SME portfolio • Lead generation capability to capture high growth industries and their supply-chain	**Decision Led Multi-Dimension Dashboard Development**	• Increase granularity of sub-segmentations to enhance tracking and monitoring capabilities • Ensure data availability and single version of truth through Modernized Data Foundation (MDF) Project	**Uplift Collection Operation Capability**	• Uplift collection capability ex. optimize demand supply management, optimize collection strategy based in customers' behavior • Collection process reengineering to streamline operation, lean process and improve productivity • Enhance collection workflow and IT systems to support frontline activity
Fraud Analytics	• End-to-End fraud management with analytical tools and database to detect fraud				

บริการทุกระดับประทับใจ

Scale Capital-lite Fee Income Businesses: Wealth

Sustainable and holistic wealth advisory and competitive bancassurance products offering sales and service model enhancement and brand strengthening

1
2
Fee
3
+1

Key Strategies

Comprehensive Product Offerings	Sale & Service Model Enhancement	K-Wealth Brand Strengthening
Sustainable and holistic wealth advisory and service throughout customer's life stage		
o **Offer full-suite** investment products using **core & satellite portfolio strategy** to advise customer according to their needs and risk appetites o Provide **comprehensive bancassurance** products focusing on legacy, retirement and health o Leverage **customer financial data and analytic capability** to offer right product at the right timing	o **Expand Wealth customers** into **our large healthy SMEs** to capture more opportunity and to support all aspect of our customers needs o **Provide single trusted relationship** for integrated sales and services to customers with wealth expert and specialist support o **Enhance wealth management functions on K PLUS** to provide comprehensive investment and protection products in a digital-first journey	o Becoming brand-of-choice by revamping **WISDOM's Value Propositions:** o Holistic wealth advisory approach, o Integrated customer offering, and o Exclusive financial benefits and privileges

Key Measurements

Net Fee Income

Wealth

- **Mutual Fund AUM**
- **Bancassurance Premium**
- **Wealth Product holding**
- **Customer investment return**

บริการทุกระดับประทับใจ

Scale Capital-lite Fee Income Businesses: Payment

Dominate digital payment and increase main operating bank with #1 K PLUS in mobile banking platform

1
2
Fee
3
+1

Key Strategies

Payment
Accessible anytime, anywhere for everyone

Payment: Dominate digital payment and increase main operating bank with #1 K PLUS in mobile banking platform with secure, convenient, and better experience throughout customer journey

- o Expand into **potential growth areas** related to tourism and international trade and business sectors e.g. **FX, merchant, and cross border payment fees** thru reliable, simple, and cost-effective solutions and universal source of fund acceptance capability that fits domestic and overseas ecosystems
- o Optimize cost on **declining fee areas** due to customer behavior change e.g. **transaction service fee** thru optimizing IT system (money transfer) and operation cost (cheque processing)
- o Develop **new payment revenue model** from product solution offerings for **merchant business** e.g. subscription fee, value-added package, business assistant with partner, and Banking as a Service (BaaS) for **cross border payment**

Anytime and Anywhere by Embedded Services in Digital Ecosystem

- Be top-of-mind solution by integrating K PLUS into all necessary ecosystems

e.g. Shopee Lazada UnionPay Alipay TikTok LINEMAN

Key Measurements

Net Non-Interest Income

Payment

- **Digital Payment Share**
- **Cost per Transaction**
- **CASA**

บริการทุกระดับประทับใจ

Strengthen and Pioneer Sales and Service Models to Deliver Value-based Results

Create Digital-first experience and seamlessly Integrate with Human-assisted and Cross-channel experiences to accelerate revenue generation

1
2
3
Channel
+1

Key Strategies

Digital First Experience

- Create digital-first experience with cross-channel integration to deliver better customer experience, sales, and services
- Strengthen leading position in digital banking for both retail and business users:

K+ Better Life Better Finance
No.1 mobile banking in number of users and transactions

K BIZ One-stop banking solution for business
Digital platform for small and medium businesses

Human Assisted Experience

- Maximize digital sales and services for cost optimization
- Migrate basic transactions to digital channels and complement with human assistance for complex transactions

Branch | Banking Agent | FX Booth | E-Machine | Frontliner

Key Measurements

- **K PLUS Active Users**
- **K BIZ Active Users**
- **%Digital Transaction (Sale and Service)**
- **Cost per Transaction**
- **Total NPS Score**
- **Sale Revenue per Channel Expense**

บริการทุกระดับประทับใจ

2024 Key Achievements of K-Strategy

Continue driving progress through the 3+1 strategic focus to enhance competitiveness

Reinvigorate Credit Performance

- 97% New Booking from Existing Customers [1)]
- 90% New Booking from Secured Loans [1)]
- 91% New Booking from Consumer Lending with Monthly Income > Bt30,000

Scale Capital-lite Fee Income: Wealth

Mutual Fund (MF)	Bancassurance (BA)
#1 MF AUM (+14% YoY)	**#2** BA New Life Premium (+25% YoY)
▲ 31% YoY MF Net Fee Growth	▲ 22% YoY BA Net Fee Growth
▲ 280K New MF Customers	▲ 81K New BA Customers

Scale Capital-lite Fee Income: Payment

#1 Digital Payment (~30% Market Share)

#1 Mobile Active Users

▼ Cost per Transaction [2)]

Strengthen and Pioneer Sales and Service Models

#1 Overall Brand NPS [3)] (Branch, E-machine, K PLUS, K-contact center)

- 23.1mn K PLUS Users
- 781 Branches
- 10,286 E-Machines

▲ 57% Digital Onboarding (49% in 2023)

▲ 93.6% Digital Transaction (91% in 2023)

Note: [1)] New booking of KBank's SME and retail loans [2)] Internal Measurement [3)] NPS = Net Promoter Score

บริการทุกระดับประทับใจ

Scale Capital-lite Fee Income Businesses: Wealth

Sustainable and holistic wealth advisory and competitive bancassurance products offering sales and service model enhancement and brand strengthening

Key Strategies	Y2024 Mutual Fund (MF) Performance	Y2024 Bancassurance (BA) Performance
Comprehensive Product Offerings	**+31%** MF Net Fee Growth	**+22%** BA Net Fee Growth
Sale & Service Model Enhancement	**+54%** MF Sales Volume	**+25%** New Life Premium
K-Wealth Brand Strengthening	**+14%** MF AUM (#1)	**+81K** New BA Customers
	+280K New MF Customers	

บริการทุกระดับประทับใจ

Wealth: Key Development in 2024

Comprehensive Product Offerings

Core & Satellite Funds
#1 in AUM with 70% YoY

Open Architecture Funds
+700 Non-KA funds

Online Gold Trading
Bt167billion Volume over 6 months

Private Asset Funds
#1 in AUM – Bt3.3billion from IPO

Sale & Service Model Enhancement

Launch systematic service model to strengthen relationship with high wealth affluent segment

Affluent visit
160K customers (78%)

Ticket Size

High-Fee MF	High-Fee BA
5X	2X
(from Bt0.8 to 4 Million / customer)	(from Bt0.2 to 0.5 Million / customer)

Regular contact and strong relationship results in strong BA performance

MUANG THAI LIFE

#2
New Business Premium
25% Growth (KBank only)
• 18% Market Share

#1 in Endowment
#1 in Critical Illness

บริการทุกระดับประทับใจ

Wealth: Enhance High-Net-Worth and Affluent Segment Engagement Model through Cross Segment Collaboration

DNW x PBG x KS

Collaboration

Start in 2024

- Pilot PBG-DNW Collaboration
- Redesign KPI & Incentives to boost cross referral
- Change management and Communication
- Customer Experience

Go further for 2025

- Fully implementation DNW x PBG Collaboration
- Redesign KPI & Incentives as "One Team"
- Crystal-clear Roles between Master RM & Wealth Specialist
- Expand to KS and CBS

Note:
KBank's divisions: DNW = Distribution Network Division, PBG = Private Banking Group, CBS = Corporate Business Division
KBank's subsidiary: KS = KASIKORN SECURITIES PLC.

Wealth: Enhance Engagement Model with Need-based Analytics

Enhancing Customer Understanding and Personalized Offering through Sub-Segmentation

2024 ---------- 2025

Achievement in 2024: Mutual Fund

Affluent
Sub-segmentation customers by wallet size & complexity, and using different engagement model that match their needs (200K Affluent customers)

+20% (vs. other segments) % MF Conversion

Prospect Customers
Used analytics insights to identify prospect customers

+15% (vs. non-prospect) % MF Conversion

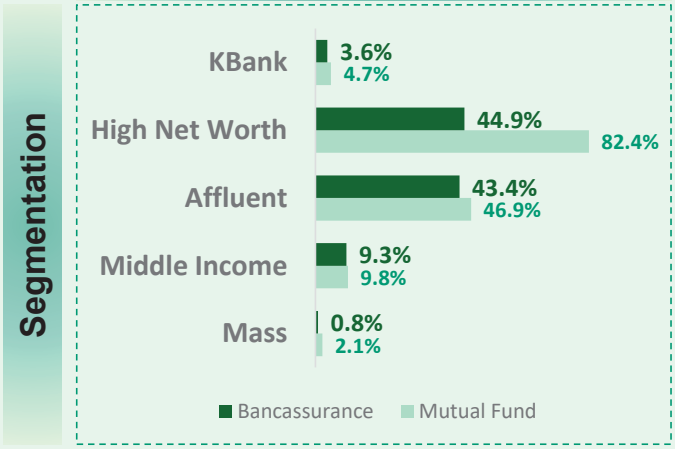
2025, Refining Analytics Insights to Deliver Tailored Offerings and Engagement

Demographic, Risk Appetite, and Wealth Behavior + Current Product Holdings / Portfolio

Wealth: Wealth Customers for both Mutual Fund and Bancassurance in 2024

In 2024, wealth management outperformed in acquiring new customers for both MF and BA. However, there is still room to increase penetration of wealth products

Wealth Penetration



New to Wealth Customers

New to MF customers
280K
+136% YoY

New to BA customers
81K
+25% YoY

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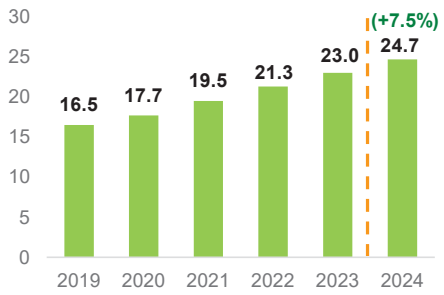
KBank: Number of Customers and K PLUS users

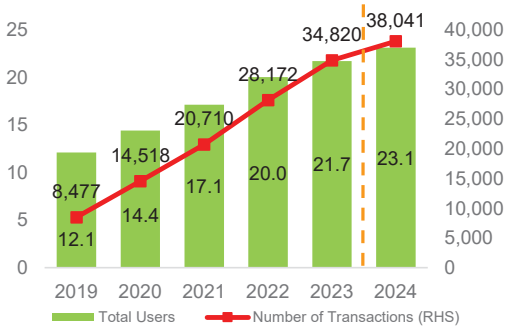
- Success is driven by continuous growth in number of customers and K PLUS users; highest Net Promoter Score among banks in Thailand

Number of Customers* (mn)



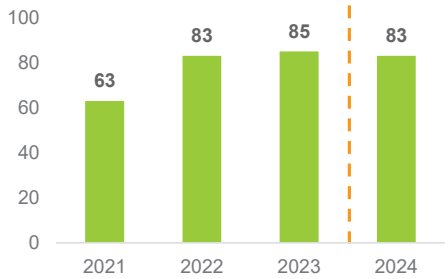
K PLUS Users and Transactions** (mn)

(#1 among Banks in Thailand)



Net Promoter Score (NPS)***

(#1 among Banks in Thailand)



* Customers in Retail Business account for 92%, SME Business 8%, and Corporate Business less than 1% of customer portfolio

** 1) Active users defined as minimum of 1 Login per month; 76.5% active users as of Y2024
2) Re-baselined to focus on meaningful transactions including sales, servicing, and usage

*** NPS Study 2024 surveyed by The NielsenIQ (Thailand) Limited during September to November 2024, measuring the willingness of customers to recommend a company's products or services to others

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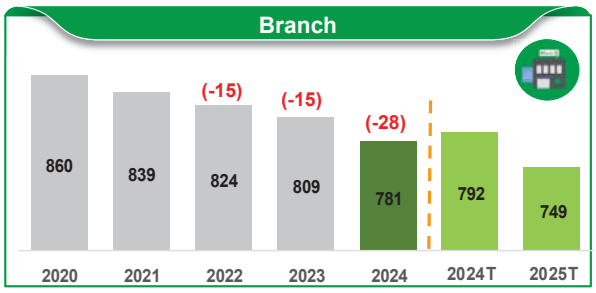
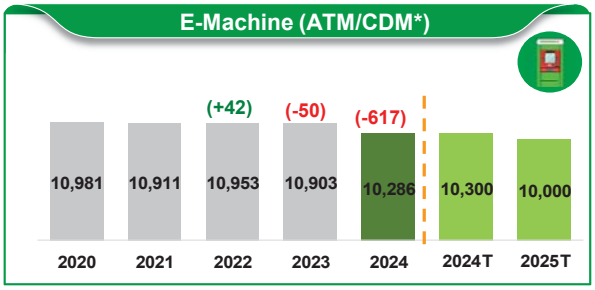
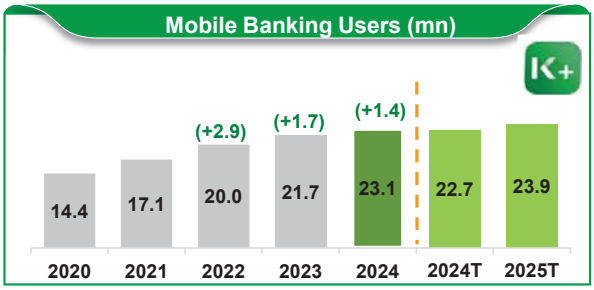
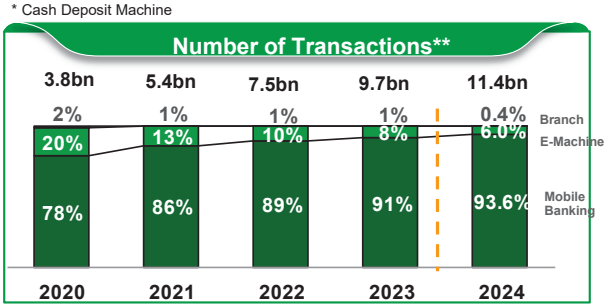
Domestic Channels and No. of Transactions





* Cash Deposit Machine





** Transaction includes only cash deposit, cash withdrawal, payment and transfer.

บริการทุกระดับประทับใจ

Domestic Channels

New KBank Branch (Hybrid Branch)

This new branch design increases the flexibility and efficiency of branch banking services, assisting staff to smoothly facilitate customers' adoption of self-service machines and digital channels (K PLUS).

Community Branch (K Park)

As a community bank accommodating the daily needs of local people, K Park provides financial zones for transactions and co-working spaces, with a Kids Zone and other services from KBank partners all in the same place.

THE WISDOM Lounge

An exclusive center providing a full range of services and facilities to High Net Worth Individuals and Affluent segments.

E-Machine

Our enhanced self-service cash machines are a convenient touch point to authenticate all digital onboarding such as e-Savings and e-Wallet account.

KBank Service

KBank Service – Banking Agents are business partners with extensive network coverage and extended service hours providing most banking services needed by retail customers.

KLOUD by KBank

The 'KLOUD by KBank,' our new sustainable building in the center of Siam Square, creatively connects the young and vibrant Siam Square community while supporting ESG.

Digital Banking

Digital Banking includes:

- K PLUS
- K PLUS SME
- K SHOP
- K BIZ (Mobile App & Desktop)
- K-Corporate Connect
- K-Payment Gateway
- K-PowerP@y (mPOS)
- LINE BK
- MAKE
- Khunthong
- LINE KBank LIVE

บริการทุกระดับประทับใจ

Ecosystem Partnership & Harmonized Channel

- Orchestrating an ecosystem with partners and providing excellence throughout the customer journey
- Developing presence where customers are with an excellent customer experience

Partnership

eWallet and Payment

University and Healthcare

E-Commerce & Lifestyle Platform/ Co-Lending through Partners' Platform

ESG

Digital Asset

Travel (Hotel)

Joint Venture

LINE BK — for Co-Lending through LINE Platform

for Co-Lending through Carabao Conglomerate channels

for Debt Collection and Asset Management Business

บริการทุกระดับประทับใจ

Beacon Venture Capital

- KBank's wholly-owned corporate venture capital fund
- Initially funded with USD 30mn, Beacon VC focuses on strategic investments in early to growth-stage technology startups covering not only financial technology (fintech), but also consumer internet and enterprise technology
- An investment with three mandates – Synergistic, Opportunistic, and Impact

	Synergistic Fund Est. 2016	Opportunistic Fund Est. 2021	Beacon Impact Fund Est. 2022
Objective	To **acquire business capability** or **build deep-collaboration** with chosen startup partner	To **scout for frontier or emerging innovation** for **KBank's banking businesses** or potential partners with strong growth prospect	To help KBank **fulfill its ESG commitment** and **elevate ESG industry standards** within the region
Portfolio	Robowealth, Grab, Buzzebees, OokBee, ThinkerFint, VISUP, TraveliGo, 新太欧, Jio Health, Sendo, favstay, pawoon, seedcom, KiotViet, Rate, iSeller, OnePay, ALODOKTER, Selly, klook	NIUM, digio, BondbloX, PRIMO, MORGANCE, OokBee, Jitta, cryptomind, FWX, aspire, CARRO, nyca, DECENTRALIZED, integra partners, PANTERA, vertex, HumanSoft, alchemy*, mythos	algbra, IMPACT, QUONA CAPITAL, neutreeno, AVAANA, PLANET→FWD*, majoo

* Co-investment with our partner

บริการทุกระดับประทับใจ

New Revenue Creation for medium- and long-term

- Create value and total solutions by developing collaborative ecosystems with partners
- Cautiously explore opportunities while closely monitoring risks for immediate and timely risk mitigation

1 KASIKORN INVESTURE (KIV)

"New Business to Gain Profitability from Mass Market"

- o Profitably Servicing in the Mass Market (Underbanked)
- o Strategic partnership to increase capabilities with minimum investment
- o Product offering: deposit, payment, loans and investment

2 REGIONAL PENETRATION

"Asset-Light Regional Digital Expansion with Prudent Risk Management"

Strategy

CHINA | INDONESIA | VIETNAM

Corp-orate	Serve Local Large Corporates, Thai Investors and SINO-AEC Investors		
	Prudent Lending, Focusing on Potential Target Industries		
	Regional Cross-Border Payment & Settlement		
SME	Acquire supply chain & transactional banking customers under Better SME concept by leveraging corporate relationships	Acquire secured lending customers and cross-selling fee-income products	Grow acquiring business; cross-sell lending via transactional data
RETAIL	Acquire retail deposits with cross-selling opportunities	Acquire high-quality customers to build a sustainable deposit base to reduce cost of funds	
		Cross-selling	
		Deposits	

3 INNOVATION FOR FUTURE GROWTH

"Ecosystem Play and Innovation Creation"

1. FINANCIAL INNOVATION	make	Technology solution to empower customer life
2. FUTURE OF FINANCE	orbix, Quarix	Blockchain for digital asset issuance and investment
3. UPLIFT BANKING	SKILL KAMP, KON CIERGE+	Develop marketplace in targeted industries e.g. education, travel to uplift customers life quality (fin/non-fin)
4. SUSTAIN -ABILITY	WATT'S UP, green pass	Completed green solutions with strategic partners to build "Green Platform"

+1 Key Measurement

% Contribution to net profit will be around 5% in 3 to 5 years

บริการทุกระดับประทับใจ

New Revenue Creation: 2024 Key Achievements

Continue driving progress through the 3+1 strategic focus to enhance competitiveness

+1 New Revenue Creation in Medium- and Long-term

KASIKORN INVESTURE (KIV)

KASIKORN LINE

- **7.4mn** Line BK Platform Users
- **Bt21.6bn** Outstanding Loans
- **8.6mn** Saving Accounts
- **1.2mn** Debit cards

NGERN HAI JAI

- **Bt20.8bn** Outstanding Loans

KGP

- Gross Merchant Volume **Bt49.6bn** (72% YoY)

REGIONAL PENETRATION

▲ **3.3%** of Net Total Income (2.9% for 2023)

#1 The Biggest Thai bank in China

1.52mn K PLUS Users in Vietnam

10,035 QRIS merchants in Indonesia

INNOVATION FOR FUTURE GROWTH

Financial Innovation

- make by KBank: **2.95mn** MAKE Users & **#1 NPS** (NPS = 91)
- KHUNTHONG **2.5mn** Users
- MeowJot **250k** users with **3k** subscriptions
- THaLLE: Large Language Model (LLM)
- Verification Tech
- Car AI Tech

Future of Finance (Digital Asset Ecosystem)

orbix

- 4 digital asset licenses
- 3 ISO certifications
- Cross border payment on Blockchain
- Bond issuance on blockchain
- 5X market share growth

Uplift Banking

- SKILL KAMP: Marketplace for online learning platform
- KON CIERGE+: B2B travel solutions for hotel business (SMEs)

Sustainability

- CREATIVE CLIMATE Research Center: ThaiCBN & NET Zero CEO course
- K-GreenSpace: A one-stop green living E-marketplace
- green pass: 1st REC aggregator platform for retail
- WATT'S UP: E-Marketplace platform for EV Bike with >3,000 users and swap station search in-app >100 stations

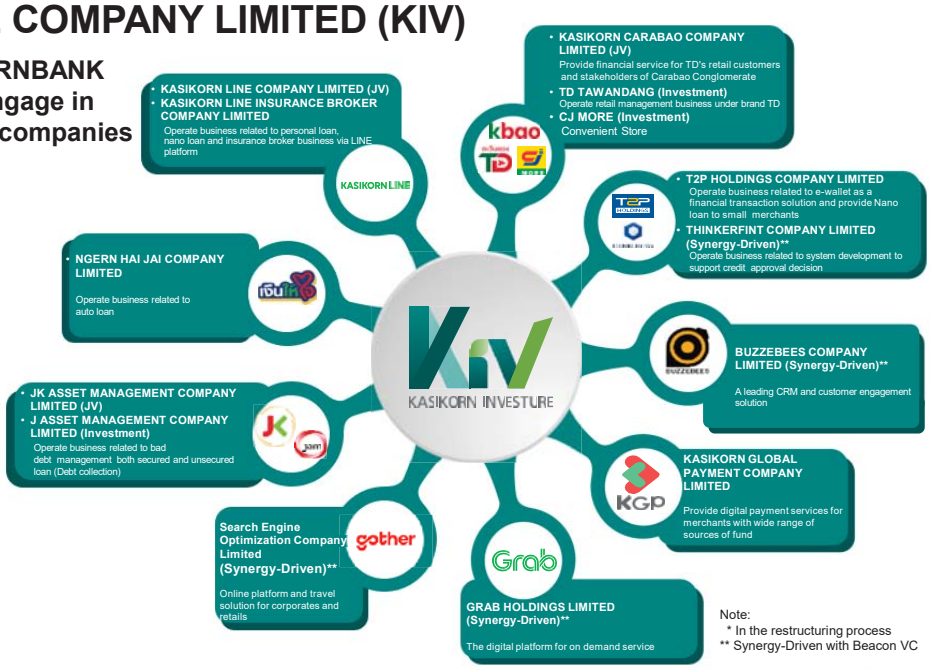
บริการทุกระดับประทับใจ

KASIKORN INVESTURE COMPANY LIMITED (KIV)

A holding company under KASIKORNBANK FINANCIAL CONGLOMERATE to engage in strategic collaborations with other companies

Investment Value

Total around **30,000** Million Baht



Note:
* In the restructuring process
** Synergy-Driven with Beacon VC

บริการทุกระดับประทับใจ

KIV Business Model

Mass Market ⇨ **Opportunity to Improve Profitability**

KIV Business Model

Profitably Servicing the Mass Market (Inclusive of Underbanked)

Bank's + Partner's Capabilities = Cost Down

Major Financial Services Categories	Deposit / Saving / Source of Fund	Payment / Channels	Non-Corp Loans	Investment
	• e-Wallet Infrastructure • Group-Savings	• e-Wallet • Payment Gateway • Loyalty Points	• Asset-Based • Credit Scored • Value-Chain Based	• Insurance Brokerage • P2P Borrow-Lend • Foreign Currency Deposit Wallet
	LINE BK, T2P, KGP	LINE BK, เงินไหว, TD, kbao, JK	LINE BK, T2P	
	Over 15 Million Users	Over 10 Billion Baht	To Be Launched	

Key KBank's Capabilities

- Over 20 Million K Plus Users
- Sales & Service Channel (Selling / KYC)
- Data
- Core IT Back-End
- Funding

Note: According to Financial Access Survey of Thai Households 2020. Of total surveyed household, there were 45.5% usage, 49.5% self-exclusion, and 5% no-access.

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(+1) New Revenue Creation for Medium- and Long-term: KIV

What We Have Done in 2024

- **KASIKORN LINE has significant branding and reach advantage comparing to other competitors.**
  - Expand new "higher quality" customers with new underwriting model to control credit cost within the budget
  - Increase credit limit on existing "good behavior" customers
  - Enhance better collection management
- **NGERN HAI JAI (JAI)**
  - Go Live system and process for new loan bookings at JAI
  - Transfer Bt22bn Customer to Customer (C2C) / Car Registration Loan (CRL) portfolio from KASIKORN LINE
- **KASIKORN GLOBAL PAYMENT (KGP)**
  - Continue acquiring new merchants and higher volume from existing customers
  - Manage key accounts to drive business growth and implement new tools for operational improvements
  - Differentiate payment gateway to build up business synergy within KIV group

KASIKORN LINE

7.4mn Line BK Platform Users	**8.6mn** Saving Accounts
Bt21.6bn Outstanding Loans	**1.2mn** Debit cards

NGERN HAI JAI
Bt20.8bn Outstanding Loans

KGP
Gross Merchant Volume
Bt49.6bn
(72% YoY)

What We Will Do Next in 2025

- **KASIKORN LINE**
  - Grow loans with more focus on existing customers for better risk visibility
  - Improve ECL by improving loan quality
- **NGERN HAI JAI (JAI)**
  - Focus on data-rich customers by pre-calculated standing offers
  - Online onboarding
- **KASIKORN GLOBAL PAYMENT (KGP)**
  - Collaboration with KBank: Merchant Acquisition and Cross Selling on corporate customers
  - New feature Development and Process Improvement
  - Build solutions for B2B2C by leveraging KIV Group/ KBank products to capture new customer's segments

Success Story of KASIKORN LINE: Line BK Services

2024 Key Performance

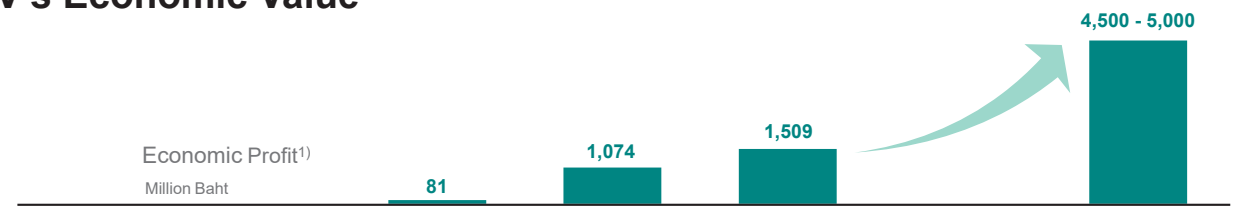
- Saving Accounts: **8.6mn**
- Special Rate Accounts: **237K**
- Debit Cards: **1.2mn**
- Credit Line Accounts: **715K**
- Line BK Platform Users: **7.4mn**
  Outstanding Loans: **21.6bn**

October 2020 – December 2023*

October 2020	February 2021	December 2021	December 2022	December 2023
LINE BK Launched October 2020	Line BK Platform User **2mn users** Outstanding Loans **5bn**	Line BK Platform User **3.9mn users** Outstanding Loans **14.7bn**	Line BK Platform User **5.3mn users** Outstanding Loans **18.1bn**	Line BK Platform User **6.3mn users** Outstanding Loans **17.6bn**

Note:
* During peak periods, LINE BK saw more than 40,000 loan applications in a single day and 30% of those approved had never received a loan before.

KIV's Economic Value

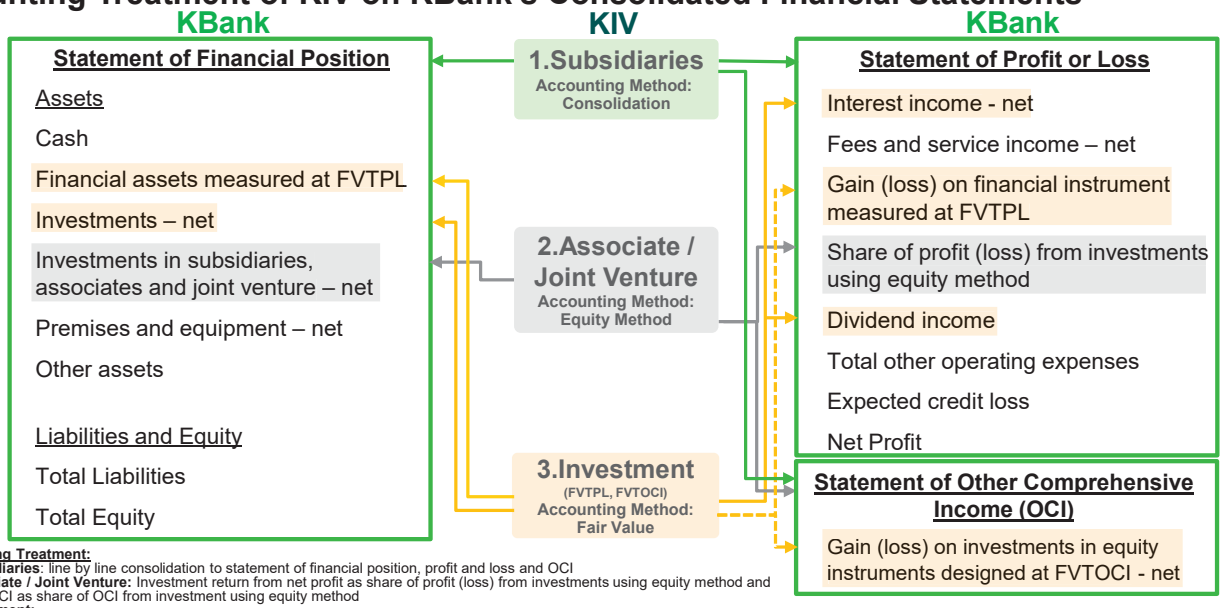


	2022	2023	2024	2026F
KIV's Investment Value2)	21,500	28,085	30,021	45,000 - 50,000
No. of Investment	6	14	14	14-15
Total Loan Book	**37,000**	**~41,000**	**~42,500**	**~60,000 - 70,000**
- KLINE	18,000	17,600	21,600	25,000 – 30,000
- NGERN HAI JAI	19,000	23,000	20,800	35,000 – 40,000
- KBAO	N.A.	22	100	100 - 500

Note:
1) Economic Profits = Profit Sharing of Companies Under KIV + Net Interest Income and Net Fee paid to KBank by Companies Under KIV + Cost Charged from Services provided by KBank
2) Investment Value = Capital Injection + Accumulated Profit Sharing of Companies Under KIV + Realized and Unrealized Gains (Losses) on Investment

*KIV performance data will be updated annually

Accounting Treatment of KIV on KBank's Consolidated Financial Statements



Accounting Treatment:
- **Subsidiaries**: line by line consolidation to statement of financial position, profit and loss and OCI
- **Associate / Joint Venture:** Investment return from net profit as share of profit (loss) from investments using equity method and from OCI as share of OCI from investment using equity method
- **Investment:**
  - Investment return as dividend income (equity instrument) and interest income (debt instrument)
  - Investment value is mark to market to statement of Profit and Loss or OCI subjected to the instrument type

(+1) New Revenue Creation for Medium- and Long-term: Regional Penetration

	What We Have Done in 2024	What We Will Do Next
China	• **Corporate & SME:** Increased SINO-AEC customers lending portfolio while optimizing credit risk portfolio on SMEs; connected into national domestic payment network (CNAPS) • **Retail:** Diversified retail portfolio to optimize credit risk management	• Focus Sino-AEC, Better SME, and regional payment & settlement
Vietnam	• **Corporate:** Prudently grew while optimizing loan portfolio for maximum revenue generation • **SME:** Aggressively grew by acquiring businesses and using transactional data for cross-selling • **Retail:** Piloted new acquisition model using credit card as main new-to-K conversion product and focus on customer engagement to create active users	• Grow merchant business (POS) • Cross-sell credit • Expand K+ Vietnam
Indonesia	• **Corporate & SME:** Expanded corporate lending, focusing on large conglomerate groups and leveraging partnerships with both Thai and Indonesian partners • **Retail:** Increased retail customers through QR merchants and deposit programs • **Rural Banks (BPRs):** Successfully captured deposits from 122 BPRs	• Corporate credit in growing industry • Secure SME loans • Reduce cost of funds

3.3%	#1	1.52mn	10,035
of Net Total Income in 2024 Up from 2.9% for 2023	The biggest Thai bank in China	K PLUS Users in Vietnam	QRIS merchants in Indonesia

Prudent in lending & selectively grow in China, Vietnam & Indonesia

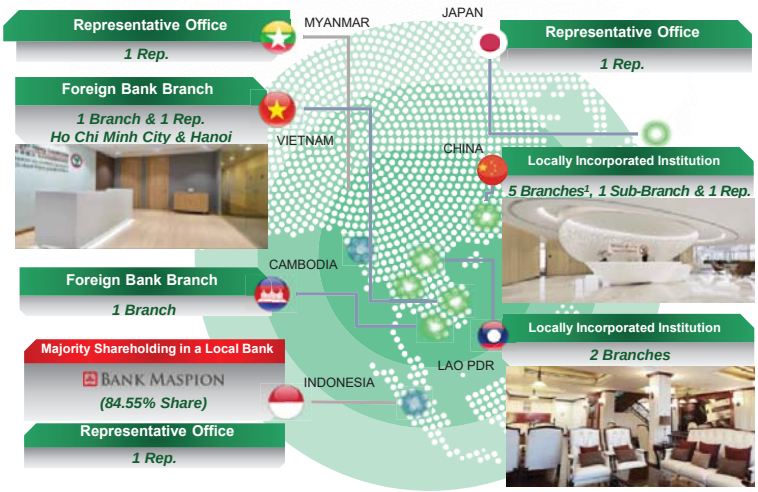
BPR: Rural Banks | QRIS: Quick Response Code Indonesia Standard

Penetrate Regional Market: Asset-Light Regional Digital Expansion in AEC+3

- With a strategic focus on the AEC+3 market, KBank is committed to implementing an integrated regional operating model encompassing physical presence, digital platforms, and regional partnerships.

Footprint

16 branches in 8 countries



Partnerships

Services

- Mobile Banking
- Credit Offering
- Trade & FX
- Tech Provider

Note:
- Two subsidiary banks: KASIKORNTHAI BANK SOLE Limited (Lao PDR) with two branches in Ponesinuan and Lane Xang, KASIKORNBANK (CHINA) with four branches in Shenzhen, Chengdu, Shanghai, Beijing and one sub-branch in Long Gang
- Four international branches: Cayman Islands, Hong Kong, Phnom Penh and Ho Chi Minh City
- Five representative offices: Kunming, Tokyo, Yangon, Hanoi and Jakarta
- One strategic partner: Maspion Bank in Indonesia; KASIKORNBANK Group has become a majority shareholder of Maspion Bank in Indonesia by holding a share of 84.55%
- Global partners with 80 banks in 14 countries: 50 Japanese partner banks; 10 Chinese partner banks; 1 Hong Kong bank; 3 Korean partner banks; 12 ASEAN partner banks (in Vietnam, Indonesia, Lao PDR, Cambodia, Philippines, Brunei, Malaysia and Singapore); 3 European regional banks (in Germany and Italy) and 1 Indian Bank

(+1) New Revenue Creation for Medium- and Long-term: Innovation

What We Have Done in 2024

Financial Innovation

- **make** – 2.95mn users, #1 Most Loved Financial Management App (NPS score 91)
- **KhunThong** – 2.5mn users
- **MeowJot** – 250K users with 3k subscriptions
- **AINU** – Verification Tech
- **Car AI** – Auto InsurTech
- **FUTURE YOU** by MIT & KBTG – Chatting with your future self
- **THaLLE** – Thai LLM with financial knowledge equivalent to CFA

Future of Finance

(Digital Asset Ecosystem)

- **orbix**
  - Licensed DA Exchange certified with **3 ISO Standards**
  - **5X market share** and **3x user base** growth since acquisition
- **orbix CUSTODIAN** – Granted Thailand **1st Digital Asset Custodian license**
- **orbix INVEST**
  - Licensed DA Fund Manager
  - launched **7 Strategic Funds**
- **orbix TECHNOLOGY**
  - Blockchain infrastructure **(Quarix)**
  - Cross-border payment on blockchain **(Q-money)**
  - Bond issuance on blockchain **(PTT Q-Bond)**

Uplift Banking

- **SKILL KAMP** – Marketplace for online learning platform
- **KON CIERGE+** – B2B travel solutions for hotel business (SMEs)

Sustainability

- **WATT'S UP**
  - e-Marketplace platform for EV Bike with >3,000 users
  - Swap station search in-app >100 stations in BKK & vicinity
- **CREATIVE CLIMATE** Research Center – Knowledge development towards Thailand Net Zero target
- **CLIMATE 1.5** – Carbon Accounting Solution
- **green pass** – 1st Retail REC aggregator platform
- **K-GreenSpace** – One-stop green living e-marketplace

What We Will Do Next

- **MAKE :** Monetize user base by embedding cross-selling products at the right moments and contexts
- **MeowJot:** Expand expense tracking capabilities to convert more users to subscribe to premium packages
- **AINU & Car AI:** Increase sales via partners / Expand customer base to medium size / Innovate more to create new value-added

- **Orbix Trade (60K users in 2025):** Plan to apply for Digital Asset Broker License Application to improve liquidity of Orbix Trade platform
- **Orbix Invest (6K customers In 2025):** Explore AMC co-product development
- **Orbix Custodian (#1 market share in 2025):** Activate license
- **Orbix Technology:** Extend the scope of Q-money and onboard DApp partners and Node Validators to the Quarix blockchain

- **SkillKamp:** 35K users in 2025 / **Koncierge+:** 165 hotels in 2025
- Explore more opportunities to uplift customer life & business

- **WATT'S UP:** 10K users in 2025
- **CCRC:** Develop and expand courses to different segments
- **KClimate1.5:** Develop integrated and in-depth sector customized features for TGO
- **GreenPass:** SME market expansion with strategic partner
- **K-Greenspace:** Enhance solutions and products

บริการทุกระดับประทับใจ

Productivity Improvement : Driving Efficiency, Delivering Results

Bankwide Productivity Culture

Workforce Productivity

- **Optimize Workforce** – Target 20% productivity growth, in the next few years, by restructuring roles, cutting non-essential tasks, and mobilizing talent
- **Performance-Driven Pay** – Link rewards to performance, reduce non-productive costs, and enhance performance management
- **Strategic Skills & AI** – Develop high-impact roles, advance future (AI Related skills), and intensively improve underperformance

Technology Enablement

- **BU Alignment with Effective Resource Management** - Project Prioritization aligned with KBank Strategy, Strategic Resource Management by revisit workforce, reshape and uplift resource skills, and continuous tracking and monitoring progress and outcome by TMO Office
- **AI and Automation** - Experiment and adopt AI & Automation in the software development and operation to accelerate processes with efficiency
- **Cost efficient management** - Strategic vendor and contract management through managed vendors as a holistic view, eliminating unused or duplicated service licenses, Infrastructure Optimization by maximum efficiency current resources and assets, Prolonged End of Support with risk mitigation, and Technology Refreshment.
- **Application optimization** - Application Redesign by using a common platform/ reusable design, Application Redundancy Review, Performance Tuning through revisit high processing or resource consuming functions and perform the tuning

Fixed Asset Optimization and Operation Efficiency

- **Branches -** Optimize branch size and coverage, effectively managing rental expenses and asset utilization, leverage strategic negotiations and subleasing opportunities, and integrating renewable energy solutions
- **Main Buildings -** Strengthen the effective utilization of main buildings through a strategic space management approach. Prolong equipment life cycles , expanding our Progress Facility Management's expertise in facility repair operations.
- **E-Machine -** Enhance cost efficiency in E-Machine space rental through strategic rate negotiations while maximizing utilization by optimizing the number of profitable E-Machines
- **Vehicle & Telephone** - Optimize vehicles and chauffeur's allocation with operational needs, strengthen telephone management by effectively implementing the Telephone's FITs policy to optimize the usage, and balancing service packages to align with actual usage.

Budget Centralization & Others

Centralized Budget Management

- **Implement a centralized budget review and approval process to ensure efficient allocation, minimize spending, and maximize resource utilization**

Other Expenses Management

- **High-Impact Examples:**
  - **Marketing Expenses:** Increase return on marketing spending
  - **Professional Fees:** Streamline external service costs
  - **Transportation Expenses:** Revisit air travel policy

3 + 1 Strategic priorities

Credit

Service Channel

- **Branch:** Right sizing, Demand migration, Lean & Digitalize
- **E-Machine:** E-Machine reduction, Management cost reduction, Relocation and cross-bank cardless withdrawal
- **Contact Center:** Demand migration, AHT reduction, System & Facility management
- **K Plus:** Optimize channel cost by negotiate fee paid, Deliver Digital-first experience, Generate revenue from lead generation and theme sales

Credit x Asset Quality Management

- **Transform Collection with Analytics and Strategic Process Enhancements**
  - **E2E Collection Revamp** by upgrading collection systems, dialers and data infrastructure while integrating analytics for improved collection score, job-prioritization and automation
  - **Strengthen Field Collectors (FCR) and Dynamic Resource Allocation** through deploy FCR for high–risk, high–balance consumer customers and implement dynamic demand-supply to optimize collection productivity and recovery efforts
- **NPA:** Focus on strategic high value and integrate with an instrument to support sales team to identify high-potential assets with dynamic pricing model

Wealth

Wealth x Sale Effectiveness Improvement

- **Broaden product offering:** Promote BAL for sustainable AUM, Develop top-ranked BA products
- **Target the right customers:** Trigger lead coverage expansion, Impactful trigger & offering
- **Effective game plan for visits:** Collaboration with specialist & referral, Need-base advisory approach
- **Revamp digital sales tool :** Providing an instant customer view with data driven and AI assisted product offering
- **Digital Augmentation:** Embed advisory triggers in digital customer journey

Payment

Payment Productivity

- **Potential Growth Areas (Sunrise):** Scale up business, FX via K Plus go international for Outbound spending, Merchant through Ecosystem expansions & new partner, Relocate ATM & FX booth to strategic areas.
- **Sustain Declining Fee Areas (Sunset):** Maximize digital migration - Customer Onboarding & Servicing to digital channel (K PLUS), and migrate calls from call center to Payment services

Regional

Regional Productivity

- **Full-fledged efforts:** Develop new IT solutions using RPA and AI, and optimize miscellaneous expenses with a focus on business-related benefit
- **MVP Experiment:** Test and validate key concepts through rapid prototyping, data-driven insights, and iterative improvements
- **Marketing:** Reprioritize projects, focus on more effective communication channels

Productivity Improvement

Enhance productivity ratio e.g.

- CI Ratio
- People Productivity
- Channel Cost/transaction
- Cost/unit
- Sale Productivity
- Digital Migration

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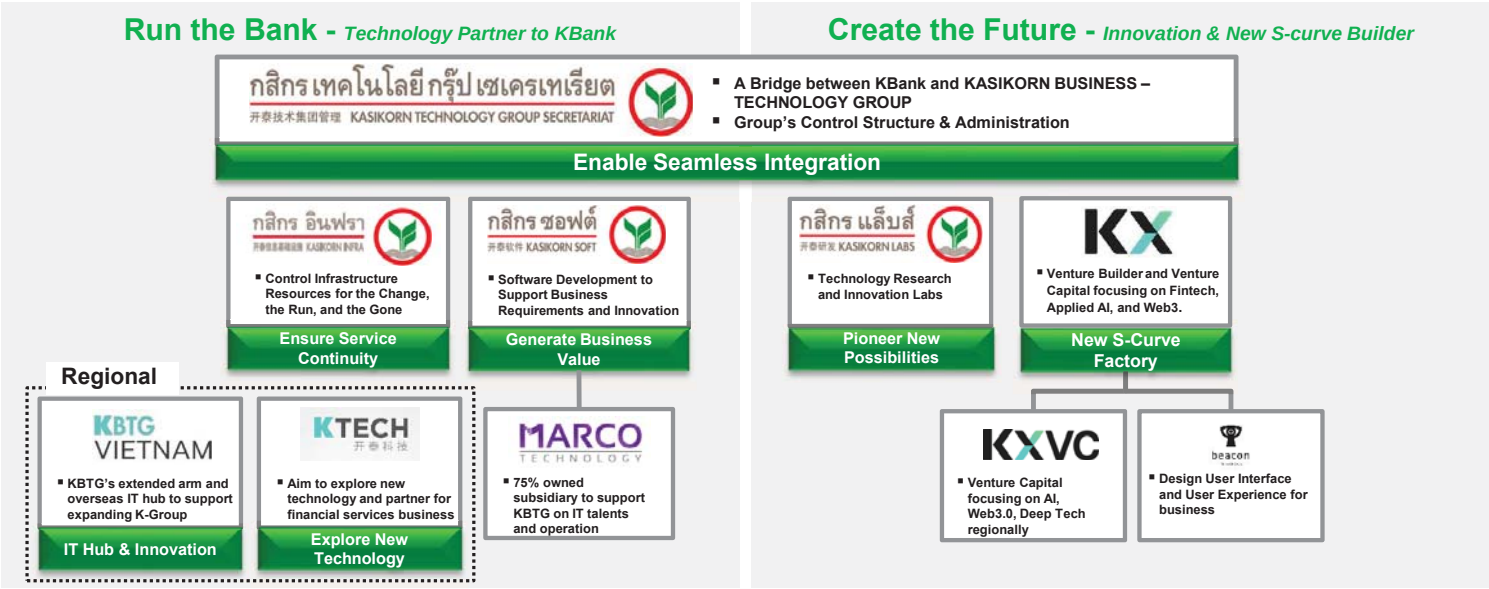
KASIKORN BUSINESS - TECHNOLOGY GROUP (KBTG)

Group Structure



Note: 1) KXVC is subsidiary of KX, established in October 2023 respectively; 2) Macro Technology was acquired in April 2023; Kubix was restructured to be under UNITA CAPITAL in December 2024.

KBTG: Vision & Strategy

- **Vision:** Top tech organization in Southeast Asia that provides technology and innovation to deliver sustainable value to stakeholders
- Strengthen K-Strategy with cost effectiveness, competitive advantage, and resilience and make use of regional IT resources in Vietnam and China

2024 - 2026 Strategy	Key Initiatives	Achievements in 2024
Delivering Productively	• Deliver strategic IT Initiatives, while optimizing application portfolio and architecture	• +183 New IT projects delivered featured scaling the core banking system and modernizing data platform • 160+ projects currently in development • 400+ KBank applications
Sustainable Innovation	• Monetize new and existing products and services • Invest in ventures and ensure synergy to companies in K-Group.	• 3 million+ users from financial innovation products (MAKE, MeowJot, etc.) • AI business solutions commercialized with 20+ corporate partners • Invested in AI Fund and collaborated with Andrew Ng, a global AI leader. Launched KX Horizon, a seed-stage fund for global AI and Web3 founders
Brilliant Basics Trust	• Maintain IT operation's resiliency, stability, and cost-effectiveness • Strengthen infrastructure, security, and data governance	• No Service Downtime in Significant Channels among Top Thai Banks, resulting in "ZERO" System Failure in 4Q24[1] • Strong security posture, consistently performing better than the industry average with regular third-party assessments
World-Class Technology Capabilities	• Strengthen technology capabilities and foundation • Elevate AI capability and integrate into business and IT operation for AI-driven organization	• Established AI strategy and laid foundation for AI Adoption Readiness • Refined cloud strategy to be Hybrid-Cloud First Strategy • Optimized application architecture for target business capabilities
Uplifting People Capabilities	• Transform the organization and workforce to adapt to new technologies and acquire the skills necessary for future work	• 2 regional development sites (Vietnam & China) • 2,600+ employees across 3 countries • Be Employer of Choice: received 'Best Companies to work for in Asia' for 5th consecutive year

Note: 1/ BOT: https://www.bot.or.th/th/statistics/system-failure-disclosure.html

KBTG: Sustainable Innovation

- KASIKORN X (KX) incubates, scales, and spin-off new S-Curve businesses in AI, Web3, and fintech innovation

Financial Innovation: Ideate and develop financial innovation product to address real-world challenges locally and globally with aim to monetize as fintech platform.

2.95mn Users

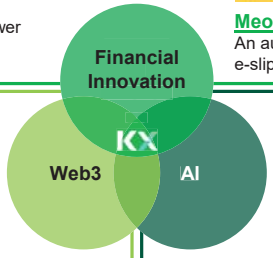
MAKE by KBank

A mobile banking application designed specifically for young generation to empower seamless financial management

250k Users with **3,000** Subscribers

MeowJot

An automated cross-bank expense tracking application via mobile banking e-slips leveraging AI and OCR technology



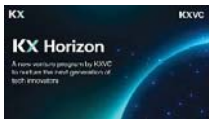
Web3: Make informed bets across a range of emerging global use cases in nascent Web3 market i.e. Asset Tokenization, DeFi, NFTs, Consumer Engagement / Experience.

Coral

A blockchain-based next-gen loyalty platform that re-invents consumer experience, helps brands boost engagement and traffics through digital collectibles

AI: Leverage on and commercialize strong base of existing IP and assets (e.g., facial recognition, liveness, OCR, image detection) in tandem with exploring new AI business ideas such as Insurtech area

Strategic partnership with AI Fund of Andrew Ng, global leading venture studio that strives to accelerate the adoption of AI. This collaboration will leverage strength of both parties to develop new solutions addressing real-world challenge.



KXVC established a new program called **KX Horizon** to focus on collaboration and support to very early-stage AI and Web3 startup founders in Silicon Valley, Europe, and Southeast Asia

KBTG: AI Strategy

- **Human-First x AI-First Transformation** to be an AI-first organization that unlocks business and customer impact via AI-powered revenue generation, product innovation and productivity improvement by 2027

Human-First AI-First Transformation

To be AI-first Organization that unlocks business and customer impact via AI-powered revenue generation, product innovation, and productivity improvement by 2027

Guiding Four … Delivering banking strategy and sustainable value via tech innovation

1. **Delivering Value** — Strengthen KBTG value creation and delivery via Commercial AI Product
2. **Enhancing Operation & Cost Efficiency** — Bolster operational robustness and efficiency with AI Automation
3. **Boosting Technology Capabilities** — Update technology foundation for expanding opportunities with new AI Capabilities
4. **Uplifting People Capabilities** — Elevate organization and people potential with AI Literacy for All and responsible AI Culture

Transforming Enterprise Capabilities… Leveraging AI with **Humility**, Embracing **Agility** and Rapidly innovating through **Experiment**, for Sustainable Competitive Advantages

Redesign Business Value Chain

Leverage strategic AI applications across the value chain to identify opportunities for Automation or Augmentation with 2 enterprise-wide AI use cases

Rewire Organization

Facilitate the transition by welcoming AI into the team, refining tasks, and shifting us towards greater strategic, creativity, and customer engagement

Reskill Everyone with AI

Build AI-ready workforces eager to learn and innovate and demonstrate resilience in the evolving of AI

KBTG: Key Achievements in AI

DELIVERING VALUE: Commercial AI Product

AINU
A business solution for identity verification driven by AI (face recognition & OCR technology) to elevate business operations and fulfill regulatory requirements with ease.

InsurTech
A business solution offering detailed assessment of accident-damaged vehicles, providing accurate reports to partners for efficient claims processing and informed decision-making

ENHANCING OPERATION & COST EFFICIENCY: AI Automation

Strengthen business and operation with analytics and AI: Delivering data analytics and AI model in credit, wealth, and CRM to enhance business decisions and integrating AI into Software development and IT operation to increase productivity

In-house AI Developments

Marketing & Credit Intelligence

Process Automation

Facial Technology

Multi-Agent Platform for internal use cases

THaLLE
A Large Language Model (LLM) developed by KBTG under the name 'THaLLe (Text Hyperlocally Augmented Large Language Extension) with financial capabilities. It can understand financial language, pass mock CFA exam, help analyze financial data and risk, and assist in financial matters.

BOOSTING TECHNOLOGY & UPLIFTING PEOPLE CAPABILITIES: AI Capabilities & Literacy for All

MIT Media Lab Member
KBTG became a Consortium Research Lab Member at MIT Media Lab, jointly conducting research on innovative technologies, namely AI, blockchain, and decentralized finance (DeFi), as well as sustainability and education.

KBTG x AI Singapore x Google Research
Strategic partnership to advance LLM development in SEA under Project SEALD. The project aims to evaluate, train, and fine-tune large language models (LLMs) for Southeast Asian languages

Future You
Co-Research with MIT Media Lab, Future You is an interactive, brief, single-session, digital chat intervention designed to improve future self-continuity using by 52k Users in 190+ Countries

KBTG Kampus
Collaborate with 3 leading Thai universities (TU, MU, KMITL) to launch joint master's programs with KBTG Kampus in area of data analytics, AI, and cybersecurity to foster in-depth technological education and elevating research collaboration between industry and academia

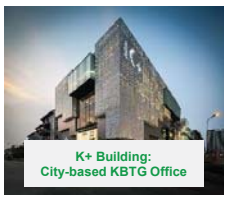
KBTG: Buildings and Awards

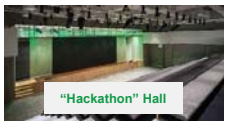
KBTG Main Building

K-Stadium at KBTG Main Building

Innovation Center

K+ Building


K+ Building: City-based KBTG Office


"Hackathon" Hall

KBTG Vietnam Building

KBTG Vietnam Building: Ho Chi Minh City

Recognition & Awards in 4Q24

Tatler Asia: Asia's Most Influential Thailand
Awarded to Mr. Ruangroj Poonpol

CSO30 ASEAN Awards
Awarded to Mr. Chatchawat Asawarakwong

HR Excellence Awards 2024 Singapore
- Excellence in Corporate Wellness

K-Data Strategy: Journey to Become Data Driven Organization

	Meaningful Business Values to gain Double Digit ROE				
Use cases	**Credit** • Reduce expected credit loss and increase credit revenue	**Wealth** • Increase net-fee Income	**Payment** • Deepen wallet share by increasing CASA balance, fund flow, active users and K+ market share	**Sales & Services** • Increase revenue from product sales and improved customer experience	**Productivity** Enhance work efficiency • Reduce man-days • Decrease OPEX (Operating Expenses) • Increase output
Data	**Data Availability** • Data is complete in a ready-to-use format for Bus	**Data Management** **Data Governance** • Data is secure, legally compliant, and easy to use	**Data Catalog** • Users understand the data's meaning, uses it correctly, and without confusion	**Data Quality** • Data is accurate, complete, and reliable	**AI/Gen AI Management** • AI is widely used, transparent, easily accessible, fast, and beneficial, with AI usage governed and monitored according to Responsible AI principles
Technology	**Big Data & Technology Platform** • BUs can access and use a big data platform that is secure, stable, efficient, user-friendly, and cost-effective, and equipped with the knowledge to benefit the bank			**AI Tools & Analytics Platform** • BUs can access available AI tools that are secure, stable, efficient, user-friendly, and cost-effective, and equipped with the knowledge to benefit the bank	
People	**Role Modeling & Leadership** • Leaders understand the challenges and serve as role models in applying Data & AI to business development	**Develop Talent & Skills** • Teams possess the knowledge and skills to use Data & AI for business development	**Foster Understanding & Conviction** • Employees believe in and see the benefits of using Data & AI to develop the business	**Reinforce with Formal Mechanism** • Employees have clear KPIs to measure the impact of using Data & AI in their work	

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K-Data Strategy: Journey to Become Data Driven Organization

Elevate innovation and productivity by blending advanced technology, AI, and human intelligence

Scalable Data & Analytics	
Key Strategy	**Key Performance**
Driving towards Data and AI driven organization **1. Create value-based, data-analytic, and AI-driven business decisions focused on improving credit performance and debt collection, preventing CASA drops through payment early warning analytics, and enhancing wealth and sales and service**	• **Enhancing Debt Collection Efficiency:** Implementing debt collection call-efficiency analytics along with detailed performance monitoring has streamlined debt collection processes, leading to a part of a significant reduction in expected credit losses • **Achieving CASA Growth and Active Users on K PLUS:** Developing predictive AI to provide early warnings about customers likely to withdraw CASA or experience a decrease in fund-flow within the next 3 months. This enables relationship managers to gain insights and proactively contact customers to identify and resolve issues in a timely manner, contributing to CASA growth
2. Establish a secure, robust, and user-friendly big data foundation by the Center of Excellence and Data Governance to ensure high data quality, tools, skills and culture	• **Developing a New Big Data Platform on Cloud:** Enhancing Big Data capabilities with a platform that consolidates key data sources comprehensively and offers ease of use and management, resulting in data processing speeds of 2 to 5 times. In addition, it also supports scalable expansion and ensures secure data quality and usage • **Developing Skills and Fostering a Data-Driven Culture:** Conducting training programs for 92% of identified users (data scientists, data analysts, data MIS, and data users) who completed training tailored to their specific data and analytics skills, while a data-cultural campaign reaching 9,813 participants across 18 activities resulted in 97% satisfaction rate, fostering a data-driven culture across the organization
3. Empower Data and AI tools for productivity improvement	• **Improving Operational Efficiency and Productivity with Microsoft Copilot:** Implementing Microsoft Copilot has enabled the development of 85 successful use cases, automating tasks such as data analysis, language translation, and content creation. This has led to a significant reduction in manual work of 1,401 man-days per month and increased productivity

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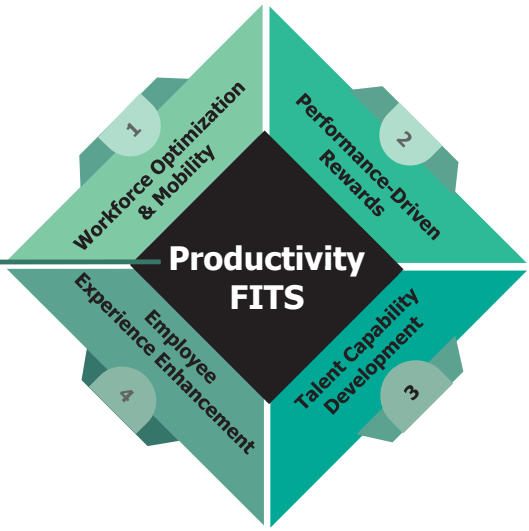
People Strategy: Objectives & Key Strategy

A Realign **Organization Design, Workforce Planning** and **Resource Mobility** with K-Strategy

Key OKRs:
- Human Capital ROI
- Strategic Capability Readiness
- Employee Engagement

G Promote **Employee Well-being**

H Continue **Implementation of New HRIS**



B Strengthen **Performance-Driven Rewards**

C Enhance **Effectiveness of Performance Management**

D Deliver **Reskilling & Upskilling Program focusing on Credit, Wealth Business, Sales & Service and AI** for Productivity & Skill Foundation

E Develop **Pipeline of Leaders and Talents** to Ensure Sustainable Organizational Growth and Success

F Instill **Productivity Culture**

People Strategy

Elevate innovation and productivity by blending advanced technology, AI, and human intelligence

Performance Driven Organization

Key Strategy	Key Progress
▪ Realign organization design and workforce with K-Strategy ▪ Enhance effectiveness of performance management and strengthen performance-driven rewards ▪ Deliver effective development focusing on credit and wealth business, sales productivity, and risk culture	**Achieved notable improvement of 15% growth (QoQ) or 12% (YoY) in Human Capital Return on Investment (HCROI) after credit cost with 5 areas in Y2024:** 1. **Revisit workforce planning** to align with revised business plan for 2025-2027 and economic outlook, optimizing workforce across businesses to ensure productivity via staff mobility and up-skilling / re-skilling 2. **Completed 100% 'Performance-driven Leader" program** to all KBank's management and subsidiaries. Initiated programs for Y2025 to equip managers with greater capability and to enhance performance and productivity driven culture 3. **Continued rolling out Long-term Incentive Program to executives** as well as designing **new rewards schemes for subsidiaries** to drive pay for performance philosophy ("Achieve more, get more") 4. **Executed integrated learning and recognition programs for businesses,** for example: **Wealth:** Completed development programs focusing on wealth advisory, sales support and customer understanding, resulting in remarkable growth in sales volume of mutual funds and high-margin bancassurance products throughout the year. **Credit:** Completed end to end credit profitability driven program to improve credit management capability in revenue generation, risk management, and debt collection. KBank emphasizes the success of employee development must be measured through both quantitative and qualitative metrics, focusing on how effectively targeted employees apply acquired knowledge to improve job performance. Against a target of 80%, KBank achieved 84.67%. 5. **Enhanced employee experience** through comprehensive employee well-being initiatives, including tools to equip managers for mental wellness support and financial literacy programs with in-house wealth experts. Additionally, we launched new HR management system modules for workforce planning, performance, and talent management. The 78% employee engagement score reflects the success of initiatives. (Average score from Gallup = 4.33 with a maximum score of 5)

KBank: Business Highlights

Customer Segments

Corporate Business	Multi-Corporate Business	Company with annual sales >Bt5,000mn
	Large Corporate Business	Company with annual sales >Bt400mn to Bt5,000mn
SME Business	Medium Business	Individual or company with annual sales >Bt50mn to Bt400mn
	Small & Micro Business	Individual or company with annual sales ≤ Bt50mn, and with commercial credit limit ≤ Bt15mn
Retail Business	High Net Worth Individual	Individual wealth with KBank and its wholly-owned subsidiaries* ≥ Bt50mn
	Affluent	Individual wealth with KBank and its wholly-owned subsidiaries* ≥ Bt10mn to < Bt50mn
	Middle Income	Individual wealth with KBank and its wholly-owned subsidiaries* ≥ Bt15,000 to < Bt10mn
	Mass	Individual wealth with KBank and its wholly-owned subsidiaries* < Bt15,000

- **Customer-centric strategy: offering a full array of financial solutions and a satisfying experience to our customers**
  - **Synergistic portfolio management by monitoring eight customer segments**
  - **Offer financial solutions from among KBank, its wholly-owned subsidiaries, and the insurance company**
  - **Make significant progress towards long-term aspirations; performance on track**

Note: * Wealth with KBank and its wholly-owned subsidiaries is defined as savings and investments, such as deposit products with KBank, mutual funds with KAsset; or the monthly income of an individual customer

Corporate Business: Key Performance

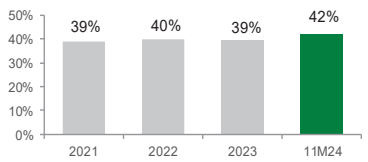
Multi-Corporate Business	Large Corporate Business	Medium Business	Small & Micro Business	High Net Worth Individual	Affluent	Middle Income	Mass

- Aim to be trusted partner to enrich customers' businesses with best-in-class financial services and solutions
  - Provide innovative and multi-sourced fund raising
  - Offer total solutions for collection, payment, and settlement
  - Enhance digital solutions and platforms

Key Performance

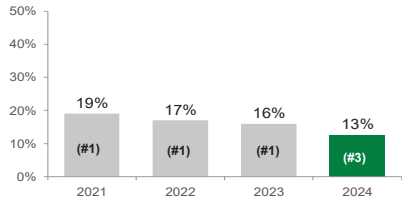
Main Bank

- Main Bank Status* at 42% in 11M24



#3 Corporate Bond Underwriting

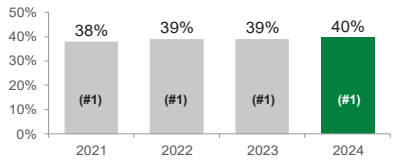
- With 13% market share in 2024



Source: The Thai Bond Market Association (ThaiBMA)

#1 Mutual Fund Supervisor

- With 40% market share in 2024



Source: SEC (include PPF, IFF)

* Main Bank Status = % of customers in the market who use KBank and its wholly-owned subsidiaries as *either* their main operating bank *and/or* main borrowing bank.
** Main Operating Bank = Customer has over 35% share of wallet with KBank and recent payment *and* collection transactions in the last three months.
*** Main Borrowing Bank = Customer has over 35% share of credit wallet with KBank.
**** PPF = Property Fund; IFF = Infrastructure Fund

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SME Business: Key Performance

Multi-Corporate Business	Large Corporate Business	Medium Business	Small & Micro Business	High Net Worth Individual	Affluent	Middle Income	Mass

- Focus on secured lending, prioritizing quality over quantity within our existing customer base through selective approach
  - Leverage data analytics to identify creditworthy customers with high growth potential, and to enable a streamlined underwriting process.
  - Pinpoint high growth-potential industries and enable them to achieve sustainable business growth through data analytics and tailored industry-specific financial solutions.
  - With enhanced monitoring tools, proactively identify customers at risk of refinancing and promptly implement preventive actions.
  - Utilize government support measures (soft loan) to expand access to affordable financing for our customers, while also reduce risk and lower borrowing cost.
  - Foster environment-friendly investment through green loan.

Key Performance

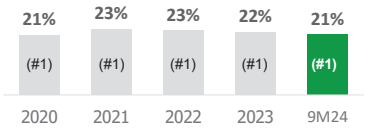
#1 SME NPS and Main Bank Status

- Remain #1 with NPS score at 89* for SME customers
- Strengthen #1 Main Bank score at 28** for SME customer

Note: * Info as of 2024 (SME NPS Study 2024 by NielsenIQ)
** Info as of 2024 (Main Banking Study 2024 by NielsenIQ)

- Main Bank Status = % of customers in the market who use KBank and its wholly-owned subsidiaries as their main operating bank and/or main savings and investment bank and/or main borrowing bank

#1 in Market Share by SME loan outstanding



Source : Total SME loan outstanding from BOT

#1 SME Lending

- Maintain #1 position in SME products; especially commercial loans
- Highest share, 21% of SME credit outstanding in 9M24

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Private Banking Group: Key Performance

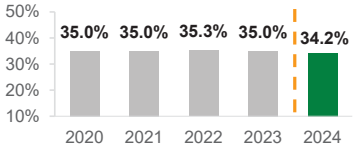
Multi-Corporate Business	Large Corporate Business	Medium Business	Small & Micro Business	High Net Worth Individual	Affluent	Middle Income	Mass

- International comprehensive wealth management services
  - Cooperate with Lombard Odier to raise service and product standards to international levels
  - Provide integrated wealth planning services, advising families on wealth management, continuity, and growth
  - Enhance use of technology to improve client experience
  - Build comprehensive client insights from data-mining

Key Performance

#1 Market Share by # of customers

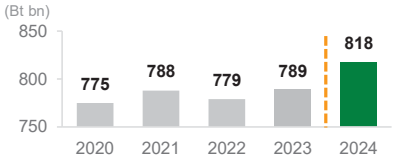
- With 34.2% market share (13,045 customers)



Source: Private Banking Group (market share by number of customers)

Growing AUM

- Bt818bn AUM; growth 3.65% YoY in 2024
- AUM Breakdown: Investment 61% and Deposit 39%



- **Focus Customers (Type of Customer):**
  - Sophisticated customers (over 70% of total customers); Non-Sophisticated customers
- **Product Types and Services:**
  - Collaborate with Lombard Odier to develop innovative products; build capability via staff trainings and regular workshops; offer advisory services with close Chief Investment Officer collaborations; and offer referral offshore investment services
  - Key product and services:
    - Financial Products and Services: Investment Advisory
    - Non-Financial Products and Services: Family Wealth Planning & Real Estate
    - Others: Financial Event & Privilege

Note: * High Net Worth Individual = Individual wealth with KBank and its wholly-owned subsidiaries ≥ Bt50mn

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Retail Business: Key Performance

Multi-Corporate Business	Large Corporate Business	Medium Business	Small & Micro Business	High Net Worth Individual	Affluent	Middle Income	Mass

- Support Retail customers to succeed in life
- To deliver products that are well-suited and tailored to fulfill the customer's need, through a seamless experience across both digital and human-assisted channels - from everyday transactions to long-term goals to become the top-of-mind bank for retail customers.
- Sharpen customer insight 360º view, leveraging both internal and external data.

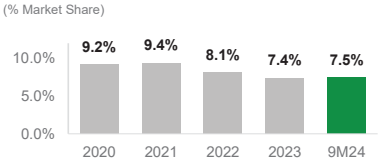
Key Performance

#1 Digital Banking

- NPS: Mobile Banking Level by Nielsen 2024
- Recognition Award from national & international institutes

#3 Mortgage Loan Outstanding

- Top 3 among commercial banks with 7.5% market share in 9M24; steady growth and maintaining good portfolio quality

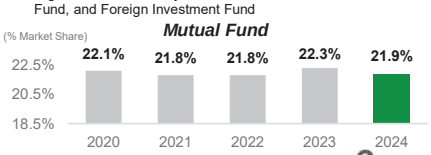


#1 Retail spending volume

- K PLUS users grew to 23.1 million users (ranked #1), with commercial launch of consolidated financial portfolio management and budget monitoring.
- Commercial launch one stop travel companion service for outbound tourist "K+ Go Inter" on K PLUS
- Maintained top position of debit card spending volume over 40% market share by delivering value and benefits that match customer lifestyles

#1 Mutual Fund AUM

- Highest share 21.9% in Y2024
- Highest share in Money Market & Fixed Income Fund, Balance Fund, and Foreign Investment Fund



#1 Credit Card spending

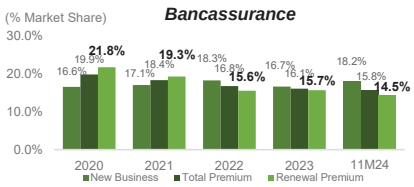
with 20.5% market share in 11M24

#2 Number of Cards

- with 14.5% market share in 11M24
- Card-accepting merchant services (online & offline platforms): ranked #1, with 35% market share by sales volume

#2 Bancassurance Premium

- MTL ranked 2nd in new business, renew and total premium with 11M24 market share of 18.2%, 14.5%, and 15.8%, respectively.



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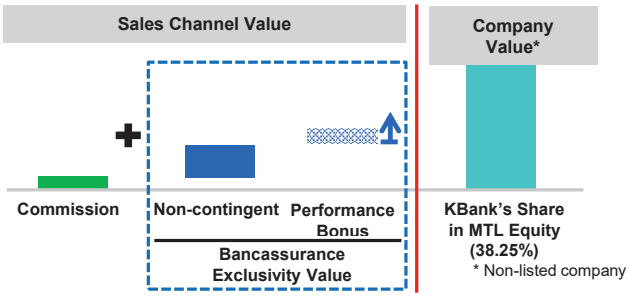
KBank and MTL Enter the 10 Years Bancassurance Agreement

- This transaction is a connected transaction, per Thai regulations, as it is conducted with MTL, a subsidiary which KBank effectively holds 38.25% shares. **This transaction does not require shareholder approval at the Shareholders' Meeting as it is a normal business transaction conducted with general trading conditions**.
- KBank deems this transaction as a very important transaction. As such, **KBank wants to solicit shareholder participation in the decision so as to enhance transparency and be consistent with good corporate governance practices**.
- KBank's Board of Directors resolved to submit the transaction for shareholder approval at the **Extraordinary General Meeting of Shareholders on August 26, 2021**, and the Extraordinary General Meeting approved the transaction.
- KBank views the continuity of distributing the life insurance products of MTL according to this new Bancassurance Agreement, will:
  - Provide maximum benefits to KBank's overall insurance business value;
  - Provide more favorable conditions and greater benefits to KBank;
  - Continue the cooperation through a 10-years relationship with MTL, a leading life insurance company;
  - Cause no disruption in business operations with MTL and services provided to KBank customers.
- KBank appointed **three external independent advisors** to provide opinions on the transaction.
- Key transaction summary of this exclusivity bancassurance agreement :
  - KBank will receive payment of **Bt 12.7 bn and annual performance bonus**, in return for distributing MTL's life insurance products, health and critical illness insurance products.
  - Amortization of BA agreement value (Bt 12.7 bn) and performance bonus will be recorded in non-interest income in Bank only financial statement and in non-controlling interest in consolidated financial statement.

Total Economic Value

- KBank still effectively owns 38.25% of MTL's equity. Bilateral negotiation is a balancing act.



- Potential destruction to our economic value caused by MTL having to find other sales channel replacement is high. Better value accretion can be achieved through this business alignment.
- We considered the overall economic value to KBank from both sales channel value and company value i.e. if sales channel value increases, company value will decline.

Impacts on Income Statement

- Bancassurance Agreement has impacts on following components in the income statement:

KBank (Bank only):
Non-interest income: + Bt 1,270 mn (average payment per year)
+ Performance Bonus

MTL:
Non-interest expense: + Annual Payment

Consolidated KBank:
Non-controlling interest: ⬇ 61.75% x annual payment after tax
Consolidated net profit: ⬆ 61.75% x annual payment after tax

- If NPE improves from this arrangement, KBank's consolidated income and MTL's NPE will rise.

Note:
- Annual payment = Bt1,270 mn (average payment per year) + performance bonus
- NPE = Net Premium Earned
- An average payment per year of exclusivity fee has been recognized on a monthly basis, starting from January 1, 2022 onwards.

KBank: Risk and Credit Management

KBank Risk Management Structure

- **The Bank's organization is structured to facilitate all aspects of risk management; each business unit's responsibilities and segregation of duties are clearly identified in accordance with good internal-control practices**

Board of Directors

Risk Oversight Committee — **Audit Committee**

- Approve risk appetite and all risk management policies and guidelines
- Oversee effectiveness of consolidated risk management framework

Management Committee

- Credit Risk Management Sub-committee
- Asset and Liabilities Management Sub-committee
- Market Risk Management Sub-committee
- Capital Management Sub-committee
- Operational Risk Sub-committee
- Business Continuity Management Sub-committee
- Information Technology Strategy Sub-committee
- Digital Oriented Risk, Data and Cyber Security and IT Risk Management Sub-committee
- Sustainable Development Sub-committee
- Digital Asset Sub-committee

- Ensure effectiveness of overall risk management of the financial conglomerate
- Establish risk management policies and risk appetites. Set risk limits for significant aspects of the various risks
- Formulate strategies for the organization and resources to be used for risk management, in line with risk management policy
  This strategy must enable the effective analysis, assessment, evaluation, and monitoring of the risk management system

1st Line of defense	2nd Line of defense	3rd Line of defense
Business and Other Units	**Risk Management and Control Units**	**Internal Audit**
CBS/DNW/PBG/CMB/IBB/ WBG/CSI/DAI/ICB/CRM/ BMC/TRN/WMB/CPD/ TS/CSF/KBTG	ERM/LCO	ADD

- Business units are responsible for continuous and active management of all relevant risk exposure, in line with returns and risk appetite
- Risk management units are responsible for providing independent and objective views on specific risk-bearing activities to safeguard the integrity of the entire risk process. Control units are set to ensure that risk levels are in line with our risk appetite
- Internal Audit is independent and responsible for evaluating options to add value and improve the effectiveness of risk management, control, and governance processes of the Bank and its subsidiaries

CBS = Corporate Business Division, DNW = Distribution Network Division, PBG = Private Banking Group, CMB = Capital Markets Business Division, IBB = Investment Banking Business Division, WBG = World Business Group, CSI = Corporate Strategy and Innovation Division, DAI = Data Intelligence and IT Integration Division, ICB = Integrated Channels Business Division, CRM = Customer Relationship Management and Segmentation Division, BMC = Branding and Marketing Communication Division, TRN = Transaction Banking Business Division, WMB =Wealth Management and Bancassurance Division, CPD = Credit Products Business Division, TS = Central Treasury Department, CSF = Customer and Enterprise Service Fulfillment Division, KTBG = KASIKORN BUSINESS - TECHNOLOGY GROUP, ERM = Enterprise Risk Management Division, LCO = Legal and Compliance Office, ADD = Audit Division

KBank Credit Approval Process

	Corporate	SME (Medium)	SME (Small & Micro)	Retails (Housing)	Retail (Unsecured Loans)
Approval Process	Credit Underwriting Dept.		SME Credit and Housing Loan Approval Dept.		Payment Service Fulfillment Department
	Policy Lending • Sufficiency of cash flow • Growth trends and ability to compete • Management experience and depth • Leverage, Liquidity, Asset Quality, ESG factors • Credit Risk Mitigation • Facilities Structure		**Formula Lending** • Customer Integrated Credit Scorecard • Application Score (SME Only) • FICO Score • Bureau information/Credit history • Debt service capacity • LTV		**Formula Lending** • Customer Integrated Credit Scorecard • FICO Score • Bureau information/Credit history • Debt service capacity
Post Approval	Credit Service Fulfillment Dept.				Automated by system (FLP)
	• Legal document • Limit set up				• Legal document • Limit set up
	Corporate Business Div. & Distribution Network Div.		Asset Quality Strategic Management Dept.		
	• Customer Review by Relationship Manager (RM) • Credit Portfolio Monitoring Unit to facilitate in customer monitoring • Credit Clinic for consultation		• Automated collection system • Efficiently utilize available behavior scoring and collection tools i.e. SMS, automated letter generation, phone-based collection		
	Bank-wide Risk Asset Review				

Note: FICO = Fair Isaac Corporation

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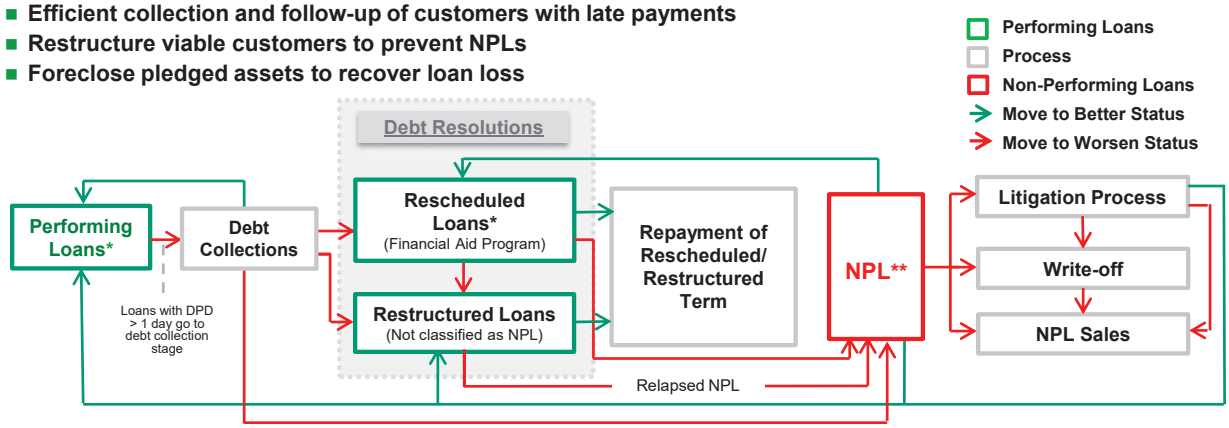
KBank Credit Risk Management Process: Collection and Recovery

Collection & Recovery Flow

- Efficient collection and follow-up of customers with late payments
- Restructure viable customers to prevent NPLs
- Foreclose pledged assets to recover loan loss



Note:
* Rescheduled Loans are loans (no passed due date) that have changed payment conditions and not incurred losses. (Loans in the Financial Aid Program is a part of Rescheduled Loans)
* Financial Aid Program helps customers during the bad macro business condition such as the big flood in 2011, the political unrest in 2014 and COVID-19 in 2020.
* Performing loans = Pass Loans (loans passing the due date by less than 1 month) and Special Mention Loans (loans passing the due date by more than 1 month but not over 3 months)
** NPLs = Non-performing Loans = loans passing the due date by more than 3 months = Sub-standard Loans, Doubtful Loans, Doubtful of Loss Loans, and restructured loans classified as NPL

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Collection and Recovery

Set up Joint Venture with Asset Management Company

JK Asset Management Co., Ltd. (JK AMC)		ARUN Asset Management Co., Ltd. (ARUN AMC)	
Establishment Date	June 2022	**Establishment Date**	October 2024

Benefit to KBank

- Enhancing capabilities of asset quality management; asset management learning from expertise; maximize recovery
- Offering borrowers more options for settling their debt that are suited to their debt servicing ability
- Strengthening balance sheet and sustainable returns
  - **Balance Sheet:** ↑ Cash and room for new good loans
    ↓ NPL, NPA and credit cost with insignificant impact on coverage ratio
  - **Income Statement:** ↑ Net profit from higher net interest income from new loans and lower credit cost
    ↑ Net profit from share of profit (loss) from investment using equity method

↓ NPL | ↑ Good Assets | ↑ Coverage Ratio | ↑ NIM – Credit Cost | ↑ ROE

NPL Outflow Effectiveness

NPL Outflow Management	2019	2020	2021	2022	2023	2024
Write – off (bn)	26.4	21.5	27.4	59.0	14.1	22.3
NPL Sales (bn) (1)	7.1	6.8	0	72.0	78.4	30.0

Note: 1) NPL sales = legal claim amount, not book value of transferring amount

TFRS9: Asset Class and Expected Credit Loss

Asset Class (Defined by Incremental Risks: New definition of SICR and Modified Loans)

Stage 1: Perform	Stage 2: Underperforming	Stage 3: Non-performing
New or good assets	Assets with "> 30 Days Past Due" or higher credit risk than origination capturing via risk information eg. Credit scoring, PD change etc.	Defaulted assets

Expected Credit Loss (ECL): PD x LGD x EAD

Probability of Default (PD)

Stage 1: Performing	1 Year
Stage 2: Under-performing	Lifetime
Stage 3: Non-performing	Lifetime

Incorporate forward looking over lifetime

- Macro-factor is captured through PD point-in-time

Define relevant economic factors & scenario → Incorporate through PD point-in-time → Derive term structure PD & ECL by scenario → Weight with probability for final ECL

- Term structure PD is derived over behavioral life
- Multi-scenario is weighted to come up with final Expected Credit Loss (ECL)

Loss Given Default (LGD)

Incorporate recovery from both collateral and cash payment

Exposure at Default (EAD)

Combination of drawn and undrawn as credit exposure

- It is an accounting complication to treat drawn ECL as assets contra and undrawn ECL as liabilities, while to risk, both are "credit exposure"
- Drawn is "outstanding amount + EIR adjustment"; Undrawn is "outstanding amount x conversion factor"

"Drawn" Principal + Accrued Interest ± EIR adjustment

"Undrawn" Notional x CCF

CCF could be regulatory CCF or behavioral CCF

Note: Significant Increase in Credit Risk (SICR) reflects higher risk than origination, but not yet bad quality; modified loans are loans with changing terms and conditions, either good or bad; thus, it can be at any stage
Drawn = Loan amount that customer has already drawn down, which is booked under loans to customers or part of "Interbank and money market items"
Undrawn = Credit facilities that are not utilized yet or credit facilities that are utilized but are booked as contingent liabilities, excluding derivatives; EIR = Effective Interest Rate; CCF = Conversion Credit Factor

Litigation Process

- Litigation process in Thailand takes about 2-3 years

Litigation Process		Period
Lead for Litigation	Document preparation	Approximately 1 month
Pre-court (Notice)	Issue notice & court filing	Approximately 3 months
In Court	Trial / wait for court ruling	Approximately 4-6 months
Execution	Collect payment ruled by court or foreclose	Approximately 4-6 months
Public Auction	Liquidation process	Approximately 6-9 months

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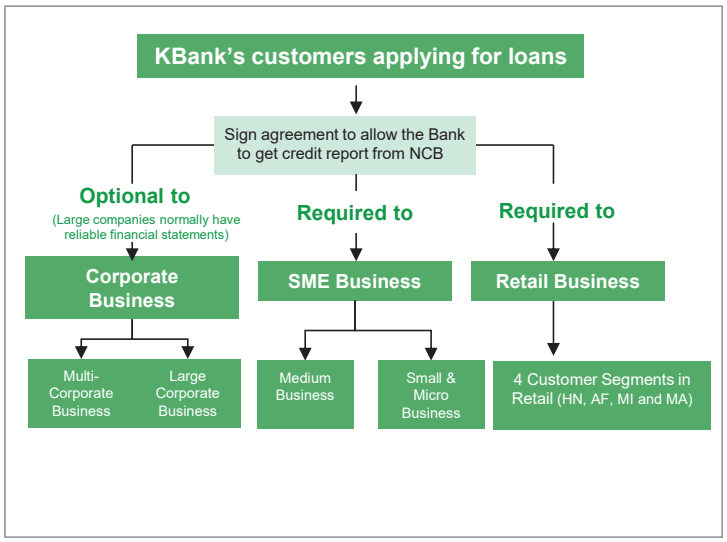
Credit Bureau Summary

National Credit Bureau (NCB)*

- **Two Types of Credit Reports Offered by NCB:**
  - **Consumer credit report for individuals**
  - **Commercial credit report for businesses**
- **Credit report (monthly reported by members)**
  - **Customer information** (Name, address, identification number, birth date, occupation, etc.)
  - **Credit information** (History of application, approval history, loan payment history, etc.)
- **Data Record of Credit Report**
  - **Individuals:** Credit report remains on file for 3 years
  - **Businesses:** Credit report remains on file for 3 years
- **Members:** Financial institutions including commercial banks, specialized financial institutions (SFIs), non-bank financial institutions, finance companies, securities companies, insurance companies, etc.

KBank Practice



Note: * The concept of a credit bureau started in 1961 and central credit registration started in 1964. The Central Information Service was established in 1999 and its name was changed to Central Credit Information Service in 2000 and to the National Credit Bureau in 2005

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Proactive risk management to counter economic slowdown and high household debt

- Continue to deploy proactive credit portfolio / risk management / asset quality management to mitigate adverse impact from customers with significant credit deterioration, prolonged economic recovery, and high household debt

Corporate Business

- Focus on high potential industries less impacted by economic slowdown
- Closely monitor customers in high risk industries and supply chains
  - Actively monitor early warning signs
  - Promptly respond to adverse events
- Continuously improve credit monitoring tools to proactively alert to signs of credit deterioration
- Enhance efficiency of credit processes for customers with different risk profiles

SME Business

- Selective on quality of customers
- Proactive risk management by visiting customers; raise productivity of sales teams and relationship managers
- Closely monitor customers in high risk industries and supply chains
  - Actively monitor early warning signs
  - Promptly respond to adverse events
- Continuously improve credit monitoring tools to proactively alert to signs of credit deterioration
- Efficient collection processes
- Enhance efficiency of credit processes for customers with different risk profiles

Retail Business

- Selective on high-value customers regarding prevailing BOT regulations and the Bank's policies
- Review credit policies to be consistent with current situation
  - Increase the minimum income for personal loan approval to reduce credit risk
  - Additional income documentation is required when applying for a personal loan to prevent fraud
- Proactive and efficient collection processes based on the Bank's models
- Analyze behavior regularly to identify weak spots
- Enhance efficiency of credit processes for customers with different risk profiles
- Debt service capability criteria: To ensure customers have sufficient residual income in place to cover their cost of living, following Responsible Lending Guidelines

Cyber Security

- Enhance comprehensive cyber security and IT capabilities, addressing and aligning critical capabilities to fortify cyber security

Vision Statement

Protect KBank's Cyber Assets & Reputation and Deliver Secure, Resilient, & Trustworthy services to customers

Customer Promise

Protect Customer Assets with KBank	Provide secure services	Ensure care and timely response for any cyber incidents

Strategy

Digital Fraud Protection & Digital Channel Availability	Strengthen IT & Cyber Resilient Capabilities	Uplift Risk Mgmt & Governance for Third Parties and Subsidiaries
Reduce loss of customer due to digital fraud & cyber crime and improve system availability of critical services	Continue to enhance prevention, detection, response & recovery capabilities	Continue to uplift cybersecurity maturity of subsidiaries and management of 3rd party risks

Strategic Capabilities

1. Effective Risk Identification
2. Advanced Threat Prevention
3. Situation Awareness and Threat Detection
4. Effective Incident Response and Recovery
5. Cyber Hygiene Culture

KBank: Financial Performance

Note: The Bank and its subsidiaries have adopted new accounting standards (TFRS 9: Financial Instruments) since January 1, 2020 onwards. Some financial statements and financial ratios are not comparable with previous years' financial figures before Y2020, which were based on the prior accounting standards (non-TFRS9)

2024 Performance Highlights

Consolidated	2022	2023	1Q24	2Q24	3Q24	4Q24	2024
Net Profit (Bt bn)	35.77	42.41	13.49	12.65	11.97	10.49	48.60
Profitability							
- NIM	3.33%	3.66%	3.76%	3.67%	3.61%	3.52%	3.64%
- ROE*	7.38%	8.29%	9.99%	9.54%	8.74%	7.75%	8.99%
- ROA	0.86%	0.99%	1.25%	1.18%	1.11%	0.97%	1.13%
- YTD Loan growth	3.03%	(0.19%)	(1.07%)	(0.11%)	(2.28%)	0.57%	0.57%
- YoY Loan growth	3.03%	(0.19%)	(0.05%)	1.56%	(0.18%)	0.57%	0.57%
- YoY Net fee income growth	(6.89%)	(5.17%)	2.28%	4.72%	8.06%	12.20%	6.73%
- YoY Non-interest income growth	(8.42%)	9.81%	(0.64%)	14.00%	28.01%	2.45%	9.86%
Cost control							
- Cost to income	43.15%	44.10%	41.30%	43.40%	44.17%	47.59%	44.09%
Asset quality							
- NPL ratio	3.19%	3.19%	3.19%	3.18%	3.20%	3.18%	3.18%
- Credit Cost	2.11%	2.08%	1.89%	1.89%	1.89%	1.98%	1.89%
- Coverage ratio	154.26%	152.23%	150.35%	151.87%	150.72%	153.27%	153.27%
Loans to Deposits	90.77%	92.25%	91.17%	93.37%	87.85%	92.12%	92.12%
Tier 1 Ratio	16.84%	17.44%	17.42%	17.46%	18.59%	18.27%	18.27%
CAR	18.81%	19.41%	19.37%	19.42%	20.58%	20.25%	20.25%

Note: - Under Bank of Thailand regulations, net profit in the first half of the year is counted as capital after approval by the Board of Directors as per Bank regulations. Net profit in the second half of the year is counted as capital after approval of the General Meeting of Shareholders. However, when a net loss occurs, the capital must be reduced immediately.

- Capital Adequacy Ratio (CAR) has been reported in accordance with Basel III Capital Requirement from January 1, 2013 onwards. CAR is based on KASIKORNBANK FINANCIAL CONGLOMERATE. KASIKORNBANK FINANCIAL CONGLOMERATE means the company under the Notification of the Bank of Thailand re: Consolidated Supervision, consisting of KBank, K Companies, and subsidiaries operating in supporting KBank, Phethai Asset Management Co., Ltd., and other subsidiaries within the permitted scope of the BOT's definition to be a financial conglomerate

* ROE = Net profit (attributable to equity holders of the Bank) deduct dividend from other equity instruments after income tax divided by average equity of equity excluded other equity instruments

- 2024 net profit improved 14.60% YoY, driven by continued execution of the 3+1 strategic priorities, resulting in higher fee income and efficient OPEX management despite slow revenue growth. Although ECL decreased YoY, we remain cautious, setting aside ECL each quarter to address uncertainties, including the sluggish economic recovery.
- Loans grew marginally by 0.57% YoY, mainly supported by the corporate sector and home loans, while SMEs, personal loans, and auto loans declined. The loan portfolio strategy remains centered on enhancing asset quality and optimizing risk-adjusted returns.
- NIM slightly decreased to 3.64%, in line with our focus on strengthening asset quality. However, NIM minus credit cost showed improvement.
- Net fee income increased by 6.73% YoY in line with target range, primarily driven by wealth management and commercial fees, with ongoing emphasis on wealth management business.
- Cost to income ratio at 44.09%. Expense growth aligned with slow revenue growth; continue effective cost management and productivity improvements, as well as investments to support K-Strategy and future growth.
- NPL ratio stood at 3.18%, with coverage ratio rising to 153.27%.
- Credit cost was 189bps, aligning with target range, at high level to safeguard against future uncertainties. Maintain prudent and precautious policy with credit cost to reach normalized level in 2025.
- Capital base remained sufficient to support business growth and maintain financial stability.

Consolidated Financial Statements

Statements of Comprehensive Income (Bt mn)	2022	2023	4Q23	1Q24	2Q24	3Q24	4Q24	2024
Interest income	151,333	183,608	48,716	48,641	47,766	46,874	46,159	189,440
Interest expenses	18,334	35,164	9,867	10,113	10,298	9,838	9,815	40,064
Interest income - net	**132,998**	**148,444**	**38,849**	**38,528**	**37,468**	**37,036**	**36,345**	**149,376**
Fee and service income	48,345	48,620	12,038	12,955	12,643	13,102	13,423	52,123
Fee and service expenses	15,463	17,440	4,488	4,657	4,565	4,669	4,952	18,843
Fee and service income - net	**32,882**	**31,181**	**7,550**	**8,299**	**8,078**	**8,432**	**8,470**	**33,279**
Gain (Loss) on financial instrument measured at FVTPL	5,053	12,123	4,130	3,212	3,176	3,658	3,159	13,206
Share of profit (loss) from investments using equity method	115	(35)	42	197	227	288	269	981
Gain (Loss) on investments	(130)	(588)	(453)	(58)	(12)	69	46	45
Net premium earned	66,056	67,674	17,984	16,042	14,604	15,967	20,564	67,177
Other operating income	2,123	3,058	1,341	719	865	613	755	2,952
Total operating income	**242,542**	**265,426**	**70,064**	**67,916**	**65,569**	**66,928**	**70,130**	**270,543**
Underwriting expenses	69,285	72,772	19,170	17,764	15,140	18,248	21,445	72,597
Total operating income - net	**173,258**	**192,654**	**50,895**	**50,152**	**50,429**	**48,679**	**48,685**	**197,946**
Total other operating expenses	**74,753**	**84,968**	**24,508**	**20,713**	**21,888**	**21,501**	**23,172**	**87,273**
Earning Before Provision and Tax	**98,505**	**107,685**	**26,387**	**29,439**	**28,541**	**27,179**	**25,514**	**110,673**
Expected Credit Loss	51,919	51,840	13,572	11,684	11,672	11,652	12,242	47,251
Operating profit before income tax expenses	46,585	55,845	12,815	17,755	16,869	15,527	13,271	63,422
Income tax expenses	8,633	10,778	2,617	3,403	3,224	3,203	2,572	12,402
Net profit attributable:								
Equity holders of the Bank	**35,769**	**42,405**	**9,388**	**13,486**	**12,653**	**11,965**	**10,494**	**48,598**
Non-controlling interest	2,183	2,662	810	867	991	358	205	2,421

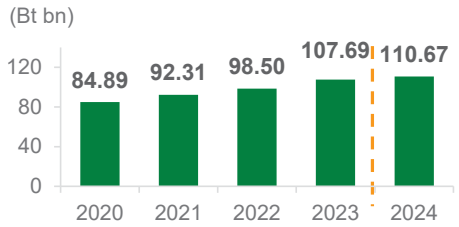
Statements of Financial Position (Bt mn)	2022	2023	4Q23	1Q24	2Q24	3Q24	4Q24	2024
Loans to customers	2,495,077	2,490,398	2,490,398	2,463,771	2,487,593	2,433,613	2,504,565	2,504,565
Total Assets	4,246,369	4,283,556	4,283,556	4,318,809	4,247,540	4,367,025	4,325,287	4,325,287
Deposits	2,748,685	2,699,562	2,699,562	2,702,266	2,664,259	2,770,120	2,718,675	2,718,675
Total Liabilities	3,679,289	3,686,721	3,686,721	3,703,156	3,636,283	3,748,292	3,693,672	3,693,672
Total Equity attributable to equity holders of the Bank	503,270	532,285	532,285	548,220	544,471	551,119	563,352	563,352

Note: - KBank acquired additional ordinary shares in MTGH, to hold a 51% stake valued at Bt7,529mn; the MTGH Acquisition was completed on November 30, 2009. As the MTGH acquisition was completed on November 30, 2009, the Bank's consolidated financial statements from 2010 include the performance of companies in the MTGH Group for the whole year.

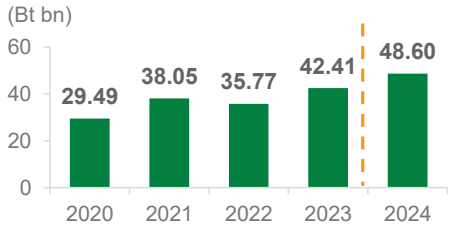
Earnings Before Provision and Tax (EBPT) and Net Profit

December 2024 (Consolidated)

EBPT



Net Profit



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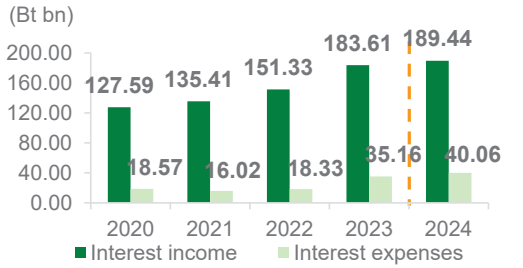
	2020	2021	2022	2023	2024	1Q24	2Q24	3Q24	4Q24
EBPT (Bt bn)	84.89	92.31	98.50	107.69	110.67	29.44	28.54	27.18	25.51
EBPT Growth (% YoY)	(3.27%)	8.73%	6.72%	9.32%	2.77%	9.93%	4.84%	(0.42%)	(3.31%)
Net Profit (Bt bn)	29.49	38.05	35.77	42.41	48.60	13.49	12.65	11.97	10.49
Net Profit Growth (% YoY)	(23.86%)	29.05%	(6.00%)	18.55%	14.60%	25.55%	15.09%	6.06%	11.78%

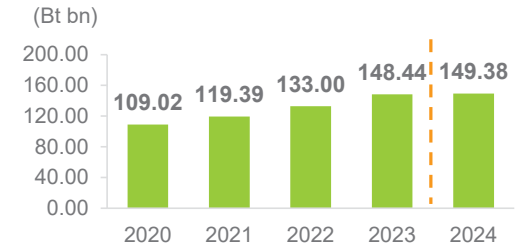
Interest Income - net

December 2024 (Consolidated)

Interest Income and Interest Expenses



Interest Income - net



- 2024 net interest income sightly increased 0.63% YoY, partly due to limited loan growth in line with the economic situation and our focus on strengthening asset quality.

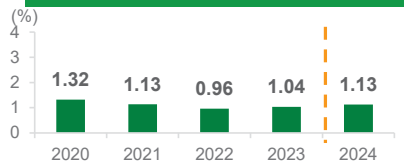
	2020	2021	2022	2023	2024	1Q24	2Q24	3Q24	4Q24
Interest Income (Bt bn)	127.59	135.41	151.33	183.61	189.44	48.64	47.77	46.87	46.16
Interest Expenses (Bt bn)	18.57	16.02	18.33	35.16	40.06	10.11	10.30	9.84	9.81
Interest Income - net (Bt bn)	109.02	119.39	133.00	148.44	149.38	38.53	37.47	37.04	36.34
Interest Income - net (% Growth YoY)	6.17%	9.51%	11.40%	11.61%	0.63%	10.47%	2.09%	(2.59%)	(6.45%)

Note: Contributions from MTL's insurance business to KBank include non-interest income (e.g. net-premium earned-net), and interest income (e.g. interest income from investment portfolio); however, all income sources from MTL will be netted with non-controlling interests.

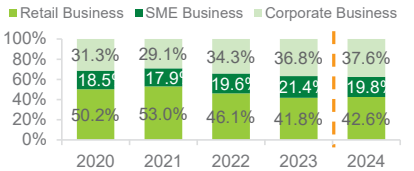
Non-interest Income and Structure

December 2024 (Consolidated)

Non-interest Income to Average Assets

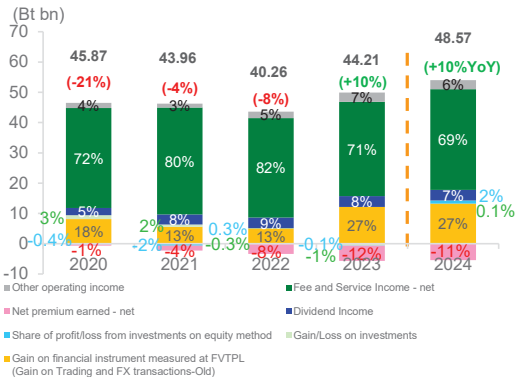


Non-interest Income by Business*

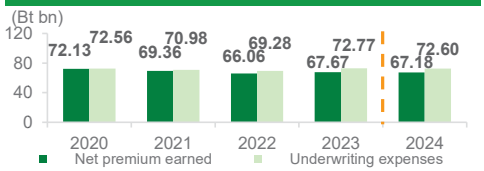


* Non-interest income excludes capital market business, treasury business and others

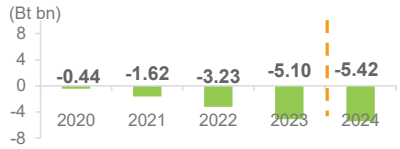
Non-interest Income Structure



Net Premium Earned and Underwriting Expenses



Net Premium Earned – net



Contributions from MTL's insurance business to KBank include non-interest income (e.g. net-premium earned-net), and interest income (e.g. interest income from investment portfolio); however, all income sources from MTL will be netted with non-controlling interests.

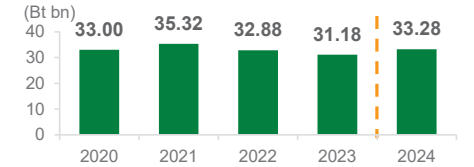
	2020	2021	2022	2023	2024	1Q24	2Q24	3Q24	4Q24
Non-interest Income (Bt bn)	45.87	43.96	40.26	44.21	48.57	11.62	12.96	11.64	12.34
Non-interest Income Growth (%YoY)	(20.65%)	(4.17%)	(8.42%)	9.81%	9.86%	(0.64%)	14.00%	28.01%	2.45%
Non-interest Income Ratio (%)	29.61	26.91	23.24	22.95	24.54	23.18	25.70	23.92	25.35

Note: - Net Premium Earned - net = Net Premium Earned less Underwriting Expense

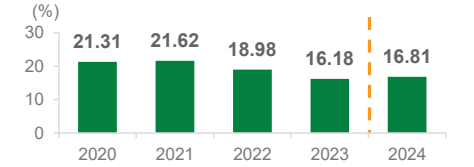
Net Fee Income and Structure

December 2024 (Consolidated)

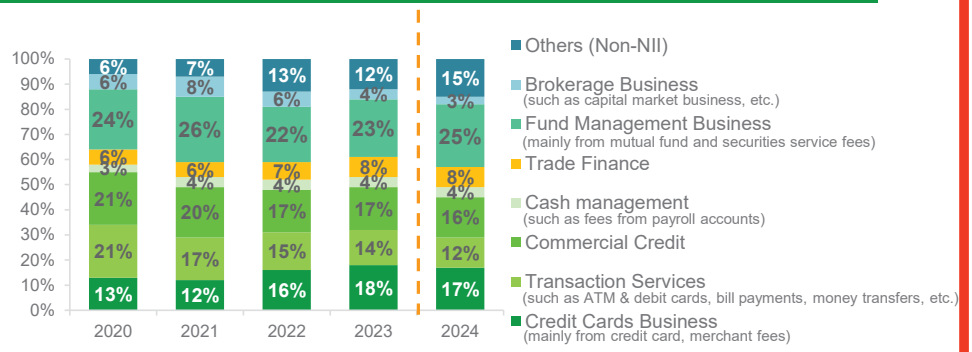
Net Fee Income



Net Fee Income to Net Total Operating Income



Net Fee Income by Products



- 2024 Net fee income increased 6.73% YoY, mainly from wealth management and commercial fees; continue focusing on the wealth management business.

	2020	2021	2022	2023	2024	1Q24	2Q24	3Q24	4Q24
Fee Income (Bt bn)	45.70	48.63	48.35	48.62	52.12	12.96	12.64	13.10	13.42
Fee Income-net (Bt bn)	33.00	35.32	32.88	31.18	33.28	8.30	8.08	8.43	8.47
Fee Income Growth (%YoY)	(9.65%)	6.41%	(0.58%)	0.57%	7.20%	3.41%	6.45%	7.59%	11.50%
Net Fee Income Growth (%YoY)	(10.17%)	7.01%	(6.89%)	(5.17%)	6.73%	2.28%	4.72%	8.06%	12.20%
Net Fee Income to Net Operating Income Ratio (%)	21.31	21.62	18.98	16.18	16.81	16.55	16.02	17.32	17.40

Note: - On the consolidated basis, Bancassurance fees are not included in net fee income since November 30, 2009, due to the elimination of inter-company transactions (the accounting treatment from the Muang Thai Group Holding consolidation)
- Loan related fee in 2024 was 15% of loan related and non-loan related fees - net

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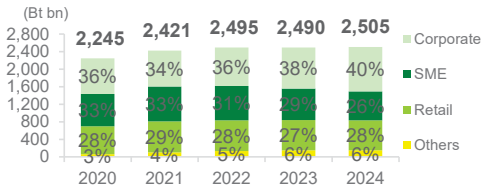
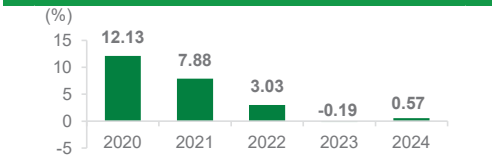
Loan Structure and Loan Growth

December 2024 (Consolidated, TFRS 8: Operating Segments*)

Loan Portfolio Structure



Loan Growth (% YoY)



Loan Portfolio

Consolidated	Amount (Bt bn) Dec 23	Amount (Bt bn) 2024	2024 Loan Growth (%)	2024 Yield Range (%)	Y2025 Loan Growth Target (%)
Corporate Loans	935	1,013	8.4%	3-5%	-2% to 0%
SME Loans	719	656	(8.7%)	6-8%	-2% to 0%
Retail Loans	684	688	0.5%	6-8%	5% to 7%
Other Loans	153	148	(3.3%)		
Total Loans[1)]	2,490	2,505	0.6%	5.9%	Flat

Note: From time to time, the Bank has adjusted loan definitions based on loan portfolio management; thus, the latest loan base is not comparable with previous reports.
[1)] Other loans through the World Business Group were included. In Y2024, WBG loans were Bt102bn, decreasing 2.1% YoY

Loan by Retail Products (All Segments)**

(Amount in Bt bn)	Dec 23	Y2024	Y2023 Loan Growth (%)	Y2024 Loan Growth (%)	% Portion to Total Loan
Housing Loans	426	436	(3.9)	2.5	17.4
Credit Cards	108	107	(1.5)	(1.0)	4.3
Consumer Loans	61	50	(16.6)	(19.1)	2.0
KLeasing	153	147	11.7	(4.2)	5.9

	2020	2021	2022	2023	2024	1Q24	2Q24	3Q24	4Q24
Loans (Bt bn)	2,245	2,422	2,495	2,490	2,505	2,464	2,488	2,434	2,505
Loan Growth (% YoY)	12.13%	7.88%	3.03%	(0.19%)	0.57%	(0.05%)	1.56%	(0.18%)	0.57%
Loan Growth (% YTD)	12.13%	7.88%	3.03%	(0.19%)	0.57%	(1.07%)	(0.11%)	(2.28%)	0.57%

Note: * Since 1Q13, as per the Bank of Thailand's requirement, the Bank has complied with TFRS 8 (Operating Segments) to present operating results for each key segment in financial reports.
** From December 2021 onwards, KBank's housing loans include housing loans and all retail secured loans.

Loan Definition - **Corporate Loans:** Loans Loans of KBank and KBank's Subsidiaries in Corporate Segments (Annual sales turnover > Bt400mn); **SME Loans:** Loans in SME Segments (Annual sales turnover ≤ Bt400mn); **Retail Loans:** Loans in Retail Segments; **Other Loans:** Composed of loans through the World Business Group, the insurance business (MTL), and other loan types not directly attributable to the main business groups. Since Y2020 onwards, loans in Enterprise Risk Management Division (NPL + Performing Restructured Loans) were reclassified to their customer segments.
- **Housing Loans:** KBank's housing loans and all retail secured loans; **Credit Cards:** KBank's credit card loans to all eight customer segments; **Consumer Loans:** KBank's retail unsecured loans; **KLeasing:** KLeasing's loans to all eight customer segments

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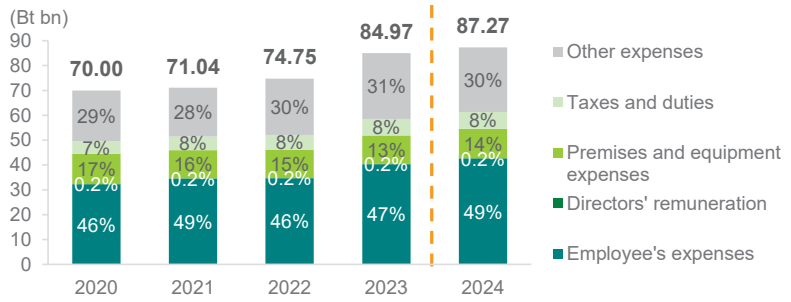
Other Operating Expenses

December 2024 (Consolidated)

Other Operating Expenses Structure



- 2024 other operating expenses increased 2.71% YoY mainly due to employee expenses, marketing expenses in line with the business volume, and IT-related expenses to support the expansion of customer service channels.

	2020	2021	2022	2023	2024	1Q24	2Q24	3Q24	4Q24
Other Operating Expenses (Bt bn)	70.00	71.04	74.75	84.97	87.27	20.71	21.89	21.50	23.17
Other Operating Expenses Growth (%YoY)	(3.76%)	1.50%	5.22%	13.67%	2.71%	4.65%	4.99%	8.48%	(5.45%)

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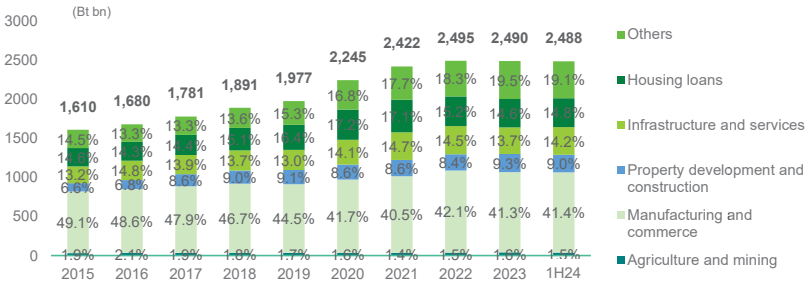
Loan Portfolio Breakdown by Business, Residency of Borrowers, and Maturity of Interest Repricing

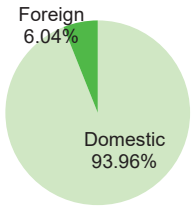
June 2024 (Consolidated)

Loan Portfolio by Business*

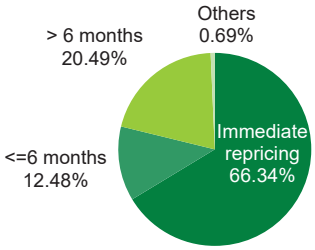


Definition of Loans
1) by industry = Gross loans = Loans to customers less deferred revenue
2) by currency = Loans to customers and AIR - net
3) by maturity of interest repricing = Loans to customers less deferred revenue

By Residency of Borrowers (June 2024)*



By Maturity of Interest Repricing (June 2024)*



Loans by Bangkok and Metropolitan vs. Upcountry

Loan by Bangkok and Metropolitan vs. Upcountry										
Proportion of KBank's Outstanding Loans	2015	2016	2017	2018	2019	2020	2021	2022	2023	1H2024
Bangkok and Metropolitan	64%	63%	64%	62%	59%	58%	62%	62%	66%	66%
Upcountry	36%	37%	36%	38%	41%	42%	38%	38%	34%	34%

Note: * The information on loans breakdown by industry, residency of borrowers, and maturity of interest repricing are disclosed on half year basis

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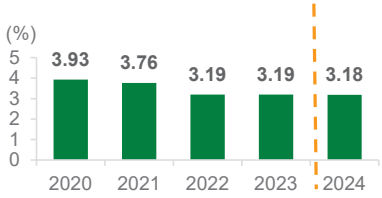
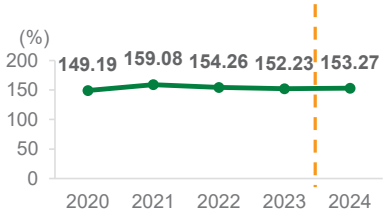
Asset Quality

December 2024 (Consolidated)

NPL Ratio



Coverage Ratio



Classified Loans*

(Bt bn)	2021	2022	2023	2024
Stage 1 Performing	2,130	2,230	2,228	2,215
Stage 2 Under-performing	202	188	185	216
Stage 3 Non-performing	106	93	92	91
Total	2,438	2,511	2,505	2,522

- NPL ratio in 2024 stood at 3.18%, with a coverage ratio rising to 153.27%.
- Maintain prudent and precautious policy with credit cost to reach normalized level in 2025.

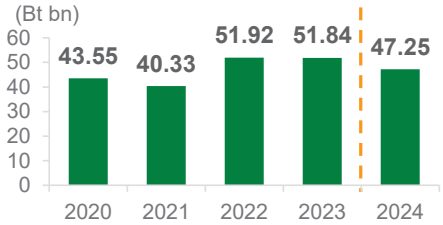
	2020	2021	2022	2023	2024	1Q24	2Q24	3Q24	4Q24
NPL Ratio (%)	3.93	3.76	3.19	3.19	3.18	3.19	3.18	3.20	3.18
Coverage Ratio (%)	149.19	159.08	154.26	152.23	153.27	150.35	151.87	150.72	153.27
Loans with significant increase in credit risk (%)	7.80	7.27	6.47	6.26	7.53	6.25	6.35	6.53	7.53

Note: * Loans to customers and accrued interest receivables: Under TFRS 9, the classified loans are defined by 3 stages based on incremental risks, which cannot directly compare with the previous number these were defined by days past due.

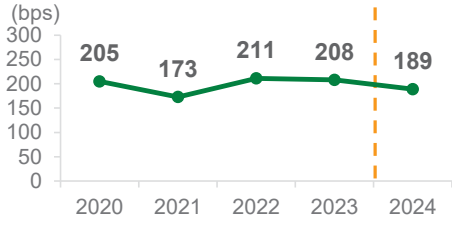
Expected Credit Loss and Credit Cost

December 2024 (Consolidated)

Expected Credit Loss



Credit Cost



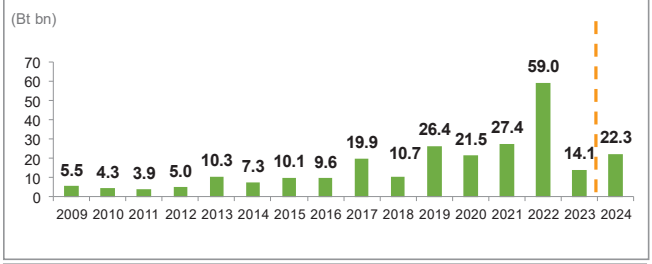
- 2024 Credit cost was 189bps, aligning with target range, at high level to safeguard against future uncertainties. Maintain prudent and precautious policy with credit cost to reach normalized level in 2025.

	2020	2021	2022	2023	2024	1Q24	2Q24	3Q24	4Q24
Expected Credit Loss (Bt bn) (Impairment Loss of Loans and Debt Securities)	43.55	40.33	51.92	51.84	47.25	11.68	11.67	11.65	12.24
Credit Cost (bps)	205	173	211	208	189	189	189	189	198

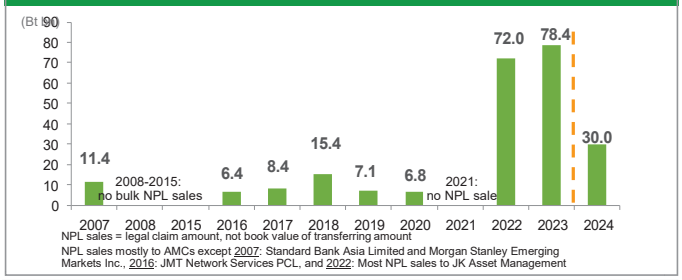
Bad Assets Resolution

December 2024 (Consolidated)

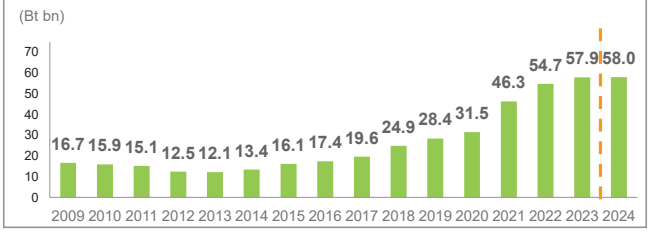
Write-offs



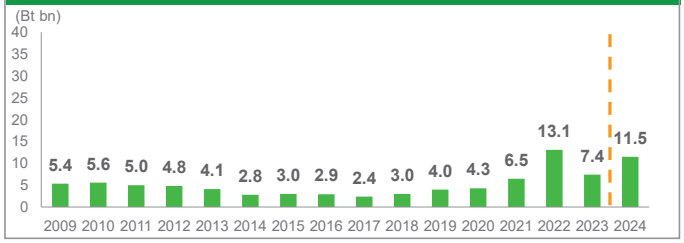
NPL Portfolio Sales



Outstanding Foreclosed Properties



Sales of Foreclosed Properties (KBank only)



Note: On September 11, 2013, the Bank was formally notified of its final loss sharing portion under the asset transfer agreement with TAMC established in October 2001. This amounted to Bt206mn. An amount of Bt1,159mn relating to the provision for losses recorded in prior years has been reversed through profit or loss in 2013.

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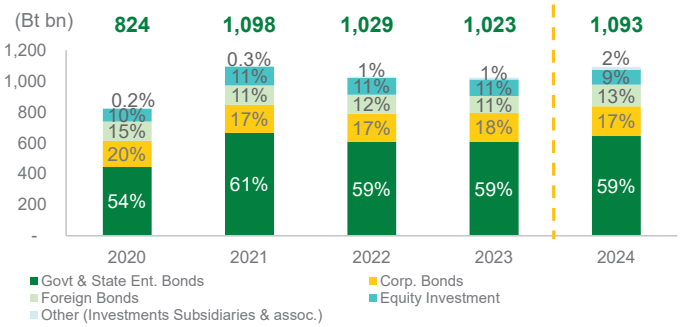
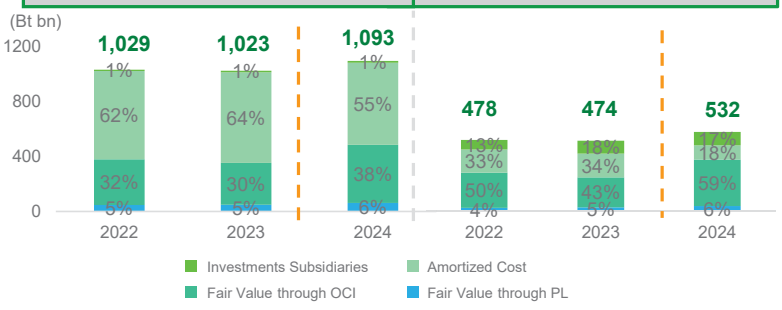
TFRS 9: Investment in Securities Portfolio and Structure

December 2024

Instrument Type (Consolidated)



Financial Assets Classification (TFRS 9)



- KBank's guideline for investment portfolio management is to primarily maintain liquidity in order to support a future change in business conditions. In addition, an investment strategy was established in line with changes in economic conditions and the movement of money markets and capital markets both at home and abroad.

	2020	2021	2022	2023	2024	1Q24	2Q24	3Q24	4Q24
Investment Portfolio (Bt bn)	824	1,098	1,029	1,023	1,093	1,093	1,057	1,040	1,093
Investment Portfolio (% Growth YoY)	6.15%	33.16%	(6.23%)	(0.64%)	6.90%	3.41%	0.25%	0.31%	6.90%

Note: Accounting for investments 1) **Trading**: Stated at fair value (FV). Unrealized gains or losses arising from changes in FV are recognized in the income statement
2) **FVOCI**: Stated at FV. Unrealized gains or losses arising from revaluation are reflected in the equity and bond
3) **AMC**: Stated at amortized cost, after deduction of any allowance for impairment

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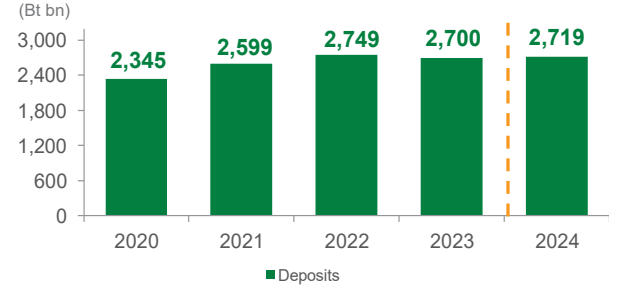
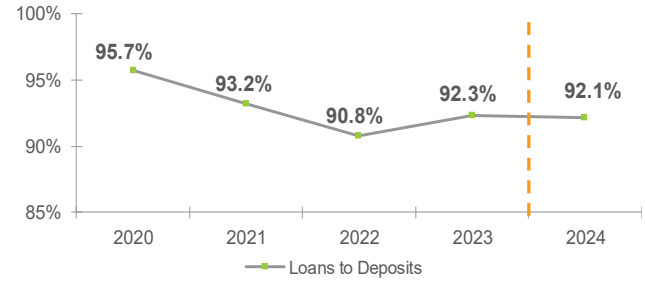
Deposits Growth and Loans to Deposits Ratio

December 2024 (Consolidated)

Deposits



Loans to Deposits Ratio



- Deposits and Loans to Deposits Ratio is in line with peers.

	2020	2021	2022	2023	2024	1Q24	2Q24	3Q24	4Q24
Deposits (Bt bn)	2,345	2,599	2,749	2,700	2,719	2,702	2,664	2,770	2,719
Deposits (% YoY)	13.2%	10.8%	5.8%	(1.8%)	0.7%	(0.4%)	(1.7%)	3.3%	0.7%
Deposits (% YTD)	13.2%	10.8%	5.8%	(1.8%)	0.7%	0.1%	(1.3%)	2.6%	0.7%
Loans to Deposits Ratio (%)	95.7%	93.2%	90.8%	92.3%	92.1%	91.2%	93.4%	87.9%	92.1%

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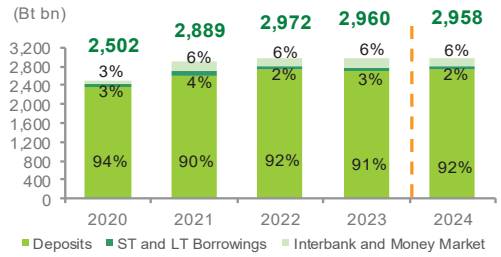
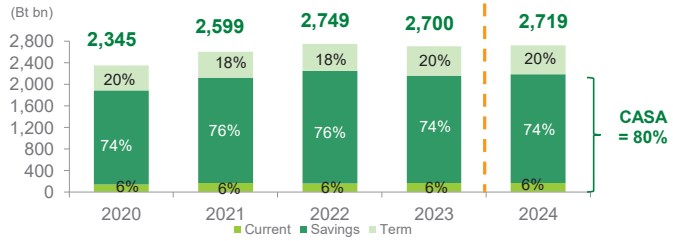
Funding Structure and Interest Rate Movement

December 2024 (Consolidated)

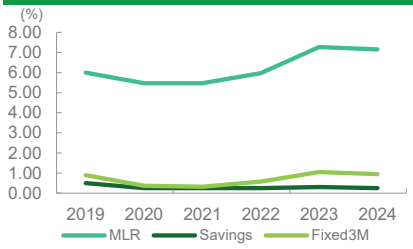
Funding Structure



Deposit Structure



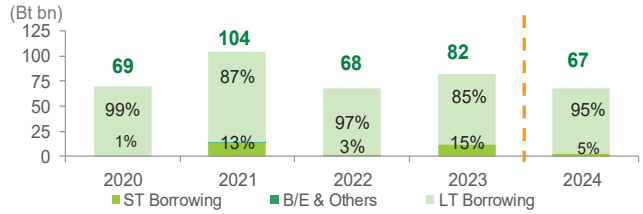
KBank Interest Rate Movement (Retail customers)



Deposit rates (%) (January 23, 2025)	
Savings	0.25
Fixed 3M-12M	0.95-1.50
Fixed 24M-36M	1.80-1.95

Lending rates (%) (January 23, 2025)	
MLR	7.15
MOR	7.34
MRR	7.18

ST and LT Borrowings



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Long-term Senior/Subordinated Debentures

Issue Date	Name	Type	Feature	Amount	Maturity Years	Interest Rate (Per annum)	Interest Payment period	Credit Rating
Long-term Subordinated Debentures								
10/08/2021	Additional Tier 1 Subordinated Notes*	Unsecured	Perpetual NC5.5Y	USD350mn	-	4%	Semi-annually	Ba2 by Moody's
14/10/2020	Additional Tier 1 Subordinated Notes*	Unsecured	Perpetual NC5Y	USD500mn	-	5.275%	Semi-annually	Ba2 by Moody's
02/10/2019	Tier II Subordinated Notes due 2031*	Unsecured	12NC7	USD800mn	12 Years (02/10/2031)	3.343%	Semi-annually	Ba1 by Moody's BB+ by Fitch Ratings
Long-term Senior Debentures								
07/03/2023	Senior Unsecured Notes due 2028*	Unsecured	-	USD600mn	5 Years (07/03/2028)	5.458%	Semi-annually	Baa1 by Moody's BBB by Fitch Ratings
27/12/2022	JPY Sustainability Long-Term Debentures #2**	Unsecured	-	JPY2,520mn	2.1 Years (20/01/2025)	0.655%	On 27/12/23 and 20/01/25	AA+ (tha) by Fitch
15/12/2022	USD Sustainability Long-Term Debentures**	Unsecured	-	USD45mn	3 Years (15/12/2025)	5.34%	Semi-annually	AA+ (tha) by Fitch
15/12/2022	JPY Sustainability Long-Term Debentures #1**	Unsecured	-	JPY2,745mn	3 Years (11/12/2025)	0.86%	Annually	AA+ (tha) by Fitch

Note: * The issued notes are drawn from the Bank's USD4bn Euro Medium Term Note Programme (EMTN)
Note: ** The issued notes are drawn from the Bank's Bt30bn Medium Term Note Program (MTN)

KBank: The wholly-owned subsidiaries, and Muang Thai Life Assurance

The wholly-owned subsidiaries of KBank: Business Profile and Aspiration

December 2024

	KAsset EST. Mar 1992	KResearch EST. Dec 1994	KSecurities EST. Jul 2002	KLeasing EST. Dec 2004	KF&E EST. Jul 1990
Company Name	KASIKORN ASSET MANAGEMENT CO., LTD.	KASIKORN RESEARCH CENTER CO., LTD.	KASIKORN SECURITIES PCL.	KASIKORN LEASING CO., LTD.	KASIKORN FACTORY AND EQUIPMENT CO., LTD.
Company Profile	A leader in fund management business (i.e., mutual funds, provident funds, and private funds)	– Professional in providing knowledge and analysis in economics, business, money and banking, and sustainability-related issues – Only research house which is an affiliate of a bank	Professional in providing a complete range of excellent financial solutions and services, including investment banking, securities underwriting, and securities brokerage	Professional in providing three core products: hire purchase, financial lease, and floor plan	Professional in providing a complete range of machinery and equipment leasing services
Asset Size	Bt3.14bn	Bt0.18bn	Bt25.91bn	Bt127.13bn	Bt23.33bn
Market Share	17.79%	Ranked #1 as a Top-of-Mind Research Center in Thailand	2.77% (#12)	9%[1]	13%
2025 Targets	The Most Trusted Asset Manager	Maintain our status as a top-notch research house in Thailand	Maintain leading position in securities business under local bank parent	Maintain a good asset quality portfolio	Maintain top tier position and focus on good asset quality
3-year Aspiration	The Most Trusted Asset Manager	Maintain our status as a top-notch economic research house in Thailand with an aspiration to be at the forefront of research in Southeast Asia.	Top of mind securities firm	Provide complete range of financial solutions and maintain good asset quality	Top tier leader in sustainability in equipment leasing

Note: [1] Outstanding market share among 6 banks leasing companies (AYCAL, TTB, SCB, KK, TISCO and KL)

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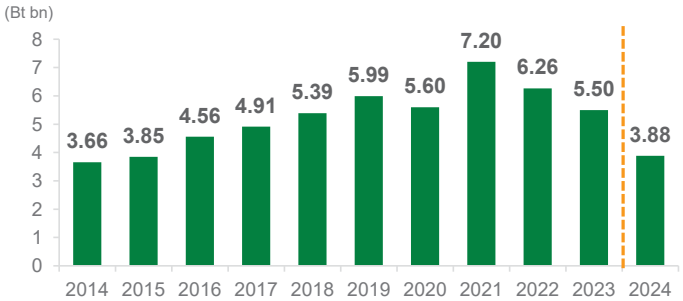
The wholly-owned subsidiaries of KBank: 2024 Key Operating Performance

December 2024

	KAsset EST. Mar 1992	KResearch EST. Dec 1994	KSecurities EST. Jul 2002	KLeasing EST. Dec 2004	KF&E EST. Jul 1990
2024 Key Operating Performance	Assets Under Management (AUM): Bt1.72 trn (9.01% YoY)	Ranked #1 as a Top-of-Mind Research Center in Thailand	- Trading volume: Bt589 bn - Number of customers grew 11% YoY	Outstanding loans: Bt125.84 bn (-17.96% YoY)[1]	EBT : 385.56 MB. (21.35% YoY)

The wholly-owned subsidiaries of KBank: Net Profit



- Net profit dropped from the same period of 2023, -29.46% YoY. However, KBank continues to create synergy among its wholly-owned subsidiaries.

Note: [1] In April 24, KL sold and transferred Car to Cash and Car registration loan good portfolio to Ngern Hai Jai, company under KIV (The existing NPLs of C2C and CRL remain with KL)

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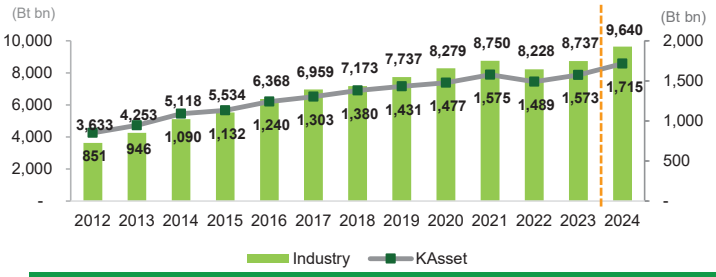
KAsset Highlights in 2024

December 2024

AUM (KAsset vs. Industry)



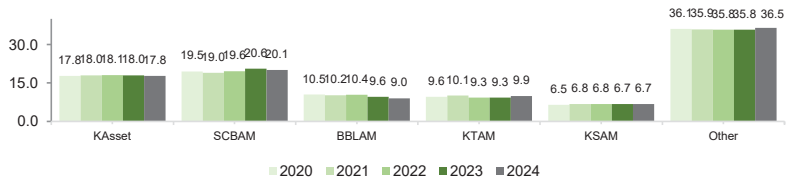
Industry Outlook:

- 2024 industry AUM at Bt9.64trn, increasing 10.3% YoY
- KAsset AUM at Bt1.72trn, increasing 9.01% YoY

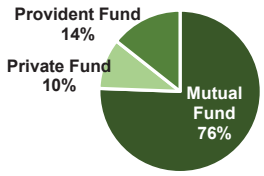
KAsset Highlights:

- Ranked **#1 in Mutual Fund** and **#2** in Provident Fund with market share of 21.9% and 16.3%, respectively
- Ranked **#2** in total AUM with market share of 17.8%
- Mutual fund accounts for 76% of KAsset AUM

Market Share by AUM



KAsset AUM Breakdown by Type



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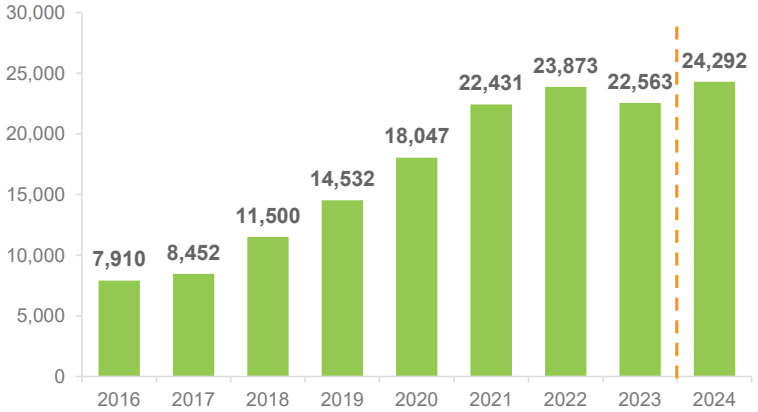
KResearch Highlights in 2024

December 2024

Number of News Quotes



Source : NCX, Isentia, etc.
The number of quotes from the media newspapers online newspaper and other online news.

KResearch Highlights:

- The most quoted private research house in Thailand
- **#1** awareness, being the top-of-mind research house for the public, based on a survey

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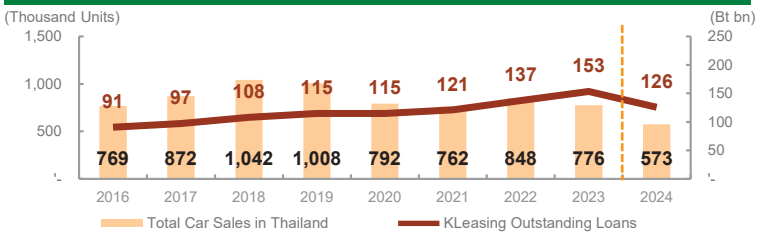
KLeasing Highlights in 2024

December 2024

KLeasing vs. Industry



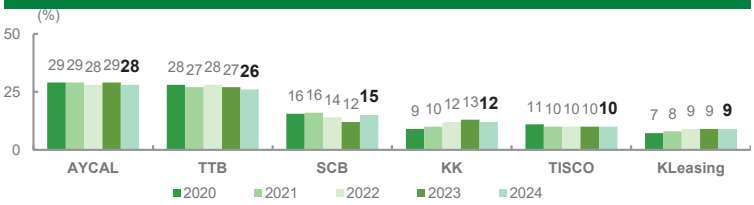
Industry Outlook:

- 2024 industry car sales totaled 573,459 units

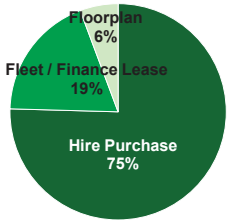
KLeasing Highlights:

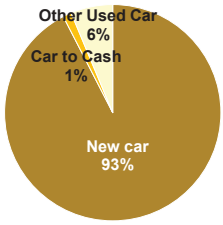
- 2024 KLeasing loans totaled Bt125.84bn, decreasing 17.96% YoY[3]
- 2024 KLeasing NPL ratio was 2.40%

Market Share by Total Outstanding Loans (%)[1]



KLeasing Outstanding Loans Breakdown[2]





Note: [1] Excluding captive and non-bank leasing
[2] New car includes HP New car, Fleet finance, Finance lease (FL) and Floorplan and Used car includes Car to Cash (K-Car / Car registration loan) and other used cars
[3] In April 24, KL sold and transferred Car to Cash and Car registration loan good portfolio to Ngern Hai Jai, company under KIV (The existing NPLs of C2C and CRL remain with KL)

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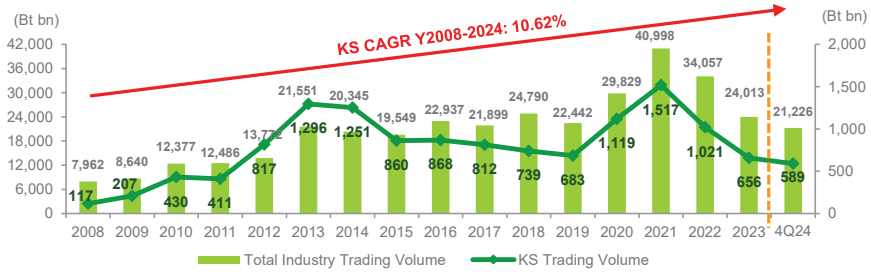
KSecurities Highlights in 2024

December 2024

Trading Volume (KSecurities vs. Industry)*



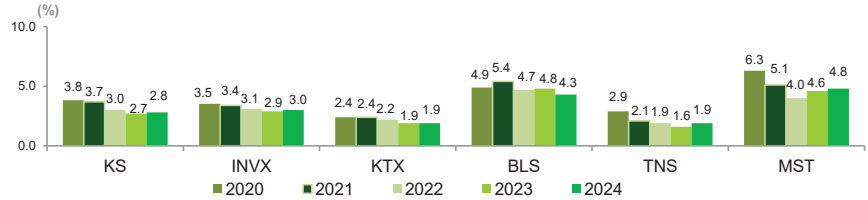
Industry Outlook:

- 2024 industry trading volume* was Bt21.23trn, decreasing 12%YoY
- KS trading volume was Bt588.62bn

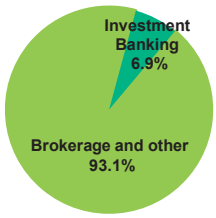
KSecurities Highlights:

- KS ranked #12, with 2.77% market share
- Majority of revenue came from brokerage
- Number of customers account grew 11%YoY to 424,397 customers in 2024

Market Share by Trading Volume*



KSecurities Revenue by Business



Note: * Industry trading volume excluding proprietary trades

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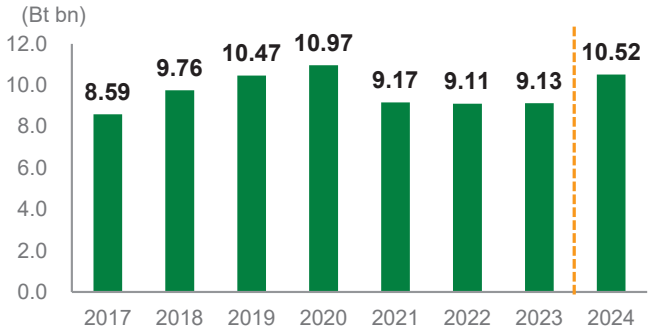
KF&E Highlights in 2024

December 2024

แฟคเตอรี่ แอนด์ อีควิปเมนท์ กสิกรไทย
开泰设备融资 KASIKORN FACTORY AND EQUIPMENT

KF&E New Booking



Industry Outlook:

- The Equipment Leasing (EQL) has growth slightly from last year especially with the expansion of using of loans to invest in solar rooftop to reduce electricity consumption by entrepreneurs.

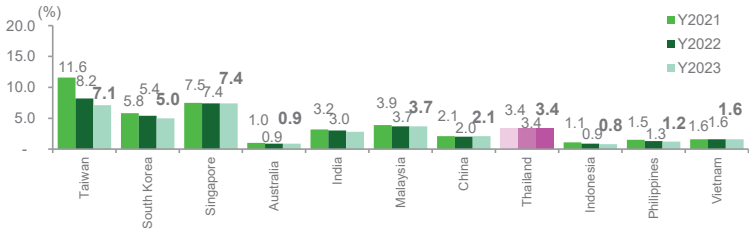
KF&E Highlights:

- 2024 KF&E has new booking of Bt10.52bn, 15.3% YoY
- KF&E is currently top tier positioning in equipment leasing industry

Note: In 2010, KASIKORN FACTORING (KFactoring) was renamed KASIKORN FACTORY AND EQUIPMENT (KF&E) to better reflect their business, focusing on offering leasing services for machinery and equipment; the factoring business operation of KFactoring was transferred to KBank.

Life Insurance Industry in Thailand

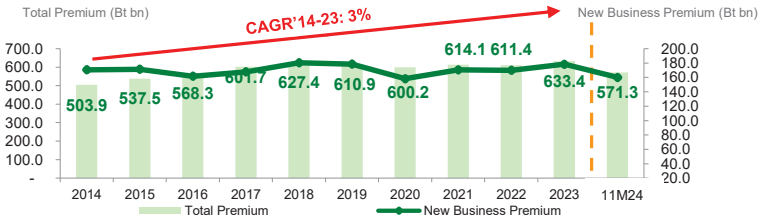
Premium per % GDP by Country



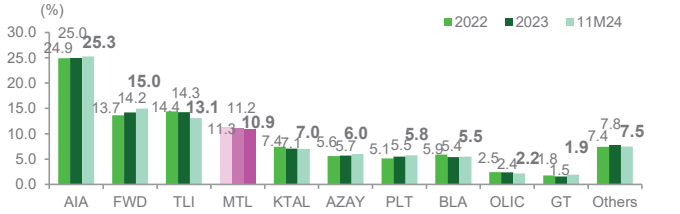
Source: Swiss Reinsurance

- **In 2023, Thailand insurance penetration rate was 3.4% with a high opportunity for growth.**
- **Muang Thai Life Assurance (MTL) ranked #4 in life insurance industry in Thailand, in 11M24 with 10.9% market share of total premium.**
  - **#4** in life insurance industry in Thailand, in 2023

Size of Market by Premium(%)



Market Share by Total Premium in Life Insurance (%)



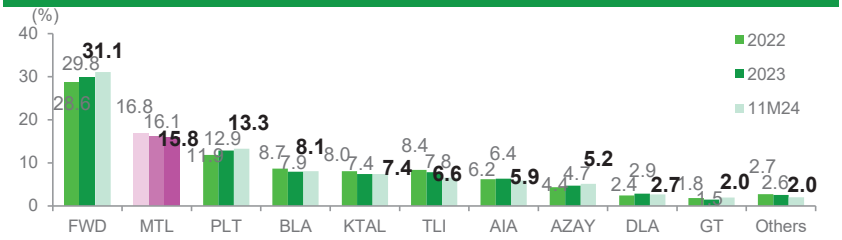
Source: The Thai Life Assurance Association

Source: The Thai Life Assurance Association

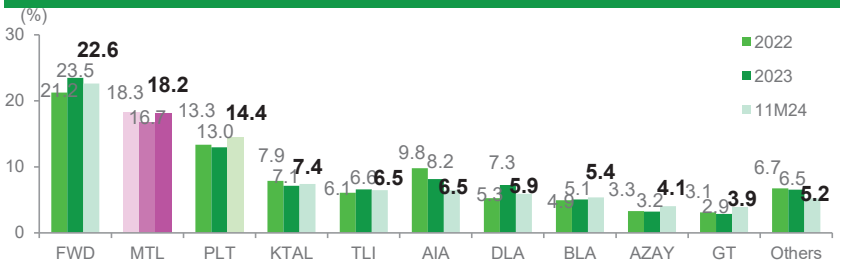
Note: Total Premium = New Business Premium + Renewal Premium; New Business Premium = First Year Premium + Single Premium

Bancassurance Highlights in 11M24

Bancassurance Market Share by Total Premium (%)



Bancassurance Market Share by New Business Premium (%)



Source: Muang Thai Life Assurance (MTL), The Thai Life Assurance Association (TLAA) monthly report (new format)
Note: Bancassurance premium include all bank partners' premiums of MTL

- **MTL ranked #2 in Bancassurance market**
  - **#2** in Bancassurance total premium with 15.8% market share
  - **#2** in Bancassurance new business premium with 18.2% market share

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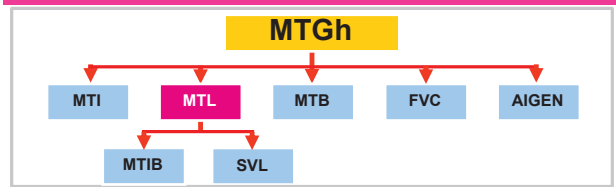
KBank's Strategic Acquisition in Muang Thai Group Holding (MTGh)

- **MTL's insurance business supports KBank's strategic objective of providing a full range of financial services to satisfy customers' needs and universal banking platform**



Current KBank Economic Interests	
Muang Thai Group Holding Co., Ltd. (MTGh)	51.00%
Muang Thai Broker Co., Ltd. (MTB)	50.99%
Aigen Co., Ltd. (AIGEN)	48.83%
Muang Thai Life Assurance PCL. (MTL)	38.25%
MT Insure Broker Co., Ltd. (MTIB)	38.25%
Fuchsia Venture Capital Co., Ltd. (FVC)	38.25%
Sovannaphum Life Assurance PLC. (SVL)	18.74%
Muang Thai Insurance PCL. (MTI)	10.20%

(Data as of 31 December 2024)

- Established on 6 April 1951
- First life insurance company to have received the Royal benevolence in granting the appointment as the life insurance company of His Majesty King Bhumibol Adulyadej
- Joined hands with Ageas in 2004 (formerly known as Fortis Insurance International NV) and joined hands with KBank in 2009
- Credit Rating:
  - S&P Global: BBB+ (Stable Outlook)
  - Fitch Ratings: A- (Stable Outlook) / AAA(tha) (Stable Outlook)
- Insurance Hall of Fame Award 2023
  Micro Insurance Awards 2023
  hosted by the Office of Insurance Commission (OIC)
- Insurer Innovation Awards 2024
  hosted by The Digital Insurer (TDI)
- Health Equity and Inclusion Award
  hosted by ESG Business Magazine
- Superbrands Award 2024
  hosted by Superbrands Thailand
- Ageas holds 7.83% in MTGH and holds 24.99990% in MTL

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Muang Thai Life Assurance (MTL) Information Summary

- Strong fundamentals and revenue generation, helped by process efficiency and service quality enhancements; platform and synergy alignment between MTL and KBank
- Risk-Based Capital (RBC) remains strong, sufficient to support business growth and much higher than OIC minimum requirement

Statements of Comprehensive Income (Bt bn)

	2021	2022	2023	9M24
Net premiums earned	69.4	66.1	67.7	46.7
Net investment income	22.5	20.4	23.4	18.6
Total revenues	**91.9**	**86.5**	**91.1**	**65.3**
Long-term technical reserves increase (decrease) from previous period	25.6	14.5	15.3	(9.1)
Net benefit payments and insurance claims	41.6	50.6	53.2	57.5
Commissions and brokerages	8.6	7.4	7.3	5.8
Other underwriting expenses	0.7	2.5	2.6	1.8
Operating expenses & Other	5.5	4.6	5.8	3.7
Total Expenses	**82.0**	**79.6**	**84.2**	**59.7**
Profit before income tax expense	9.9	6.9	6.9	5.6
Income tax expense	1.8	1.2	1.2	1.0
Net profit (loss)	**8.1**	**5.7**	**5.7**	**4.6**

Statements of Financial Position (Bt bn)

	2021	2022	2023	9M24
Total Assets	607.5	625.0	635.5	635.1
Total Liabilities	520.9	537.6	548.2	543.0
Total Equities	86.6	87.4	87.3	92.1

Strategy in 2024

Under the strategic concept of "Happiness, Your Way", the company has been committed to being No. 1 Most Trusted Partner in Life & Health Planning through 2 concepts including "Personal", emphasizing the creation and development of products and services that truly meet individual needs, using simple language for easy understanding and accessible channels, and "Life," aiming to innovate to satisfy needs of people in different stages of life, allowing everyone to live life on their own terms. The Company seamlessly integrates its business operations, ranging from life and health insurance products that provide comprehensive protection for individuals and their loved ones, to promoting good health practices to reduce the risk of illness, and offering comprehensive and targeted medical care and benefits for every lifestyle.

Key Financial Targets

Bt bn	2019	2020	2021	2022	2023	9M24
Total Premium (after refund)	83.8	75.3	73.0	69.3	71.0	50.5
% Growth	-11%	-10%	-3%	-5%	2%	-4%

	2022	2023	9M24
ROE (%)	6.6%	6.5%	6.7%
ROA (%)	0.9%	0.9%	0.9%
Risk-Based Capital (RBC)	332%	353%	381%

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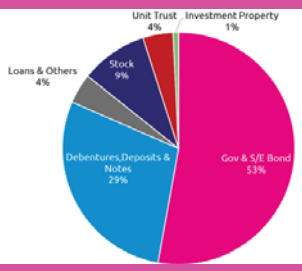
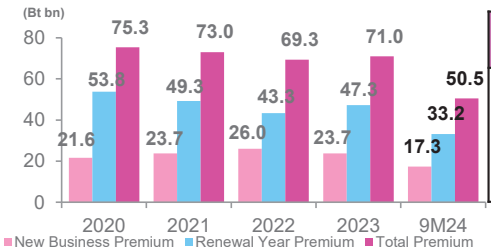
MTL Investment Portfolio and Insurance Premium

MTL Investment Portfolio: Fixed Income accounted for around 82%



Assets Under Management (AUM)* (as of 30 Sep 24): Bt 589.517 bn

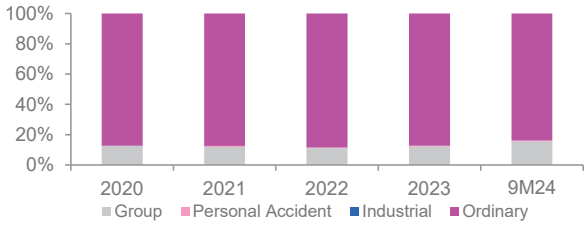
MTL Total Premium



Total Premium Growth (%YOY)	MTL	Industry
Y2020	-10%	-2%
Y2021	-3%	2%
Y2022	-5%	0%
Y2023	2%	4%
9M24	-4%	2%

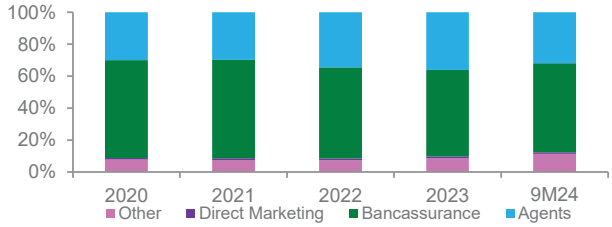
Source: The Thai Life Assurance Association

MTL Total Premium by Products: Ordinary product accounted for around 84% in 9M24



Note: * Invested Assets + Investment Property

MTL Total Premium by Channels: Bancassurance accounted for about 56% in 9M24



Source: The Thai Life Assurance Association (TLAA) / 2019 – 1Q24 data from TLAA monthly report (new format)

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MTL International Business Expansion

MTL Current International Business Project (On-going)					
	Cambodia		Lao PDR	Vietnam	Myanmar
Company Name	Sovannaphum Life Assurance Plc.	Dara Insurance Plc.	ST-Muang Thai Insurance Co., Ltd.	MB Ageas Life Insurance Co., Ltd.	-
Entry Strategy	Joint Venture with Canadia Investment Holding Plc.	Joint Venture with Individual Shareholders	Joint Venture with ST Group Co., Ltd and Muang Thai Insurance Company Limited (MTI)	Joint Venture with Military Bank and Ageas	-
Ownership by MTL	49%	25%	22.5%	10%	-
Operation Year	2015	2018	2016	2017	2014
Business Operation	Life Insurance	General Insurance	Composite Insurance (Life & General)	Life Insurance	Representative Office

MTL's Life Insurance Product Profile

Four Major Types of Life Insurance Product

- **Ordinary Life Insurance Products:** Provide life protection for a fixed amount to an insured person
  Can be further classified into four sub-categories;
  - **Endowment Life Insurance:** Savings type product; insured person receives an amount at the certain period of time or a designated beneficiary receives death benefits upon the death of the insured person within the insured period (e.g. Pro Saving products)
  - **Term Life Insurance:** Provides temporary protection with no savings component. Claim can be made upon death within the stated term period (e.g. MRTA products)
  - **Whole Life Insurance:** Provides life time protection (to the age of 90 or 99) with the death benefit paid to the beneficiary upon the death of the insured (e.g. Pro Life products)
  - **Rider:** Additional coverage desired by the insured (sample of additional coverage: medical expense, accident)
- **Group Life Insurance Products:** Term insurance covering a group of people, usually employees of a company or members of a union or association
- **Industrial Insurance Products:** Life insurance with a modest amount of coverage, low premium, and no health check requirement
- **Personal Accident :** A limited life insurance designed to cover the insured in case of personal accident

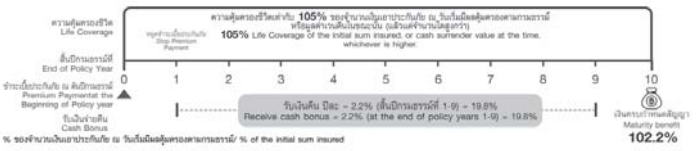
Sample of K-Bancassurance and MTL Products

K-Bancassurance Products[1)]

Endowment Life Insurance

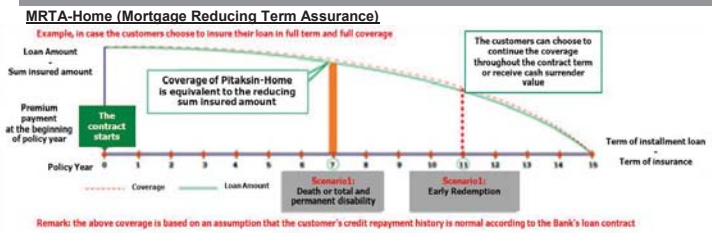
Muang Thai Smart Wealth 10/1

Single premium payment, guarantees cash bonus every year and receive maturity benefit at years 10



Term Life Insurance

MRTA-Home (Mortgage Reducing Term Assurance)



Muang Thai Life Assurance Products[2)]

Endowment Life Insurance

Muang Thai Smart Linked Pro 10/1 (Global)

Pay single premium, guarantees cash bonus every year and get an opportunity to receive upside gain from invest in global assets.

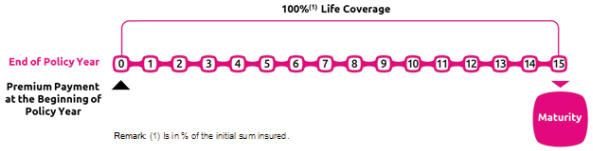
(1) Benefit and coverage are % of the initial sum insured. In case the benefit amount and coverage are stated incorrectly, the specified % shall apply.

(2) The dividend shall be paid to the insured who is alive upon contract maturity only. However, the Company does not guarantee maturity dividend.

Term Life Insurance

Khumkhrong Baep Khongthi Life-Bukkhon

Single Premium payment period, but the coverage can be chosen between 1 - 5 years



[1)] K-Bancassurance products are MTL's life insurance products selling through KBank

[2)] Muang Thai Life Assurance products are MTL's life insurance products selling through MTL sales agents, and/or other channels

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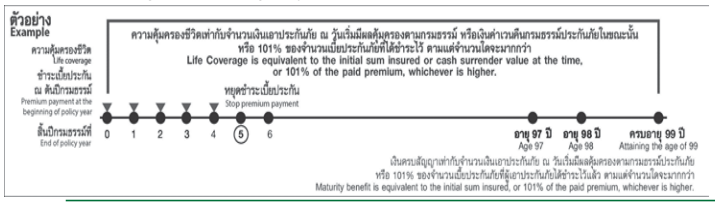
Sample of K-Bancassurance and MTL Products

K-Bancassurance Products[1)]

Whole Life Insurance

Muang Thai Premier Legacy 99/5

Life insurance coverage continues to age 99 years



Muang Thai Life Assurance Products[2)]

Whole Life Insurance

Muang Thai Happy Return 99/7

Receive cash bonus every year and pay 7 years for coverage until attaining the age of 99

(1) Is in % of the initial sum insured.

(2) In case of being alive until contract maturity, the benefit is 100% of the initial sum insured or 101% of paid premium (whichever is higher).

Rider

Elite Health Plus Rider

- **Right Coverage** — Medical expense coverage for both OPD* and IPD which is paid by actual amount.
- **Comprehensive Coverage** — Standard single room at any hospital or special single room at 10,000-25,000 baht per day
- **Long-Term Health Coverage** — Insurable age is until the age of 90 with coverage period until the age of 99.

D Health Plus Rider

- **Be Covered to the Max** — Lump sum benefit based on actual expense of 5 million Baht* Standard single room in any hospital
- **Plus Additional Coverage** — Maternity Plus or Well-Being Plus that covers health checkup, vaccination, dental care, and eye care which meet all of your needs.
- **Long-Term Health Care** — Entry age is up to 90 years old with long-term coverage until attaining the age of 99

OPD Per Time Rider/and OPD MaoChai Rider

Both Riders are not required to be purchased together with IPD coverage.

- **OPD Per Time Rider** — OPD 500 - 3,000 THB **per time** **per day.** Up to 30 times per year.
- **OPD MaoChai Rider** — OPD 15,000 - 100,000 THB **per year.** Up to 2 times per day for second opinion.
- **Complete Coverage** — Including telemedicine, doctor fees, diagnosis charge, medical expenses, physical therapy fee, CT Scan and MRI diagnosis, or kidney dialysis.

[1)] K-Bancassurance products are MTL's life insurance products selling through KBank

[2)] Muang Thai Life Assurance products are MTL's life insurance products selling through MTL sales agents, and/or other channels

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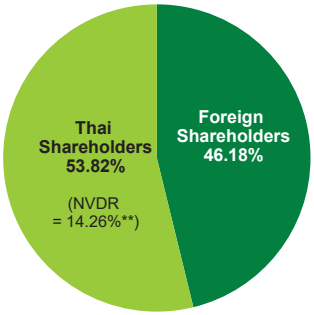
KBank: Other Information

Shareholder Structure

September 12, 2024 (Record Date)

Shareholder Structure



Note:
Foreign Shareholding Limit 49%

Top 10 Shareholders*	%
1. THAI NVDR CO., LTD.**	16.26
2. STATE STREET EUROPE LIMITED	8.93
3. SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	5.31
4. THE BANK OF NEW YORK MELLON	3.39
5. SOCIAL SECURITY OFFICE	3.31
6. STATE STREET BANK AND TRUST COMPANY	2.79
7. SOUTH EAST ASIA UK (TYPE A) NOMINEES LIMITED	1.70
8. SE ASIA (TYPE B) NOMINEES LLC	1.65
9. THE BANK OF NEW YORK (NOMINEES) LIMITED	1.44
10. HSBC BANK PLC - SAUDI CENTRAL BANK SECURITIES ACCOUNT A	1.41
Other Shareholders	53.82
Total	100.00

Note: * The Top 10 Shareholders are based on individual accounts
** Thai NVDR Co., Ltd (Thai NVDR) is responsible for issuing and selling Non-Voting Depository Receipts (NVDRs) to investors. The Stock Exchange of Thailand (SET) is the major shareholder, holding 99.99% of the total shares, of Thai NVDR. The NVDR limit for KBank is 25%.
*** Thailand Securities Depository Company Limited (TSD), a subsidiary of the Stock Exchange of Thailand, provides three types of securities post trade services: securities depository services, securities registration services, and provident fund registration services; the shareholders booked under TSD are those who are not eligible for dividend payments as their investment is not aligned with their citizenship (i.e. foreign investors buying KBank shares on the local board or Thai investors buying KBank shares on the foreign board)
Source: Thailand Securities Depository Company Limited (TSD), the Stock Exchange of Thailand website (www.set.or.th), and KBank

Credit Ratings

As of November 13, 2024

	KBank						Thailand		
	Foreign Currency			Local Currency/ National Ratings		Outlook	Government		Outlook
	Long-term *	Senior Unsecured Notes	Subordinated Debts	Long-term	Subordinated Debts		Foreign Currency	Local Currency	
S&P's	BBB[1)]	BBB[1)]	N/A	N/A	N/A	Stable[1)]	BBB+	A-	Stable
Moody's	Baa1	Baa1	Ba1[2)]	Baa1	N/A	Stable	Baa1	Baa1	Stable
Fitch	BBB	BBB	BB+	AA+ (tha)	AA-(tha)	Stable	BBB+	BBB+	Stable

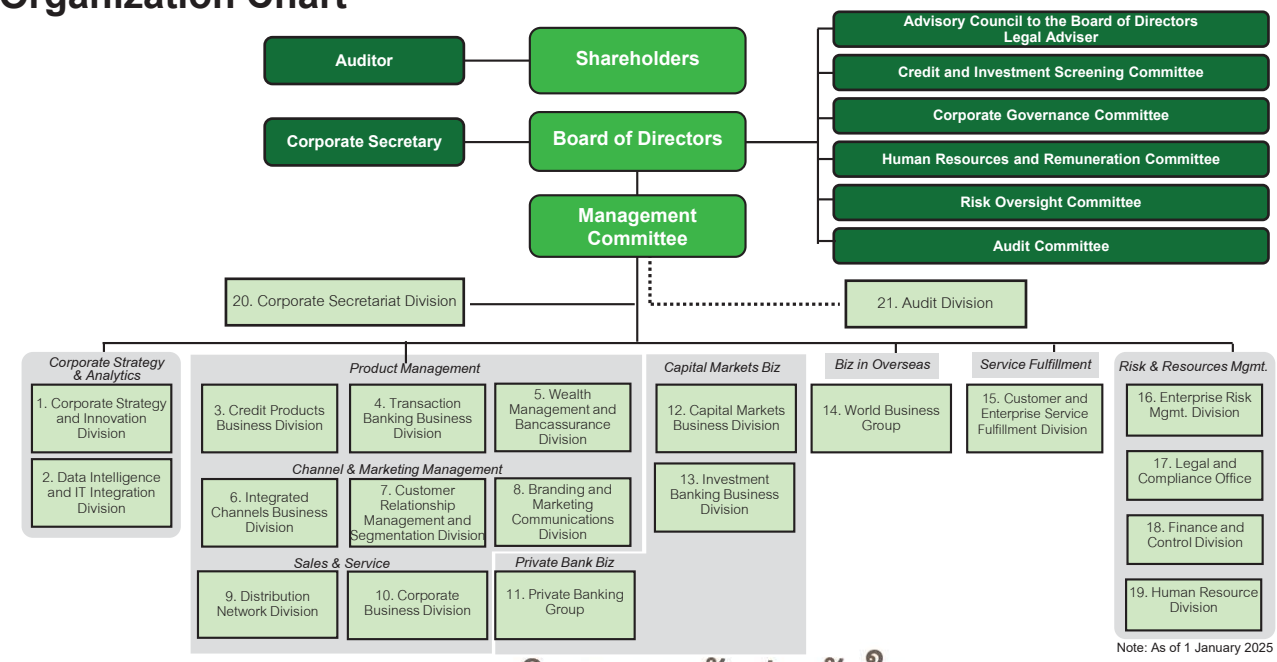
Note:

* Moody's: Foreign Currency Long-term Deposit Rating; S&P's: Long-term Counterparty Credit Rating; Fitch Ratings: Foreign Currency Long-term Issuer Default Rating

1) March 21, 2022: S&P's downgraded long-term credit ratings of 4 Thai banks, including KBank, as systemic risks have increased for banks operating in Thailand. S&P's downgraded long-term credit rating of KBank from BBB+ to BBB. However, S&P"s upgraded outlook of their credit ratings to stable from negative as it views their credit ratings would be stable in next 1-2 years

2) November 7, 2022: Moody's downgraded the Baseline Credit Assessments (BCAs) of two Thai banks, including KBank, to baa2 from baa1, reflecting the structural challenges to their asset quality and profitability that are exacerbated by the slow economic recovery in Thailand. Moody's also downgraded KBank's foreign-currency subordinate MTN program rating to Ba1 from Baa3 and its foreign-currency preferred stock non-cumulative MTN program rating to Ba2 from Ba1.

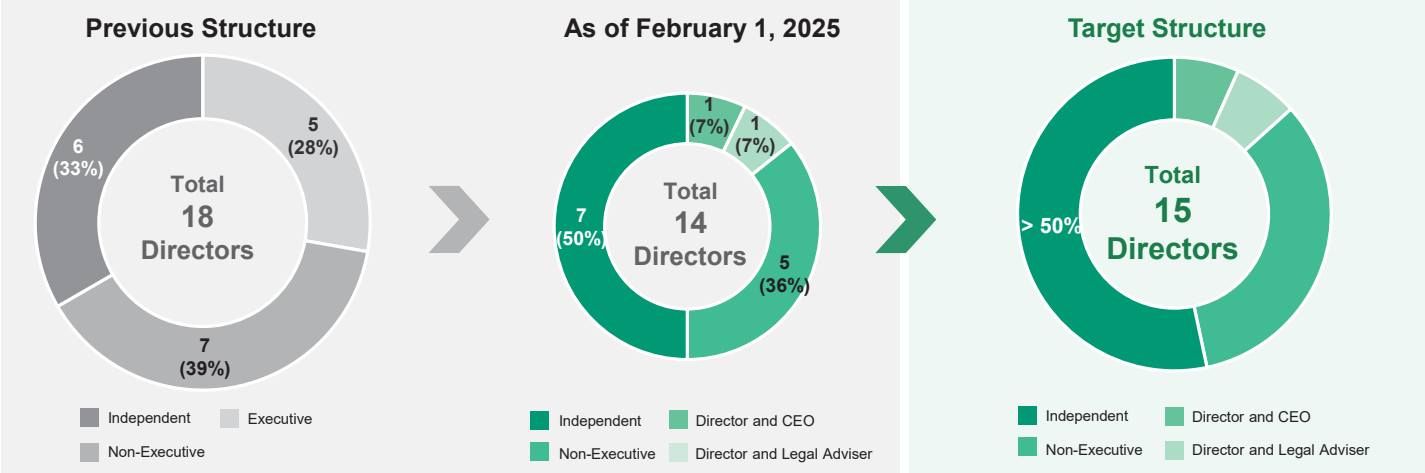
Organization Chart



Note: As of 1 January 2025

Board of Directors

- KASIKORNBANK changes Board structure, adhering to good corporate governance practices according to international standards.
- Target size of Board: 15 directors, with the ratio of independent directors over 50% of the Board, in line with international standards
- Director retirement age: 72 years
- Max term of independent directors: 9 years



บริการทุกระดับประทับใจ

Board of Directors Structure

(As of February 1, 2025)

7 Independent Directors

Ms. Kobkarn Wattanavrangkul
Chairperson of the Board

Mr. Chanin Donavanik
Chairman of the Human Resources and Remuneration Committee

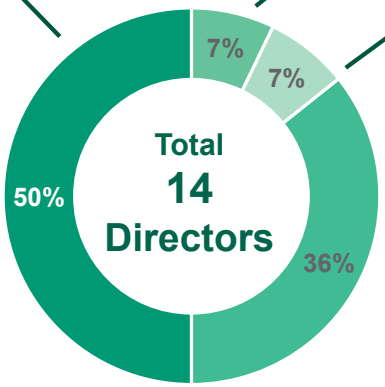
Ms. Jainnisa Kuvinichkul Chakrabandhu Na Ayudhya

Ms. Kaisri Nuengsigkapian
Chairperson of the Audit Committee

Ms. Piyaporn Phanachet

Mr. Auttapol Rerkpiboon

Ms. Siritida Panomwon Na Ayudhya



1 Director and CEO

Ms. Kattiya Indaravijaya
(Authorized Signature)

1 Director and Legal Adviser

Ms. Chonchanum Soonthornsaratoon
(Authorized Signature)

5 Non-Executive Directors

Ms. Sujitpan Lamsam
Vice Chairperson (Authorized Signature)

Sqn.Ldr. Nalinee Paiboon, M.D.
Chairperson of the Corporate Governance Committee

Mr. Saravoot Yoovidhya

Mr. Kalin Sarasin
Chairman of the Risk Oversight Committee
(Authorized Signature)

Ms. Suphajee Suthumpun

บริการทุกระดับประทับใจ

Sustainable Development Framework and Policy

Bank of Sustainability

ASPIRATIONS: Be an ESG Leader among Banks in Southeast Asia

SD FRAMEWORK	Environment	Society	Governance / Economy
GOAL	Ensuring environmental stewardship towards a net zero-carbon society	Being a responsible corporate citizen to create a sustainable society	Being an accountable bank to create sustainable profitability
COMMITMENT	We are committed to preserving the environment and reducing the impact of climate change.	We are committed to developing strong relationships with employees and society to better livelihoods and increase prosperity.	We are committed to strong ESG principles to be a responsible and accountable Bank.

STAKEHOLDER ENGAGEMENT

SD POLICY

- 1. Committing to becoming Net Zero in our own operations by 2030
- 2. Committing to reducing greenhouse gas emissions in our financed portfolio in line with Thailand's aspirations; reducing greenhouse gas emissions in significantly impacted sectors, both in terms of greenhouse gas emission volume and the proportion of loans extended to each sector; and accelerating this journey where possible
- 3. Being the leader in innovative "Green Finance" in Thailand
- 4. Providing services beyond financial solutions to support decarbonization in Thailand
- 5. Ensuring financial inclusion and promoting financial literacy
- 6. Safeguarding customer data security and privacy
- 7. Ensuring the "Best Place to Work, Learn and Lead" by embedding Green DNA and creating future-ready workforce
- 8. Respecting for human rights and diversity
- 9. Promoting the development of youth potential as well as the pursuit of environmental, public and social activities
- 10. Ensuring business operations under good corporate governance practices and delivering services to customers with fairness
- 11. Adhering to customer centricity by initiating financial innovations that meet every aspect of customers' needs
- 12. Ensuring efficient risk management focusing on environmental, social, and governance (ESG) issues

MATERIAL AREA

- GREEN OPERATIONS
- SUSTAINABLE FINANCE

- FINANCIAL INCLUSION and FINANCIAL/CYBER LITERACY
- RESPECT TO HUMAN RIGHTS
- CUSTOMER DATA SECURITY AND PRIVACY

- CORPORATE GOVERNANCE & BUSINESS ETHICS
- ESG RISK MANAGEMENT

บริการทุกระดับประทับใจ

KBank Sustainable Development Journey

Bank of Sustainability

KASIKORNBANK conducts business with the principles of a Bank of Sustainability, supported by good corporate governance principles, as well as appropriate risk and cost management. We strive to balance economic, social, and environmental dimensions to achieve goals and create sustainable long-term returns. The philosophy of sustainable development is instilled in all our operations as part of our Green DNA, ensuring maximum benefit for all stakeholders and paving the way for sustainable growth.

KBank Sustainable Development Journey

Year	Milestone	Initiatives
2010	CSR after process	
2012	CSR in process	SD Report
2014	SD Policy	SD Policy; ESG credit policy
2016	Human Right Policy	Human Right Due Diligence; Carbon Neutral
2019	BOT & TBA Responsible Lending	Scenario Analysis
2020	Net Zero Commitment	UN PRB; TCFD*
2021		UN PRI
2022	Decarbonization PCAF	UN Global Compact
		Net Zero

Pride of KBank

INTERNATIONAL

- The first and only commercial bank in Thailand and ASEAN selected as a member of the **DJSI World Index and DJSI Emerging Markets Index** for nine consecutive years (2016-present)
- A member of **the FSTE4Good Emerging Index** for eight consecutive years (2016-present)
- KBank's Leadership Level rating is at AA for its ESG performance among emerging market banking sector peers
- KBank was ranked in the **top 5% of the S&P Global ESG Score 2022** for the banking industry with score of 84/100 in the S&P Corporate Sustainability Assessments 2023
- The first Thai commercial bank with CDP A List (Leadership Level) in Climate Change, assessed by **the Carbon Disclosure Project (CDP)**
- The first **Bloomberg Gender-Equality Index (GEI)** member from Thailand. The Bloomberg Gender-Equality Index (GEI) distinguishes companies committed to transparency in gender reporting and advancing women's equality for five consecutive years (2019-2023)

NATIONAL

- Included in the Thailand Sustainable Investment (THSI) for seven years (2015, 2017 - 2022), and **SET ESG Ratings AAA Level** (2023-2024)
- **ESG 100** certificate 2023 (Certified by Thaipat Institute)
- **Climate Action Leading Organisation (CALO) award** from the Thailand Greenhouse Gas Management Organisation (TGO) for 2023-2024
- **Sustainability Disclosure Award 2023** granted by Thaipat Institute
- The first and only commercial bank in Thailand granted **Carbon Neutral Certification** for seven consecutive years (2018-present)
- **SET Sustainability Awards** granted by the Stock Exchange of Thailand
  - SET Sustainability Awards of Honor (2024)
  - Best Sustainability Awards (2022 - 2023),
  - Highly Commended in Sustainability Awards (2018 - 2019, 2021)

*For more information on KBank Task Force on Climate-related Financial Disclosures (TCFD), please see our Sustainability Report or visit our website at www.kasikornbank.com

บริการทุกระดับประทับใจ

KBank Net Zero Commitment

ธนาคารกสิกรไทย 开泰银行 KASIKORNBANK

Net Zero in
OUR OWN OPERATIONS
(Scope 1 & 2) by 2030

Net Zero in
OUR FINANCED PORTFOLIO
(Scope 3)
In Line With Thailand's Aspirations*,
Accelerating This Journey Where Possible

* Thailand's ambition at COP26:
- 2050 carbon neutrality and
- 2065 Net Zero GHG Emission

NET Commitment

Allocation at least
100-200 Billion Baht
In Sustainable Financing and Investment
By 2030

Supporting Customers
In the Transition to
A Net Zero Economy

KBank's Board of Directors has resolved to announced the Bank's Net Zero Commitment on 29 October 2021, as follows:

- KBank aims to empower every customer's life and business. We support our customers in the transition to a net zero economy. Sustainability is deeply ingrained in how we serve our customers and manage our operations.
- We are committed to supporting Thailand and our clients in regional economies on their decarbonization journeys. We will contribute to the global effort to transition to net zero emission by 2050* and will align with the Paris Agreement goals.
- We are committed to be the leading sustainable bank in Thailand, allocating at least Bt100-200bn in sustainable financing and investment by 2030 and pioneering green banking products.
- We commit to becoming net zero in our own operations (Scope 1, 2) by 2030. We commit to achieving net zero in our financed portfolio in line with Thailand's aspirations, accelerating this journey where possible. We will continually assess opportunities to take earlier actions as the technology, regulatory environment and external context evolves.

* Net zero emission by 2050 is the global effort to transition to net zero emission, aligning with the Paris Agreement goals. However, KBank commit to achieving net zero in our financed portfolio in line with Thailand's aspirations, accelerating this journey where possible.

ธนาคารกสิกรไทย 开泰银行 KASIKORNBANK

Environmental

GOAL Ensuring environmental stewardship towards a net zero society
Commitment We are committed to preserving the environment and reducing the impact of climate change.

Green Operations

Net Zero in our own operations (Scope 1&2) by 2030
2024 Result: GHG emissions of KBank's operations reduced by 17.02% (Baseline year: 2020).

Scope 1

Green Mobility
Conversion to EV fleets:
348 vehicles
Conversion to Hybrid fleets:
939 vehicles
(As of December 2024)

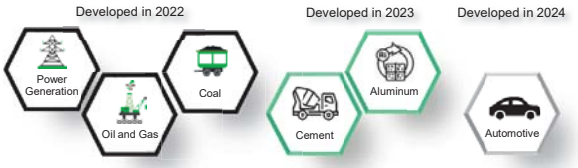
Scope 2

Clean Energy Management
Solar rooftop installation at
100% of Main Building
And at
90 Branches
(As of December 2024)

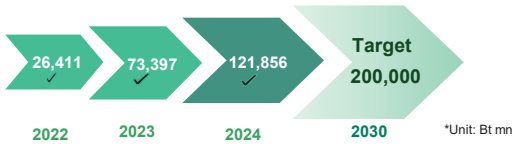
Sustainable Finance

Net Zero in our Financed Portfolio (Scope 3) in line with Thailand's Aspirations, accelerating this journey where possible

6 glidepaths and/or sector strategies



Allocation at least Bt100-200bn in Sustainable Financing and Investment by 2030

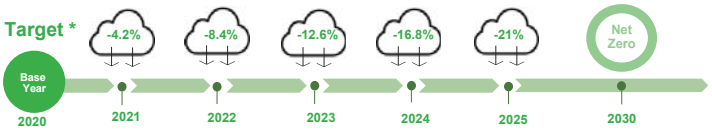


Customer Empowerment, Solutions, and Technological Support in transitioning towards Net Zero Economy

Green Operations

- Net Zero in our own operations (Scope 1&2) by 2030

KBank Decarbonization Pathway in Our Own Operations (Scope 1 & 2)



Operating Performance	2020	2021	2022	2023	2024
Total Energy (Renewable and non-renewable sources) (megawatt-hours)**	213,091.99	186,564.30	188,807.49	195,717.65	199,127.04
Business Travel by Road (kilometers)	4,807,722	3,913,550	3,919,990	7,260,305	8,213,576
Water Withdrawal (cubic meters)	781,862	615,550	571,827	647,819	634,198
Waste (metric tons)	5,851.33	5,494.61	4,918.38	4,166.97	3,507.81
Greenhouse Gas Emissions (Scope 1+2) (tonnes of CO_2 equivalent)***	87,832.54	↓ 80,813.88 (-7.99%)	↓ 72,373.56 (-17.60%)	↓ 76,642.53 (-12.74%)	↓ 72,886.72 (-17.02%)
Scope 1 (tonnes of CO_2 equivalent)	18,727.05	15,833.59	11,232.01	15,467.65	15,062.22
Scope 2 market-based (tonnes of CO_2 equivalent)***	69,105.49	64,980.29	61,141.55	61,174.88	57,824.50

Scope 1 Emission from fossil fuel burned from KBank own car fleet
- EV Fleet Conservation
- Adopt lower emission factor fuel (E85, E20)

Scope 2 Emission incurred from electricity consumption
- Solar rooftop installation
- Energy Conservation Measures (Building Retrofit, BMIS)
- Space Optimization
- Renewable Energy Certificates (REC)

Residual emission
- Carbon Removal

* This target is considered to align with SBTi.
** In 2022, KBank's GHG emissions (Scope 1) report provided information on refrigerant and extinguishing agent leakage only.
*** In 2023, GHG Scope 2 emission factor has been changed from 0.5719 to 0.4999 kg CO2 e/kWh, resulting in the restatement of GHG Scope 2 emissions from 2023 towards the base year 2020. Moreover, the calculation of Total GHG (Scope 1 & 2) was conducted on the basis of GHG Scope 2 Market-Based, where purchases of Renewable Energy Certificate (5,720 units) in2023 were taken into account.

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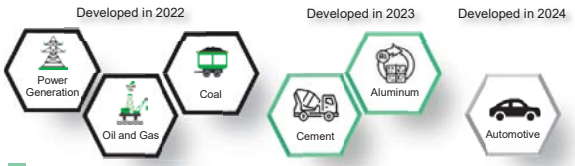
Sustainable Finance

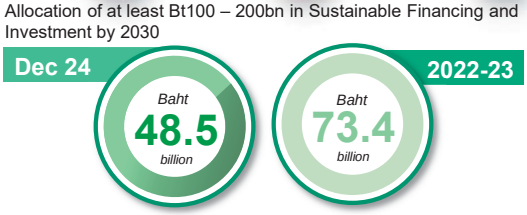
- Net Zero in our Financed Portfolio (Scope 3) in line with Thailand's Aspirations, accelerating this journey where possible

Sector Prioritization for Industries of High GHG Emissions in Portfolio

- In 2022, determining a strategic plan to alleviate GHG emissions of the sectors with high emissions (No Regret Sectors), namely **Power Generation, Coal, and Oil & Gas (upstream)**
- In 2023, glidepaths and sector strategies were developed for **Cement and Aluminum**, with **Automotive** already developed in 2024.



- Allocation of at least Bt100 – 200bn in Sustainable Financing and Investment by 2030



Bt 121.9 bn
as of December 2024 (accumulative)

บริการทุกระดับประทับใจ

Social

GOAL Being a responsible corporate citizen to create a sustainable society

Commitment We are committed to developing strong relationships with employees and society to better livelihoods and increase prosperity.

Financial Inclusion and Financial / Cyber Literacy

Y2024 Targets:

1. Financial Literacy for the underprivileged to reach:

55,000 persons

- Y2023 Performance: Financial Literacy for the underprivileged reached 59,769 persons

2. Increase cyber literacy knowledge and awareness to reach

15 million persons

- Y2023 Performance: Cyber literacy campaign reached 18.8 million people

Customer Data Security and Privacy

Protect customer assets, provide secure services, and ensure care & timely responses as follows:

- Deliver secure and efficient services and workplace
- Strengthen third party risk management
- Expand detection and responses

Respect for Human Rights

100% Human rights risk assessment in all business activities: 100% of KBank

2024 Performance

78%	Employee engagement score	65%	Female in leadership position	80%	Internal fill rate of employees	220,155	employee volunteer hours*	1,180,427	persons beneficiaries from CSR activities

Note: * Since the Covid-19 outbreak, KBank has reduced the amount of group activities. However, KBank has managed to provide activities in accordance with the plan as well as with the targeted beneficiaries.

Governance

GOAL Being an accountable bank to create sustainable profitability

Commitment We are committed to strong ESG principles to be a responsible and accountable bank.

Corporate Governance and Anti-Corruption

Corporate Governance

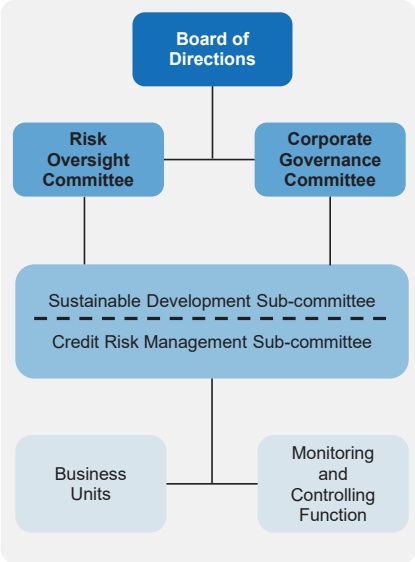
- **Reviewing KBank practices under Thai IOD, ASEAN CG Scorecard, and S&P Corporate Sustainability Assessment (CSA) criteria,** also known as Dow Jones Sustainability Indices (DJSI)
- **Implementing a strategic plan for CG activities to enhance compliance by directors, executives, and staff with CG principles, Code of Conduct, and Anti-Corruption Policy through**
  - Organizing training courses and continually communicating via e-Learning system
  - Communicating with companies within KASIKORNBANK FINANCIAL CONGLOMERATE to ensure consistency of operations
- **Reviewing the Statement of Business Conduct, the Code of Conduct, the Statement of CG Principles, CG Policy, and related Charters; keeping them up-to-date in accordance with**
  - Ongoing business operations and Bank Sustainability
  - Compliance with laws, international practices, and best practices as prescribed by regulatory agencies and competent agencies
- **Conducting phishing drill exercises internally on a continual basis to build awareness and stay ahead of cyber threats**

Anti-Corruption

- **KBank, KAsset, and KSecurities co-signed a declaration of the "Thai Private Sector Collective Action Against Corruption (CAC)" project and have been recognized as CAC certified companies since 2013.**
- **BOD approved the revised Anti-Corruption Policy** in compliance with the assessment and certification criteria for anti-corruption measures of the Thai Private Sector Collective Action against Corruption.
- **Internal Communication on Anti-Corruption Policy to ensure proper practices within the organization by**
  - Organizing training courses for executives and employees via the e-Learning system to promote understanding so that they perform their duties with responsibility and in a correct and proper manner; an assessment of their understanding was conducted after the training.
  - Communicating with all directors, executives, and employees via KBank's internal electronic networks and website
- **Communicating with suppliers on operational guidelines, including**
  - Communication of supplier manual on the Code of Conduct related to business ethics, human and labor rights, occupational safety and health, and environment, as well as the Anti-Corruption Policy and the Conflicts of Interest Prevention Policy for their acknowledgment and compliance. The Bank also encouraged suppliers to participate in the anti-corruption network.
  - Communication of the No Gift Policy regardless of occasions and festive seasons.
  - Communication of the Bank's procurement procedures and policies, as well as sustainable business operations under good corporate governance and procurement with responsibility and operations in accordance with the ESG principles. Additionally, suppliers are encouraged to comply with Anti-Corruption Policy and practices.
  - Provision of various channels to receive information, complaints, and whistle-blowing

ESG Risk Management

- KBank has established the structure, policies and management related to climate change as part of the sustainability operational processes that manifest Environment, Society and Governance (ESG) responsibility, as follows:



- **Board of Directors**
  - Approving risk management policy, frameworks, risk limits and risk appetites
- **Risk Oversight Committee**
  - Overseeing and ensuring compliance with consolidated risk management policies and strategies and acceptable risk appetite
  - Assessing risk management policies and strategies to cover all risks including emerging risks
- **Corporate Governance Committee**
  - Overseeing and undertaking sustainable development
- **Credit Risk Management Sub-committee**
  - Determination of ESG credit policy and processes, and updating such policy and processes
- **Sustainable Development Sub-committee**
  - Considering and approving sustainable development frameworks and action plans
  - Considering and approving policies, goals, strategies and targets related to sustainable development performance
  - Overseeing and monitoring sustainable development operations
  - Considering sustainable development communications within and outside KBank, and information disclosure in compliance with domestic and global sustainability frameworks and standards
- **Business units**
  - Screening environmental and social risks of project financing and commercial credits to be supported
  - Ensuring and monitoring projects' compliance with regulations/ environmental and social management plans
- **Monitoring and Controlling Functions**
  - Determining environmental and social management as agreed
  - Reporting to the Corporate Governance Committee

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ESG Risk Management

- ESG Credit Policy

Credit Consideration Process on Project Finance and Commercial Credits for Medium Enterprises and Above

1 **ESG Credit Assessment**
- 100% of project finance requests and medium enterprises (and above) must be processed through the ESG credit assessment:
  - Check the industry type against the **Exclusion List**
  - Check **Sector - Specific Guidelines**

Project Finance
- 2 **Classifying credit types for projects**
  - Type A: Projects create severe E and S impacts
  - Type B: Projects create E and S impacts
  - Type C: Projects do not create E and S impacts, or create minimal E and S impacts

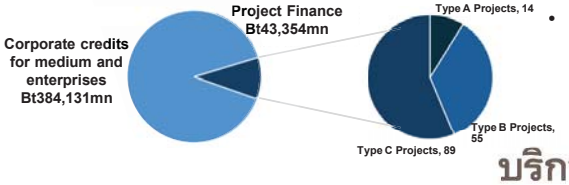
+ **Assessing ESG impacts** via Initial ESG Risk Assessment Form

Medium Enterprises and Above
- 2 **Assessing ESG impacts** via General ESG Screening Form

Project Finance
- 3 **Requesting approval** for detailed study of projects (without approval, the processes terminate)
- 4 **Reporting to CG Committee** for recommendations
- 5 **Studying details and negotiating about project feasibility** on credit and environmental management
- 6 **Approving or rejecting the applications** in accordance with the approval authority, and determining environmental and social conditions

Medium Enterprises and Above
- 3 **Approving or rejecting the applications** in accordance with the approval authority, and determining environmental and social conditions

Credit Approval Result in 2024



- **100%** of project finance requests and medium enterprises and above **must be processed through the ESG credit assessment**
- **Total commercial credits for medium enterprises and above and project finance approved** in 2024 amounted to Bt**427,485**mn
- **Total project finance** in 2024 was **158** projects; 14 type A projects, 55 type B projects, and 89 type C projects

Type A: Projects that cause severe environmental and social impacts.
Type B: Projects that has impacts on both the environmental and social.
Type C: Projects that do not create or create minimal environmental and social impacts.

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ESG Risk Management

ESG Credit Policy

Examples of the Exclusion List

- Offences relating to gambling
- Offences relating to narcotics
- Offences relating to human trafficking
- Offences relating to exploitation of natural resources
- Offences relating to embezzlement
- Offences relating to terrorism

Offences related to illegal activities or activities that risk violation of laws including domestic environmental laws and international agreements

- Convention on International Trade in Endangered Species of Wild Fauna and Flora **(CITES)**
- **Basel Convention** on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal or related rules and regulations

Credits related to destroying or encroaching upon important ecosystems such as mangrove forests and conservation areas

- **UNESCO World Heritage Sites**
- Protected areas specified by **the International Union for Conservation of Nature (IUCN** Protected Area Category) and **High Conservation Value (HCV) areas**
- Conservation areas under **the Ramsar Convention on Wetlands**

Credits for hydropower generation from dams that generate significant impacts on the E and S, without management measures and work plans in accordance with the Equator Principles and without support from international financial institutions for development or foreign financial institutions that have accepted the Equator Principles

Stop financing project of new coal-fired power generation and thermal coal mining (100% discharge existing loans on coal-fired power plants and thermal coal mining by 2030)

Examples of Sector-Specific Guidelines

- KBank has developed loan consideration guidelines for specific industrial sectors in accordance with the E and S impacts they create
- Including ESG factors in credit consideration for each industry in addition to other factors
- Ensuring that risk management at the credit portfolio and transaction levels complies with the target to achieve a low-carbon economy

Agricultural Industry
No support for business operators that encroach upon or destroy forest areas or conduct slash-and-burn farming practices

Fishery
No support to businesses conducting unlawful operations or Unregulated Fishing (IUU Fishing) or catching restricted animals or animals included in CITES

Electricity Generation
Support renewable energy plants, e.g. solar and wind, power plants using other fuels, e.g. biomass and waste etc.

บริการทุกระดับประทับใจ

Public Recognition Highlight: 2023 – 2024

2023

THE ASIAN BANKER
- Best Retail Bank in Thailand
- Most Recommended Retail Bank in Thailand
- Best Frictionless Customer Experience Initiative (YouTrip)
- Best Mobile Banking Service (K PLUS)
- BankQuality Ranking – Most Selected Main Bank in Thailand
- Best Digital Credit Evaluation Initiative
- Best Frictionless Customer Experience Initiative

RETAIL BANKER INTERNATIONAL
- Highly Commended - Best Retail Bank – Thailand
- Highly Commended - Best Mobile Wallet Initiative (YouTrip)
- Best Open Banking Initiative (K LINE)
- Most Dynamic Third-Party Collaboration (K LINE)
- Highly Commended - Best Loan Offering (K LINE)
- Best Mobile Wallet Initiative (Highly Commended)

THE DIGITAL BANKER
- Best Retail Bank for Digital CX in Thailand
- Outstanding Digital CX in FX Services (YouTrip)
- Best Private Bank for Digital CX in Thailand
- Best Private Bank - Thailand

α
- Best Bond House in Thailand
- Best Trade Finance Bank in Thailand
- Best FX Bank for Corporates & Fis
- Best Wealth Management Bank in Thailand
- Best Inaugural Bond Deal in Southeast Asia & Best Local Currency Bond Deal of the Year in Thailand (CP Axtra PCL's Baht 15 Billion (US$420.1 million) Multi-tranche Debt)

84 FTSE
- Listed in the DJSI 2023 by S&P Global

Brandon Hall Group
- Best Employee Value Proposition (Gold)
- Best Unique or Innovative Leadership Development Program (Silver)
- Best Hybrid Learning Program (Silver)
- Best Unique or Innovation Learning Development Program (Silver)
- Best Use of a Blended Learning Program (Bronze)

THE Asset
- Digital Private Banking of the Year
- Best Private Bank for HNWIs (Thailand)
- Triple A Best Private Bank, Thailand
- Triple A Best Private Banking – HNWIs
- Project Finance House of the Year
- Renewable Energy Deal of the Year – Rooftop Solar
- Transport Deal of the Year – Highway
- BTS Group Holding Baht 11 billion Multi-tranche Sustainability-linked Debentures
- Top arranger - Investors' Choice for primary issues, Corporate bonds, THB, Rank 1
- Best sell-side Individual - Research (Thai Baht Bond), Rank 1

FinanceAsia
- Best DCM House in Thailand

BrandAge
- Thailand's Most Admired Brand: Mobile Banking

REFINITIV
- Best THB Interest Rates Swap Contributor (Runner-up)
- Best THB Local Cross Currency Contributor (Runner-up)

HR Asia
- Best Companies to Work for in Asia-Thailand region

GLOBAL FINANCE
- The World's Best Trade Finance Providers 2023

Corporate Governance Asia
- Asia's Best CSR
- Asia's Best CEO (Investor Relations)
- Asia's Best CFO (Investor Relations)
- Best Investor Relations Professional
- Best Investor Relations Company (Thailand)
- Best Environmental Responsibility

mongoDB.
- 2023 MongoDB APAC Innovation Award - Customer Focused (MAKE by KBank)

ASIAMONEY
- Best Domestic Bank in Thailand
- Best for High Net Worth in Thailand

INTERNATIONAL BUSINESS MAGAZINE
- Best Private Bank Thailand

WORLD ECONOMIC MAGAZINE
- Best Private Banking Thailand

PWM
- Best Private Bank for Building Client Communities, Asia

IFR ASIA
- ESG Bond: BTS Group's Baht 20 billion Sustainability-linked Bonds

- SET ESG Rating 2023 "AAA" by SET

- Sustainability Disclosure Award 2023 by Thaipat

ESG100
- ESG 100 certificate 2023 Certified by Thaipat

- Best Sustainability Awards (2023) by SET

IDC
- Future Enterprise of the Year

ThaiBMA
- Top Underwriter
- Best Bond House
- Deal of the Year
- Most Innovative Deal
- Corporate ESG Bond of the Year

IAA
- Best IR

2024

THE ASIAN BANKER
- Best Retail Bank in Thailand
- Most Recommended Retail Bank in Thailand
- Best Mobile Banking Service
- Best Verification Technology (AINU)
- Chief Information and Technology Leader of the Year

RETAIL BANKER INTERNATIONAL
- Best Retail Bank – Thailand
- Highly Commended – Excellence in Mobile Banking from K PLUS
- Analytics Initiative of the Year – Thailand
- Fraud Initiative of the Year – Thailand

THE DIGITAL BANKER
- Best Retail Bank for Digital CX in Thailand
- Best Private Bank for Digital CX in Thailand
- Outstanding Digital CX – Mobile Banking (Retail Banking) from K PLUS
- Outstanding Digital CX – Banking App/Platform from Make

BrandAge
- Thailand's Most Admired Company with Respect to Social Responsibility in the Category of Commercial Banks
- Thailand's Most Admired Brand: Mobile Banking (K PLUS)

α
- Best Bond House in Thailand
- Best Local Currency Bond Deal of The Year in Thailand
- Best Perpetual Bond
- Best Bond Deal for Retail Investors in Southeast Asia
- Best Blockchain-based Bond Deal of The Year
- Best FX Bank for Corporates & Fis
- Best FX Bank for Hedging requirements (Corporate, Fis, Onshore Middle Market & SMEs) - CCS,IRS, Forward & Options
- Best Wealth Management Bank in Thailand
- Best ESG Green Financing in Southeast Asia

ACCOMM
- NEWS Compass Global Award – Excellence in Coaching and Mentoring
- Leader of Technology
- Most Attractive Employer
- Corporate Transformation
- Most Innovative

Future trends

DUM
- Best Private Banking Brand – Thailand

INTERNATIONAL BUSINESS MAGAZINE
- Best Private Bank – Thailand

GLOBAL PRIVATE BANKER
- Best Private Bank – Thailand

AWARDS
- Best Private Bank - Thailand

ASIAN PRIVATE BANKER
- Best Domestic Private Bank in Thailand

Asian Private Banker
- Best Private Bank - HNWIS

GLOBAL FINANCE
- World's Best Trade Finance Providers 2024

FinanceAsia AWARDS 2024
- Best DCM House in Thailand

ThaiBMA
- Top Underwriter
- Best Bond House

IFR ASIA
- Bond House – Thailand
- Capital Markets Deal – Thailand

HR Asia
- Best Companies to Work for in Asia 2024

Euromoney
- Thailand's best bank

Euromoney Private Banking Awards
- Best for Digital Solutions – Thailand
- Best for Next-Gen – Thailand
- Best for Sustainability – Thailand

WORLD BUSINESS OUTLOOK
- Best Private Bank Thailand

SET AWARDS 2024
- SET Sustainability Awards of Honor (2024)

SET ESG Ratings 2024
- SET ESG Ratings AAA Level (2024)

THE Asset
- Project Finance House of the Year
- Renewable Energy Deal of the Year (ASEAN), Loas
- Monsoon Wind Power Company
- Top arranger - Investors' Choice for primary issues - Corporate bonds
- Top sellside firm in the secondary market- Corporate bonds
- Top sellside firm in the secondary market- Government bonds
- Best Sellside Individual

TRANSACTION BANKING AWARDS 2024
- Best Online Trade Facilitation Solution in Thailand

Note: CX = Customer Experience; DCM = Debt Capital Markets

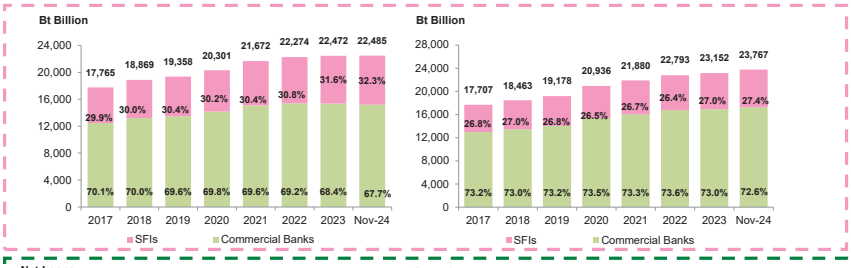
บริการทุกระดับประทับใจ

Banking System and Regulatory Update

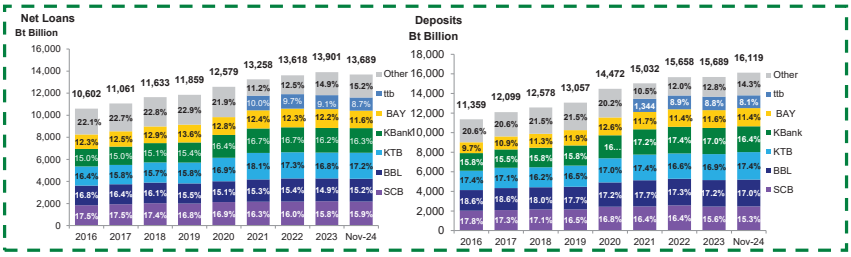
บริการทุกระดับประทับใจ

Thai Commercial Banks and Specialized Financial Institutions (SFIs)

Market Share (% of Total Loans)



Market Share (% of Total Deposits)



Note: 6 SFIs include Government Saving Bank (GSB), Government Housing Bank (GHB), Export-Import Bank of Thailand (EXIM Bank), Bank for Agriculture and Agricultural Co-operatives (BAAC), Small and Medium Enterprise Development Bank of Thailand (SME Bank), and Islamic Bank of Thailand (IBank)

บริการทุกระดับประทับใจ

Thailand's Digital Readiness: Number of Users

- **High adoption of digital lifestyle in Thai market; high penetration in smart devices and internet users in preparation toward a cashless society (Mobile Banking & e-Money)**

184.9% Penetration
Mobile Internet 1)
(Mobile internet numbers)

36.4% Penetration
Broadband Internet 1)
(No. of households using internet via broadband)

93.0% Penetration
Social Media 1)
(No. of Facebook users)

Volume: 35.3 bn transactions, +21.9% YoY
Value: 462.9 trn baht, 2.4% YoY
Thailand e-Payment 2)
(Volume and Value)

86.2 Million
PromptPay 2)
(Total registration)

183.6% Penetration
Mobile Banking 2)
(No. of accounts)

46.6% Penetration
Internet Banking 2)
(No. of accounts)

192.8% Penetration
e-Money 2)
(No. of accounts/ cards)

Source: The Bank of Thailand (BOT), National Statistical Office of Thailand (NSO), Thai Banker Association (TBA), Ministry of Interior (MOI), NapoleonCat, and KResearch

Notes: Denominator for all penetration ratio is number of population age six and above as of Sep 2024. Denominator for fixed internet penetration is number of household.
1) As of Sep-24, 2) As of Oct-24

Regulatory Update

Thai and International Financial Reporting Standards (TFRSs / IFRSs)

- Year 2022 onwards: **Timeframe was specified by Thailand Federation of Accounting Professions (TFAC); TFRS 17 (Insurance Contracts) will be effective for the financial statement's period starting from 1 January 2025 onward.**
  - Overview: Under TFRS 17, insurance service revenue and insurance service expense are better aligned, resulted in smoother insurance service result releases throughout the coverage period.
  - Expected impacts on KBank: For first-time adoption, immaterial impact to consolidated equity and no PL impact. For ongoing impact from 2025 onward, Still under assessment process.

BOT Directions: Repositioning Thailand's Financial Sector

- **3 Key Directions of the Thai Financial Landscape**
  1. **Digital:** Leveraging on technology and data to drive innovation and better financial services through Open Competition, Open Infrastructure and Open Data
  2. **Sustainable:** Managing Transition towards Sustainability; BOT is prioritising the issue of sustainable growth, especially that related to the environment and the issue of inequality which is a key structural weakness in Thailand, including household debt.
     - **Green taxonomy:** Reference tool for evaluating economic activities based on environmental objectives
       - **Phase 1:** Energy and transportation sectors (published June 2023) - effective September 2023
       - **Phase 2:** Manufacturing, Agricultural, Construction and Real estate, and Waste management sectors (first draft hearing during Oct-24 to Jan-25)
     - **Financing the Transition Project:** Encourage financial institutions to support businesses, especially SMEs, shifting operations toward low-carbon business
     - **Responsible Lending:** ensure responsible retail lending practices that account for borrowers' repayment ability to prevent over-indebtedness
       - **Lending practices:** considering enough disposable income to cover household's basic spending needs
       - **Restructuring process:** designing repayment plans that are appropriate to borrowers' ability to service debt over the longer term
  3. **Resilient:** Shifting from Stability to Resiliency

Capital (Basel III)

- CCR: BOT revised capital treatment on CCR for derivative by adding capital charge for CVA risk and determining %RW for exposure transacted through CCP. The regulation became effective from Jul 1, 2024 onwards.
- **Basel Committee on Banking Supervision (BCBS) finalized new requirements on risk weighted asset (RWA) calculations including credit risk, operational risk, and CVA risk.** The main objectives of the revision are to reduce variability in RWA across banks and jurisdictions and to balance simplicity and risk sensitivity of capital requirements.

Note: CCR = Counterparty Credit Risk, CVA = Credit Valuation Adjustment, CCP = Central Counterparties
Source: The Bank of Thailand and KResearch

Regulatory Update

EU-CBAM (effective since 2023)

- **EU Carbon Border Adjustment Mechanism:** Carbon tax on specific import goods to prevent carbon-intense goods from outside the EU (effective 2023)
  - **Transition Period (2023 – 2025):** Importers report GHG emissions embedded in their imports quarterly without financial payment. CBAM covered products are cement, iron and steel, aluminium, fertilisers, electricity, and hydrogen.
  - **Definitive Regime** (2026 onward): Importers of goods covered by CBAM will need to register with national authorities and buy CBAM certificates. The price of certificates will be based on the weekly average of EU-ETS, currently at EUR68 per tonne. More industries will likely be included such as plastics, petrochemicals, ceramics.
  - Estimate impact to Thailand exports is Bt27bn or 3% of all exports to the EU.

Thailand Taxonomy (effective since 2023)

- **Thailand taxonomy:** Reference tool for evaluating economic activities based on environmental objectives
  - **Phase 1:** Energy and transportation sectors (published June 2023) – effective Sep 2023
  - **Phase 2:** Manufacturing, Agricultural, Construction and Real estate, and Waste management sectors (first draft hearing during Oct-24 to Jan-25)
  - **Economic Activities are divided into Green, Amber, and Red**
    - **Green:** Activities that contribute to the goal of meeting net zero
    - **Amber:** Activities that have not yet reached net zero but can either be improved to decarbonize or be prescribed sunset dates
    - **Red:** Activities that are harmful to the goal of decarbonization

Thailand's Climate Change Act (Public Hearing)

- **The draft Climate Change Act will establish policy measures to reduce GHG emissions**
  - **GHG Mandatory Reporting:** Businesses are required to report GHG emissions.
  - **Emission Trading Scheme (ETS):** compulsory carbon market for businesses to control GHG emissions
  - **Climate Change Fund:** financial supports for climate change action
  - **Current Status: Public Hearing**

TFRS and IFRS Implementation*

2015

TFRS 13: Fair value Measurement

- Clear required factors and disclosure about fair valuation

2016

TFRS 4: Insurance Contracts

- Measure insurance liability based on cash flow estimation
- Additional disclosure regarding risk exposure

2020

TFRS 16 (Leases)

A single, on-balance sheet accounting model for lessee that is similar to current finance lease accounting.

TFRS 9, TFRS 7 & TAS 32: Financial Instruments

- Impairment is based on 3-stage classification and introduce lifetime forward-looking concept. However, no significant impact to Thai banks as adopted new BOT provisioning rule since December 2006
- Unquoted equities at cost to be faired value and not able to realize capital gain /loss in profit and loss if they are faired valued through OCI
- Interest revenue of lending portfolio will be recognized per effective interest rate
- Investment in property fund, REIT, infrastructure fund and infrastructure trust established in Thailand will be classified as equity instrument. (Refer to announcement from TFAC dated 25 June 2020)

2022

TFRS 9 Amendments from Interest Rate Reform

- Replacement of IBOR with new benchmark rate is considered as continuation of existing contract and/or hedge strategies.
- Changing rate is reflected in new EIR or hedge ineffectiveness.

2025

TFRS 17: Insurance Contracts

- Insurance service result will be based on margin, over coverage periods.

Note: - TAS = Thai Accounting Standard; TFRS = Thai Financial Reporting Standard; TFRIC = Thai Financial Reporting Interpretations Committee
- OCI : Other Comprehensive Income
- Customer loyalty program concept of income deferral for reward credit has been adopted through IFRS15 since 2019 with no significant impact.
- No specific accounting guideline for digital assets has been enforced; but encourage to apply from existing relevant TFRS depends on terms and condition of digital assets.
- The new amendment and standards that IASB may potentially be effective in 2026 and 2027 include IFRS 9 Amendments to the Classification and Measurement of Financial Instruments, IFRS 18 (Presentation and Disclosure in Financial Statements), and IFRS 19 (Subsidiaries without Public Accountability: Disclosures). TFAC is currently reviewing the standards for implementation in Thailand, with a one-year delay from IFRS. KBank is also monitoring the potential impacts on the financial statements.

* Only financial and disclosure impact to Thai Banks

BOT Consultation Paper: Repositioning Thailand's Financial Sector

Digital Technology
Leveraging on Technology and Data to Drive Innovation

- 3 Opens:
  - Open Competition
  - Open Infrastructure
  - Open Data**

✓ Thai banks have been ready for more open competition, based on a level playing field approach.

Sustainability
Managing Transition towards Sustainability

- Setting up data standard & disclosure requirements for financial institution's environment-related activities
- Tackling Thai households' indebtedness via both demand (consumers) and supply (loan providers) sides

Resiliency
Shifting from Stability to Resiliency

- Players will be regulated in accordance with their risk profiles (risk proportionality).
- Burdensome regulations will be revised for greater flexibility.
- While the BOT does not wish to see digital assets adopted as Means of Payment, it does not rule out those with proven stability and economic value.
- Nonbank Financial Institutions will be evaluated and regulated according to their size and impact on the economy & financial system.

✓ Many initiatives, including open infrastructure and open data, require amendments of laws and regulations, as well as cooperation from other authorities.
✓ More precise impact assessment is pending a clearer plan and details of the paper.
✓ As for virtual banking license, the BOT reported that 5 applications* were submitted for the licenses on 23 September 2024. The successful applicants will be announced within 1H25.

Notes: According to a report from The Nation * 5 applications are 1) SCB X in collaboration with foreign virtual bank operators WeBank (China) and KakaoBank (South Korea), 2) A joint venture involving GULF, AIS and KTB, 3) Ascend Money, under CP Group, partnered with Ant Group, 4) A joint venture of Singapore-based Sea Group (operator of Shopee) with BBL, Thailand Post, Sahapat Group, and VGI (a BTS Group Holdings subsidiary), 5) Lightnet led by Chatchawan Chearavanont in collaboration with WeLab, a leading virtual bank operator in Asia-Pacific.
** On October 3, 2024: The BOT launched an open data initiative called "Your Data Initiative", for the financial system, allowing Thais to share their personal data with financial institutions in order to improve their access to financial services.
Source: BOT Consultation Paper, KResearch

BOT's Directional Papers on Sustainable Resolutions of Household Debts

1 Existing NPLs (esp. those related to COVID-19)

- Accelerate Troubled Debt Restructuring or TDR (SFIs, non-bank and banks)
- Debt counselling services from creditors
- Debt mediators
- Voluntary bankruptcy/ rehabilitation filing by debtors made possible

2 Hard-to-solve/ persistent debts

- Starting with persistent debts from express/speedy cash and elderly customers
- Helping debtors to make practical debt repayment plans

3 Fast debt creation with high default risks

- Being agri-related debts, credit cards and personal loans
- Responsible lending (e.g. restriction on product PR, fair contracts, control of debt purposes)
- Upcoming additional Debt Service Ratio or DSR and LTV ratios to ensure debtors' daily-life survival
- Risk-based pricing
- Promote responsible borrowing through literacy

4 Other debts not yet being included in household debts

- Such debts include Student Loans, other cooperatives or Co-Op (Bt0.7trn; 4.3% of GDP) and loan shark
- Open data to promote financial inclusion (e.g.,water and electricity bill info)
- Risk-based pricing

Effective date

1 Jan 2024

Responsible Lending
- Issue regulations to ensure responsible lending at all stages of indebtedness
- Encourage creditors to provide guidelines to assist borrowers, such as debt restructuring, especially existing NPLs

1 Apr 2024

Persistent Debt: PD (Opt-In basis)
- General PD borrowers are those indebted consecutively for 3 years, borrowers will be urged to make larger monthly payments.
- Severe PD borrowers are indebted consecutively for 5 years. Participant in the scheme could be able to exit debt cycle within 5 years with interest rates not exceeding15% per year.

Postponed from the prior schedule of 1 Jan 2025

Debt-service ratio (DSR), effective timeline depending 1 on economic situation
- monthly income below Bt30,000: monthly payment for existing and new loans cannot exceed 60% of monthly income.
- monthly income above Bt30,000: monthly payment for existing and new loans cannot exceed 70% of monthly income.

2Q25 at the earliest

Risk-based pricing (RBP)
- Submit plans in 1Q24
- Be tested in sandbox in 2Q24
- Regulatory sandbox (1-2 years)

Source: BOT, as of 14 February 2023 and 21 July 2023

BOT's Responsible Lending Framework and Timeline

Responsible Lending Framework

Intended outcome: Responsible and fair credit service providers throughout the period of indebtedness (end-to-end process)

Before/About to go into debt → During debt → Becoming troubled debt → Selling debt

Responsible Lending guideline should be implemented under appropriate management.

Nudge: Financial Literacy and discipline — Information | Commitment tools | Incentive

Advertisement	Product offering	Product development	Considering affordability	Resolving persistent debt	Debt restructuring and troubled debt restructuring	Litigation and debt transferring

Timeline (Tentative)

2023		2024				2025	
Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Consultation paper and public hearing	Release regulations	**Responsible Lending** (beginning on January 1, 2024)					
		Banks: Borrowers with minimum monthly income of Bt20,000					
		Non-banks: Borrowers with minimum monthly income of Bt10,000*				* Impact will be considered in order to further adjust conditions within one year.	
		Risk-based pricing (RBP): 1Q24: RBP Plan proposed by Financial institutions; 2H24: Open the Regulatory sandbox (1-2 years)					
						Debt-service ratio (DSR), depending on the economic situation (postponed from the prior schedule of 1 Jan 2025	

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BOT Macro Prudential Policy

- New frameworks on retail lending announced by BOT to closely monitor systematic risk and implement preventive actions

LTV Criteria for Mortgage Loans
(Effective: January 1, 2023)

Price and Type of Properties		New (Including Top-up loans)			
		1st Contract		2nd Contract	3rd Contract Onwards
		NEW	OLD (Apr-19)		
		LTV Limit	*LTV Threshold*	*LTV Limit*	*LTV Limit*
< Bt10mn	House	≤ 100%*	≤ 95%	80-90%	70%
	Condo.	≤ 100%*	≤ 90%	80-90%	70%
≥ Bt10mn	House & Condo.	≤ 90%	80% (LTV Limit)	80%	70%

1) Under the new framework, LTV limit will be capped at 100% for the first contract of housing loans, and * loans for furniture and decorations can be added up to 10% of collaterals (old - no these conditions).
2) Prior to October 20, 2021, for the second contact, LTV limit is 80% if the first contract's installment payments are less than two years (old - three years); otherwise, LTV limit is 90%.
3) Risk weight is 35% if LTV does not exceed its LTV limit; while the risk weight will increase to 75% for the loans for furniture and decorations of the first contract.

Notes:
- August 15, 2019: BOT relaxed the LTV rules for co-signers that have no ownership interest in the home being purchased.
- April 2019: BOT tightened LTV criteria for mortgage loans, and raised down payment for the second contract onwards.
- Year 2009: BOT announced revised criteria in 2009-2010 on mortgage loan risk weights with a different effective date.
- Year 2008: Risk weights for mortgage loans dropped from 50% to 35% under Basel II.

Criteria for Credit Card / Personal Loans
(Effective: September 1, 2017)

Lending Criteria	Credit Cards			Personal Loans		
	New		*Old*	*New*		*Old*
Min.Monthly Income	Bt15,000		Bt15,000	-	-	-
	Income	Credit Line	Credit Line	Income	Credit Line	Credit Line
Credit Line (times of average monthly income)	< Bt30,000	≤ 1.5 times	≤ 5 times	< Bt30,000	≤ 1.5 times	≤ 5 times
	< Bt50,000	≤ 3 times			≤ 3 institutions	
	> Bt50,000	≤ 5 times		≥Bt30,000	≤ 5 times	

Criteria for Car Loans

- **Auto Registration Loans** (Effective: February 1, 2019): Auto registration loan providers to be approved by Bank of Thailand and Ministry of Finance

	Regulated by Fiscal Policy Office		Regulated by the BOT
	Picofinance*	Pico Plus*	
Capital Fund	≥ Bt5mn	≥ Bt10 mn	≥ Bt50 mn
Credit Line	≤ Bt50,000	≤ Bt100,00	Depends on debt-servicing ability
Interest Rate Ceiling	≤ 36%	≤ 36% for first Bt50,000	≤ 24%
		≤ 28% for the amount in excess of Bt50,000	≤ 24%

Note: * Picofinance and Pico Plus are allowed to provide loans only in the registered province.

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"You Fight, We Help" (คุณสู้ เราช่วย)

(Effective: 1 Jan 25)

1.9 Million Debtors	2.1 Million Accounts	Loans: Bt890bn	Commercial banks, Bank-owned Fincos, and SFIs

Funding:

- FIDF contributions will be reduced to 0.23% from 0.46% of deposits, effective 1 Jan 25. For subsequent years, adjustments will be evaluated based on actual funding requirements.
- Banks will receive compensation at 50% of the interest deferred for borrowers participating in assistance measures, under a co-payment between government and private sector (50:50).

Application period for assistance runs on 12 Dec 24 - 30 Apr 25. Applications can be submitted via the BOT website (https://www.bot.or.th/khunsoo).

Measure 1) "Timely Repayment, Reserve Assets" (จ่ายตรง คงทรัพย์)

Eligible Debtors

- Loan contracts executed before 1 Jan 24
- NPLs for less than 1 year, as of 31 Oct 24
- Debtors with no overdue payments or overdue payments <31 days but with a history of delinquencies >30 days and having undergone a DR/ TDR program since 1 Jan 22, as of 31 Oct 24

Eligibility limits

- Housing loans: Up to **Bt5mn**
- Car loans: Up to **Bt800,000**
- Motorcycle loans: Up to **Bt50,000**
- SMEs: Up to **Bt5mn**
- Credit card & personal loans (holds home or auto loans): debt consolidation

Installment reduction stages

1st year: **50%** of installment

2nd year: **70%** of installment

3rd year: **90%** of installment

***All monthly installments will deduct principal only.**

Other Conditions

- All suspended interest will be waived if debtors meet all conditions.
- No additional debt incurred during the first 12 months after participating in the program, excluding SMEs applying for liquidity enhancement loans.
- Participation information will be reported to NCB.

Measure 2) "Pay, Deal, Complete" (จ่าย ปิด จบ)

- All loan types, both secured and unsecured, with NPL status and outstanding debt **not exceeding Bt5,000 as of 31 Oct 24.**
- **Debtors can participate in the program > 1 account.**
- Debtors are **required to pay 10% of the outstanding debt**, with the government and banks sharing the remaining 90% equally.

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Basel III: BOT Minimum Capital Requirement

Transitional Arrangement for Capital Requirement

All dates are as of 1 January	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Conservation Buffer*	0.625%	1.25%	1.875%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
D-SIBs Buffer**	-	-	-	0.5%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
CET1: Min. Common Equity Tier 1 Ratio (after conservation buffer and D-SIBs buffer)	5.125% (4.5%+0.625%)	5.75% (4.5%+1.25%)	6.375% (4.5%+1.875%)	7.5% (4.5%+2.5%+0.5%)	8.0% (4.5%+2.5%+1%)	8.0% (4.5%+2.5%+1%)	8.0% (4.5%+2.5%+1%)	8.0% (4.5%+2.5%+1%)	8.0% (4.5%+2.5%+1%)	8.0% (4.5%+2.5%+1%)	8.0% (4.5%+2.5%+1%)
Tier 1: Min. Tier 1 Ratio (after conservation buffer and D-SIBs buffer)	6.625% (6.0%+0.625%)	7.25% (6.0%+1.25%)	7.875% (6.0%+1.875%)	9.0% (6.0%+2.5%+0.5%)	9.5% (6.0%+2.5%+1%)	9.5% (6.0%+2.5%+1%)	9.5% (6.0%+2.5%+1%)	9.5% (6.0%+2.5%+1%)	9.5% (6.0%+2.5%+1%)	9.5% (6.0%+2.5%+1%)	9.5% (6.0%+2.5%+1%)
CAR: Min. Total Capital Ratio (after conservation buffer and D-SIBs buffer)	9.125% (8.5%+0.625%)	9.75% (8.5%+1.25%)	10.375% (8.5%+1.875%)	11.5% (8.5%+2.5%+0.5%)	12.0% (8.5%+2.5%+1%)	12.0% (8.5%+2.5%+1%)	12.0% (8.5%+2.5%+1%)	12.0% (8.5%+2.5%+1%)	12.0% (8.5%+2.5%+1%)	12.0% (8.5%+2.5%+1%)	12.0% (8.5%+2.5%+1%)
Countercyclical Buffer (Subject to the BOT consideration)***	-	-	-	-	-	-	-	-	-	-	-
Leverage Ratio *(Tier 1 / Exposure) ≥ 3%*	Parallel run period										
Liquidity Coverage Ratio (LCR)**** *(Liquid Assets / Net Cash Outflows within 30 days) ≥ 100%*	LCR ≥ 60%	LCR ≥ 70%	LCR ≥ 80%	LCR ≥ 90%	LCR ≥ 100%	LCR ≥ 100%	LCR ≥ 100%	LCR ≥ 100%	LCR ≥ 100%	LCR ≥ 100%	LCR ≥ 100%
Net Stable Funding Ratio (NSFR) (Available Stable Funding / Required Stable Funding) ≥ 100%			NSFR ≥ 100%	NSFR ≥ 100%	NSFR ≥ 100%	NSFR ≥ 100%	NSFR ≥ 100%	NSFR ≥ 100%	NSFR ≥ 100%	NSFR ≥ 100%	NSFR ≥ 100%

Note: * Conservation Buffer is to ensure adequate capital to absorb losses during periods of financial and economic stress.
** D-SIBs (Domestic Systemically Important Banks) Buffer is to limit negative impact associated with the distress or failure of banks on domestic financial system and economy.
*** In periods of excess aggregate credit growth, BOT may require banks to set a Countercyclical Buffer up to 2.5% to achieve the broader macro-prudential goal of protecting the banking sector.
**** KBank's Average Liquidity Coverage Ratio (LCR) are 173%, 195%, and 182% as of June 2023, December 2023, and June 2024, respectively; more details can be found on Basel III – Pillar 3 Disclosures Report

Remark: Banks with a capital ratio less than the required regulatory buffers will face various degrees of constraint on earning distribution

Source: The Bank of Thailand

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Capital Definition Change (Consolidated)

	Basel II	Basel III
Tier 1 capital	**Tier 1** • Issued and paid-up share capital • Premium on ordinary shares • Legal reserve and Retained earnings	**Common Equity Tier 1** • Issued and paid-up share capital* • Premium on ordinary shares • Legal reserve and Retained earnings • Other comprehensive income (OCI) (1) e.g. surplus on bond and equity FVTOCI (100%), surplus on land & premises (100%)
	• Hybrid Tier 1 (<15% of total Tier 1) • Minority interest, Preferred stock	**Additional Tier 1** • Hybrid Tier 1 with loss absorbency feature • Minority interest, Preferred stock
	Deduction of Tier 1 • Goodwill, Treasury stock, Deferred tax asset • Investment in insurance (50% Tier 1 and 50% Tier 2) (2)	**Deduction of Common Equity Tier 1** • Goodwill, Deferred tax asset • Intangible assets • Investment in insurance (Threshold Deduction) - Amount ≤ 10% of CET1, %RW = 250% (KBank's Case) - Amount > 10% of CET1, deduct CET1 • Digital Asset Exposure
Tier 2 capital	• Long-term subordinated debt (3) • Hybrid Tier 1 (exceeds from Tier 1 limit) • General Provision • Surplus on AFS equity (45%) • Surplus on land & premises (70% and 50%) (1)	• Long-term sub-debt with loss absorbency feature • General Provision

* Net Treasury Stock

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Government Policy

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Government Fiscal Budget Timeline

Oct-Jan	Jan-Mar	Apr	May	Jun	Jun-Aug	Aug	Sep	Sep	Oct
Budget calendar sent to line agencies for MTEF preparation	Budget consideration/ preparation process	Submission to cabinet by Bureau of Budget	Finalization of draft budget and submission to Parliament	1st hearing of House of Parliament	Committee considers draft budget	2nd and 3rd hearing of House of Parliament	Hearing in Senate	Budget approval by parliament and enactment by King	**Start of the fiscal year**

Source: NESDC generated timeline by KResearch
Note: MTEF is Medium Term Expenditure Framework

Sources and Uses of Public Funds

FY2025 Budget

FY2025 was published in the Royal Thai Gazette on September 30, 2024.

Budget Planning

Tax Revenue + Non-Tax Revenue (Bt2.89trn)
- Revenue department (63%)
- Excise department (21%)
- Customs department (4%)
- State enterprises (6%)
- Other government agencies (6%)

+

Borrowing under FY2025 Budget Act (Bt865bn)

→

FY2025 Budget (Bt3.75trn) = Current Expenditures (Bt2.70trn or 72%) + Capital Expenditures (Bt0.91trn or 24%) + Principal Repayments (Bt0.15trn or 4%)

↔

Budget Disbursement (100% target disbursement rate + carry-over)

Budget Execution

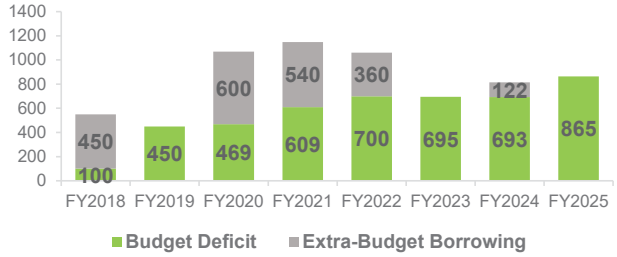
General Administration (Bt1.06trn or 28%)
- Defense
- Homeland security

Economic Affairs (Bt1.18bn or 31%)
- Development of the country's competitiveness
- Subsidize SOEs (e.g. Infrastructure project, free bus and train service policy)
- Infrastructure/ Agricultural Development

Social and Community Services (Bt1.51trn or 40%)
- Education
- Universal Healthcare

Notes: -Thai government's fiscal year (FY) begins on 1 October and ends on 30 September of the following year.
- Share of Revenue is calculated without taking into account tax returns or local budget allocations.

Government Fiscal Budget



- Additional budget for FY2024 of Bt122bn effective August 2024
- Bt3.75trn budget bill for 2025 fiscal year effective October 1, 2024, with a budget deficit of Bt865bn
- Budget for FY2026 is set to Bt3.78trn, with a budget deficit of Bt865bn, and expected to effective October 1, 2025.

Economic Policies	Key Points	Implementation Process
■ 2025 Budget Act	■ FY2025 budget at Bt3.75trn with a deficit of Bt865bn	FY2025 ■ Effective date: October 1, 2024
■ 2026 Budget Act	■ FY2026 budget at Bt3.78trn with a deficit of Bt860bn	FY2026 ■ Expected effective date: October 1, 2025

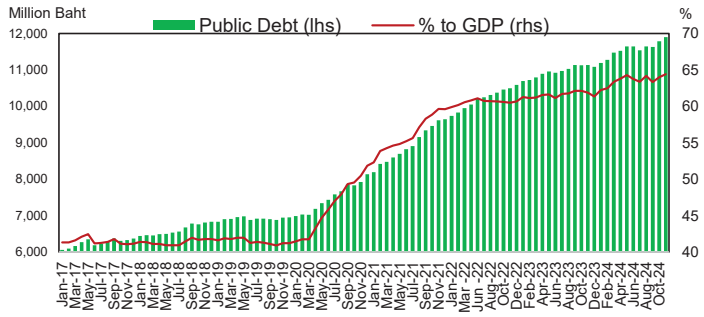
Government budget disciplines:(i.e.)
- The investment expenditure budget must be at least 20% of the total budget and must not be less than the amount of the annual budget deficit.
- The creation of debt commitments for cross-fiscal year expenditures must not exceed 10% of the annual expenditure budget.
- Public debt as a percentage of GDP must not exceed 70%.

Note: - Thai government's fiscal year (FY) begins on October 1 and ends on September 30 of following year.
Sources: The Ministry of Finance and KResearch (as of November 4, 2024)

Public Debt to GDP and Fiscal Budget

Budget disbursement has accelerated but overall disbursement is expected to remain lower than the previous year.

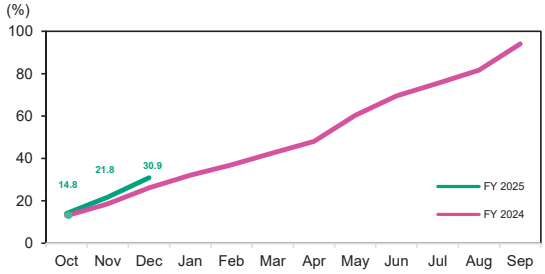
Public Debt



- Public debt to GDP ratio rose to **64.41% in November 2024**. However, it is still under the 70% limit set under the fiscal sustainability framework.
- Thai government raised the ceiling of the public debt-to-GDP ratio from 60% to 70%. The public debt to GDP is expected to rise to 65.56% in FY2025.

Source: Ministry of Finance (MOF), Fiscal Policy Office (FPO), and Public Debt Management Office (PDMO)

Budget Disbursement Rate



FY25 Budget	FY25 target	3M FY25 actual	Unused FY25 Budget
Total Budget* Bt3.75trn	Bt3.75trn (100%)	Bt1.16rn (31%)	B2.59rn (69%)
- General Budget Bt2.79trn	Bt2.79trn (100%)	Bt1.03trn (37%)	Bt1.33rn (63%)
- Capital Budget Bt0.96trn	Bt0.96trn (100%)	Bt0.13rn (13%)	Bt0.89trn (87%)

- Government budget disbursement rate for 3MFY2025 is 30.9, increase 4.7% from 26.2% in 3MFY2024.

Short-term Government Policies

Policy		Details	Status
Comprehensive Debt Restructuring		• Debt relief "You Fight, We Help" measure aims to help 1.9 million retail (housing and automobile) and SME debtors with combined loans of Bt890bn, with three-year interest exemption and reduction in the installments. • First phase launched through all commercial banks, bank-owned fincos (excluding AMC), and SFIs. The government is planning a second phase for non-bank operators in 2025.	First phase in effect (registration 12 Dec 24 - 28 Feb 25)
Projects to Boost Consumption	Digital Wallet/ Cash Handout	• **1st phase**: Cash handout of Bt10,000 to 14.5 million welfare cardholders and disabled people • **2nd phase:** Cash handout of Bt10,000 to 4 million elderly people registered via the Thang Rath application • **3rd phase:** Money will be distributed through a digital payment platform to approximately 21 million people (eligibility: Thai citizens aged 16 or above, with annual income below Bt840,000 and bank deposits under Bt500,000)	Effective 1st phase: Sep 24 2nd phase: end-Jan 25 3rd phase: 2Q25
	"Easy E-Receipt 2.0"	Maximum Bt50,000 tax deduction for spending on goods/services – Bt30,000 for spending from VAT-registered shops and Bt20,000 from community enterprise outlets or One-Tambon-One-Product (OTOP) shops	Effective (16 Jan - 28 Feb 25)
Raising Daily Minimum Wage		• Thai minimum wage increased to between Bt337 and Bt400 (2.9%), varying by region. • A daily Bt400 minimum wage will apply in four provinces and one district: Phuket, Chachoengsao, Chonburi, Rayong, and Samui District.	Effective (1 Jan 25)
		Government aims to raise daily minimum wage to Bt600 by 2027.	Planning
Salary Adjustments		Civil servants: Bt18,000 monthly salary for new officials with bachelor's degree (from Bt15,000)	Planning (1 May 25)
		Increase monthly salary for workers with a bachelor's degree to Bt25,000 (from Bt15,000-20,000)	Planning
Reduce Utility Price and Promote Mass Transit		Decreased electricity price to Bt4.15 per unit or FT at 36.72 satang	Effective (Jan-Apr 25)
		Bt20 flat rate for all electric train lines in Bangkok area	Planning (Sep 25)
		Cap diesel price at Bt33 per liter	Extend to Mar 25
Promote Tourism		60-day tourist visa exemption scheme for citizens of 93 countries and territories	Effective (Starting 15 Jul 24)
Soft loans Scheme		GSB provides Bt100bn funding at 0.01% interest to banks to lend to SMEs at no more than 3.5% interest with maximum Bt40m/SME.	Effective (July 24 - Dec 25)
Flood Relief Measures		• A package to help flood victims, both individuals and businesses, in 50 provinces, including tax exemptions, soft loans, debt moratoria, interest rate cuts, and loan guarantees • Bt9,000 flood compensation for 67,000 households impacted by flood in 2024, with additional Bt10,000 for clean-up expenses	Effective (Sep - Dec 24)
Co-payment fertilizer scheme		Subsidise fertilizer costs for farmers at a rate of Bt500 per rai, up to a maximum of Bt10,000, with total budget of Bt30bn	Effective (15 July 24 - 31 May 25)

Long-term Government Policies

Policy	Details	Status
Economy	• Focus on Thailand 4.0 economic model, with four main objectives including economic prosperity, social well-being, raising human values, and protecting the environment • Modernize traditional agriculture by applying technology under the concept of "market-driven innovation to increase income"	-
Social	• Promote social welfare and development; monthly pension payments to the elderly	-
	• Mandatory retirement age for government and state enterprise officials might be extended from 63 to 65	Planning
Tax Reform	A Tax Reform Committee has been set to study the implementation of a Negative Income Tax (NIT) system. The study will focus on two main areas: restructuring the tax base and revising over 20 types of state welfare programs.	10 Jan 25
Energy Policy	Reform petroleum concessions and energy price structures, including an LPG and electricity bill subsidy	Planning
Transport Infrastructure Development Plan	"Driving Transport Policy for Thailand's Opportunities" with a budget of Bt136bn in 2025 and Bt117bn in 2026 to enhance connectivity, safety, and sustainability across multiple modes of transport	-
BOI Measures for Supporting Private Investment, and boosting FDI	• Promote new economies such as the digital economy and advanced technology industries to enhance the country's competitive advantage; strategic industries include data centers, EV, BCG, and regional headquarters • Extend special economic zones and the economy in all four regions to decentralize economic activities to various provinces • Promote establishment of international headquarters and international trading center in Thailand	2024 - 2027
Eastern Economic Corridor (EEC)	Thailand's flagship project to transform Thailand into an innovative, value-based industry, with an emphasis on 12 industries such as automation and robotics, aviation and logistics, biofuel and biochemicals, and digital	-
Southern Economic Corridor (SEC)	Thailand's key initiative aims to drive economic growth and connectivity in the southern regions, which focuses on infrastructure, trade, tourism, and investment. The area position is a key gateway to Southeast Asia and global markets.	-
ASEAN Economic Community (AEC)	• Improve the level of economic development, increase competitiveness and reduce the development gap among ASEAN countries • Take a leading role in development cooperation with other countries, both bilaterally and trilaterally	Since 15 Dec 24
Free Trade Area (FTA)	• **16 FTAs (23 countries) have signed** with ASEAN+3 (China, Japan, and Korea), India, Australia, New Zealand, Peru, Chile and the Regional Comprehensive Economic Partnership (RCEP), Sri Lanka, Thailand-EFTA FTA (Iceland, Liechtenstein, Norway and Switzerland) • **In progress** with European Union (27 countries), Bhutan, United Arab Emirates (UAE), Canada, Turkey, South Korea, and in study with Comprehensive and Progressive Agreement of Trans-Pacific Partnership (CPTPP), Gulf Cooperation Council (GCC), African Continental Free Trade Agreement (AfCFTA)	EU, South Korea, Canada, Bhutan are expected to summarized within 2025
Entertainment Complex	A venue that operates multiple types of entertainment businesses, such as restaurants and bars, five-star hotels, and sports entertainment, along with a casino business. The cabinet approved Entertainment Complex Act ("the Draft Bill").	Approved on 13 Jan 25

Ongoing Government Measures to Assist Cost of Living

Household Assistance

Train/ Bus/ Skytrain and Subway Fares: Bt500 monthly allowance for welfare card holders to use for public transportation

Necessity Goods: A Bt200-300 grant per month on welfare card to purchase necessity goods, products intended for education and farming materials from all Blue Flag shops

Cooking Gas: A Bt100 discount per 3 months on welfare card to purchase cooking gas

Allowances (e-Money) : Depending on measure, can be withdrawn from an ATM, such as Elderly welfare allowance (Bt50-100)

Water and electricity price: Reduce water and electricity bills and refund meter fees

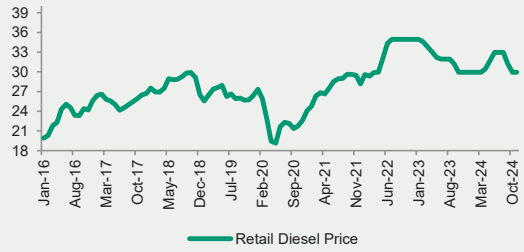
Energy Prices

Diesel Fuel:
- Maintain retail diesel price cap at Bt33.0 per liter until March 2025
- No extension of excise tax cut for diesel

Benzene Fuel:
- No subsidy measure

NGV and LPG Price:
- Household sector: Extend LPG price cap at Bt423 /per 15-kilo canister (January-March 2025)

FT Rate: Fuel Adjustment Tariff (FT) Rate for electricity is set to increase to Bt0.3972 or average Bt4.18/unit (during January to April 2024) and remain unchanged (during May to December 2024). Set to decrease to Bt0.3672 or average Bt4.15/unit (during January to April 2025)



Value-added-tax (VAT) Rate

On September 17, 2024, the Government announced the following VAT Rates: Maintain the 7% value-added-tax (VAT) rate until September 30, 2025.

Source: The Census and Economic Information Center (CEIC), Electricity Generating Authority of Thailand (EGAT),newspapers complied by KResearch

Eastern Economic Corridor (EEC) - *Three eastern provinces: Chachoengsao, Chon Buri, and Rayong*

- **Objectives:** To facilitate and attract investment in innovative target industries aimed at achieving "Thailand 4.0", an innovation driven society (the 12 industries are Next-Generation Automotive, Smart Electronics, Medical and Wellness Tourism, Food for the Future, Robotics, Aviation, Agriculture & Biotechnology, Biofuels & Bio Chemicals, Digital, Medical, Defense, and Education & Human Resource Development)
- **Key Development Plan:** An expansion of existing transportation facilities, plus new investment in logistics systems to transform the EEC area (13,266 square kilometer) into a regional center for trade, investment, and tourism
- **Approved Investment:**

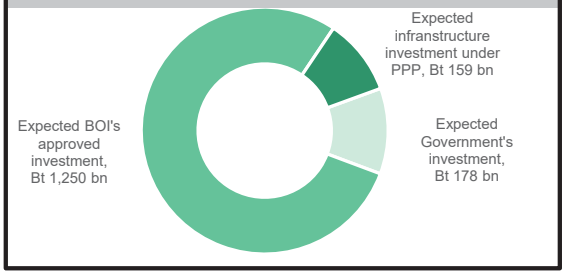
Phase 1 (2018-2022) total Bt2.0trn from (1) BOI's approved projects (private sector investment) Bt1,250bn (2) infrastructure investment under Public Private Partnership (PPP) Bt661 bn and (3) government investment from integrated budgeting Bt95bn.

Phase 2 (2023-2027) (1) Expected BOI's approved projects (private sector investment) Bt1,250bn (As of Sep 2024, BOI approved projects Bt661bn) (2) Expected infrastructure investment under Public Private Partnership (PPP) Bt159bn and (3) Expected government investment Bt178bn.

- **Investment Incentives:** EEC privileges corporate income tax (CIT) exemption of up to 13 years and additional 50% CIT reduction for up to five years for some projects; 15-year CIT exemption for qualified projects under Thailand Competitive Fund (R&D investment); a flat tax rate of 17% personal income tax (PIT) for experts/specialists; long-term land leases (up to 99 Years)

Four Core Areas - 15 Crucial Investment Projects*

Expected Investment Amount for Phase 2 (2023-2027)



Source: The Board of Investment of Thailand (BOI), and The Eastern Economic Corridor Office of Thailand (EECO) presentation and KResearch projected (as of January 2025)

EEC Progress

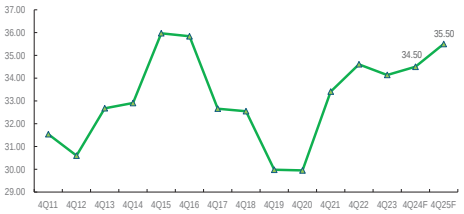
Projects	Amount	Owner	Contract Signed	Name of the selected JV	Beginning Construction	Expected project completion
High-Speed Rail Linking 3 Airports	Bt224.5bn	State Railway of Thailand	Oct 2019	**Asia Era One Co., Ltd** (CP led consortium consisting of CP, Italian Thai, CH. Karnchang, China Railway Construction Corp)	2Q2025	2031
U-Tapao Airport and Aviation City	Bt290bn	Royal Thai Navy	Jun 2020	**U Tapao International Aviation Co., LTD** (Bangkok Airways led Consortium consisting of Bangkok Airways, BTS, Sino-Thai)	2025	2028
U-Tapao MRO (Maintenance, Repair Overhaul)	Bt8.4bn	Royal Thai Navy	TBC	*To Launch Term of References (TOR) for bidding in June 2022*	-	2025
Laem Chabang seaport (3rd Phase)	Bt114bn	Port Authority of Thailand	Nov 2021 and Aug 2020	**GPC** (Gulf Energy Development Pcl + PTT Tank Terminal + China Habour) *for F Dock Development* **C NNC** (NTL Marine + Nathalin + Zhonggang Construction) *for Land reclamation project*	4Q2023 (F Dock) 2Q2021 (Land reclamation)	2027 (for F1 Dock) 2029 (for F2 Dock)
Map Ta Phut seaport (3rd Phase with Phase 3.1 & 3.2)	Bt47.9bn and Bt7.5bn	Industrial Estate Authority of Thailand	Oct 2019 and Not define date yet	PTT Tank Terminal + Gulf Energy Development Pcl *for Land reclamation and Natural gas harbor* *for Liquid cargo harbor and warehouse*	3Q2021 2025	2025 2026

Source: Newspaper, Eastern Economic Corridor Office of Thailand and KResearch as of January 2025

Thailand Economic Figures

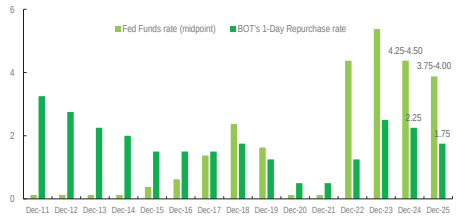
Currency and Interest Rate Outlook (as of 9 January 2025)

USD/THB: End Period



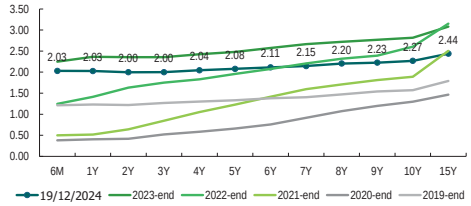
- We anticipate the Thai baht will remain under considerable pressure, forecasting USD/THB to reach 35.50 by the end of 2025. Trump's trade policies, along with their impact on the Chinese yuan and other Asian currencies, will play a major role, as will the hawkish stance of the Fed. Additionally, Thailand's current account surplus is expected to remain well below pre-COVID levels, and capital outflows are likely to continue.

Interest Rate Trend



- We expect two 25bps Fed rate cuts to bring the target range to 3.75-4.00% by the end of 2025, as indicated in the latest Fed dot plot. This is slightly lower than our previous forecast, reflecting the Fed's hawkish stance. While US inflation is on track to meet the Fed's 2% target, it will likely take longer and face some challenges along the way, particularly due to political factors such as Donald Trump. Meanwhile, the US economy and labor market have not yet shown signs of rapid deterioration.
- We expect two 25bps BOT rate cuts in 2025, bringing the rate down to 1.75% by the end of the year. The fragile economic recovery, along with several downside risks—particularly from US trade policies, persistent low inflation, and weak credit growth—are key factors driving the rate cuts

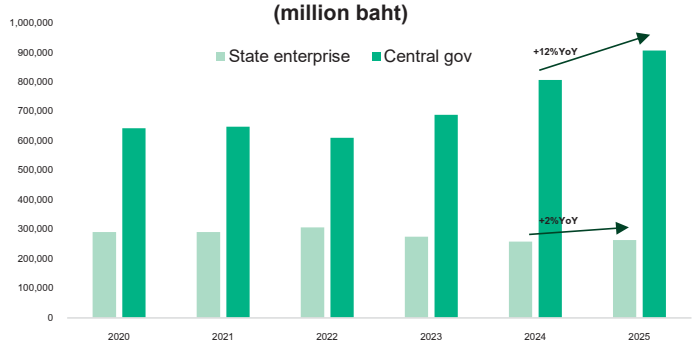
Bond Yields



- US Treasury yields are expected to decline in 2025, with the 2-year bond reaching 3.75% and the 10-year bond at 4.25% by year-end, as the Fed's easing cycle continues, albeit at a more cautious pace. However, risks to this outlook remain, particularly from Trump's fiscal agenda, which includes an estimated $5.8 trillion in spending, as well as ongoing geopolitical tensions that could pose upside risks.
- Thai bond yields are expected to decline somewhat in 2025, particularly for the 2-year bond, amid anticipated further rate cuts from the BOT, while the 10-year bond faces risks from further fiscal policy easing. We forecast the 2-year bond to reach 1.75% and the 10-year bond to end the year at 2.10%.

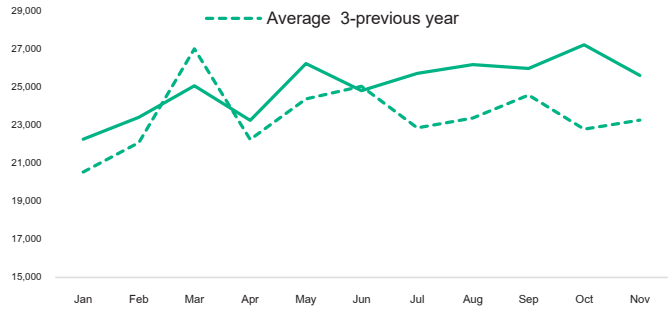
Monthly Economic Conditions: Private consumption and exports are expected to remain primary drivers of the Thai economy in 2025, though their growth momentum is anticipated to slow. Meanwhile, public consumption, public investment, and private investment are projected to expand at a faster pace.

Capital budget in fiscal year (million baht)



In FY2025, the capital budget is set to increase by approximately 12%YoY while the capital budget disbursement in the first 3 months of FY2025 has doubled compared to the previous year.

Export value (USD mn)

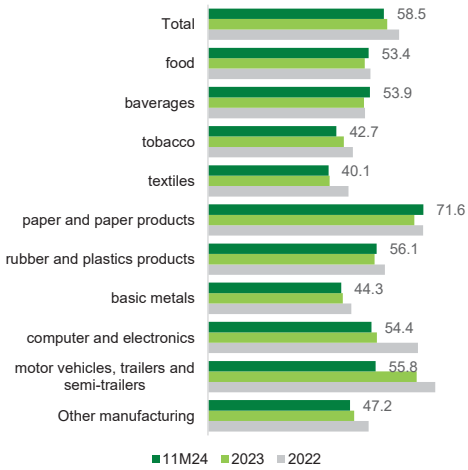


Thai exports in 2024 grew higher than previously expected, driven mainly by the uptick in electronics exports. However, Thai exports in 2025 are likely to decelerate due to the renewed trade war.

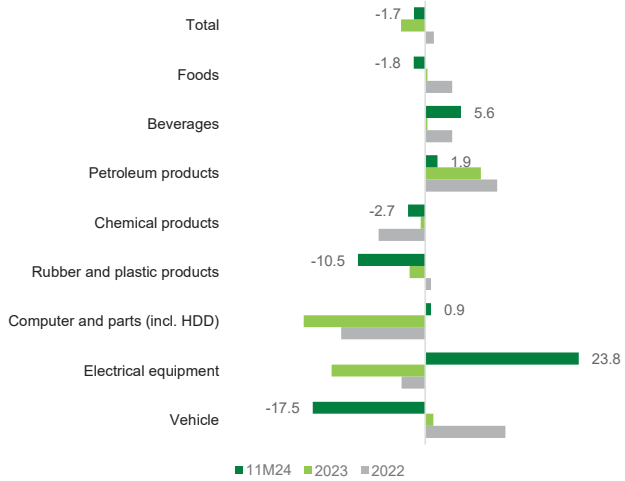
Sources: Ministry of Commerce (MOC), and Ministry of Finance (MOF)

Supply Side: The Thai manufacturing sector remains subdued due to higher influx of Chinese goods and deteriorated competitiveness of Thai products.

Capacity Utilization by Key Industries



Manufacturing production index



Note: - FDI refers to equity investment, lending to affiliates, and reinvested earnings; investment in equity is treated as a direct investment when the direct investors own 10% or more of ordinary shares.
- FDI position by countries is an investment outstanding that nonresident investors have with resident enterprises as stock concept.
- Converted FDI US Dollar to Thai Baht by reference rate from the Bank of Thailand

Source: BOT, NESDC, NSO, and KResearch, The Ministry of Commerce (MOC), and Office of Industrial Economics (OIE)

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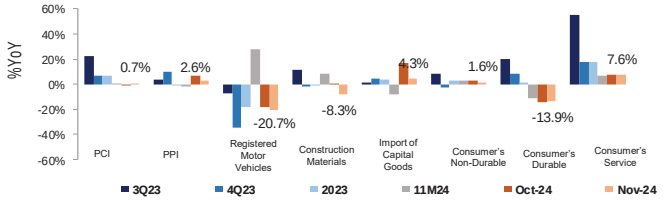
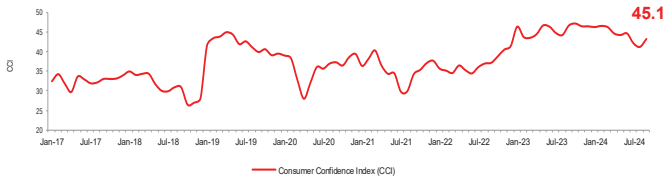
Demand Side: Domestic demand has slowed, mainly due to durable goods consumption.

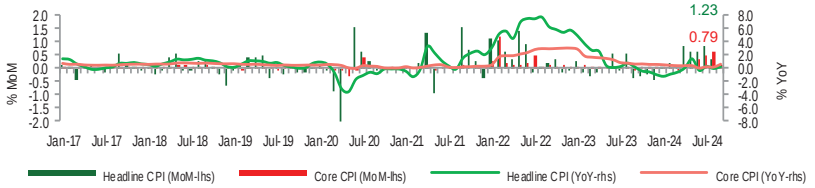
Private consumption has been dragged by a decline in durable goods spending amid tightening financial condition.



Consumers are more optimistic about the economic outlook, supported by government stimulus in 2025.



Thailand's headline inflation accelerated in Dec 24, primarily driven by higher energy prices caused by low base factor



Bank of Thailand (BOT), Ministry of Commerce (MOC),

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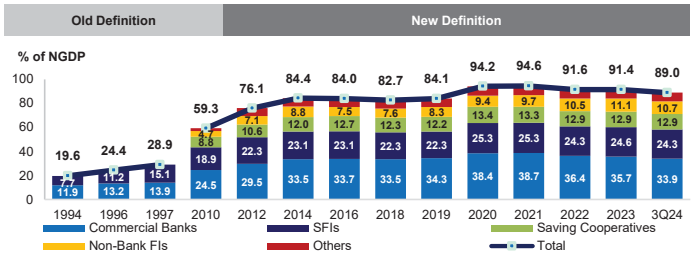
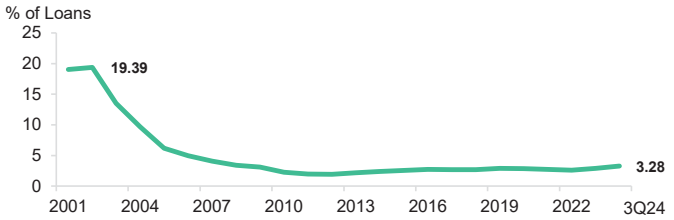
Household Borrowing

Household Borrowing to GDP



Old Definition: Data from 1991 – 1997: lending from commercial banks and SFIs to individual persons for consumption only
New Definition: Data from 2012 onwards: takes into account individual persons' outstanding loans from all types of financial institutions, including Student Loan Fund, National Housing Authority, cooperatives, non-banks, pico finance businesses
Source: BOT and KResearch

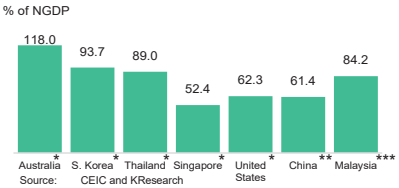
% NPL for Consumption Loans of Thai Commercial Banks



- **Household debt to GDP remained at 89.0% in 3Q24 and is expected to stay above the sustainable level of 80.0% in 2025.**
- **Household borrowing to GDP is higher than pre-crisis level, due to factors such as changes in consumer behavior, intense competition among banks, and a more accessible credit market.**
- **Thailand's household debt to GDP is comparable to other countries; debt service ratio of Thai households is still well below 40%, indicating the household debt situation is unlikely to trigger any problems in the foreseeable future.**
- **NPL ratio for consumption loans of commercial banks rose to 3.28% in 3Q24 from 2.88% in 4Q23.**

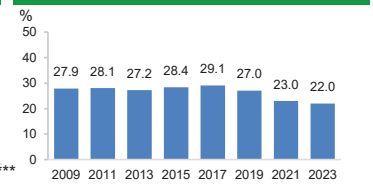
Source: BOT, Bank for International Settlements (BIS), National Statistical Office (NSO), CEIC and KResearch

Cross-Country Comparison of Household Debt



Source: CEIC and KResearch
Note: * data as of 3Q24, ** data as of 2024, *** data as of 2023

Debt Service Ratio of Thai Households



Source: NSO and KResearch

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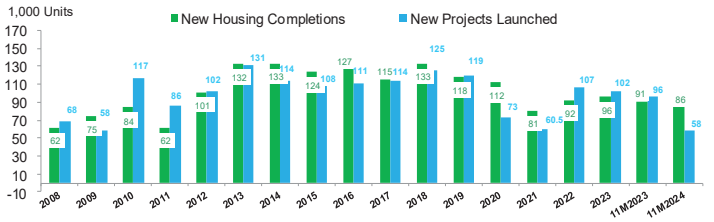
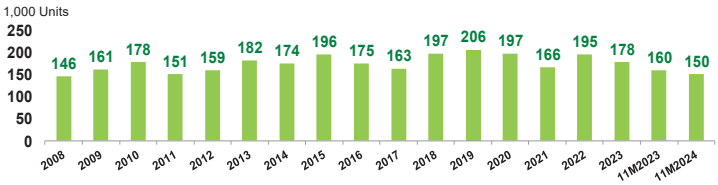
Property Market: In 2024, home sales declined due to low purchasing power, high household debt, and rising house prices.

Supply Side: New Housing Completions and New Projects Launched in BMR*

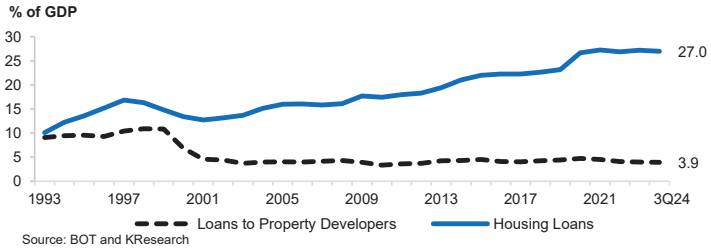


Demand Side: Transferred Properties in BMR*



Source: National Economic and Social Development Council (NESDC), BOT, Real Estate Information Center (REIC), Agency for Real Estate Affairs (AREA), and KResearch
Note: * Including Condominium, Single House, and Townhouse; BMR = Bangkok and Metropolitan Area

Outstanding Mortgage Loans to Individuals and Property Developers to GDP



Source: BOT and KResearch

- Mortgage loans to GDP is higher than pre-crisis level, due to factors such as changes in consumer behavior, intense competition among banks, and a more accessible credit market.
- Outstanding loans granted to property developers to GDP was 3.9% in 3Q24, lower than pre-crisis level.
- Supply Side: The number of new housing projects launched in 11M24 dropped sharply by 40% YoY. Developers started fewer new projects in 2024 due to the still substantial quantity of unsold housing units and the delay in recovery of consumers' purchasing power.
- Demand Side: Property sales during 11M24 decreased by 6.1%. Home sales are still predicted to decrease in 2024 due to a weakness in consumer purchasing power, particularly low-to-middle-income earners.
- Mortgage NPLs among Thai commercial banks was at 3.82% in 3Q24, compared to 3.34% in 4Q23.

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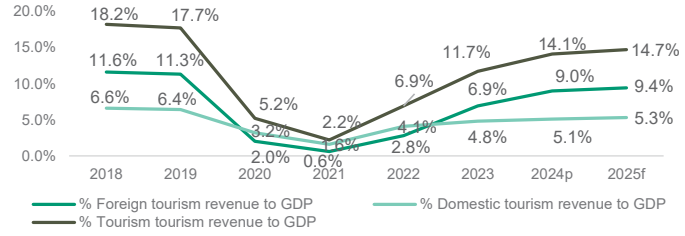
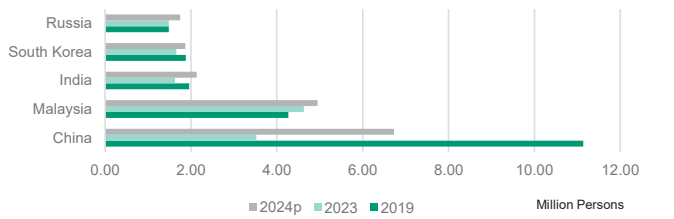
Tourism

Total tourism receipts (both domestic and foreign) will gradually increase in 2025, reaching 94% of the 2019 level.

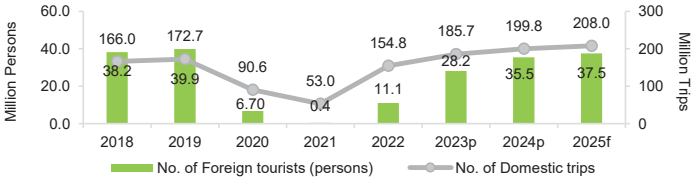
%Tourism Revenue to GDP



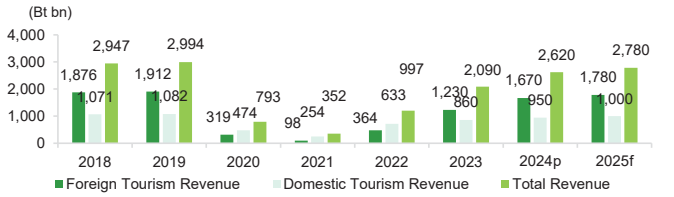
Top 5 Foreign Tourists by Country



No. of Foreign Tourists and Domestic Trips



Tourism Revenue

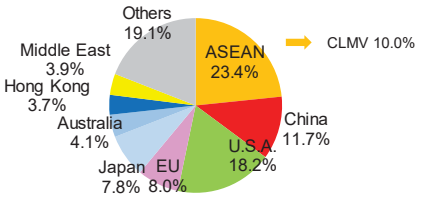


Source: MOTS and Forecast by Kasikorn Research Center
Note: As of January 2025

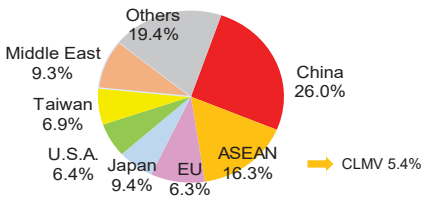
บริการทุกระดับประทับใจ

Exports and Imports: 11M24

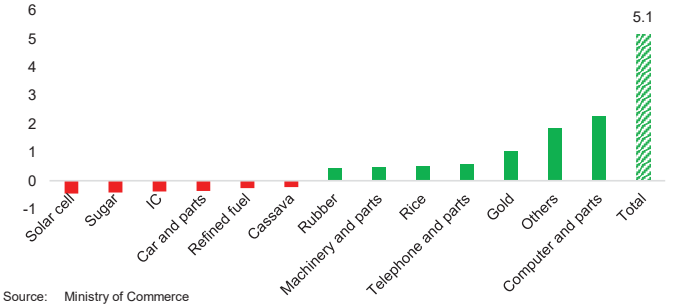
Exports by Country



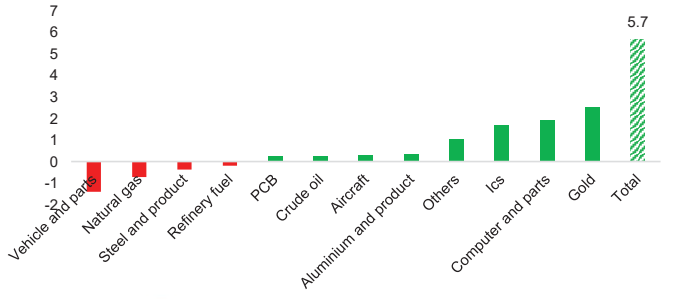
Imports by Country



Contribution to export growth in 11M24 (%)



Contribution to import growth in 11M24 (%)



Source: Ministry of Commerce

บริการทุกระดับประทับใจ

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Exports and Imports: Thai exports for 11M24 expanded 5.1%YoY, driven by the uptick in electronic exports.

Thai Exports (%YoY) Nov 24

Units: %YoY	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24
Total exports	**9.9**	**3.6**	**-10.9**	**6.8**	**6.9**	**-0.3**	**15.2**	**7.0**	**1.1**	**14.6**	**8.2**
Excluding gold	8.5	1.2	-7.1	9.5	5.6	-1.7	11.0	6.2	1.7	9.0	6.4
Excluding oil related product	10.8	4.9	-10.9	8.5	7.8	0.0	14.2	7.5	2.6	16.7	9.4
Agricultural/ Agro-industrial products	**9.2**	**-1.1**	**-5.1**	**2.0**	**19.3**	**-3.3**	**8.7**	**17.4**	**3.5**	**7.2**	**5.7**
Rice	45.9	53.6	30.6	91.5	-4.5	96.6	15.6	46.6	15.2	10.1	-20.6
Fruits	30.1	-24.3	-38.7	-29.8	128.0	-37.8	-25.9	1.0	-20.9	-3.3	44.8
Rubber	5.5	31.7	36.9	36.2	46.6	28.8	55.4	64.8	47.4	32.6	14.1
Cassava	-27.1	-20.5	-16.7	-9.7	-17.0	-3.8	-6.5	-11.5	-29.2	-30.5	-6.3
Sugar	-16.1	-34.9	-45.6	-9.1	-46.1	-51.9	-39.1	-14.2	-10.4	-12.8	-23.3
Manufacturing products	**10.2**	**5.2**	**-12.3**	**9.2**	**4.2**	**0.3**	**15.6**	**5.2**	**2.0**	**18.6**	**9.5**
Car and parts	-5.3	-5.6	-12.4	19.8	-4.8	13.5	-12.8	0.4	-9.8	-16.8	4.8
Computer and parts	32.2	24.9	-11.8	62.0	44.5	22.0	82.6	74.7	25.5	77.5	40.8
Electrical appliance	-1.2	-3.8	-8.8	4.1	-4.6	-8.6	9.7	4.7	7.3	15.5	13.8
Jewelry excl. gold	21.5	6.5	-3.1	8.2	3.9	-4.3	-6.5	17.6	-0.8	-1.8	24.3
Gold	194.1	309.5	-75.0	-64.6	135.4	184.1	434.1	99.0	-15.0	169.3	174.7
IC	-1.9	-13.2	-18.2	-9.2	-11.9	-21.4	-8.7	-33.2	1.2	1.9	3.9
Mechinery and components	7.6	-2.5	1.3	58.9	12.4	7.2	10.0	23.0	8.7	43.0	16.7
Plastic pallets	-0.3	-2.7	-13.7	0.5	-0.4	-6.3	6.9	-3.3	-5.2	4.8	2.2
Chemical	-1.6	-14.2	-10.9	-3.9	-3.2	-5.5	38.2	12.5	4.4	18.7	10.7
Minning and fuel	**7.1**	**-8.5**	**-5.0**	**-9.3**	**2.6**	**1.3**	**39.5**	**0.5**	**-24.7**	**-22.2**	**-7.1**
Refined fuel	5.3	-9.6	-6.1	-21.2	-0.5	2.8	35.5	1.0	-29.8	-21.4	-16.3
Units: %YoY	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24
Key export markets											
US	13.8	15.5	2.5	26.1	9.1	5.4	26.3	3.0	18.1	25.3	9.5
EU (27) excl. UK	4.5	3.3	-0.1	20.2	-5.4	7.9	17.1	26.4	4.1	22.1	11.2
Japan	1.0	-5.8	-19.3	-4.0	-1.0	-12.3	-2.5	-11.3	-5.5	7.0	-3.7
China	2.1	-5.7	-9.7	-7.8	31.1	-12.3	9.9	6.7	-7.8	8.4	16.9
ASEAN (5)	17.9	-1.2	-26.1	3.7	-0.9	-2.0	17.8	4.5	-6.7	6.8	-1.5
CLMV	16.4	4.5	0.5	5.2	9.6	7.5	19.8	13.7	8.3	27.9	21.0
Middle East (15)	2.5	-9.9	-7.3	16.5	-10.1	16.1	-3.7	34.6	3.5	1.9	1.7

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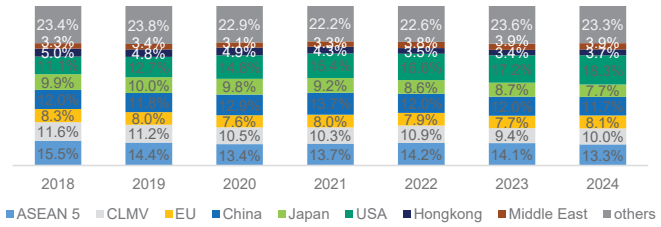
Exports and Imports: Thai imports in 11M24 expanded 5.7%YoY, with capital and consumer goods imports from China.

Thai Imports (%YoY) Nov 24

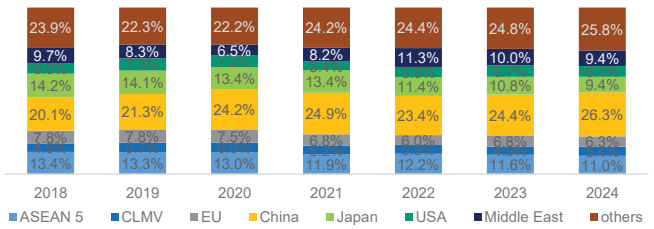
Units: %YoY	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24
Total imports	**1.7**	**2.5**	**4.9**	**8.5**	**-2.3**	**-0.5**	**13.1**	**8.9**	**9.9**	**15.9**	**0.9**
Fuel lubricants	-20.4	-25.9	31.7	-17.7	-2.2	-7.8	22.9	13.4	-11.3	22.2	-21.1
Capital goods	10.3	25.5	11.4	17.8	-7.6	-2.1	15.1	7.2	13.8	25.7	-1.5
Machinery and parts	-3.0	19.2	-21.4	6.2	-8.2	-15.2	12.4	-0.2	9.6	19.0	7.5
Electronical machinery and parts	20.7	25.8	28.7	18.7	38.9	21.4	29.1	5.5	23.2	20.7	-5.9
Computer and parts	57.1	84.7	177.1	53.3	-14.1	6.7	4.1	25.0	47.3	187.7	2.5
Raw meterials and intermediate	10.5	6.5	-1.2	19.9	2.4	6.2	17.8	16.2	25.7	13.9	14.0
IC	22.8	32.8	39.7	24.1	46.0	21.0	31.7	9.1	29.6	24.5	-6.5
Chemicals	-15.9	-1.7	-8.7	3.3	-5.5	-4.6	23.4	10.9	2.6	6.1	-6.3
Consumer goods	-0.2	11.9	-6.9	8.0	2.1	1.3	18.1	-0.8	9.7	16.2	8.9
Vehicles and transportation accessory	-16.7	-17.1	-19.5	-15.1	-27.7	-22.2	-45.1	-23.8	-36.6	-22.1	-25.3
Units: %YoY	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24
Key import markets											
US	-10.3	-10.4	19.1	4.3	2.7	-2.0	-4.2	20.2	16.0	7.1	-3.6
EU (27) excl. UK	-26.0	34.8	-9.2	21.7	-15.1	-27.8	13.1	-5.1	-10.0	11.4	-5.5
Japan	-10.3	-10.4	19.1	4.3	2.7	-2.0	-4.2	20.2	16.0	7.1	-3.6
China	8.5	14.0	-7.9	10.2	5.0	15.4	24.4	15.8	16.9	19.2	16.9
ASEAN (5)	-3.1	-13.8	-9.8	5.2	-0.8	12.1	24.1	1.8	9.4	-3.2	-3.0
CLMV	-0.5	-0.7	8.0	1.9	-0.1	6.8	17.6	15.8	19.7	11.4	12.6
Middle East (15)	-23.6	-26.9	51.4	-8.0	-8.3	4.9	32.5	32.6	-8.6	32.9	-20.1

Export and Import Data: 2018 – 2024

Exports by Country



Imports by Country



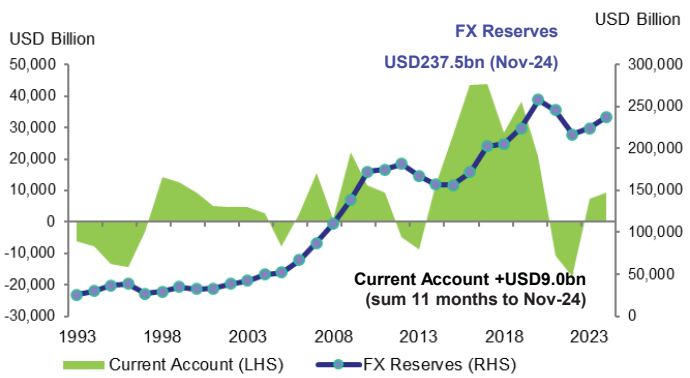
Total Exports, Custom Basis	2024		
	USD Millions	Weight	%YoY
Total Exports,	**285,074**	**100.0%**	**5.4%**
Motor cars, parts and accessories	31,041	10.3%	-3.6%
Automatic data processing machines and parts thereof	24,610	8.2%	38.1%
Precious stones and jewelry	18,424	6.1%	24.6%
Rubber products	14,239	4.7%	7.6%
Machinery and parts thereof	10,316	3.4%	17.4%
Refine fuels	9,195	3.1%	-9.8%
Polymers of ethylene, propylene, etc in primary	8,794	2.9%	-0.9%
Electronic integrated circuits	8,687	2.9%	-10.5%
Chemical products	8,422	2.8%	4.6%
Teleprinters, telephone sets and parts thereof	7,962	2.7%	23.6%

Source: Ministry of Commerce

Import, Custom Basis	2024		
	USD Millions	Weight	%YoY
Total Imports,	**306,810**	**100.0%**	**6.3%**
Crude oil	32,604	10.6%	1.3%
Electronic integrated circuits	24,428	8.0%	24.7%
Machinery and parts	21,986	7.2%	3.5%
Electrical machinery and parts	21,716	7.1%	0.7%
Jewellery including silver bars and gold	19,424	6.3%	62.9%
Chemicals	17,733	5.8%	-0.5%
Computers, parts and accessories	14,956	4.9%	49.9%
Other metal ores, metal waste scrap, and products	12,943	4.2%	15.3%
Iron, steel and products	12,225	4.0%	-7.2%
Natural gas	9,511	3.1%	-17.4%

Current Account and FX Reserve

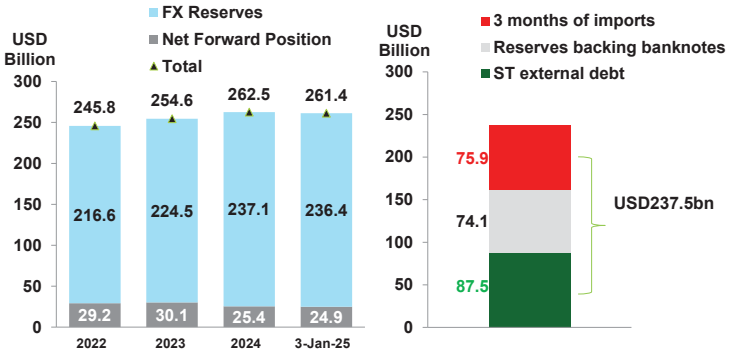
Current Account and FX Reserve



Source: BOT and KResearch

- Due to the effects of COVID-19, Thailand's current account balance was negative in 2021–2022 but showed a surplus in 2023 due to recovery of the tourism sector and trade surplus.

Thailand has enough FX reserves to meet all internal and external obligations.

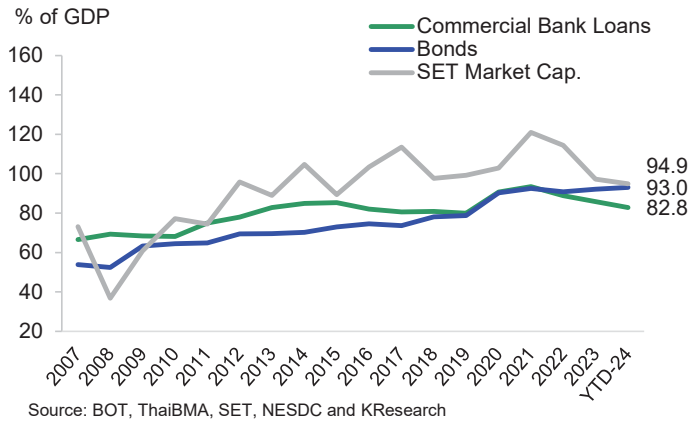


Source: BOT and KResearch Last Update: January 10, 2025

- Thailand's gross reserves (at USD261.4bn as of Jan 3, 2025) are sufficient to cover short-term foreign debt obligations, sustain three months of imports, and fully support the printing of banknotes.

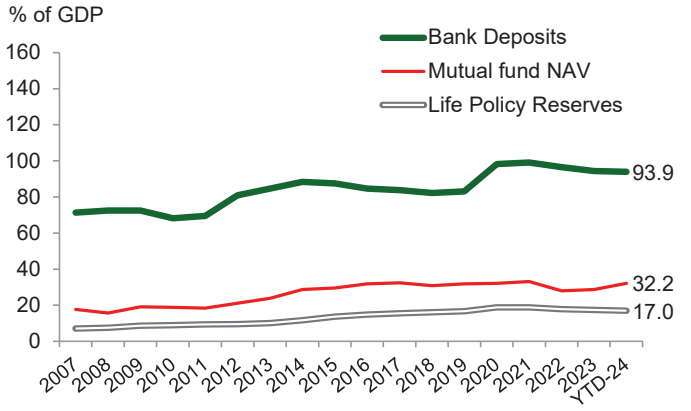
Financial Market Structure: Bank loans and deposits continue to play a dominant role in Thailand's funding and savings markets, respectively.

Funding



Source: BOT, ThaiBMA, SET, NESDC and KResearch

Savings



Source: BOT, AIMC NESDC and KResearch

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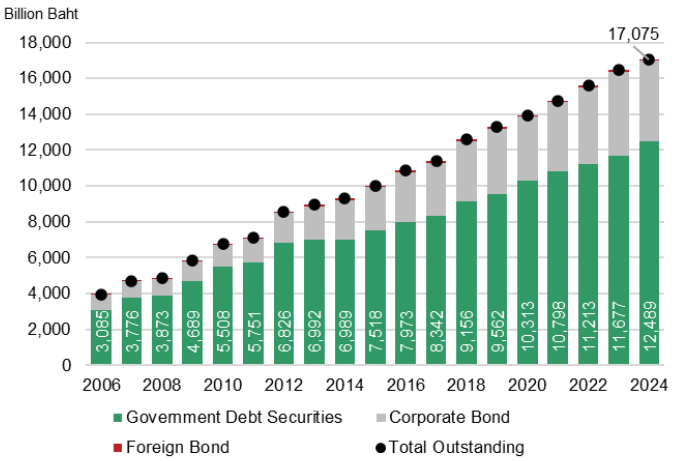
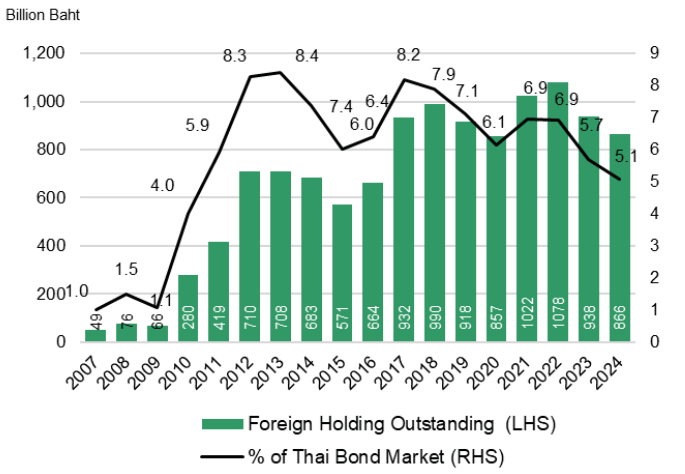
Thai Bond Market

Thai Bond Market Size (Gov't and Private bond outstanding)



Source: ThaiBMA and KResearch

Foreign Holdings of Thai Bonds



Source: ThaiBMA and KResearch

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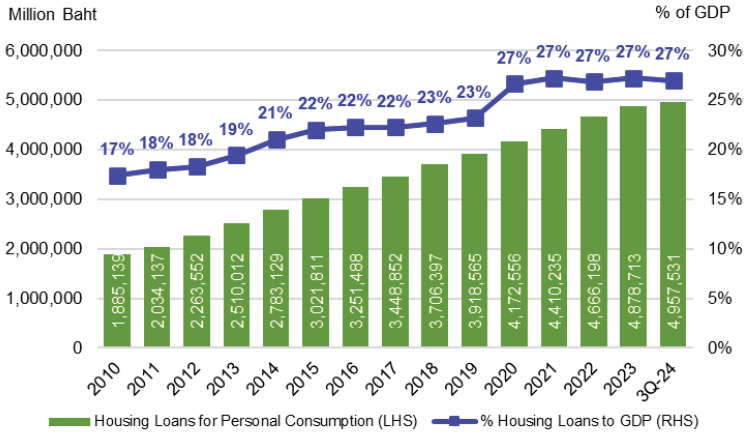
Other Figures

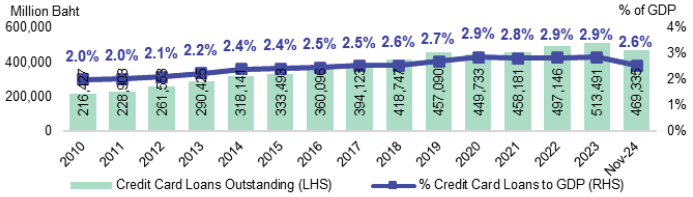
Housing Loans / GDP



Note: Housing loans represent outstanding housing loans for personal consumption granted to individuals of householders by financial institutions (including Commercial banks, Finance companies, Credit financiers, SFIs, and Insurance companies but excluding Saving Cooperatives and others financial Institution).

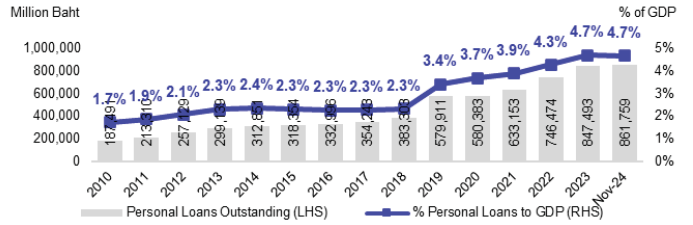
Source: BOT, NESDC

Credit Card Loans / GDP



Note: 1) Credit card loans represent outstanding credit card loans from commercial banks and non-banks, excluding SFIs, saving cooperatives and others financial Institutions.

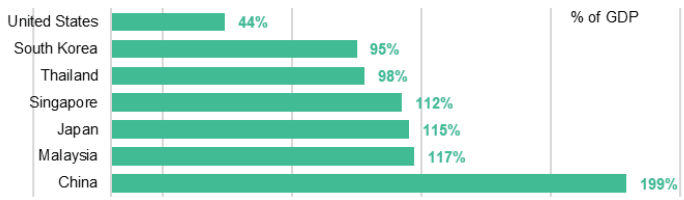
Personal Loans / GDP



Note: 1) Personal Loans represent outstanding personal loans under supervision (including commercial banks and non-banks, excluding SFIs, saving cooperatives and others financial Institution).

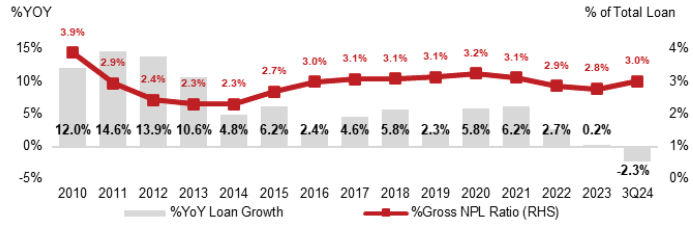
Other Figures

Loans to GDP as of 2024



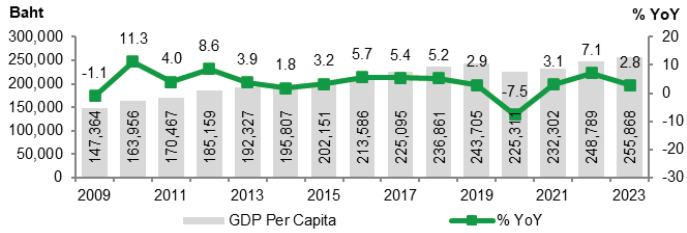
Note: Data on China, Korea and Japan include loans from commercial banks as well as financial institutions, the rest include loans only from commercial banks.

Thai Banks' Loan Growth and NPL Ratio

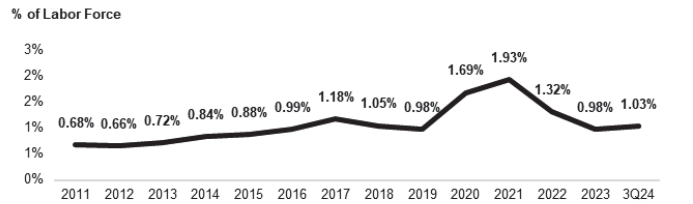


Note: %YoY loans represent growth of loans in 17 domestically-registered commercial banks.

GDP Per Capita



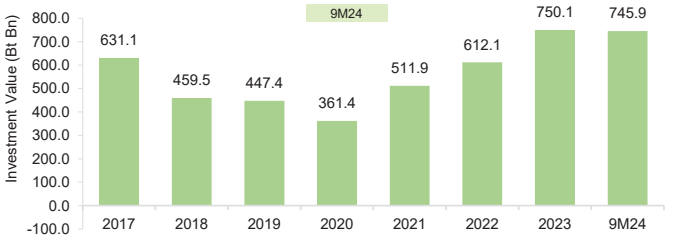
Unemployment Rate



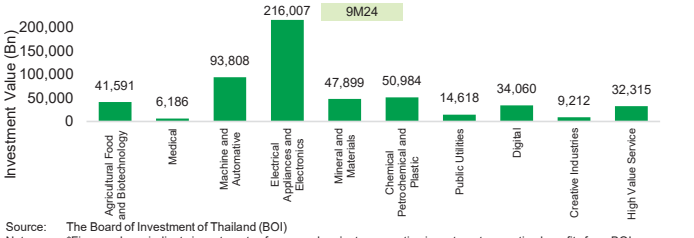
Source: BOT, NESDC, NSO, CEIC Data, and KResearch

Other Figures

Investment value of BOI-approved applications (Total)*

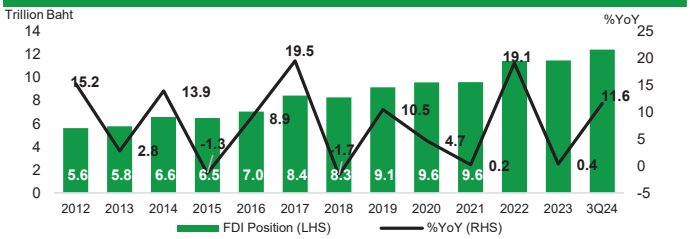


Foreign investment value of BOI-approved applications (by Industry)* **

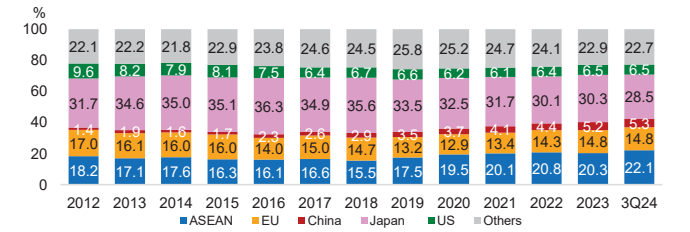


Source: The Board of Investment of Thailand (BOI)
Note: *Figures above indicate investments of approved projects requesting investment promotion benefits from BOI.
** BOI announced new activities & privileges promotion (effective in 2023).

Foreign Direct Investment



Foreign Direct Investment Position by Countries



Note: - FDI refers to equity investment, lending to affiliates, and reinvested earnings; investment in equity is treated as a direct investment when the direct investors own 10% or more of ordinary shares.
- FDI position by countries is an investment outstanding that nonresident investors have with resident enterprises as stock concept.
- Converted FDI US Dollar to Thai Baht by reference rate from the Bank of Thailand
Source: BOT,BOI, and KResearch

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- Reviewed financial reports are released within 45 days from the end of the period for 1Q and 3Q; Audited financial reports are released within 2 months from the end of the period for 2Q and 4Q
- Following KASIKORNBANK's Disclosure Policy and good governance practice, KBank maintains a "silent period" for 7 days prior to the unreviewed/unaudited earnings announcement. During this period, the Bank refrains from replying to questions or commenting on the earnings announcement and arranging one-on-one or group meetings with analysts and investors

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* The information herewith represents data in the Bank's consolidated financial statements, some of the numbers and ratios are calculated before netting with KBank's non-controlling interest.

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