

KASIKORNBANK

Investor Presentation as of 3Q22

(Updated Economic Outlook for 2023)

December 2022

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

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KASIKORNBANK at a Glance



- Established on June 8, 1945 with registered capital of Bt5mn (USD0.13mn)
- Listed on the Stock Exchange of Thailand (SET) since 1976

Consolidated (as of September 2022)

Assets	Bt4,230bn (USD111.6bn)	Ranked #3 with 16.3% market share ²⁾
Loans ¹⁾	Bt2,464bn (USD65.0bn)	Ranked #2 with 16.3% market share ²⁾
Deposits	Bt2,660bn (USD70.2bn)	Ranked #2 with 17.1% market share ²⁾
CAR	19.19% ³⁾	
ROE (9M22)	8.97% ⁴⁾	
ROA (9M22)	1.04%	
Number of Branches	828	
Number of E-Machine (ATM/RCM)	11,043	
Number of K PLUS Users	19.3mn	
Number of Employees ⁵⁾	Bank only 18,757/ Consolidated 31,268	
Share Information		
SET Symbol	KBANK, KBANK-F	
Share Capital:		
Authorized	Bt30.2bn (USD0.8bn)	
Issued and Paid-up	Bt23.7bn (USD0.6bn)	
Number of Shares	2.4bn shares	
Market Capitalization	Bt341.2bn (USD9.0bn)	Ranked #2 in Thai banking sector
3Q22 Avg. Share Price:		
KBANK	Bt148.52 (USD3.92)	
KBANK-F	Bt148.45 (USD3.92)	
EPS (9M22)	Bt13.43 (USD0.35)	
BVPS (9M22)	Bt204.57 (USD5.40)	

Notes:

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 18 Thai commercial banks as of September 2022

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. 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.

⁴⁾ 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

⁵⁾ Consolidated Number of employees includes employees of KBank, the wholly-owned subsidiaries of KBank and support service providers of KBank.

Exchange rate at the end of September 2022 (Mid Rate) was Bt37.91 per USD (Source: Bank of Thailand)

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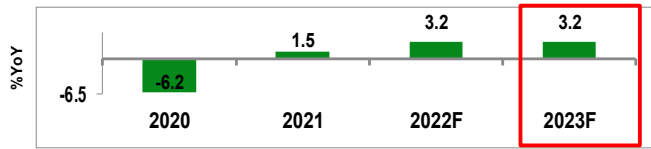
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Operating Environment: Economic Outlook for 2023 (As of December 2022)

Key GDP Forecasts and Assumptions



% YoY	2020	2021	2022F*	2022F*	2023F*
			(Sep 22)	(Dec 22)	(Dec 22)
			Base Case	Base Case	Base Case
GDP	-6.2	1.5	2.9	3.2 ▲	3.2
Private Consumption	-1.0	0.3	4.5	5.6 ▲	3.0
Government Consumption	1.4	3.2	0.2	-0.2 ▼	-1.0
Total Investment	-4.8	3.4	1.8	2.5 ▲	2.4
- Private investment	-8.2	3.3	3.0	4.3 ▲	2.8
- Public investment	5.1	3.8	-0.5	-1.7 ▼	2.3
Gov't Budget Deficit (% of GDP)	-5.2	-4.8	-4.9	-4.2 ▲	-4.0
Exports (Customs Basis)	-5.9	17.4	7.8	5.2 ▼	-1.5
Imports (Customs Basis)	-12.7	29.5	16.2	13.6 ▼	-3.8
Current Account (USD bn)	21.2	-10.6	-17.2	-16.0 ▲	3.5
Headline Inflation	-0.8	1.2	6.0	6.1 ▲	3.2
Avg. Dubai oil price	42.2	68.8	102.5	97.5 ▼	90.0
No. of foreign tourists (mn)	6.7	0.4	9.8	11.0 ▲	22.0
Policy Interest Rate**	0.50	0.50	1.25	1.25	1.75

Key Points:

- Thai GDP is likely to grow at 3.2% in 2023
- A rebound in tourism sector will continue to be the main driving factor for the Thai economy
- However, waning global economic momentum would put downward pressure on Thai export sector
- Inflation is expected to gradually subside to 3.2%
- Thai GDP may return to its pre-COVID-19 level in 2023

Risk Factors:

- Global economic recession
- Escalated inflationary pressure
- Fed rate hike cycle and Thai Baht volatility
- Ongoing geopolitical risks
- Household and business balance sheet deterioration

Notes: MPC's policy rate is at 1.25% (as of November 30, 2022)

COVID-19 Vaccination rate in Thailand (December 2, 2022): First dose 82.6%, Second dose 77.6%, Third dose and more 47.9% of targeted people ***

▲ represents a higher base case assumption, comparing with previous forecast; ▼ represents a lower base case assumption, comparing with previous forecast

Source: * KResearch (as of December 19, 2022 vs forecast on September 28, 2022)

** KBank Capital Markets Research (as of December 8, 2022)

*** Ministry of Public Health

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Operating Environment: Economic Outlook for 2023 (As of December 2022)

	Outlook	Possible Impacts to Thai Economy
■ Global Economy	<ul style="list-style-type: none"> ■ Global economy: Global economy is expected to decelerate significantly in 2023 amid persistent inflation and continuous rate hikes by the central banks around the world to combat inflation ■ US: US economy is expected to face technical recession in 2023 due to Fed's aggressive interest rate hikes amid persistent inflation ■ Eurozone: Eurozone economy is expected to face technical recession in 2023 amid elevated inflation, energy crisis, and tightening policy ■ China: Chinese economy will continue to face strong headwinds despite the relaxation of COVID policy, given cautious consumer spending, property market slump and global economic slowdown ■ ASEAN economies: ASEAN economies will likely experience slower growth amid global economic slowdown, persistent inflation and tighter financial conditions 	<ul style="list-style-type: none"> ■ The Thai economy, especially its export sector, is increasingly tilted to the downside amid increasing global economic risks
■ Government Stimulus Plan	<ul style="list-style-type: none"> ■ Government has limited capacity for additional stimulus and may be less inclined to borrow more, given that the economy is expected to continue its recovery path, driven by a rebound in tourism sector 	<ul style="list-style-type: none"> ■ Fading government stimulus will weigh on the Thai economic recovery in 2023
■ Inflation	<ul style="list-style-type: none"> ■ Inflation is expected to gradually subside, but will remain the concern for the Thai economy. The average headline inflation is projected to be at 3.2% in 2023 amid continuous cost pass-through, lower government subsidy and higher electricity bills 	<ul style="list-style-type: none"> ■ Domestic consumer spending is expected to weaken amid persistent inflation and fading pent-up demand
■ Exports and Tourism	<ul style="list-style-type: none"> ■ Thai exports may experience negative growth in 2023, given global economic slowdown, lower commodity prices and high base in 2022 ■ Tourist arrivals in 2023 is expected to double to 22 million from the estimated number for 2022 of 11 million 	<ul style="list-style-type: none"> ■ Strong rebound in tourism sector will continue to be the main driving factor for the Thai economy, while export slump will put downward pressure on the Thai economy
■ Fed Policy Normalization	<ul style="list-style-type: none"> ■ Markets expect 50bps hike in December 2022 to 4.25-4.5% and a peak around 5% next year before cutting rates at the end of next year, due to high probability of U.S. economic recession. Fed's interest rate at the end of 2023 may be around 4.25-4.50% 	<ul style="list-style-type: none"> ■ BOT is expected to continue with its gradual hiking path, amid decreasing inflation ■ BOT's interest rate is expected to be 1.75% at the end of 2023
■ Baht	<ul style="list-style-type: none"> ■ Baht posted a quick U-turn appreciating to below Bt35.00, the strongest level in 5 months, after U.S. CPI confirmed the turning point and Fed admitted to hike its interest rates with lower paces ■ At 2023 year-end, Baht will reach Bt33.50-34.00 per USD, as Thai economy continues to recover, due to recovery of tourism with supporting sentiment from easing COVID-19 measures in China and Thai current account surplus 	<ul style="list-style-type: none"> ■ USD/THB still face risk as the recent movements are traded on high hope based on China reopening and Fed's less hawkish tone ■ Looking forward, continuous recovery on Thai tourism will bring the current account back to surplus for 2023, while pressure from energy price has lessen amid oversupply concern

Source: KResearch (as of December 21, 2022), and KBank Capital Markets Research (as of December 8, 2022)

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9M22 Financial Performance

Consolidated	3Q22 Actual	9M22 Actual	Y2022 Targets*	Notes (9M22)
NIM	3.33%	3.26%	3.15-3.30%	9M22 NIM increased YoY due to higher yield on loans as small ticket lending (Retail and SME) increased and higher market rate.
Loan Growth	1.75% YTD -1.01% QoQ	1.75% YTD 0.83% YoY	6-8%	9M22 YTD loans grew mainly from corporate business and small ticket lending (Retail and SME) while home loan decreased. However, loans decreased QoQ from NPL outflow management in 3Q22.
Net Fee Income Growth**	-5.09% YoY -0.27% QoQ	-5.51% YoY	Flat growth	9M22 net fee income decreased mainly due to a decrease in fees from fund management and brokerage business in line with market conditions and drop in transaction service fee rate, while fees from card business increased according to customer spending.
Cost to Income Ratio***	43.73%	43.37%	Low to Mid-40s	9M22 Cost to income ratio increased YoY from higher operating expenses (mainly from marketing, employee and IT), though net total income increased. Focus on cost management and productivity improvement, with new investments for future growth.
Credit Cost per year (bps)	161 bps	159 bps	Up to 160 bps	Credit Cost: In line with target. Continuous prudent consideration on factors amid the economic growth that remains uncertain from global economic outlook. NPL ratio dropped YoY from proactively embarked and cooperation with professional partners to enhance the effectiveness of NPL management in 3Q22. Asset quality is manageable with closely monitored and constantly reviewed.
NPL Ratio (Gross)****	3.07%	3.07%	3.7-4.0%	
ROE*****	8.49%	8.97%	N/A	
ROA	1.00%	1.04%	N/A	

Note: *Y2022 Targets announced on January 28, 2022; ** 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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Y2022 Financial Targets (Announced on January 28, 2022)

Consolidated	2021 Actual	2022 Targets	Notes (Y2022)
NIM	3.21%	3.15 – 3.30%	Maintain NIM from small ticket size lending strategy; remain cautious with COVID19 situation; stable interest rate outlook
Loan Growth	7.88%	6 – 8%	Loans increase from small ticket size (retail and SME) lending, using effective data analytics capability; ongoing regional expansion strategy
Net Fee Income Growth*	7.01%	Flat growth	Net fee income growth may decrease from lower conventional transaction fees mainly caused by changing consumer behavior; relatively large net fee income base in the year before; subject to market condition
Cost to Income Ratio**	43.49%	Low to Mid-40s	Moderate revenue growth due to a mild economic recovery while projecting higher potential investment expenses for future growth; continuing cost management and productivity improvements
Credit Cost per year (bps)	173 bps	Up to 160 bps	Credit Cost: Prudent policy, maintain conservative assumptions on COVID19 situation; credit cost remains stable
NPL Ratio (Gross)***	3.76%	3.7 – 4.0%	NPL: Proactive asset quality management, utilizing effective data analytics to monitor asset quality; asset quality will slowly recover, in line with mild economic recovery
ROE****	8.44%	N/A	
ROA	0.98%	N/A	

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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KASIKORNBANK Vision, Purpose and Culture

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 for all stakeholders by harmoniously combining technology and talent”

Purpose

To Empower Every Customer’s Life and Business

Customer Promise

Total Solution

Attentive & Inclusive

Any Time & Any Where

Trustworthy

K-Culture

A PIONEER FOR THE BETTER, A STEP AHEAD FOREVER

Customer at Heart | Collaboration | Agility | Innovativeness | Integrity

Leadership

PURPOSEFUL AND PRACTICAL LEADERSHIP

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The K-Strategy

■ K-Strategy is reimagined to drive growth and empower customer

Purpose

To Empower Every Customer’s Life and Business

Sustainability

Sustainable Development

ESG

Beyond Banking & Innovation

Strong Brand



Growth Strategy

Dominate Digital Payment

Reimagine Commercial & Consumer Lending

Democratize Investment & Insurance

Penetrate Regional Market

Strengthen Harmonized Sales and Service Experience

Improve Value-Based Productivity

Key Capabilities

8 TRANSFORMATION JOURNEYS

1. Ecosystem Partnership & Harmonized Channel

2. Intelligent Lending

3. Proactive Risk & Compliance Management

4. Regional Payment & Settlement

5. Data Analytics

6. Cyber Security

7. Performing Talent and Agile Organization

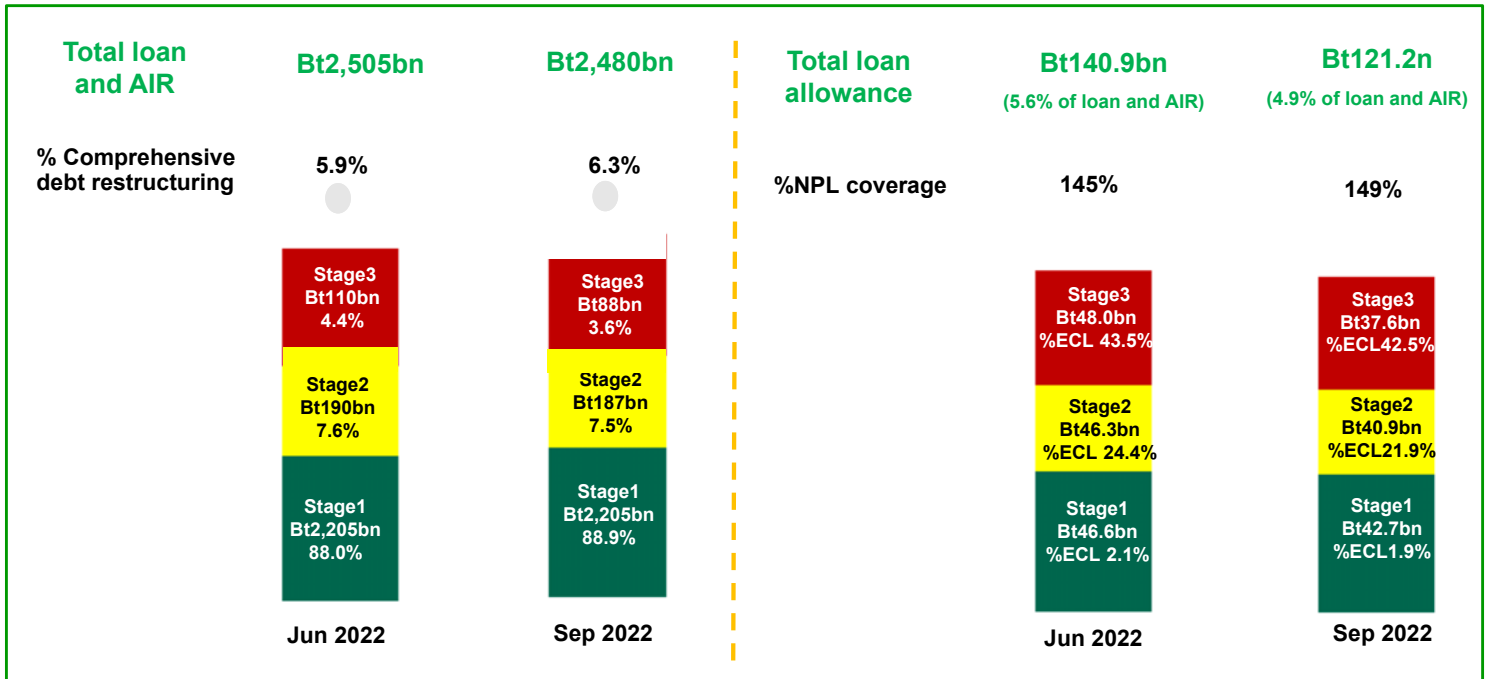
8. Modern World Class Technology Capability

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Classified Loans

- Cleaning up balance sheet for sustainable normalization will continue
- Global and local economic risks post challenges for our prudent policy

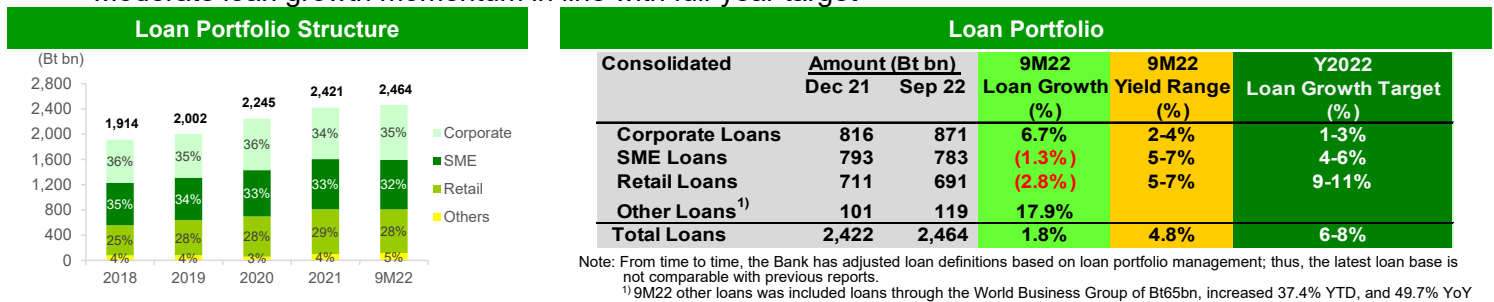


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Composition of Growth: Loans by Business

- Moderate loan growth momentum in line with full-year target



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.
¹9M22 other loans was included loans through the World Business Group of Bt65bn, increased 37.4% YTD, and 49.7% YoY

	9M22	2022 Outlook
Corporate Loans	<ul style="list-style-type: none"> Loan portfolio grew from short-term lending, mainly from Financial Institution, Commerce and Consumer industries 	<ul style="list-style-type: none"> Potential loan growth in some sectors to support business opportunities KBank continuously provides assistance to corporate customers affected by COVID-19 pandemic
SME Loans	<ul style="list-style-type: none"> SME loans outstanding slightly decreased with an aim to control and mitigate credit risk However, KBank still provided various product offerings matched to customers' needs with risk-based offerings through "Self-Apply" via digital channels 	<ul style="list-style-type: none"> Grow prudently in line with market situation Continuously focus on small enterprises and self-employed customers with various product offerings matched to their needs and through digital channels with risk-based pricing Use data analytics to expand credit opportunities in specific industries
Retail Loans	<ul style="list-style-type: none"> Retail loans outstanding slightly decreased mainly from housing loans which were affected by market competition. However, credit card showed improvement with higher spending in tourism, shopping, and restaurant categories Personal loans grew from "unsecured customer" segment onboarding through "Self-Apply" via digital channels Continued use of data analytics to continuously improve predictive power of credit model and credit process in order to acquire new customer segments with acceptable risk for both SME and Retail Loans 	<ul style="list-style-type: none"> Maintain lead position in consumer market and be "1st in mind" to our customers and prospects Grow prudently in line with market situation Focus on intelligent lending by using data analytics to offer products and promotions aligned with customers' needs Focus on acquiring "small-pocket" customers with acceptable risk and proactive monitoring to manage loan portfolio quality

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. Before Y2020, other loans were loans in Enterprise Risk Management Division (NPL + Performing Restructured Loans) reclassified to their customer segments.

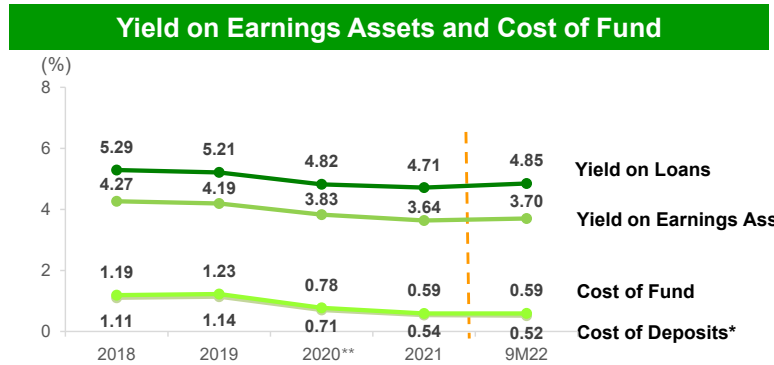
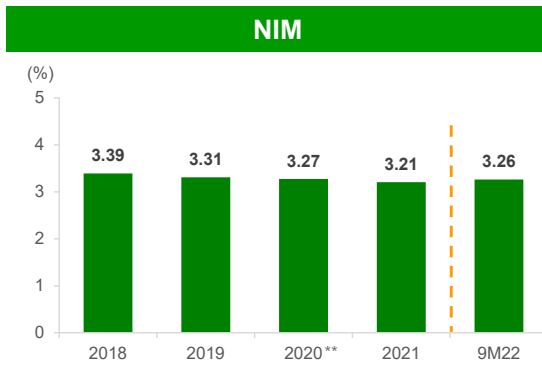
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Net Interest Margin

September 2022 (Consolidated)



- NIM was 3.26% in 9M22, increased YoY, due to higher yield on loans as small ticket lending (Retail and SME) increased and higher market rate.
- High portion of CASA (83%) also helped support low cost of fund.

	2018	2019	2020	2021	9M21	9M22	1Q22	2Q22	3Q22
NIM (%)	3.39	3.31	3.27	3.21	3.21	3.26	3.19	3.21	3.33
Yield on Earnings Assets (%)	4.27	4.19	3.83	3.64	3.64	3.70	3.61	3.64	3.78
Yield on Loans (%)	5.29	5.21	4.82	4.71	4.65	4.85	4.76	4.75	4.92
Cost of Fund (%)	1.19	1.23	0.78	0.59	0.59	0.59	0.57	0.59	0.61
Cost of Deposits (%), incl DPA	1.11	1.14	0.71	0.54	0.54	0.52	0.52	0.51	0.52

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.

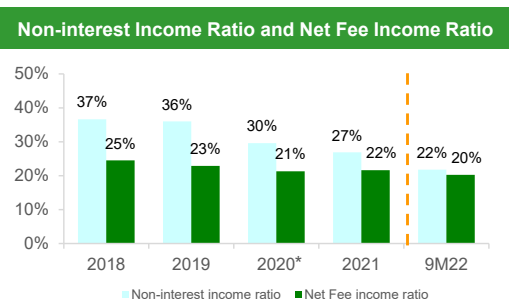
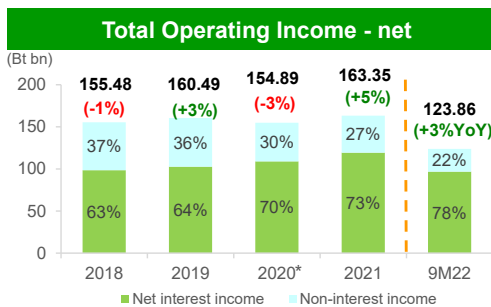
** The Bank and its subsidiaries have adopted new accounting standards (TFRS 9: Financial Instruments) since January 1, 2020 onwards, some financial statements and financial ratios are not comparable with previous years' financial figures before Y2020, which were based on the prior accounting standards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

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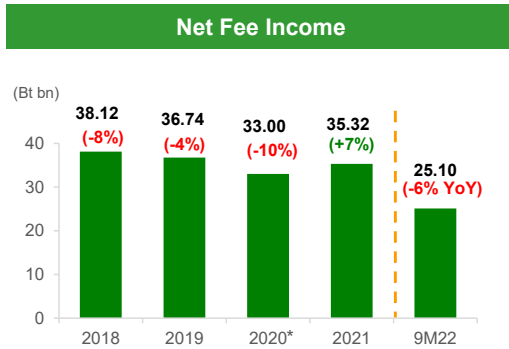
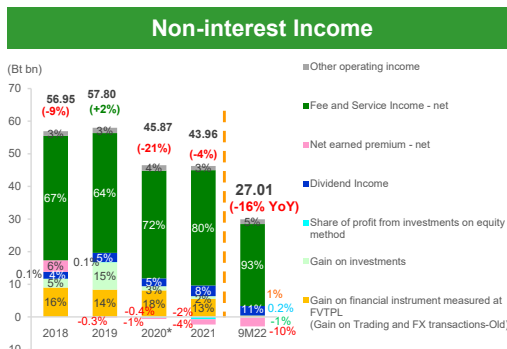


Composition of Growth: Net Fees and Non-interest Income

September 2022 (Consolidated)



- 9M22 non-interest income accounted for 22% of total net operating income and net fee income accounted for 20%; non-interest income decreased 16% YoY, mainly due to the mark to market of financial assets according to market conditions, net premiums earned – net, and net fee income.



- Net fee income decreased 6% YoY, mainly due to a decrease in fees from fund management and brokerage business in line with market conditions and drop in transaction service fee rate, while fees from card business increased according to customer spending.

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

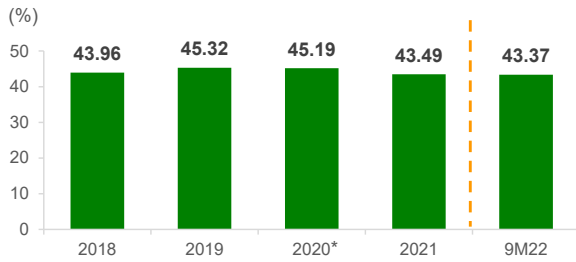
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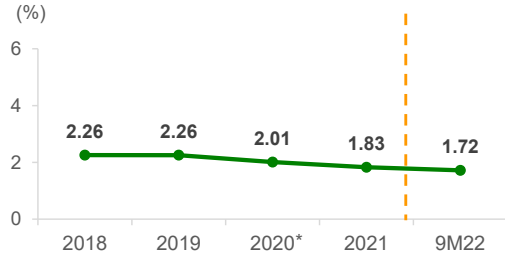
Cost to Income Ratio

September 2022 (Consolidated)

Cost to Income Ratio



Cost to Average Assets Ratio



- 9M22 cost to income ratio was 43.37%, increased YoY from higher operating expenses (mainly from market expenses collaborated with business partner, employee expenses, and IT expenses in order to support customers), though net total income increased. Focus on cost management and productivity improvement, with new investments for future growth.

	2018	2019	2020	2021	9M21	9M22	1Q22	2Q22	3Q22
Cost to Income Ratio (%)	43.96	45.32	45.19	43.49	41.85	43.37	42.82	43.53	43.73
Cost to Average Assets Ratio (%)	2.26	2.26	2.01	1.83	1.75	1.72	1.69	1.74	1.73

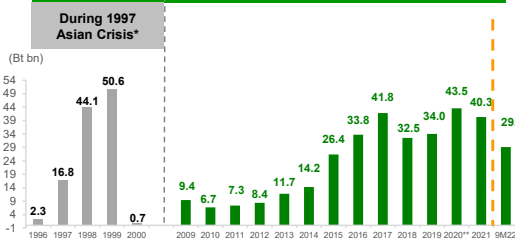
Note: * The Bank and its subsidiaries have adopted new accounting standards (IFRS 9: Financial Instruments) since January 1, 2020 onwards, some financial statements and financial ratios are not comparable with previous years' financial figures before Y2020, which were based on the prior accounting standards (non-IFRS9).

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Asset Quality and Expected credit loss (Provision)

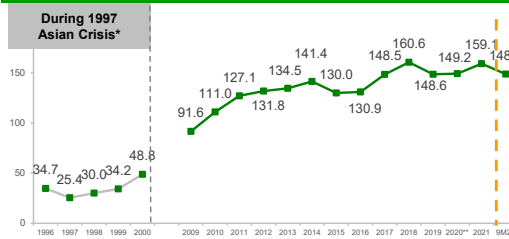
September 2022 (Consolidated)

Expected credit loss (Provision)



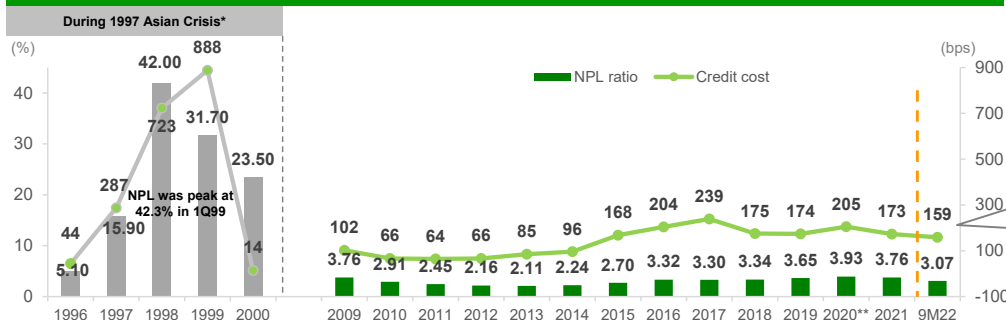
Note: Provision referred to Impairment Loss on Loans and Debt Securities; from January 1, 2020 onwards based on IFRS9, provision refers to Expected Credit Loss

Coverage Ratio



- Asset quality remains manageable; closely monitored and constantly reviewed.
- NPL ratio in 9M22 was at 3.07%, with coverage ratio of 148.74%.
- NPL ratio dropped YoY from proactively embarked and cooperation with professional partners to enhance the effectiveness of NPL management.
- 9M22 credit cost was 159bps. Continuous prudent consideration on factors amid the economic growth that remains uncertain from global economic outlook.

NPL Ratio and Credit Cost



NPL Ratio by Business	2017	2018	2019	2020	2021	9M22
Corporate Business	<2%	<2%	<2%	<2%	<2%	<2%
SME Business	<5%	<5%	<6%	<7%	<7%	<7%
Retail Business***	<4%	<4%	<4%	<5%	<5%	<5%

Notes: * Data in 1996-1997 is KBank only

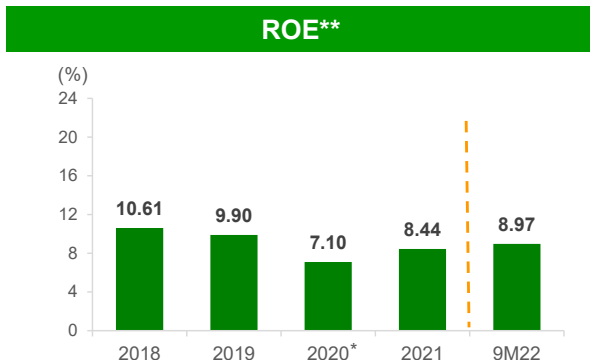
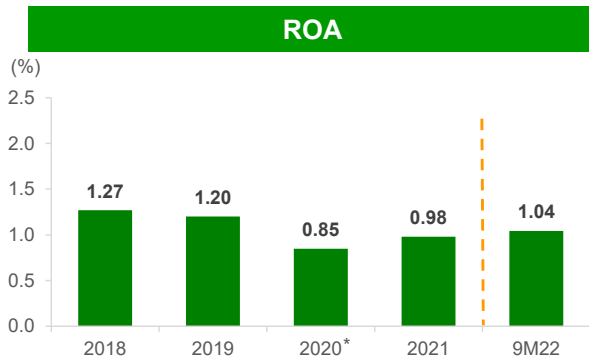
** The Bank and its subsidiaries have adopted new accounting standards (IFRS 9: Financial Instruments) since January 1, 2020 onwards, some financial statements and financial ratios are not comparable with previous years' financial figures before Y2020, which were based on the prior accounting standards (non-IFRS9).

*** NPL ratio in retail business, excluding 180 dpd (days past due) of credit card and consumer loans for peer comparison

บริการทกระดับประทับใจ

ROA and ROE

September 2022 (Consolidated)



	2018	2019	2020	2021	9M21	9M22	1Q22	2Q22	3Q22
ROA (%)	1.27	1.20	0.85	0.98	0.98	1.04	1.09	1.04	1.00
ROE (%)	10.61	9.90	7.10	8.44	8.39	8.97	9.30	9.13	8.49

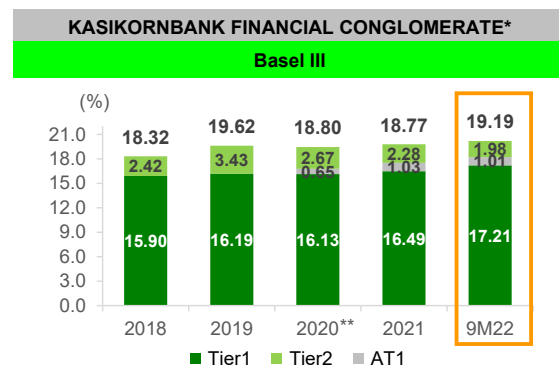
Note: * The Bank and its subsidiaries have adopted new accounting standards (IFRS 9: Financial Instruments) since January 1, 2020 onwards, some financial statements and financial ratios are not comparable with previous years' financial figures before Y2020, which were based on the prior accounting standards (non-IFRS9).

** 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)

September 2022 (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.
- Additional Tier 1 instrument issuance is intended to optimize and further strengthen capital base in long run.

	2018	2019	2020	2021	1Q22	2Q22	3Q22
Bank only							
CAR (%), excluding net profit of each period	17.26	18.52	17.74	17.83	17.44	17.34	18.22
Tier 1 (%), excluding net profit of each period	14.75	14.94	14.94	15.42	15.33	15.26	16.14
KASIKORNBANK FINANCIAL CONGLOMERATE*							
CAR (%), excluding net profit of each period	18.32	19.62	18.80	18.77	18.34	18.37	19.19
Tier 1 (%), excluding net profit of each period	15.90	16.19	16.13	16.49	16.35	16.39	17.21

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.

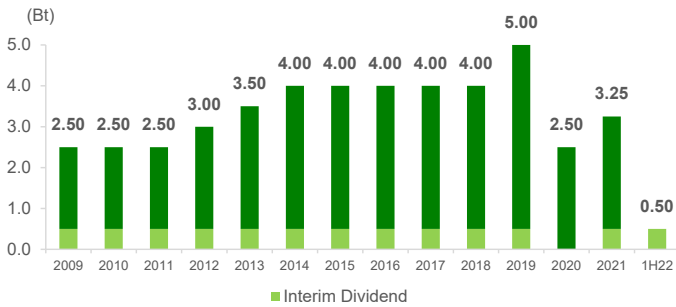
Under Bank of Thailand regulations, net profit in the first half of the year is to be counted as capital after approval by the Board of Directors as per the Bank's regulations. Net profit in the second half of the year is also counted as capital after approval of the General Meeting of Shareholders.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

** The Bank and its subsidiaries have adopted new accounting standards (IFRS 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-IFRS9).

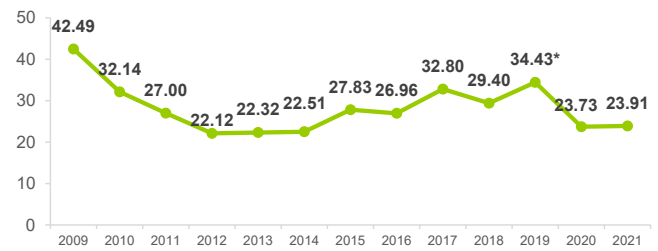
บริการทุกระดับประทับใจ

Dividend

Dividend Per Share



Dividend Payout Ratio



- Dividend policy: both operating results and long-term returns to shareholders are taken into consideration in determining dividend payments, in order to ensure a sustainable and adequate capital level through the changing economic environment, the ongoing adoption of Basel III and new requirements.

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2018	2020	2021	1H22
Dividend Per Share (Bt)	2.50	2.50	2.50	3.00	3.50	4.00	4.00	4.00	4.00	4.00	4.00	2.50	3.25	0.50
Dividend Payout Ratio (%)	42.49	32.14	27.00	22.12	22.32	22.51	27.83	26.96	32.80	29.40	29.40	23.73	23.91	n.a.

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.

บริการทุกระดับประทับใจ

Summary

- **The K-Strategy:** Customer Centricity remains our core philosophy with purpose to “Empower Every Customer’s Life and Business”
- **Balanced Growth:** loans to grow carefully in line with economic conditions; appropriate liquidity maintained; manageable asset quality supported by strong risk management capabilities; prudent loan loss reserves; manageable cost to income ratio; appropriate ROE maintained
- **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 uncertainties of global economy. Additional Tier 1 instrument issuance is intended to optimize and further strengthen capital base in long run
- **Sustainable Development:** conducts business with the principles of a Bank of Sustainability, and appropriate risk management and good corporate governance principles; striving to balance economic, social, and environmental dimensions to achieve goals and create sustainable long-term returns

บริการทุกระดับประทับใจ

Appendix

บริการทุกระดับประทับใจ

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KBank: Strategy

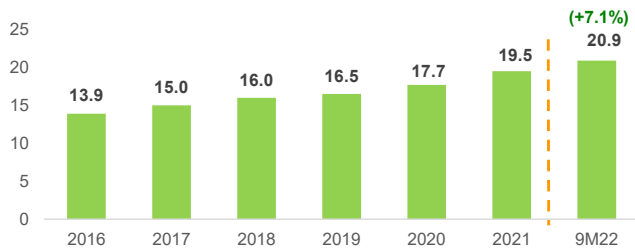
บริการทุกระดับประทับใจ

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Performance

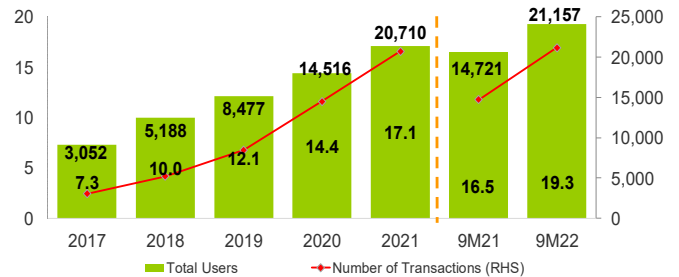
- Success is driven by continuous growth in number of customers and K PLUS users; highest Net Promoter Score among banks in Thailand

Number of Customers* (mn)



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

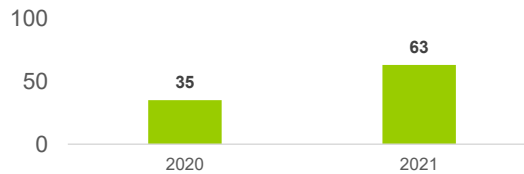
K+ K PLUS Users and Transactions** (mn)



** Active users defined as minimum of 1 Login per month; 74% active users as of 9M22

Net Promoter Score (NPS)***

(#1 among Banks in Thailand)



*** NPS Study 2021 surveyed by The Nielsen Company during August to November 2021, measuring the willingness of customers to recommend a company's products or services to others

บริการทุกระดับประทับใจ

The K-Strategy

- K-Strategy is reimaged to drive growth and empower customer

Purpose **To Empower Every Customer's Life and Business**

Sustainability

ESG

Beyond Banking & Innovation

Strong Brand



Growth Strategy

Dominate Digital Payment

Reimagine Commercial & Consumer Lending

Democratize Investment & Insurance

Penetrate Regional Market

Strengthen Harmonized Sales and Service Experience

Improve Value-Based Productivity

Key Capabilities

8 TRANSFORMATION JOURNEYS

1. Ecosystem Partnership & Harmonized Channel

2. Intelligent Lending

3. Proactive Risk & Compliance Management

4. Regional Payment & Settlement

5. Data Analytics

6. Cyber Security

7. Performing Talent and Agile Organization

8. Modern World Class Technology Capability

บริการทุกระดับประทับใจ

KBank: New Company Structure by Investment Purpose

	Credit	Wealth	Payment	Digital Asset & Beyond Banking	Regional Business
Key Subsidiaries*	KLeasing • Outstanding Loans = Bt128bn • Total Income = Bt2bn	KAsset • AUM = Bt1,493bn • Total Income = Bt2.4bn MTL • Net premiums earned = Bt30bn • Total Income = Bt3bn KSecurities • Trading Volume = Bt609bn • Total Income = Bt1.3bn		KX Coral Kubix	KASIKORNTHAI BANK (Lao PDR) KASIKORNBANK (CHINA) KVISION KTech KVF (KASIKORN VISION FINANCIAL)
JV/ IT Capability	KLINE Investment** = Bt30bn	Wealth-related Company***	E-money-related Company***		
	KBAO Investment** = Bt15bn		CRM Platform Company***		
	JK AMC Investment** = Bt20bn				

Note : * Key subsidiaries performance as of 1H22

** Investments (including equity, asset transfer, etc.) for 3 years since the establishment; KBAO = JV with Carabao Group

*** Future investments

บริการทุกระดับประทับใจ

Investment for Financial Inclusion by Adopting Challenger Bank DNA via Technology & Partnership

Aimed at boosting access to banking services among Thailand's unbanked and underbanked population as well as very small businesses and the self-employed

INVESTMENT IN EMERGING TECHNOLOGIES / COLLABORATIONS / ACQUISITIONS

These substantial investments will secure KBank significant additional capabilities to fulfil mission to broaden access to banking.

NEW SYSTEMS & PROCESSES FOR SIMPLER & FASTER LOAN CONSIDERATION

KBank has already been trialing multiple new systems and processes in preparation for this strategic push.

'Challenger Bank' DNA

Adopting 'challenger bank' DNA to transform the way banking is done and people's expectations of their bank

'FIRSTS' THREE TRANSFORMATIONAL



Buy-Now-Pay-Later
Loans for those who are self-employed or have no documents to prove income



Loans Fairer for Micro Enterprises
Using interviews and other technology-assisted assessments to approve loans



Social Media Banking
Loans via LINE BK

BROADENING ACCESS UP COUNTRY THROUGH MOM-AND-POP STORES

KBank is working with a major retail group (Carabao Conglomerate) to give upcountry mom-and-pop (Tookdee) store operators easier access to loans without collateral, as well as providing loans to the stores' customers.

บริการทุกระดับประทับใจ

Growth Strategy: Dominate Digital Payment



- Making payment accessible anytime, anywhere for everyone with secure, convenient, and good customer experience

Strategy

Key Achievements in 9M22

Pay Anytime, Anywhere

Empower moment to pay any time, any where borderless experience with a variety source of fund across channels

Merchant Business Opportunities

Enhance merchant business opportunities by enabling universal source of funds acceptance with meaningful report

Reliable Payment Solutions

Enhance business payment trustworthiness by providing reliable payment solutions to fit Ecosystem Standard

Best-in-Class Customer Experience in Cost Effectiveness

Strengthen brilliant basics to deliver best in class customer experience with cost effectiveness

K PLUS

- Multi Source of Funds on K PLUS - BNPL*, K Point, Partner Point
- **19.3 million K PLUS users** (+17% YoY)
- Remittance 14 Currencies, 32 Countries

Merchant Solution for High Growth Segment

- Multi source of funds acceptance - BNPL*, K Point
- Enhance offline and online merchant capabilities

Trustworthy Payment Solution

- K BIZ new digital channel for small customers
- Realtime Payment API



Note: *BNPL = Buy Now Pay Later

บริการทุกระดับประทับใจ

Growth Strategy: Reimagine Commercial & Consumer Lending



- Offer lending services with reasonable pricing to small-pocket customers to include everyone in society

Strategy

Key Achievements in 9M22

Marketing and Onboarding with Risk-based Offerings

Improve conversion by offering the right products at the right moment according to risk level with frictionless customer-level onboarding. Balance risk and return on pre-defined offerings

Sub-segment Credit Model and Fraud Detection

Differentiate credit models by sub-segment to acquire qualified customers with tight integration of fraud detection and credit monitoring for rapid scale-up

Credit Portfolio Monitoring

Enhance credit portfolio and fraud monitoring capabilities to identify well-timed action and support dynamic business decisions

Effective Asset Quality Management

Deploy cost effective and speed up collection for small-pocket segment, and use data to upgrade asset quality management to reduce credit cost

1.3X YoY newly acquired credit customers

Self-apply channel on K PLUS for unsecured credit

- **1.6 million** applications/month: grew by **1.5X** YoY
- **Bt70bn** new bookings; 3X greater than assisted channels

40% reduction in credit model development time

66% reduction in time required for criteria adjustment



บริการทุกระดับประทับใจ

Growth Strategy: Democratize Investment & Insurance



- To create long-term sustainable wealth empowerment to our customers throughout their wealth cycle



Strategy

Key Achievements in 9M22

Product Offerings with Competitive Return

Offer the right products that fit each customer sub-segmentation, with competitive return and benefits

Optimize Sales & Service Channels

- Revisit Master Relationship Manager (RM) sales model, leveraging data and technology to improve productivity and advisory services
- Effective marketing campaign to acquire smaller segments through digital channels; explore integrated investment platform

Effective CRM Activities and Privileges

Engage customers with business and lifestyle activities, revisit WISDOM* privileges with value differentiation to customers

High digital adoption by Mutual Fund customers on K PLUS :

Wealth Plus: Multi-asset portfolio allocation utilizing data analytic model designed for small customers on K PLUS. This encourages customers to start saving and investing for their goals.

Whole Life and Health Insurance:

- Continuously enhance products to fulfil customer needs from High value to small segment to secure **#1 Bancassurance Channel in Whole Life and Health Insurance**,
- Awarded Best Life Insurance product Thailand 2021:
 - Elite Health Plus:** IPD Coverage Bt20-100mn/year including OPD special treatment
 - DHealth Plus:** IPD Coverage Bt5mn/time (No limit time) and no limit coverage for standard room type
- Pay when Sick (IPD+OPD) : Best selling No.1 Online Product in Year 2021**



Note : WISDOM = Individual with a combined balance of at least Bt10mn of Deposit, Investment and/or Total insurance premium of valid policies as designated by KBank

บริการทุกระดับประทับใจ

Growth Strategy: Penetrate Regional Market



- To achieve rapid regional digital expansion in AEC+3 using 3 strategic plays to build growth momentum and accelerate customer base development and financial return

Strategy

Key Achievements in 9M22

China

AEC

A

Aggressive Play

Serving Local Large Corporates, Thai Directed Investors and AEC+3 Investors

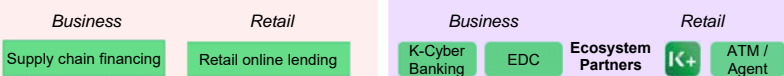


B

Mass Acquisition Play

Acquiring local SME and individual customers via partners' platforms

Acquiring local SME and individual customers via transactional banking channels and partners



C

Disruptive Play

Capturing credit needs of individual customers with high-yield credit via E2E online credit tech



We have successfully established KBank footprints in every country in the region and offer international standard financial solutions to all customer segments.

- KBank China** became the biggest Thai bank in Shenzhen in terms of assets
- KBank Vietnam - Ho Chi Minh City (HCMC) branch** was established in November 2021 with an aggressive customer acquisition execution resulting in 190K retail customers on K PLUS within 6 months
- KBank Cambodia - Phnom Penh branch** captured local corporate customers and became the biggest Thai bank in Cambodia in terms of loan asset size
- Successfully entered the market in **Indonesia** by acquiring 67.50% of shares in Bank Maspion Indonesia, which is expected to be finalized by the end of 2022

Note: *BaaS = Providing solutions and technological platforms for partner companies
EDC = Electronic Data Capture Machine
E2E = Enterprise to Enterprise

บริการทุกระดับประทับใจ

Penetrate Regional Market: Asset-Light Regional Expansion into AEC+3

- Growth in regional markets: strategically focusing on AEC+3 markets, KBank pursues an integrated regional operating model: physical footprint, digital platform, and regional partnerships



- Note:
- Two subsidiary banks: KASIKORNTHAI BANK (Lao PDR) with two branches in Ponesinuan and Lane Xang, KASIKORNBANK (CHINA) with three branches in Shenzhen, Chengdu, Shanghai and one sub-branch in Long Gang
 - Four international branches: Cayman Islands, Hong Kong, Phnom Penh and Ho Chi Minh City
 - Six representative offices: Beijing, Kunming, Tokyo, Yangon, Hanoi and Jakarta
 - One strategic partner: Maspion Bank in Indonesia; KASIKORN Vision Financial Company Pte. Ltd. (KVF) signed a Conditional Sale and Purchase Agreement (CSPA) to purchase 67.50% of shares in Bank Maspion Indonesia from 9.99% current holding, which is expected to be finalized by the end of 2022 (KBank and KVF together had held a total of 40% of shares in Bank Maspion Indonesia since October 28, 2022)
 - Global partners with 80 banks in 15 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

บริการทุกระดับประทับใจ

Physical Footprint



Digital Platform

X-Border Multi-Currency Settlement

X-Border THB Direct Settlement

X-Border Retail Payment

Partnership



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Growth Strategy: Strengthen Harmonized Sales and Service Experience



- Reshape channel mix and sales model according to evolving customer behavior, to deliver better experience and productivity

Strategy

Key Achievements in 9M22

Leader Position in Mobile Platform

Strengthen leader position in mobile platform as customers' main channel

Meaningful Ecosystem Embedding

Embed in all meaningful ecosystems by expanding partners' selected ecosystems and global partners with E2E experiences

Best-in-Class Customer Experience Across Channels

Harmonize customer experiences, build service culture across channels, and orchestrate experience centers while optimizing networks for sales, services, and branding

#1 mobile banking in Thailand: 19.3 million total K PLUS users with 74% active rate

Partners

- Partners in selected ecosystem (University and Healthcare, E-commerce & Lifestyle platforms, E-wallet & Payment, and Joint Venture – Lending, Debt collection and Asset Management)

BaaS

- KBank open API (QR payment, bill payment, slip verification, inward remittance, facial recognition, RP proxy, information sharing service via K+, pay with K+, and KGP merchant payment platform)

#1 NPS 2021 among banks in Thailand

828 branches and 11,043 ATMs and CDMs nationwide

Over 220,000 banking agent touchpoints

- Note: BaaS = Providing solutions and technological platforms for partner companies, RP = Relying Party, KGP = KASIKORN Global Payment
E2E = Enterprise to Enterprise
NPS = Net Promoter Score
CDM = Cash Deposit Machines

บริการทุกระดับประทับใจ

32

New Capabilities to Enable K-Strategy

8 Transformation Journeys are new capabilities to help “Empower Every Customer’s Life and Business”

To Empower Every Customer’s Life and Business

1 Ecosystem Partnership & Harmonized Channel

- Orchestrating an ecosystems with partners and providing excellent experiences throughout the customer journey

2 Intelligent Lending

- Leveraging customer data to offer personalized lending experience and achieve fair risk adjusted return

3 Proactive Risk & Compliance Management

- Proactively identifying potential risk and establishing loss prevention and detection



4 Regional Payment & Settlement

- Building and connecting cross-border payment capability

5 Data Analytics

- Expanding data analytics capability to enhance business opportunity and operational efficiency

6 Cyber Security

- Enhancing comprehensive cyber security

7 Performing Talent and Agile Organization

8 Modern World Class Technology Capability

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

Joint Venture

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

for Co-Lending through Carabao Conglomerate channels

for Debt Collection and Asset Management Business

Venture Capital*

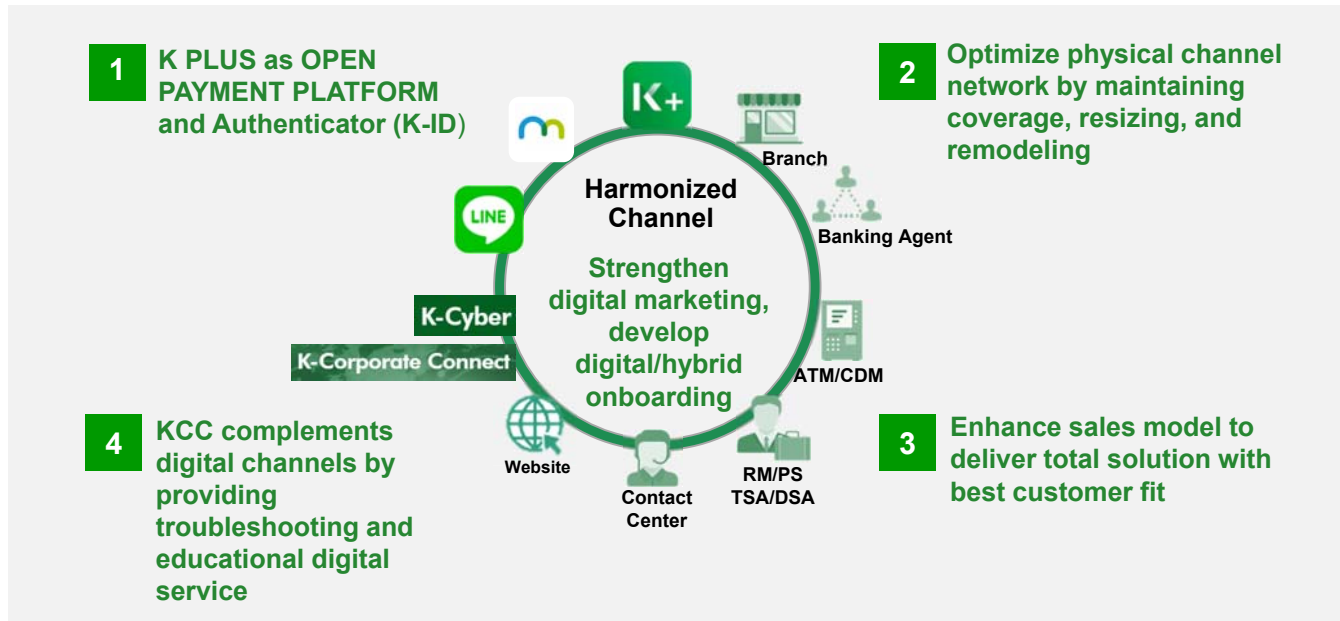
Note: * Beacon Venture Capital, a wholly-owned venture capital fund of KBank, invests in companies and startups, via:

- Direct investment: a total fund size of USD135mn to invest in early to growth-stage technology startups covering not only FinTech but also consumer internet and enterprise technology, aiming to leverage new technology from startups to support KBank’s businesses. However, the logos above only show a portion of our investment
- Indirect investment: investments through VC Funds to enable KBank to leapfrog into the world arena and stay abreast of innovative technologies and business models in other regions, e.g. partnered as an LP with VC funds managed by Integra Partners (known as Dymon Asia Capital), Vertex Ventures, Nyca, Jerusalem Venture Partners, Pantera Blockchain Offshore Fund, China Renaissance, Openspace Ventures, Do Ventures and StormBreaker
- Co-investment with partner: Alchemy through Pantera

บริการทุกระดับประทับใจ

Strengthen Harmonized Sales and Service Experience

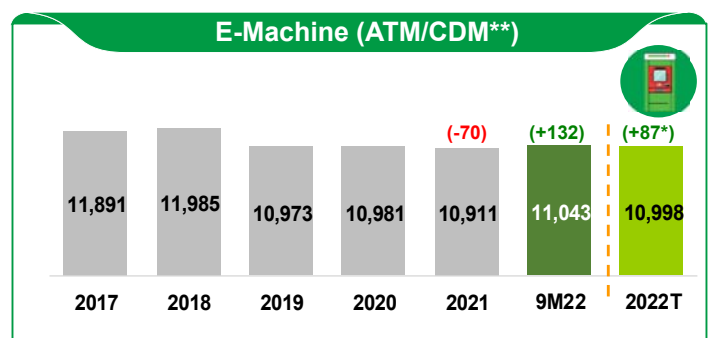
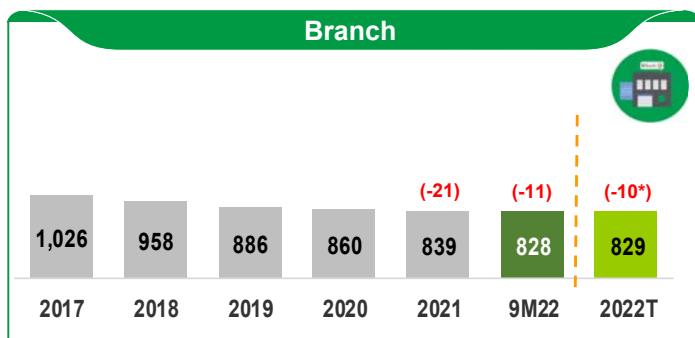
- Reshape channel mix and sales model according to evolving customer behavior, to deliver better experience and productivity



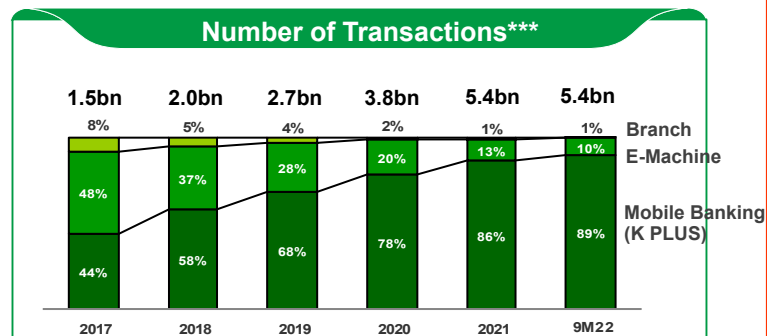
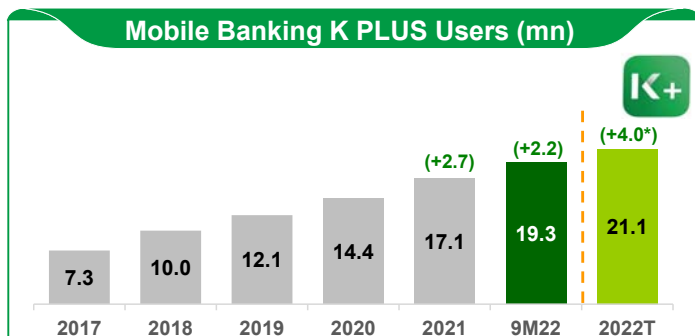
Note: KCC = K-Contact Center; RM = Relationship Manager; PS = Product Specialist, TSA = Tele Sale Agent, DSA = Direct Sale Agent

บริการทุกระดับประทับใจ

Harmonized Channels: Domestic Channels and No. of Transactions



** Cash Deposit Machine



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

* Compared to Year-ended

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



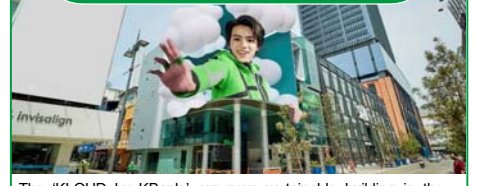
Our enhanced self-service cash machines are a convenient touch point to authenticate all digital onboarding such as e-Savings and e-Wallet account.

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 the 3 pillars of sustainability: Environment, Social and Governance.

Digital Banking



Digital Banking includes:

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

บริการทุกระดับประทับใจ

Intelligent Lending

- Continuously support our customers with better serve end-to-end journey; these includes:
 - Enhance ability to leverage overall data foundation, develop insight-driven methods in defining customer qualification criteria and credit scoring to promptly offer personalized lending experience where needs; while the bank still balance acceptable risk and fair return
 - Proactive implement customer-centric collection strategy with appropriate approach and portfolio quality improvement

End to End Credit Journey



Expected Outcome



บริการทุกระดับประทับใจ

KBank Unsecured Consumer Lending Landscape & Ecosystem Partnership

Partnership & Ecosystem

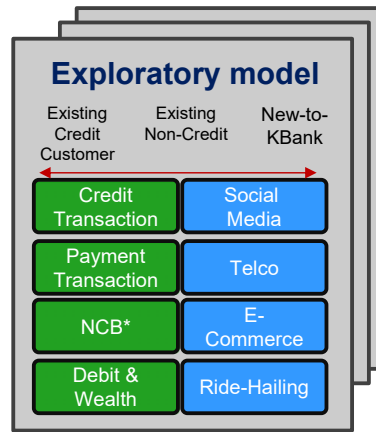
The Valuable Partners for Lending



- Embed into customer's everyday life application, platform and network owner
- Engage customers through simplified onboard process

Going Forward

- Different Credit Model by Industry



- More New and Qualified Customers with Risk-based Pricing



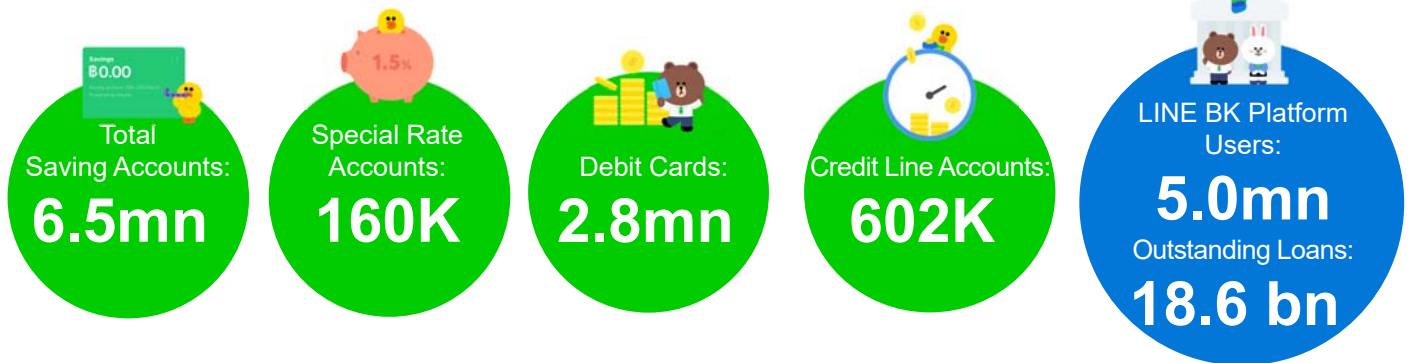
- Modular credit decision engine capable of providing higher approval rates without compromising risk

Note: * NCB = National Credit Bureau

บริการทุกระดับประทับใจ

Success Story of KLINE: LINE BK Services

9M22 Key Performance



October 2020 – December 2021*

October 2020

February 2021

December 2021

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

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

บริการทุกระดับประทับใจ

Proactive Risk & Compliance Management

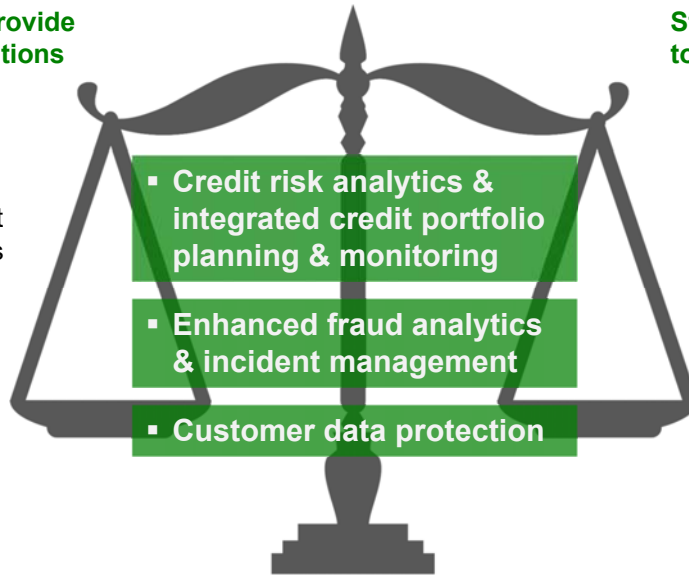
Value Enabler

Key Capabilities

Value Protector

Partner with business and provide effective integrated risk solutions

- Predictive and integrated customer segment-based credit analytics
- Intelligent fraud management in all key business processes
- Effective risk management execution for business partners and 3rd parties
- Enabling customers for ESG Transformation



Strengthen & secure our business to be resilient and sustainable

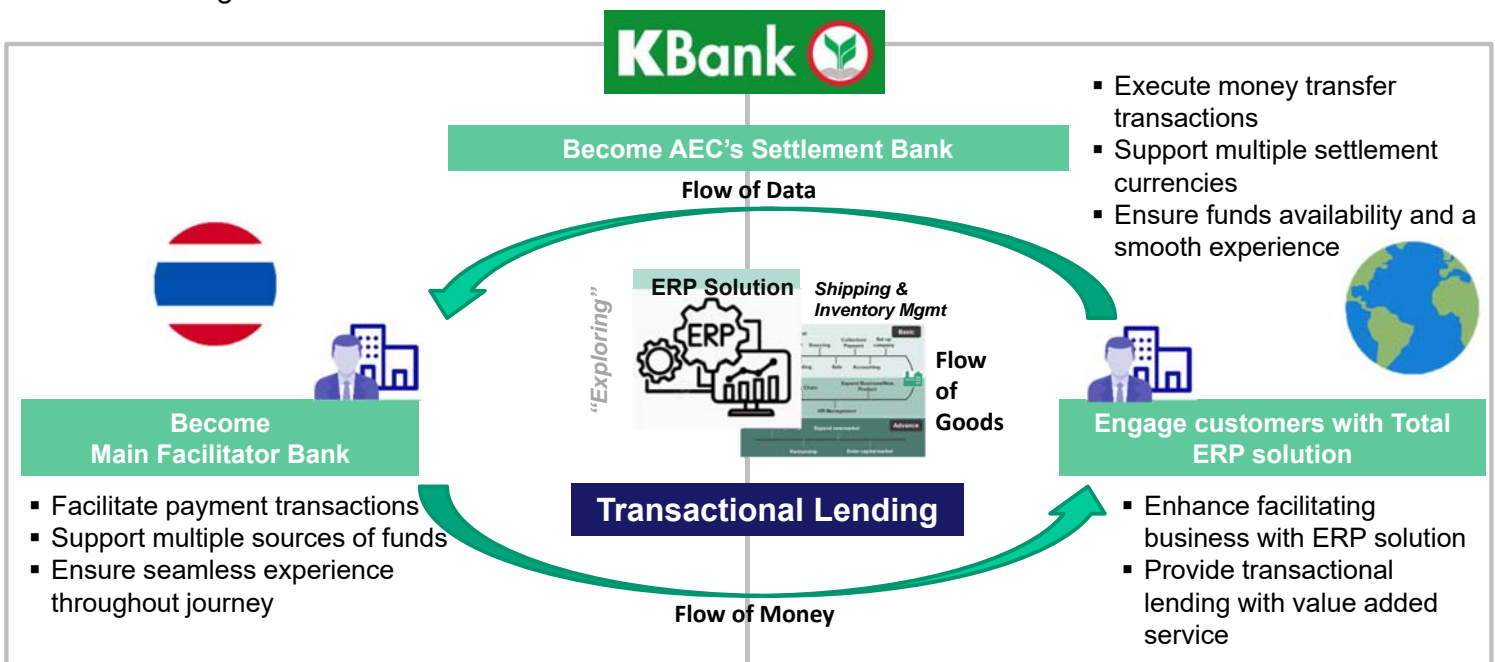
- Prudent risk-based provision and capital management
- Early error detection through effective quality assurance and fraud management
- Effective and proactive compliance management
- Customer data governance and management

- Organization-wide prudent risk culture
- Agile way of working and delivering integrated risk solutions

บริการทุกระดับประทับใจ

Regional Payment & Settlement

- Facilitate payments and settlements to provide regional business connectivity and opportunities for lending



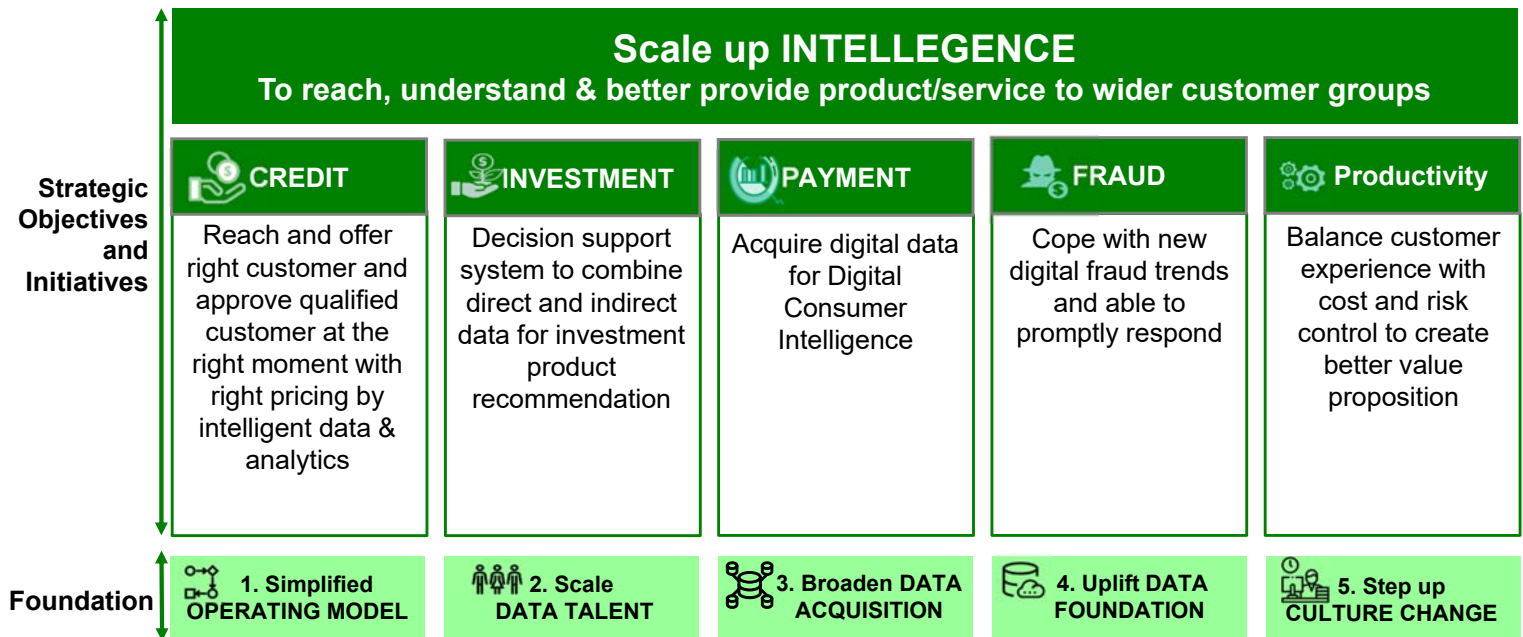
Note: ERP = Enterprise Resource Planning

บริการทุกระดับประทับใจ



Data Analytics

- Reimagined K-Data Strategy: Capture Value at Scale

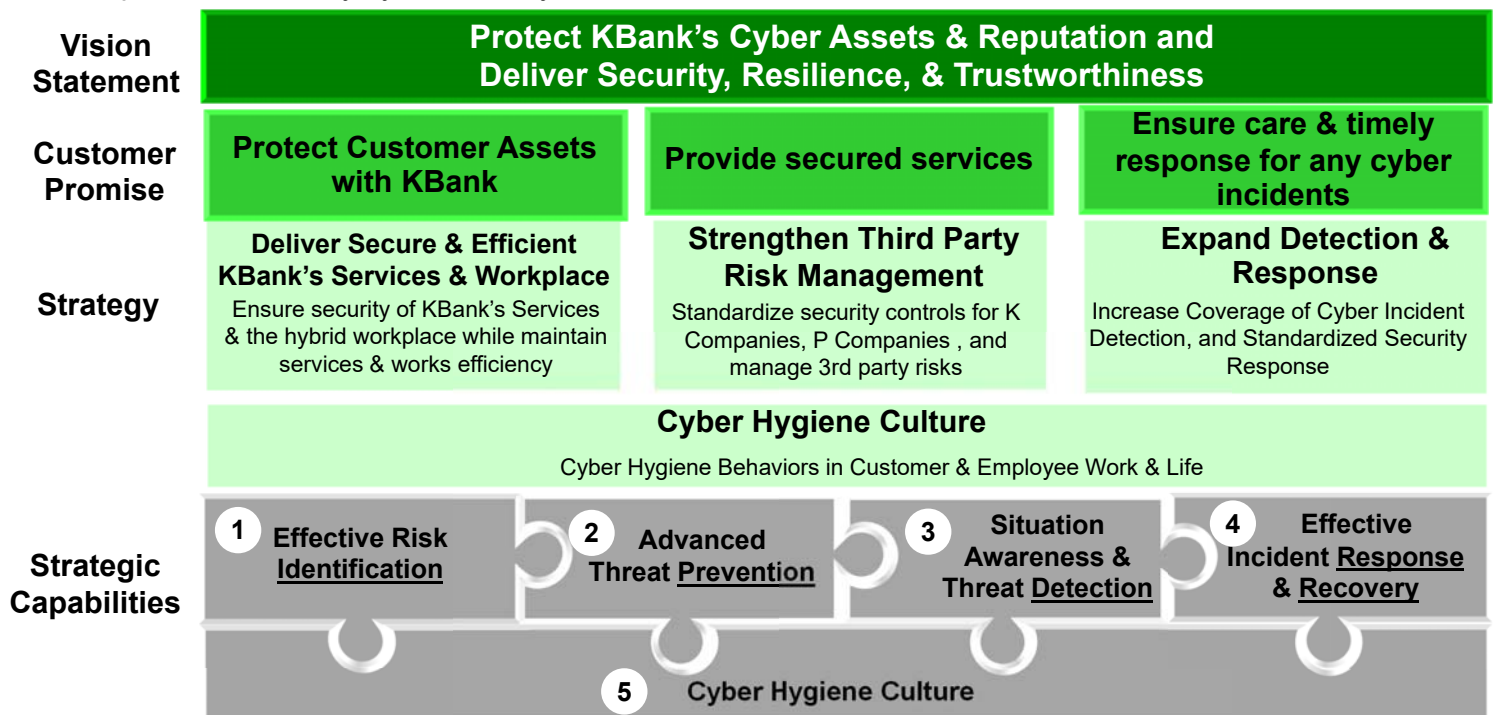


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Cyber Security

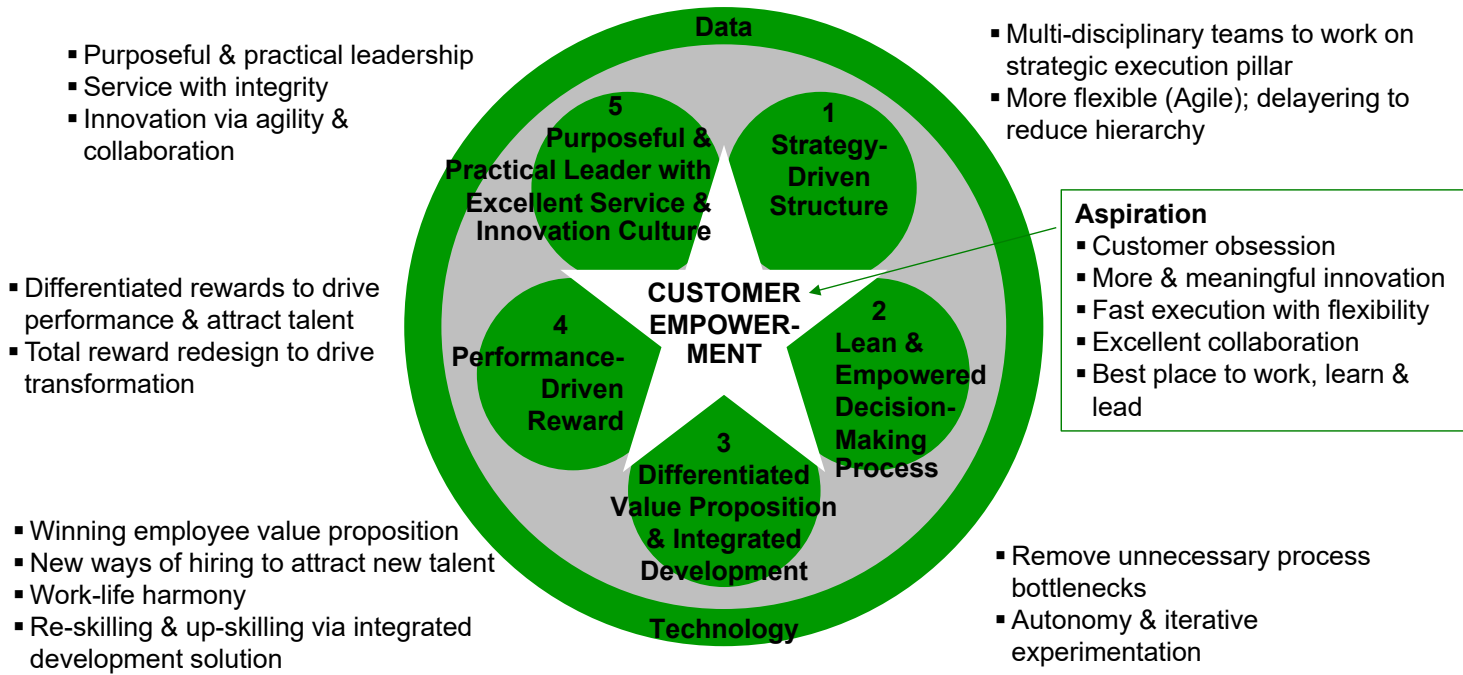
- Enhancing comprehensive cyber security and IT capabilities; addressing and aligning critical capabilities to fortify cyber security



บริการทุกระดับประทับใจ

Performing Talent and Agile Organization

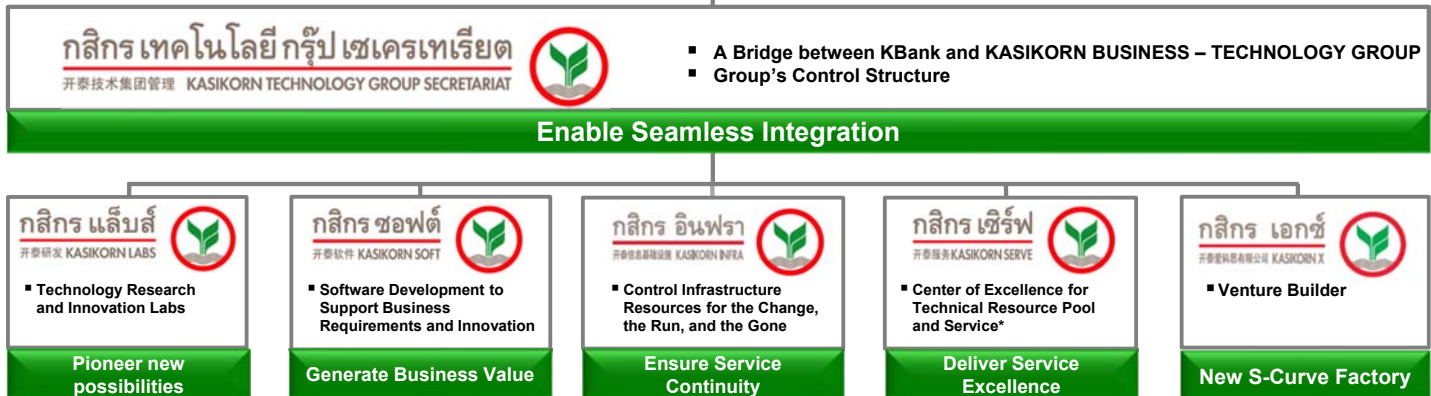
5 key elements to build customer empowerment organization



บริการทุกระดับประทับใจ

KASIKORN BUSINESS - TECHNOLOGY GROUP

Company Structure



Note:

- KASIKORN BUSINESS – TECHNOLOGY GROUP established with 5 companies, as a wholly-owned subsidiary of KASIKORNBANK; included in the KASIKORNBANK FINANCIAL CONGLOMERATE, as approved by the BOT in October 2015
- Registered capital in each company at Bt5mn, except for KASIKORN SERVE at Bt10mn
- KASIKORN SERVE changed names from PROGRESS SOFTWARE COMPANY LIMITED; established in March 1993
- KASIKORN INFRA changed names from KASIKORN PRO COMPANY LIMITED; established in October 2015
- KUBIX is a KX's subsidiary; established in March 2021

บริการทุกระดับประทับใจ

KBTG Strategy and Innovation

- Build and Maintain the Technology that Empower Every Customer's Life and Business
- Aim to be ONE of the Best Tech Companies in Southeast Asia

Strategy	Key Achievements in 9M22
<p>Support Running the Bank</p> <ul style="list-style-type: none"> ■ IT Project Delivery Excellence Drive and manage IT project portfolio for on-time and on-budget delivery ■ IT Brilliant Basics Maintain operational stability with uncompromised security ■ World Class Tech Talent Fulfil, retain and uplift top tech talent capability towards a goal to be Forbes's World's Best Employers ■ Regional Expansion Support KBank regional expansion and apply innovation "From" and "To" regional 	<ul style="list-style-type: none"> +90 New IT Projects Delivered in 9M22 400+ KBank Applications in 9M22 1st Rank of Cyber Security BitSight Rating scored at 800** 2 Regional Development Sites
<p>Create the Future of Finance</p> <ul style="list-style-type: none"> ■ Breakthrough Innovation Scale up existing innovation product and deliver business value/cost avoidance using advanced tech capabilities ■ The New S-Curve Explore and create new S-Curve product/investment in the area of Decentralized Finance (DeFi), Web 3.0 and metaverse that goes Beyond Banking 	<ul style="list-style-type: none"> 1.5 Million users from Platform Businesses Raised Bt265mn from Destiny Token Deal Sold 120 NFTs Arts (Bt35mn) via 'Coral' Platform Launched 'Bigfin', an asset investment analysis platform

บริการทุกระดับประทับใจ

Support Running the Bank

Vision: ONE of the Best Tech Companies in Southeast Asia

	2019	2021	2025
Project Delivery	83	145	250 (+200%)
IT System Stability	< 5 hours	< 5 hours	< 5 hours
K PLUS Digital Users	12.1 mn	17.1 mn	+++
People	1,332	1,642	3,000 (+125%)

Note: %Growth against year 2019

1. IT Project Delivery Excellence Project Delivery

- Scale project delivery through transformation to support the expansion of project demand and complexity
- Scale Apply global best practices, processes and tools for transforming our IT delivery to overcome IT rapid changes

2. IT Brilliant Basics IT System Stability

- Maintain over 400 applications with highest system availability
 - High system availability for customer at 99.95% (only 5-hour/year allow for critical applications)
 - High customer impact incident less than 10 times a year for critical applications
 - No high customer impact of security breach

K PLUS Digital Users

- Ensure the best experience for customer by always optimizing front-end and back-end to support fast growing number of users

3. World Class Tech Talent People

- Increase resource capacity to support the project demand
- Reduce the employee retention within industry benchmark
- Increase capability for focused role to support sustainable growth

บริการทุกระดับประทับใจ

Support Running the Bank

4. Regional Digital Expansion: Financial and Non-Financial Services Expansion in AEC+3

People's Republic of China

- Loans and supply chain products have been developed with more than 1 million customers on the Mainland

KTECH (China)

- A fintech company wholly owned by KASIKORN VISION CO., LTD. (KVision) registered in Shenzhen, People's Republic of China, with registered capital of Bt1,300mn
- Primarily involved in the design and creation of IT systems, research of new technologies, and search for new business models conducive to digital banking and economic systems
- Promoting the expansion of financial science and technology to ASEAN countries and making Shenzhen an important node in the Belt and Road Initiative
- Launched an online retail lending product with instant approval for KASIKORNBANK (CHINA) CO., LTD. As of September 2021, there were more than 10,000 customers using this service

Lao People's Democratic Republic

- 30 ATMs were installed in Vientiane to accommodate the use of e-Wallet and mobile banking applications

Kingdom of Cambodia

- Launched an Internet banking service (IB) for corporate customers of KBank, Phnom Penh Branch, in August 2021

Vietnam

- Our representative office in Ho Chi Minh City was upgraded to the status of an international branch – the first KBank branch in Vietnam. We have prioritized Internet banking, digital lending and funds transfer services with other financial institutions, both private and public
- Officially launched K PLUS Vietnam in March 2022, with key features such as bill payment, top up, create favorite transaction, and statement request, as well as new and enhanced features planned to deploy on a monthly basis

Others

- Worked with the Department of Consular Affairs, Ministry of Foreign Affairs, in developing an e-Visa system to be applied to visa holders from the People's Republic of China, South Korea, the United States of America, Canada, Norway, Sweden, and Denmark



บริการทุกระดับประทับใจ

Create the Future – Breakthrough Innovation & The New S-Curve

Scale-up Innovation Products & Partnerships



Kunthong

Innovation



MAKE



TAGTHAI

Health and Insurance Ecosystem



Vaccine Registration & Insurance Lead



In house AI Highlights



Marketing & Credit Intelligence



Process Automation



Facial Technology

Launch New S-Curve Products



CeFi

Become **Market Leader** in Overall ICO Deal Volume



DeFi

Fully operated KX as **'Venture Builder'** and establish **'Endless Fund'**



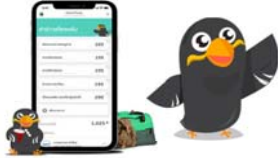
Launch and scale **Coral NFT Marketplace** to be one of the top players

Note: CeFi = Centralized Finance; DeFi = Decentralized Finance; NFT = Non-fungible Token


บริการทุกระดับประทับใจ

Creating the future – Breakthrough Innovation

Scale-up Innovation Products & Partnerships




1mn Users
KhunThong
Social chatbot helping friends settle expenses within a chat for a seamless payment experience



590K Users
MAKE by KBank
A mobile banking application designed specifically for a new generation to personalize financial management




Vaccine Registration (THG)
Jointly developed with Thonburi Healthcare Group to serve as a main channel to register for appointments and make advance payment for Moderna vaccination via LINE application




COVID-19 Hospitel Management Solution
Worked with Praram9 hospital in creating a registration system for asymptomatic COVID-19 patients in hospitals and those with minor symptoms



InsurTech
A co-innovation project with Muang Thai Insurance Public Company Limited to build sophisticated AI model for car damage detection as a part of automated car insurance policy approvals. Self-service with car damage detection AI has been launched with Progress Multi Insurance Broker (PMIB) in December 2021



Chula Care Application
Application for Chula hospital's patients for getting multiple services in one app; booking, queuing and using tele clinic service with various and convenient payment via credit card, mobile banking or K PLUS




KBTG Kampus
A joint university curriculum in partnership with King Mongkut's Institute of Technology Ladkrabang (KMITL) to develop top tech talents in a job market with ever-increasing demands. This curriculum allows students to study in a real-world environment, with hands-on learning and guidance from expert mentors from KBTG

บริการทุกระดับประทับใจ


Create the Future – The New S-Curve

Launch New S-Curve Products




KASIKORN X (KX)
Incubate, scale, and spin-off new s-curve businesses in DeFi

- Coral**
A non-fungible token (NFT) marketplace platform that comes with artists' authentication system and NFT trading using fiat currencies
- BigFin**
A digital asset investment analysis platform with features including running balance, transaction history with manual cost basis entry



Kubix Digital Asset (Kubix)
A full-fledged platform on blockchain technology for asset tokenization services and digital token offerings in primary market

- Destiny Token**
First Thai digital token for investment in the "Love Destiny The Movie" film under the cooperative effort of GDH and Broadcast Thai Television Co., Ltd. Currently, total of 16K token sold out (Bt265mn fund raised)



- MIT Media Lab Member**
KBTG became a Consortium Research Lab Member at MIT Media Lab to jointly conduct research on innovative technologies, namely metaverse, blockchain, and decentralized finance (DeFi), as well as in other areas such as sustainability and education

บริการทุกระดับประทับใจ

KBTG Buildings and Awards

KBTG Main Building



K-Stadium at KBTG Main Building



Creative Box for small meeting

Innovation Center

K+ Building



K+ Building: City-based KBTG office with co-working spaces

Innovative Firm / Product Awards



UX Design Award (Product)
from MAKE by KBank



reddot award
product design 2022

Reddot Design Award
in Brands & Communication Design



National Innovation Award
Innovation Organization (Merit Prize)

People & ONEKBTG Culture Awards



Employee Excellence Award
in Most Innovative & Sustainable Office Design



HR Excellence Award
Excellence in Employee Engagement,
Excellence in Employer Branding,
Excellence in Workforce Mobility



HR Asia Award
Best Company to Work For in Asia



Asian Experience Award
in Employee Experience (from KBTG Inspire events & KBTG Thanks God It's Friyay)

บริการทุกระดับประทับใจ

KBank: Business Highlights

บริการทุกระดับประทับใจ

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

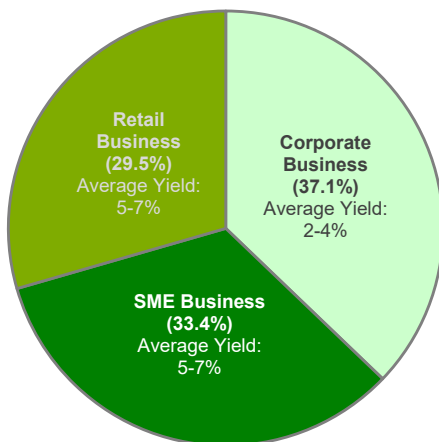
Note: * Wealth with KBank and its wholly-owned subsidiaries is defined as savings and investments, such as deposit products with KBank, mutual funds with KAsset; or the monthly income of an individual customer

บริการทุกระดับประทับใจ

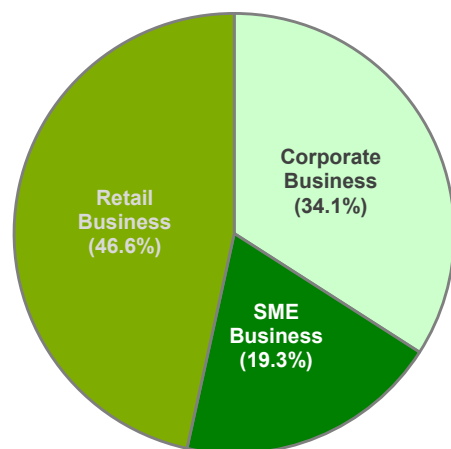
Revenue by Business

September 2022 (Consolidated)

Loans Portfolio structure



Non-interest Income



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

Note: Loan portion and loan yield of each customer segment includes loans from the Enterprise Risk Management Division (NPL + Performing Restructured Loans); figures are not comparable with loan data in other pages

บริการทุกระดับประทับใจ

Corporate Business: Key Performance

Multi-Corporate Business	Large Corporate Business	Medium Business	Small & Micro Business	High Net Worth Individual	Affluent	Middle Income	Mass
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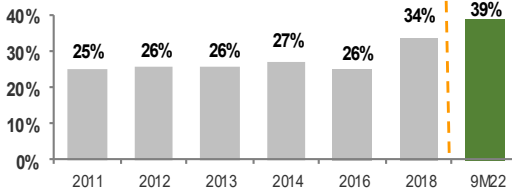
- Aim to be trusted partner to enrich customers' businesses with best-in-class financial services and solutions
- Provide innovative and multi-sourced fund raising
- Offer total solutions for collection, payment, and settlement
- Enhance digital solutions and platforms

Key Performance



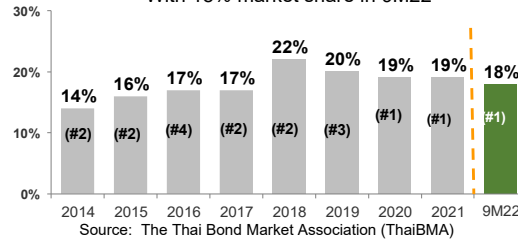
Main Bank

- Maintained Main Bank Status* at 39% in 9M22



#1 Corporate Bond Underwriting

- With 18% market share in 9M22



Top Player in Transactional Services

- > **Mutual Fund Supervisor:** ranked #1 with 38% market share in 9M22
- > **Cash Management Services:** MB** 24% market share in 2018 (#1) / CB** 24% market share in 2018 (#2)
- > **Trade Finance:** MB** 27% market share in 2018 (#1) / CB** 32% market share in 2018 (#1)

Note: * 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
** MB = Multi-Corporate Business, CB = Large Corporate Business

บริการทุกระดับประทับใจ

SME Business: Key Performance

Multi-Corporate Business	Large Corporate Business	Medium Business	Small & Micro Business	High Net Worth Individual	Affluent	Middle Income	Mass
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- Empower SMEs at every business stage
- Provide holistic banking services and beyond banking solutions
- Innovative payment solutions
- Conduct data analytics lending and offer products through appropriate channels, making it easier for smaller businesses to access financial credit

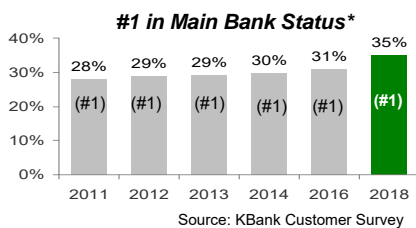
Key Performance



#1 SME Main Bank Status

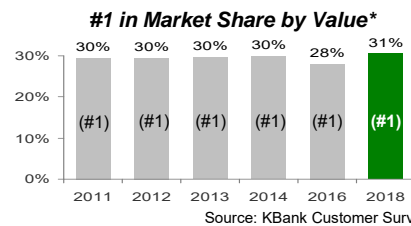
- Remain No.1 with NPS scores at 44* for SME Main Bank position with the best of branch staff & mobile applications for SME customers
- Strengthen #1 Main bank position

Note: * Info as of Y2020 (SME NPS by BRS)



#1 SME Lending

- Maintain No.1 position in SME products; especially commercial loans
- Highest share, 23% of SME credit outstanding as of June 2022



#1 SME Transaction

- Maintain No.1 in Cash Management with 33% penetration in SME segment

* Since 2014, corporate and SME business main bank status and market share are reported every two years

** Market share by value and main bank status in 2018 may not be comparable with those in previous years due to a new SME population base covering more SMEs with better data availability

Note: - SME Business in Thailand accounts for 43.0% of Thailand's GDP, or Bt7.01trn (as of December 2018); supported by the government to become a key factor in economic and social growth (Source: The Office of Small and Medium Enterprises Promotion or OSMEP)
- Market Share by Value = share of revenue (derived from both credit and non-credit products) that each bank gains from the market
- 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

บริการทุกระดับประทับใจ

Private Banking Group: Key Performance

Multi-Corporate Business	Large Corporate Business	Medium Business	Small & Micro Business	High Net Worth Individual	Affluent	Middle Income	Mass
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International comprehensive wealth management services

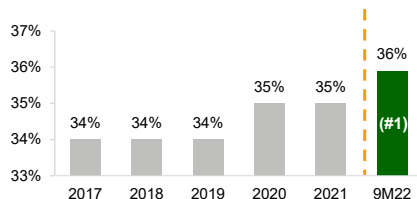
- Cooperate with Lombard Odier to raise service and product standards to international levels
- Provide integrated wealth planning services, advising families on wealth management, continuity, and growth
- Enhance use of technology to improve client experience
- Build comprehensive client insights from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

Key Performance



#1 Market Share by # of customers

- With 36% market share (12,718 customers)



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



Growing AUM

- Bt770bn AUM in 9M22; growth -2.2% in 9M22
- AUM Breakdown: Investment 58% and Deposit 42%



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

บริการทุกระดับประทับใจ

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

Retail Business: Key Performance

Multi-Corporate Business	Large Corporate Business	Medium Business	Small & Micro Business	High Net Worth Individual	Affluent	Middle Income	Mass
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Empower Retail customers in everyday life

- Ecosystem orchestrator and harmonized channels to deliver anytime, anywhere experience
- Data-driven offerings, especially consumer finance
- Introduce investment platforms, digital lending, and Buy-Now-Pay-Later for low-income segment
- Cross-platform loyalty program

Key Performance



#1 Digital banking

- NPS : Mobile Banking Level by Nielsen 2021
- Recognition Award from national & international institutes



#1 Debit Card spending

- Maintain top position by delivering value and benefits matching customer lifestyles
- Spending volume continuously growing > Bt48bn or increase 6% YoY in 1H22



#1 Credit Card spending

with 23.3% market share in 9M22

#2 No. cards

- with 15.5% market share in 9M22
- Card-accepting merchant services (online & offline platforms): ranked #1, with 32% market share by sales volume in 1H22



#3 Mortgage loan outs

- Top 3 among commercial banks with 8.4% market share in 9M22; steady growth and maintain good portfolio quality



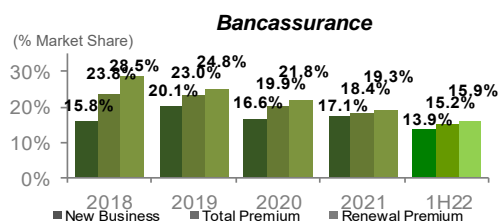
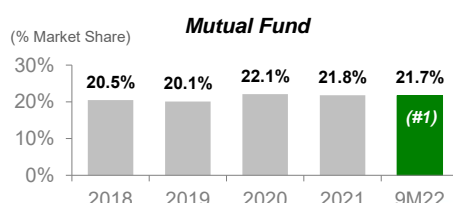
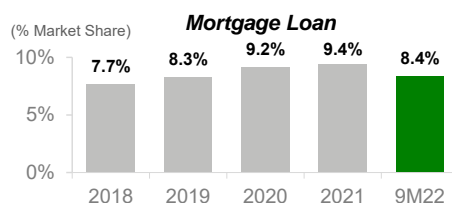
#1 Mutual Fund AUM

- Highest share, 21.7% in 9M22
- Highest share in Money Market & Financial Institution, Term Fund and Equity & Foreign Investment Fund



#2 Bancassurance Premium

- MTL ranked #2 in total, new business and renewal premiums with 1H22 market share of 15.2%, 13.9%, and 15.9% respectively.



บริการทุกระดับประทับใจ

KBank and MTL Enter the 10 Years Bancassurance Agreement

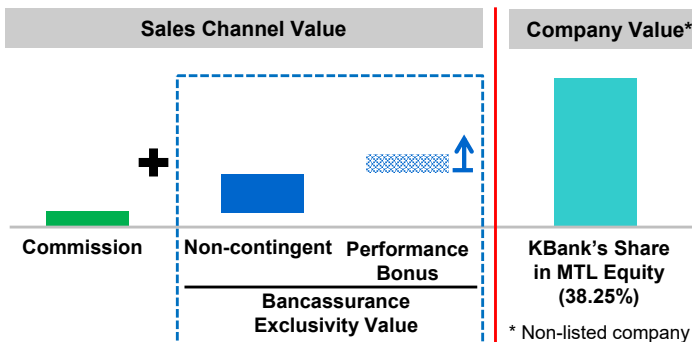
- This transaction is a connected transaction, per Thai regulations, as it is conducted with MTL, a subsidiary which KBank effectively holds 38.25% shares. **This transaction does not require shareholder approval at the Shareholders' Meeting as it is a normal business transaction conducted with general 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.

บริการทุกระดับประทับใจ

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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.

บริการทุกระดับประทับใจ

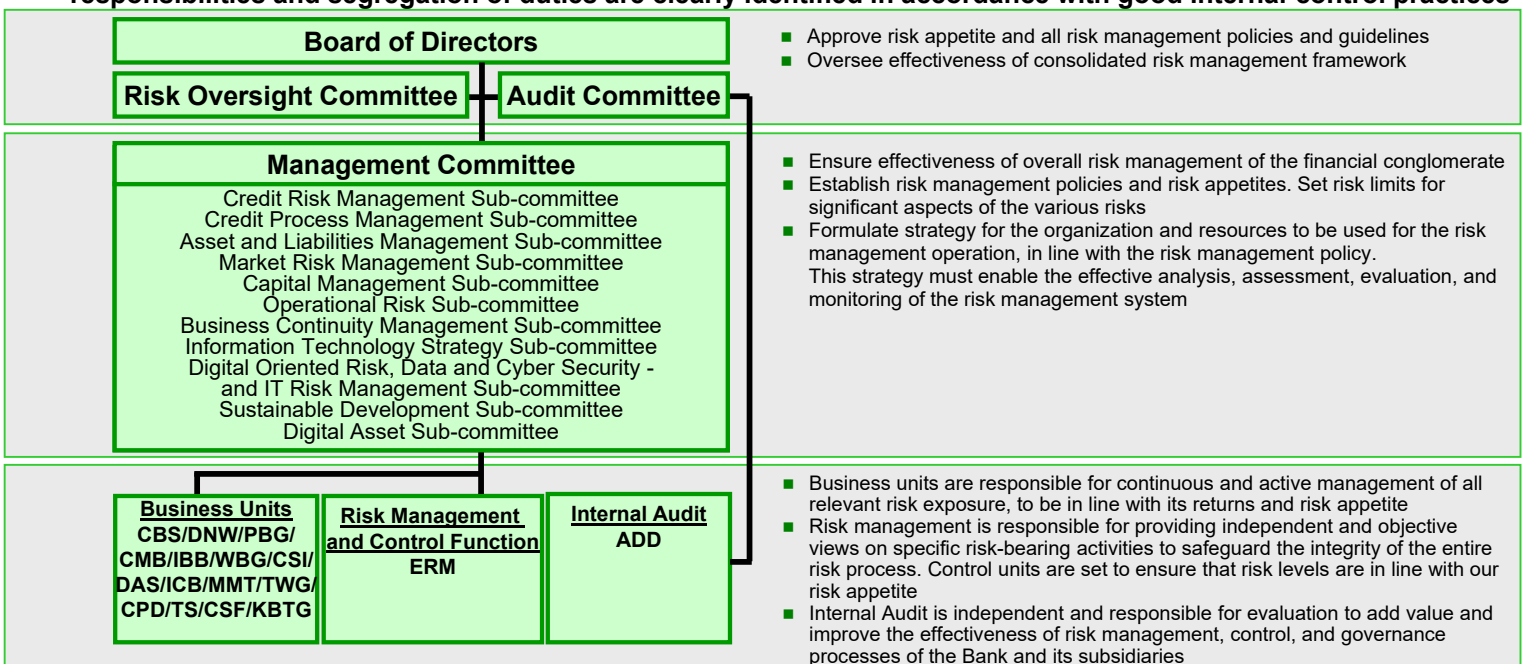
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KBank: Risk and Credit Management

บริการทูลระดับประทับใจ

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



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, DAS = Data and Analytics Division, ICB = Integrated Channels and Business Solutions Division, MMT = Marketing Management Division, TWG = Transaction and Wealth Banking Division, CPD = Credit Products Division, TS = Central Treasury Department, CSF = Customer and Enterprise Service Fulfillment Division, KTBG = KASIKORN BUSINESS - TECHNOLOGY GROUP, ERM = Enterprise Risk Management Division, ADD = Audit Division

บริการทูลระดับประทับใจ

KBank Credit Risk Management Process

- The Bank continues to enhance credit risk management processes to promote risk strategies with justified risk-return tradeoff within the rapidly changing economic environment

Portfolio Management

- Determine portfolio-by-design taking into account risk-adjusted return trade-off
- Manage portfolio according to the Bank's risk appetite and concentration risk management (Country, Industry, Large Customer Group)
- Perform stress testing to identify impacts to portfolio and proactively prepare appropriate management actions

Origination

- Enhance decision making/support tools for more efficient return and risk evaluation
- Setup specific prescreening criteria for potential industries
- Enhance customer income validation process

Monitoring

- Monitor customer behavior and detect early warning signs
- Leverage National Credit Bureau information for effective credit monitoring
- Ensure credit condition compliance (e.g. insurance, capital injection, project progress)
- Take prompt action to prevent credit deterioration

Collection & Recovery

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

บริการทุกระดับประทับใจ

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 <ul style="list-style-type: none"> 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 <ul style="list-style-type: none"> Customer Integrated Credit Scorecard Application Score FICO Score Bureau information/Credit history Debt service capacity LTV 		Formula Lending <ul style="list-style-type: none"> Customer Integrated Credit Scorecard Application Score Transactional Score FICO Score Bureau information/Credit history Debt service capacity 	
Post Approval	Credit Service Fulfillment Dept.			Payment Service Fulfillment Department	
	<ul style="list-style-type: none"> Legal document Limit set up 			<ul style="list-style-type: none"> Legal document Limit set up 	
	Bank-wide Risk Asset Review				
	<ul style="list-style-type: none"> Customer Review by Relationship Manager (RM) Credit Monitoring and Asset Management Unit to facilitate RM in customer monitoring Credit Clinic 		Asset Quality Management Operation Dept.		
			<ul style="list-style-type: none"> Automated collection system Efficiently utilize available behavior scoring and collection tools i.e. SMS, automated letter generation, phone-based collection 		

Note: FICO = Fair Isaac Corporation

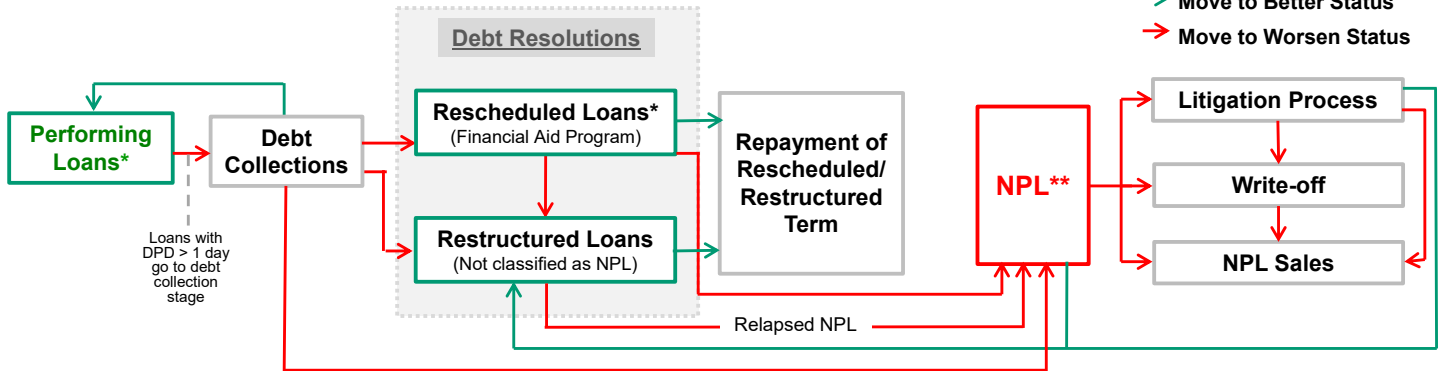
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KBank Credit Risk Management Process: Collection and Recovery

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

- Performing Loans
- Process
- Non-Performing Loans
- Move to Better Status
- Move to Worsen Status



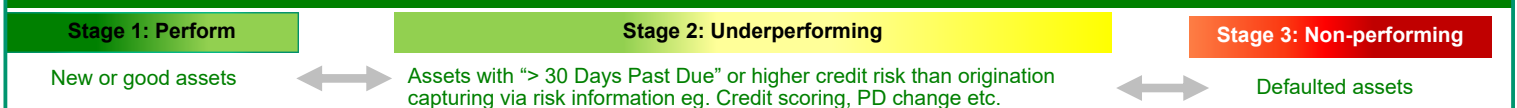
Note:

- * 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, and restructured loans classified as NPL

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TFRS9: Asset Class and Expected Credit Loss

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



Expected Credit Loss (ECL): $PD \times LGD \times EAD$

<p>Probability of Default (PD)</p> <p>Stage 1: Performing 1 Year</p> <p>Stage 2: Under-performing Lifetime</p> <p>Stage 3: Non-performing Lifetime</p>	<p>Incorporate forward looking over lifetime</p> <ul style="list-style-type: none"> Macro-factor is captured through PD point-in-time Term structure PD is derived over behavioral life Multi-scenario is weighted to come up with final Expected Credit Loss (ECL)
<p>Loss Given Default (LGD)</p>	<p>Incorporate recovery from both collateral and cash payment</p>
<p>Exposure at Default (EAD)</p>	<p>Combination of drawn and undrawn as credit exposure</p> <ul style="list-style-type: none"> 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"

1) Contingent products: LI, LC
2) Committed unused facilities

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"

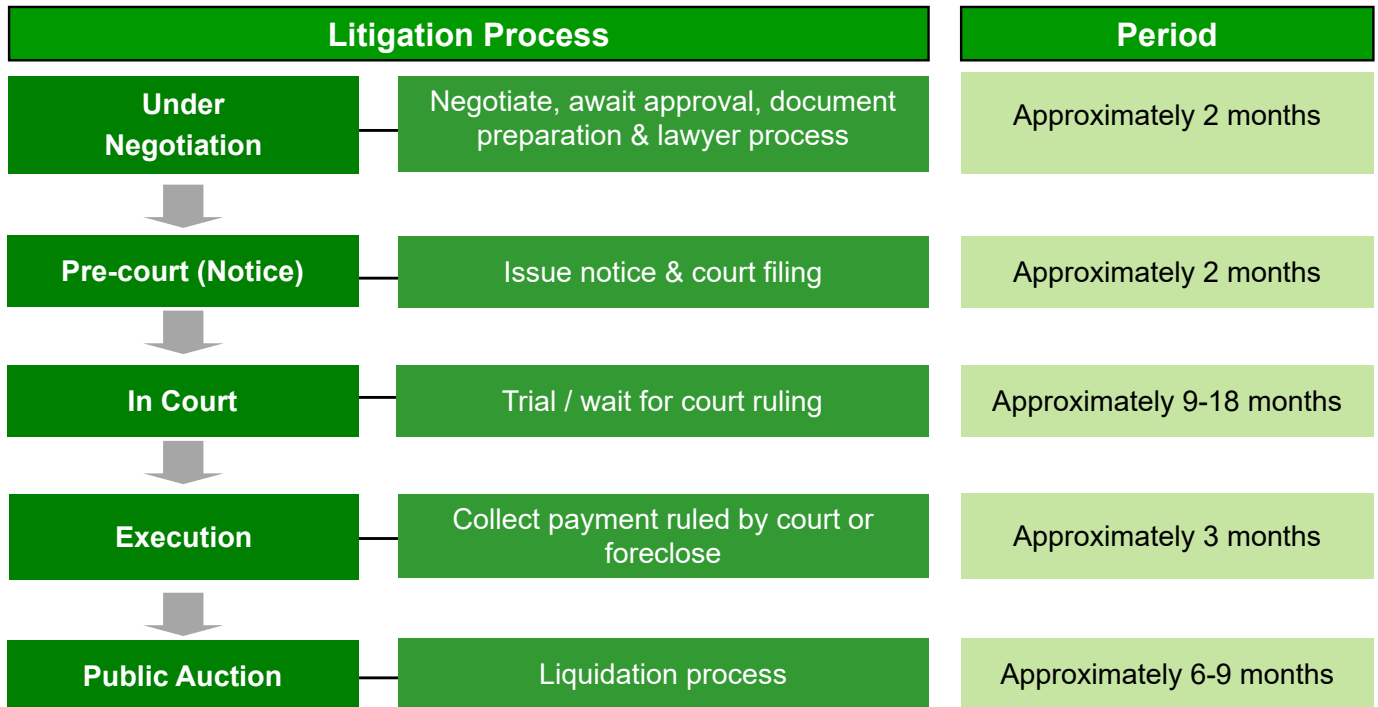
Undrawn = Credit facilities that are not utilized yet or credit facilities that are utilized but are booked as contingent liabilities, excluding derivatives

EIR = Effective Interest Rate; LI = Letter of Indemnity; LC = Letter of Credit; CCF = Conversion Credit Factor

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Litigation Process

- Litigation process in Thailand takes about 2-3 years



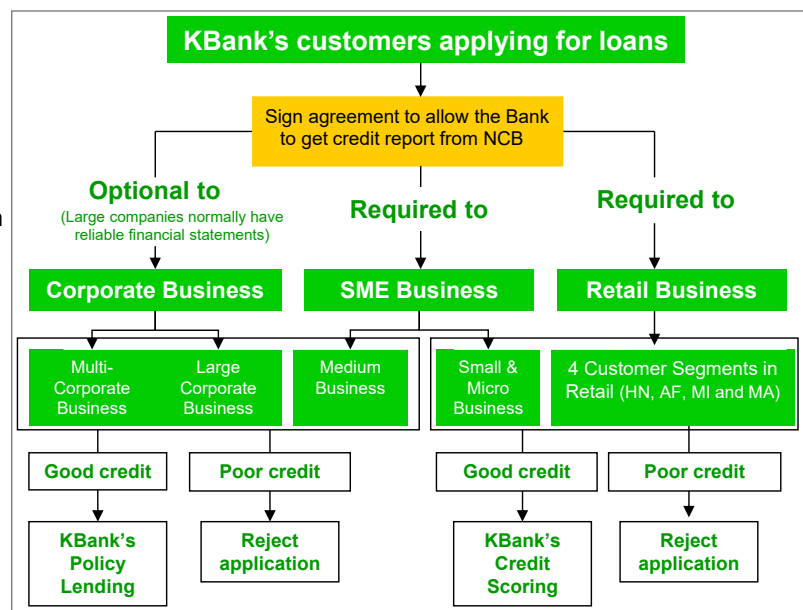
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Credit Bureau Summary

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 an adverse impact from prolonged economic recovery and high household debt

Corporate Business	SME Business	Retail Business
<ul style="list-style-type: none"> Focus on high potential industries less impacted by economic slowdown Closely monitor customers in high risk industries and supply chains <ul style="list-style-type: none"> Actively monitor early warning signs Promptly respond to adverse events 	<ul style="list-style-type: none"> Selective on quality of customers Proactive risk management by visiting customers; raise productivity of sales teams and relationship managers Efficient collection process 	<ul style="list-style-type: none"> Selective on high-value customers regarding prevailing BOT regulations and the Bank's policy Proactive and efficient collection process based on the Bank's models Analyze behavior regularly to identify weak spots

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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)

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9M22 Performance Highlights

Consolidated	2020	2021	1Q22	2Q22	3Q22	9M22
Net Profit (Bt bn)	29.49	38.05	11.21	10.79	10.57	32.58
Profitability						
- NIM	3.27%	3.21%	3.19%	3.21%	3.33%	3.26%
- ROE*	7.10%	8.44%	9.30%	9.13%	8.49%	8.97%
- ROA	0.85%	0.98%	1.09%	1.04%	1.00%	1.04%
- YTD Loan growth	12.13%	7.88%	1.51%	2.79%	1.75%	1.75%
- YoY Loan growth	12.13%	7.88%	6.77%	4.45%	0.83%	0.83%
- YoY Net fee income growth	(10.17%)	7.01%	(6.36%)	(5.00%)	(5.09%)	(5.51%)
- YoY Non-interest income growth	(20.65%)	(4.17%)	(25.49%)	(14.72%)	(6.04%)	(16.22%)
Cost control						
- Cost to income	45.19%	43.49%	42.82%	43.53%	43.73%	43.37%
Asset quality						
- NPL ratio	3.93%	3.76%	3.78%	3.80%	3.07%	3.07%
- Credit Cost	2.05%	1.73%	1.53%	1.59%	1.61%	1.59%
- Coverage ratio	149.19%	159.08%	158.33%	144.61%	148.74%	148.74%
Loans to Deposits	95.73%	93.20%	93.31%	93.18%	92.65%	92.65%
Tier 1 Ratio	16.13%	16.49%	16.35%	16.39%	17.21%	17.21%
CAR	18.80%	18.77%	18.34%	18.37%	19.19%	19.19%

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

- 9M22 net profit increased 15.73% YoY, due to higher net interest income and slightly lower expected credit loss, while non-interest income decreased and operating expenses increased
- 9M22 loans grew 1.75% YTD, mainly from corporate business and small ticket lending (SME and Retail), while housing loans decreased
- 9M22 NIM was 3.26%, increasing YoY as yields on loans increased from small ticket lending (SME and Retail) and higher market rate
- 9M22 net fee income dropped 5.51% YoY, mainly due to a decrease in fees from fund management and brokerage fees in line with market conditions and a drop in transaction service fee rate, while fees from card business increased according to the customer spending
- 9M22 cost to income ratio rose YoY to 43.37%, from higher operating expenses due to an increase in marketing expenses in collaborations with business partners, employee expenses, and IT expenses in order to support customers' needs, though net total operating income increased. Focus on cost management and productivity improvement, with new investments for future growth
- 9M22 NPL ratio was at 3.07%, with 148.74% coverage ratio from proactively embarked and cooperation with professional partners to enhance the effectiveness of NPL management in 3Q22
- 9M22 capital base remained sufficient to support business growth

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Consolidated Financial Statements

Statements of Comprehensive Income (Bt mn)

	2020	2021	3Q21	4Q21	1Q22	2Q22	3Q22	9M22
Interest income	127,592	135,415	34,828	35,010	35,924	36,367	37,620	109,912
Interest expenses	18,570	16,024	4,087	4,210	4,174	4,355	4,532	13,061
Interest income - net	109,022	119,390	30,741	30,800	31,751	32,012	33,088	96,851
Fee and service income	45,699	48,628	11,949	12,224	12,367	11,683	12,099	36,148
Fee and service expenses	12,695	13,312	3,389	3,474	3,535	3,536	3,974	11,045
Fee and service income - net	33,004	35,316	8,560	8,749	8,832	8,147	8,125	25,103
Gain (Loss) on financial instrument measured at FVTPL	8,119	5,539	(184)	2,709	686	(452)	144	378
Share of profit (loss) from investments using equity method	(193)	(694)	(166)	(315)	(50)	151	(40)	61
Gain (Loss) on investments	1,308	817	286	85	(17)	(135)	(17)	(169)
Net premium earned	72,129	69,360	17,255	18,156	15,718	14,393	17,853	47,965
Other operating income	1,682	1,289	214	401	427	406	614	1,448
Total operating income	227,456	234,328	57,655	61,254	58,218	55,745	60,606	174,569
Underwriting expenses	72,565	70,979	17,712	18,731	17,605	14,234	18,871	50,711
Total operating income - net	154,891	163,349	39,943	42,523	40,613	41,511	41,735	123,858
Total other operating expenses	69,997	71,044	16,965	20,478	17,390	18,070	18,251	53,711
Earning Before Provision and Tax	84,895	92,305	22,978	22,045	23,223	23,441	23,484	70,147
Expected Credit Loss	43,548	40,332	11,296	9,580	9,336	9,852	9,948	29,135
Impairment loss of loans and debt securities	-	-	-	-	-	-	-	-
Operating profit before income tax expenses	41,347	51,973	11,682	12,466	13,887	13,589	13,536	41,012
Income tax expenses	7,656	9,729	2,026	2,120	2,700	2,454	2,546	7,700
Net profit attributable:								
Equity holders of the Bank	29,487	38,053	8,631	9,901	11,211	10,794	10,574	32,579
Non-controlling interest	4,203	4,192	1,025	445	(24)	341	416	733

Statements of Financial Position (Bt mn)

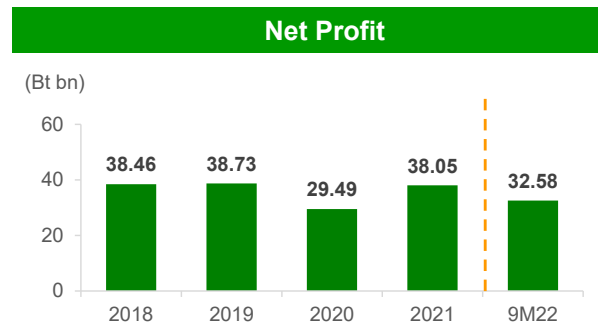
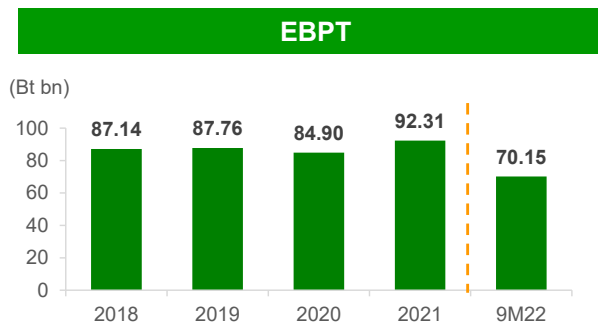
	2020	2021	3Q21	4Q21	1Q22	2Q22	3Q22	9M22
Loans to customers	2,244,821	2,421,813	2,444,018	2,421,813	2,458,263	2,489,420	2,464,277	2,464,277
Total Assets	3,658,798	4,103,399	4,029,831	4,103,399	4,133,248	4,187,779	4,229,795	4,229,795
Deposits	2,344,998	2,598,630	2,531,290	2,598,630	2,634,409	2,671,536	2,659,896	2,659,896
Total Liabilities	3,167,512	3,566,724	3,507,795	3,566,724	3,585,865	3,642,814	3,672,187	3,672,187
Total Equity attributable to equity holders of the Bank	439,670	476,714	464,367	476,714	488,192	488,963	500,248	500,247

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.

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Earnings Before Provision and Tax (EBPT) and Net Profit

September 2022 (Consolidated)



- 9M22 net profit increased 15.73% YoY, due to higher net interest income and slightly lower expected credit loss, while non-interest income decreased, and operating expenses increased.

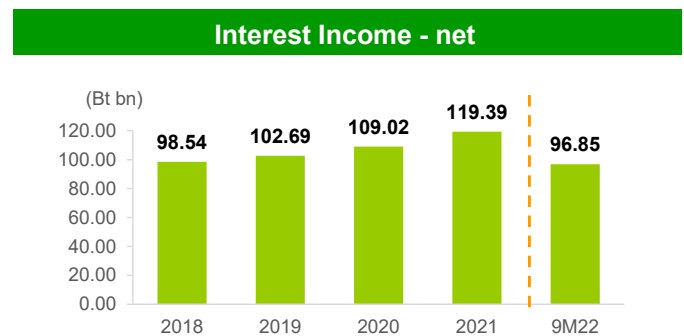
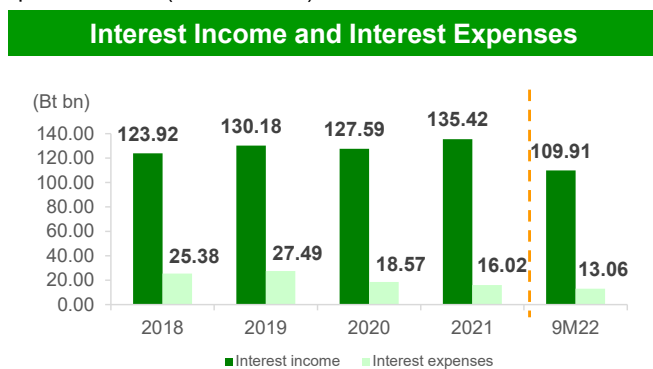
	2018	2019	2020	2021	9M21	9M22	1Q22	2Q22	3Q22
EBPT (Bt bn)	87.14	87.76	84.89	92.31	70.26	70.15	23.22	23.44	23.48
EBPT Growth (% YoY)	(3.70%)	0.72%	(3.27%)	8.73%	6.04%	(0.16%)	(1.16%)	(1.45%)	2.20%
Net Profit (Bt bn)	38.46	38.73	29.49	38.05	28.15	32.58	11.21	10.79	10.57
Net Profit Growth (% YoY)	12.00%	0.70%	(23.86%)	29.05%	73.47%	15.73%	5.50%	21.36%	22.52%

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Interest Income - net

September 2022 (Consolidated)



- 9M22 net interest income rose 9.32% YoY, mainly from interest income from loans to customers according to new loan growth in line with the Bank's business direction and rising average yield.

	2018	2019	2020	2021	9M21	9M22	1Q22	2Q22	3Q22
Interest Income (Bt bn)	123.92	130.18	127.59	135.42	100.40	109.91	35.92	36.37	37.62
Interest Expenses (Bt bn)	25.38	27.49	18.57	16.02	11.81	13.06	4.17	4.36	4.53
Interest Income - net (Bt bn)	98.54	102.69	109.02	119.39	88.59	96.85	31.75	32.01	33.09
Interest Income - net (% Growth YoY)	4.65%	4.21%	6.17%	9.51%	7.49%	9.32%	12.86%	7.72%	7.64%

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.

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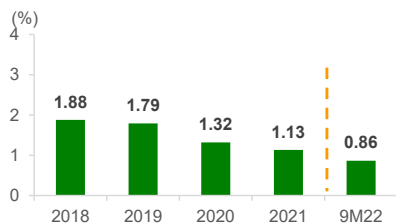
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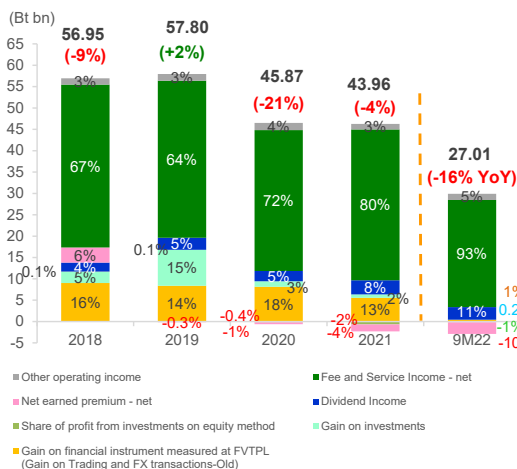
Non-interest Income and Structure

September 2022 (Consolidated)

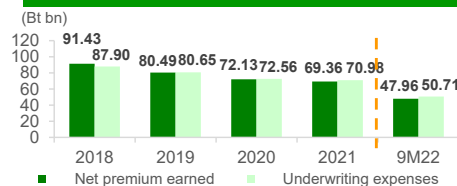
Non-interest Income to Average Assets



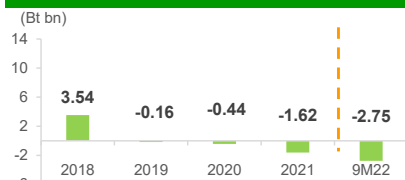
Non-interest Income Structure



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.

	2018	2019	2020	2021	9M21	9M22	1Q22	2Q22	3Q22
Non-interest Income (Bt bn)	56.95	57.80	45.87	43.96	32.24	27.01	8.86	9.50	8.65
Non-interest Income Growth (%YoY)	(9.17%)	1.51%	(20.65%)	(4.17%)	(3.95%)	(16.22%)	(25.49%)	(14.72%)	(6.04%)
Non-interest Income Ratio (%)	36.62	36.02	29.61	26.91	26.68	21.81	21.82	22.88	20.72

Note: - Non-interest Income Ratio = Non-interest Income/Total Operating Income - net - The Bank and its subsidiaries have adopted TFRIC 13: Customer Loyalty Programmes since January 1, 2014 onwards
 - Net Premium Earned - net = Net Premium Earned less Underwriting Expense

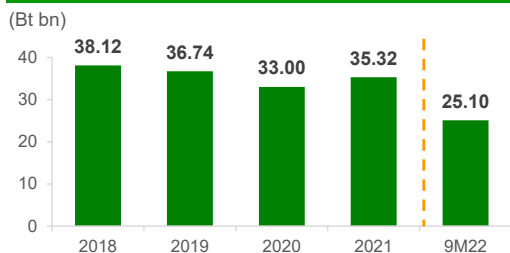
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Net Fee Income

September 2022 (Consolidated)

Net Fee Income



Net Fee Income to Net Total Operating Income



- 9M22 net fee income dropped 5.51% YoY, mainly due to a decreased in fees from fund management and brokerage business in line with market conditions and drop in transaction service fee rate, while fees from card business increased according to customer spending.
- Net fee income to net total operating income was 20.27% in 9M22.

	2018	2019	2020	2021	9M21	9M22	1Q22	2Q22	3Q22
Fee Income (Bt bn)	51.19	50.58	45.70	48.63	36.40	36.15	12.37	11.68	12.10
Fee Income-net (Bt bn)	38.12	36.74	33.00	35.32	26.57	25.10	8.83	8.15	8.13
Fee Income Growth (%YoY)	(1.10%)	(1.19%)	(9.65%)	6.41%	6.70%	(0.70%)	(1.97%)	(1.32%)	1.24%
Net Fee Income Growth (%YoY)	(7.72%)	(3.61%)	(10.17%)	7.01%	7.55%	(5.51%)	(6.36%)	(5.00%)	(5.09%)
Net Fee Income to Net Operating Income Ratio (%)	24.52	22.89	21.31	21.62	21.99	20.27	21.75	19.63	19.47

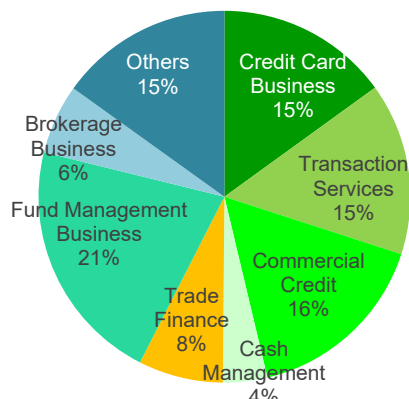
Note: - On the consolidated basis, Bancassurance fees are not included in net fee income since November 30, 2009, due to the elimination of inter-company transactions (the accounting treatment from the Muang Thai Group Holding consolidation)

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Net Fee Income Structure

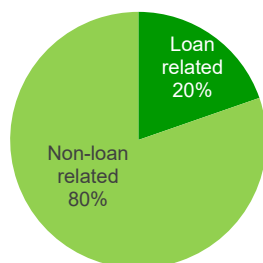
September 2022 (Consolidated)

Net Fee Income by Product



- **Credit Card Business** (mainly from credit card, merchant fees)
- **Transaction Services** (such as ATM & debit cards, bill payments, money transfers, etc.)
- **Commercial Credit** (mainly from commercial credit related fees)
- **Cash Management** (such as fees from payroll accounts)
- **Trade Finance**
- **Fund Management Business** (mainly from mutual fund and securities service fees)
- **Brokerage Business**
- **Others** (such as capital market business, etc.)

Loan Related and Non-loan Related Fees - net



Note:

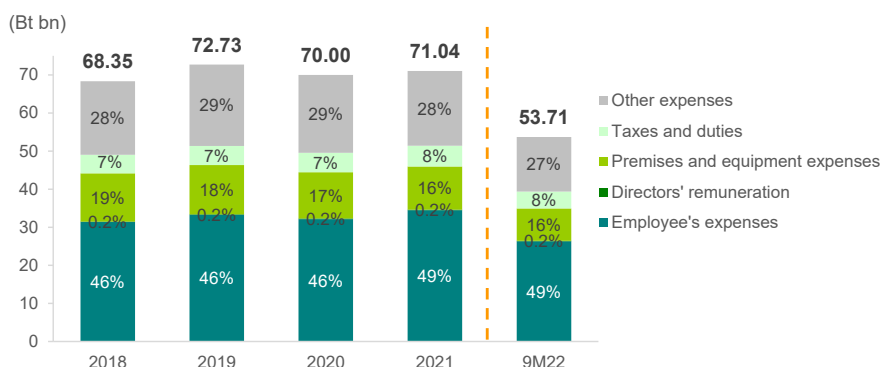
- On the consolidated basis, Bancassurance fees are not included, due to the elimination of inter-company transactions (the accounting treatment from the Muang Thai Group Holding consolidation)
- On the consolidated basis, Net Premium Earned - net (Net Premium Earned Less Underwriting Expenses) from Muang Thai Life Assurance (MTL) is reported as a part of non-Interest Income; KBank has a 38.25% economic interest in MTL

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Other Operating Expenses

September 2022 (Consolidated)

Other Operating Expenses Structure



- 9M22 other operating expenses increased 6.22% YoY, mainly due to an increase in market expenses collaborated with business partner, employee expenses, and IT expenses in order to support customers; continued to focus on cost and productivity improvement and new investments for future growth.

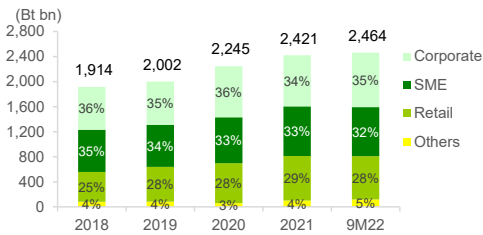
	2018	2019	2020	2021	9M21	9M22	1Q22	2Q22	3Q22
Other Operating Expenses (Bt bn)	68.35	72.73	70.00	71.04	50.57	53.71	17.39	18.07	18.25
Other Operating Expenses Growth (%YoY)	2.98%	6.41%	(3.76%)	1.50%	1.69%	6.22%	5.20%	5.86%	7.58%

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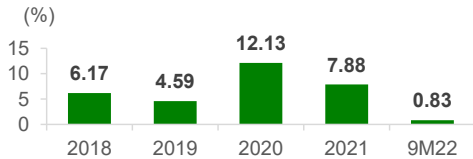
Loan Structure and Loan Growth

September 2022 (Consolidated, TFRS 8: Operating Segments*)

Loan Portfolio Structure



Loan Growth (% YoY)



Loan Portfolio

Consolidated	Amount (Bt bn)		9M22 Loan Growth (%)	9M22 Yield Range (%)	Y2022 Loan Growth Target (%)
	Dec 21	Sep 22			
Corporate Loans	816	871	6.7%	2-4%	1-3%
SME Loans	793	783	(1.3%)	5-7%	4-6%
Retail Loans	711	691	(2.8%)	5-7%	9-11%
Other Loans ¹⁾	101	119	17.9%		
Total Loans	2,422	2,464	1.8%	4.8%	6-8%

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⁾ 9M22 other loans was included loans through the World Business Group of Bt65bn, increased 37.4% YTD, and 49.7% YoY

Loan by Retail Products (All Segments)**

(Amount in Bt bn)	Dec 21	Sep 22	Y2021 Loan Growth (%)	9M22 Loan Growth (%)	% Portion to Total Loan
Housing Loans	483	448	7.6	(7.2)	18.2
Credit Cards	102	100	11.9	(1.8)	4.1
Consumer Loans	66	73	102.5	10.0	2.9
KLeasing	121	132	5.4	8.6	5.3

	2018	2019	2020	2021	9M21	9M22	1Q22	2Q22	3Q22
Loans (Bt bn)	1,914	2,002	2,245	2,422	2,444	2,464	2,458	2,489	2,464
Loan Growth (% YoY)	6.17%	4.59%	12.13%	7.88%	13.32%	0.83%	6.77%	4.45%	0.83%
Loan Growth (% YTD)	6.17%	4.59%	12.13%	7.88%	8.87%	1.75%	1.51%	2.79%	1.75%

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.

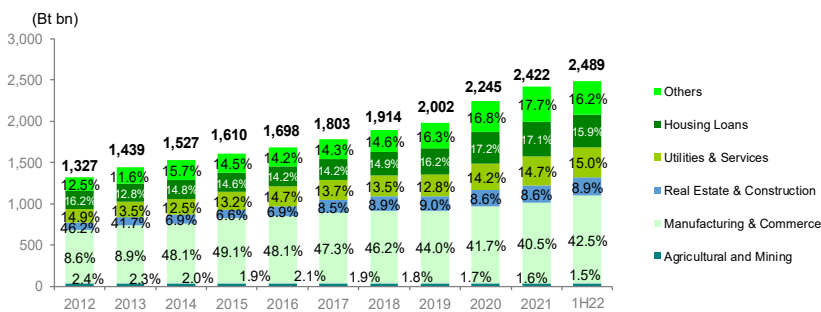
Loan Definition - **Corporate Loans:** Loans of KBank and KBank's Subsidiaries in Corporate Segments (Annual sales turnover > Bt400mn); **SME Loans:** Loans in SME Segments (Annual sales turnover ≤ Bt400mn); **Retail Loans:** Loans in Retail Segments; **Other Loans:** Composed of loans through the World 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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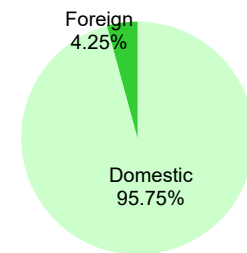
Loan Portfolio Breakdown by Industry, Currencies, and Interest Rate

September 2022 (Consolidated)

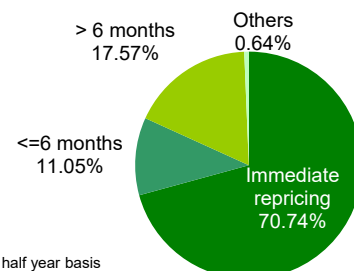
Loan Portfolio by Industry*



By Residency of Borrowers (June 2022)*



By Maturity of Interest Repricing (June 2022)*



Definition of Loans

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

Loans by Bangkok and Metropolitan vs. Upcountry

Loan by Bangkok and Metropolitan vs. Upcountry		2014	2015	2016	2017	2018	2019	2020	2021	9M22
Proportion of KBank's Outstanding Loans										
Bangkok and Metropolitan		64%	64%	63%	64%	62%	59%	58%	62%	64%
Upcountry		36%	36%	37%	36%	38%	41%	42%	38%	36%

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

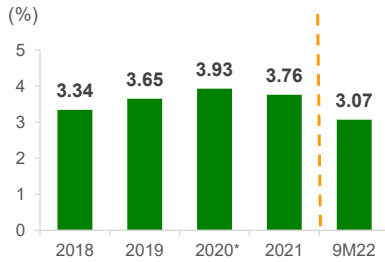
บริการทูลระดับประทับใจ



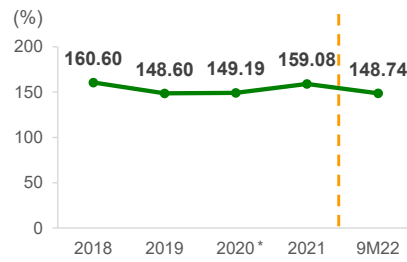
Asset Quality

September 2022 (Consolidated)

NPL Ratio



Coverage Ratio



Classified Loans**

(Bt bn)	2020	2021	9M22
Stage 1 Performing	1,951	2,130	2,205
Stage 2 Under-performing	201	202	187
Stage 3 Non-performing	103	106	88
Total	2,256	2,438	2,480

- NPL ratio in 9M22 was at 3.07%, with a coverage ratio of 148.74%.
- NPL ratio dropped YoY from proactively embarked and cooperation with professional partners to enhance the effectiveness of NPL management in 3Q22.
- Reflect ability to manage asset quality; asset quality is manageable with closely monitored and constantly reviewed.

	2018	2019	2020	2021	9M21	9M22	1Q22	2Q22	3Q22
NPL Ratio (%)	3.34	3.65	3.93	3.76	3.85	3.07	3.78	3.80	3.07
Coverage Ratio (%)	160.60	148.60	149.19	159.08	156.96	148.74	158.33	144.61	148.74
SML to Total Loans Ratio (%)*	1.90	2.80	-	-	-	-	-	-	-
Loans with significant increase in credit risk (%)	-	-	7.80	7.27	7.11	6.52	7.22	6.54	6.52

Note: * The Bank and its subsidiaries have adopted new accounting standards (IFRS 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-IFRS9).

** 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.

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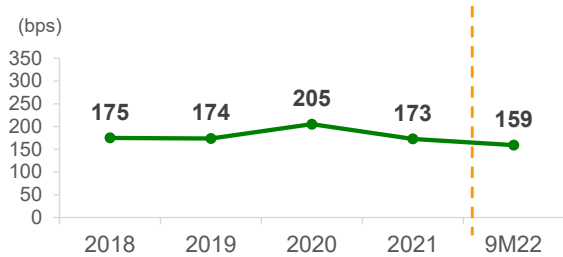
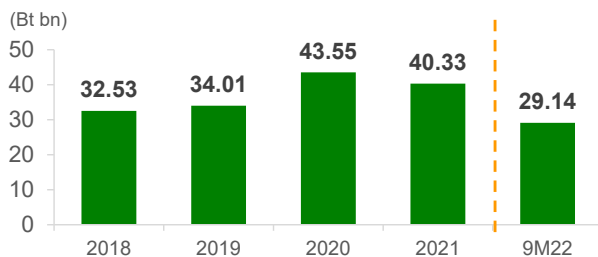
Expected Credit Loss and Credit Cost

September 2022 (Consolidated)

Impairment Loss of Loans and Debt Securities

Expected Credit Loss

Credit Cost



- 9M22 credit cost slightly dropped YoY to 159 bps, in line with target. Continuous prudent consideration on factors amid economic growth that remains uncertain from global economic outlook

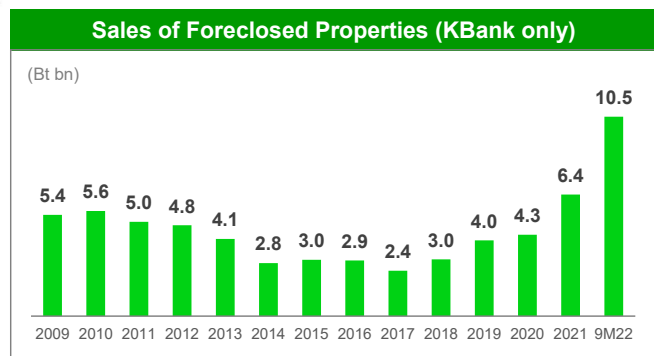
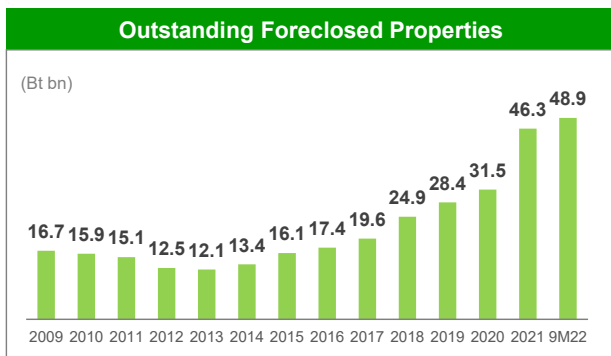
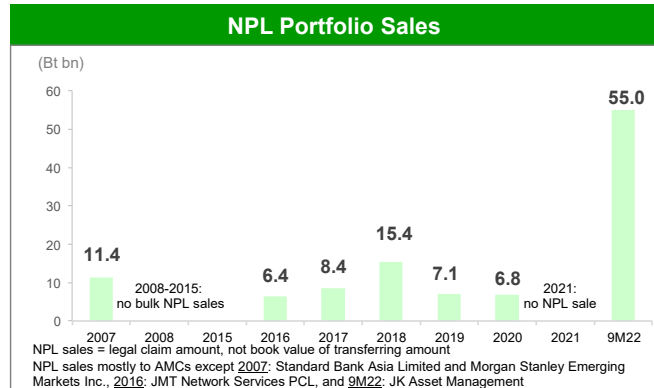
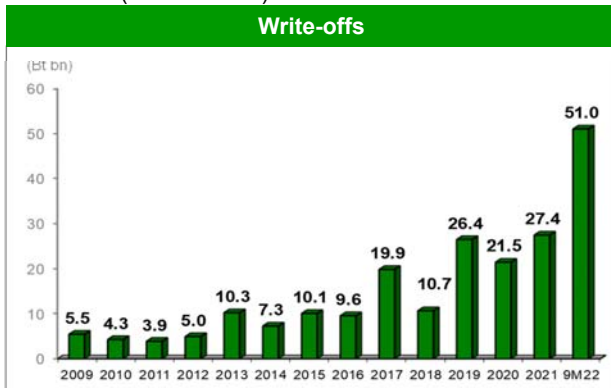
	2018	2019	2020	2021	9M21	9M22	1Q22	2Q22	3Q22
Expected Credit Loss (Bt bn)	32.53	34.01	43.55	40.33	30.75	29.14	9.34	9.85	9.95
(Impairment Loss of Loans and Debt Securities)									
Credit Cost (bps)	175	174	205	173	175	159	153	159	161

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Bad Assets Resolution

September 2022 (Consolidated)



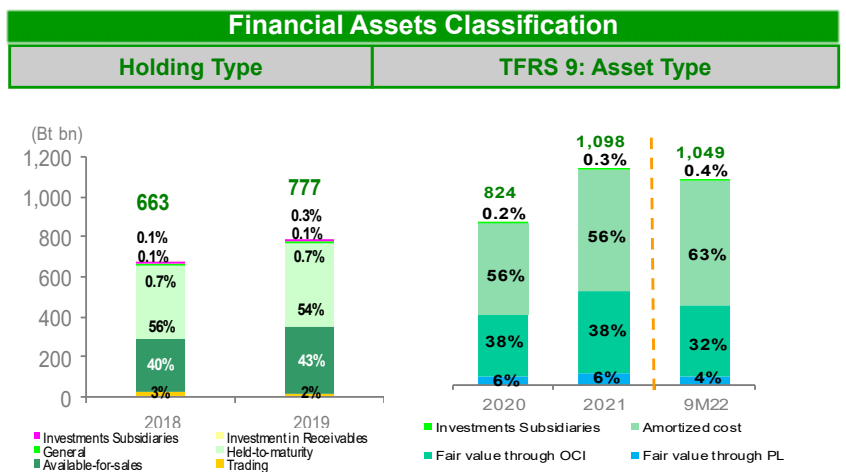
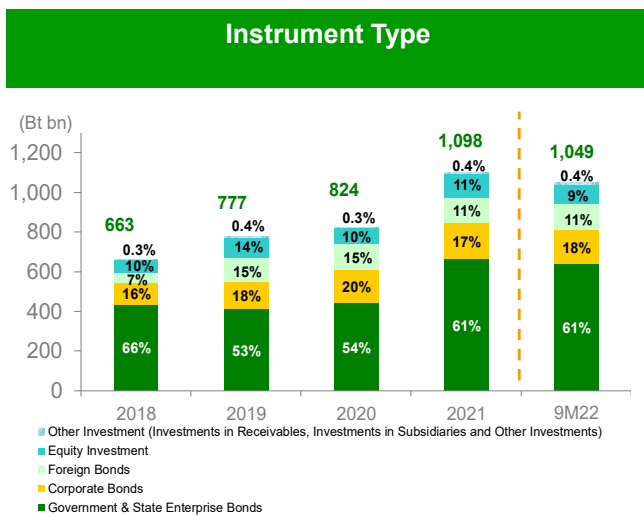
Note: On September 11, 2013, the Bank was formally notified of its final loss sharing portion under the asset transfer agreement with TAMC established in October 2001. This amounted to Bt206mn. An amount of Bt1,159mn relating to the provision for losses recorded in prior years has been reversed through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

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TFRS 9: Investment in Securities Portfolio and Structure

September 2022 (Consolidated)



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.

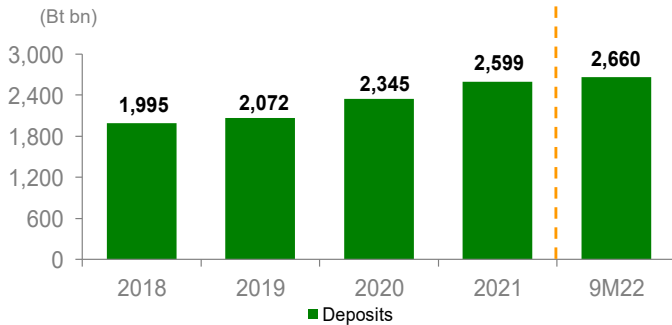
	2018	2019	2020	2021	9M21	9M22	1Q22	2Q22	3Q22
Investment Portfolio (Bt bn)	663	777	824	1,098	1,019	1,049	1,080	1,050	1,049
Investment Portfolio (% Growth YoY)	23.51%	17.22%	6.15%	33.16%	16.87%	2.95%	16.33%	11.03%	2.95%

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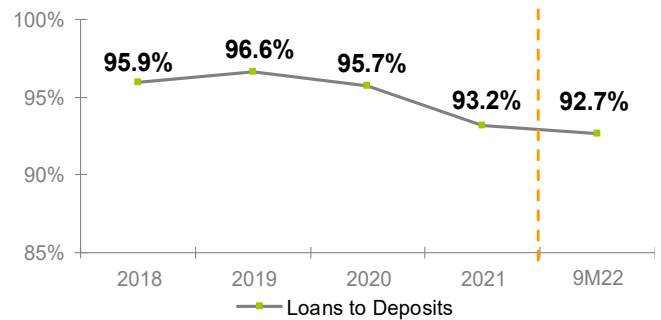
Deposits Growth and Loans to Deposits Ratio

September 2022 (Consolidated)

Deposits



Loans to Deposits Ratio



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

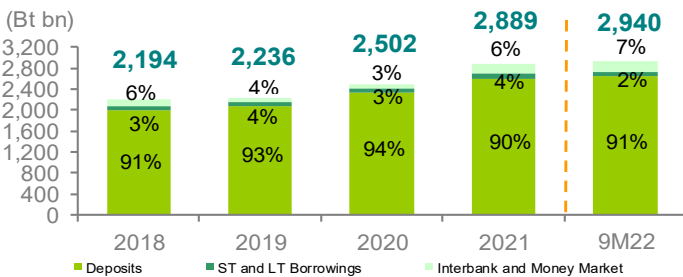
	2018	2019	2020	2021	9M21	9M22	1Q22	2Q22	3Q22
Deposits (Bt bn)	1,995	2,072	2,345	2,599	2,531	2,660	2,634	2,672	2,660
Deposits (% YoY)	6.2%	3.9%	13.2%	10.8%	11.3%	5.1%	9.7%	7.7%	5.1%
Deposits (% YTD)	6.2%	3.9%	13.2%	10.8%	7.9%	2.4%	1.4%	2.8%	2.4%
Loans to Deposits Ratio (%)	95.9%	96.6%	95.7%	93.2%	96.6%	92.7%	93.3%	93.2%	92.7%

บริการทุกระดับประทับใจ

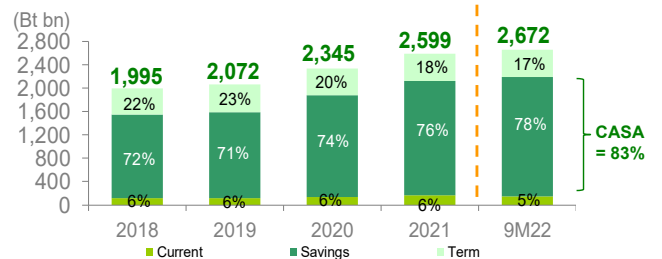
Funding Structure and Interest Rate Movement

September 2022 (Consolidated)

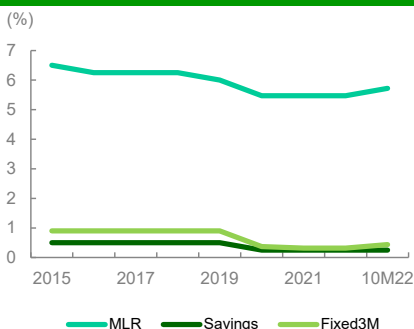
Funding Structure



Deposit Structure



KBank Interest Rate Movement (Retail customers)



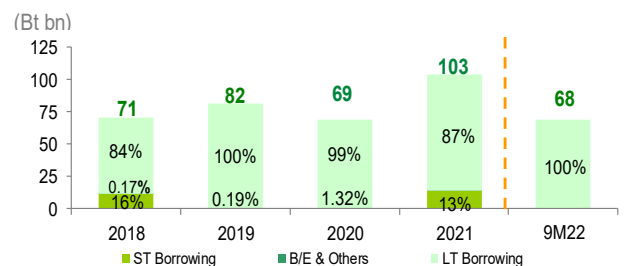
Deposit rates (%) (Oct 3, 2022)

Savings	0.25
Fixed 3M-12M	0.42-0.70
Fixed 24M-36M	0.85-1.15

Lending rates (%) (Oct 3, 2022)

MLR	5.72
MOR	6.09
MRR	5.97

ST and LT Borrowings



บริการทุกระดับประทับใจ

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	USD350mm	-	4%	Semi-annually	Ba2 by Moody's
14/10/2020	Additional Tier 1 Subordinated Notes*	Unsecured	Perpetual NC5Y	USD500mm	-	5.275%	Semi-annually	Ba2 by Moody's
02/10/2019	Tier II Subordinated Notes due 2031*	Unsecured	12NC7	USD800mm	12 Years (02/10/2031)	3.343%	Semi-annually	Ba1 by Moody's BB+ by Fitch Ratings
Long-term Senior Debentures								
07/12/2018	Floating Rate Notes due 2023*	Unsecured	-	USD15mn	5 Years (07/12/2023)	3m Libor+0.95%	Quarterly	-
30/10/2018	Floating Rate Notes due 2023* (Sustainability Bond)	Unsecured	-	USD100mn	5 Years (30/10/2023)	3m Libor+0.95%	Quarterly	-
12/01/2018	Senior Unsecured Notes due 2023*	Unsecured	-	USD400mn	5.5 Years (12/07/2023)	3.256%	Semi-annually	Baa1 by Moody's BBB by S&P BBB by Fitch Ratings

Note: * The issued notes are drawn from the Bank's USD 4bn Euro Medium Term Note Programme (EMTN)

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

บริการทุกระดับประทับใจ

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

September 2022

	KAset EST. Mar 1992	KResearch EST. Dec 1994	KSecurities EST. Jul 2002	KLLeasing 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)	<ul style="list-style-type: none"> Professional in providing knowledge in economics, business, money, and banking 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	Bt3.22bn	Bt0.18bn	Bt32.49bn	Bt131.93bn	Bt23.66bn
Market Share	18%	N/A	3% (#12)	8%	17%
2022 Targets	Maintain top tier position	Top of mind research house for media and for the clients of KBank and its wholly-owned subsidiaries	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	Maintain top tier position	Top of mind research house	Top of mind securities firm	Provide complete range of financial solutions and maintain good asset quality	Maintain leading position in equipment leasing industry

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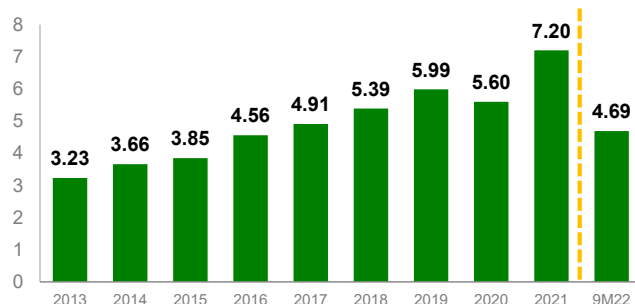
The wholly-owned subsidiaries of KBank: 9M22 Key Operating Performance

September 2022

	KAset EST. Mar 1992	KResearch EST. Dec 1994	KSecurities EST. Jul 2002	KLLeasing EST. Dec 2004	KF&E EST. Jul 1990
9M22 Key Operating Performance	Assets Under Management (AUM): Bt1.46trn (-8.01% YoY)	Most quoted research house in the media	<ul style="list-style-type: none"> - Trading volume: Bt837bn - Number of customers grew 11% YoY 	Outstanding loans: Bt131.61bn (+12.57% YoY)	Outstanding loans: Bt23.66bn (-5.32% YoY)

The wholly-owned subsidiaries of KBank: Net Profit

(Bt bn)



- Net profit slightly dropped from the same period of 2021, -11% YoY. However, KBank continues to create synergy among its wholly-owned subsidiaries.

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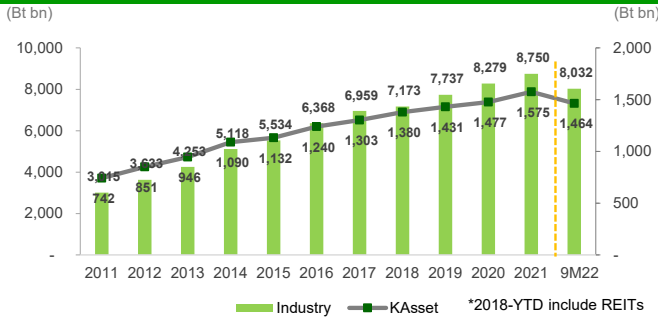
KAsset Highlights in 9M22

September 2022

หลักทรัพย์จัดการกองทุนกสิกรไทย
开泰基金管理 KASIKORN ASSET MANAGEMENT



AUM (KAsset vs. Industry)



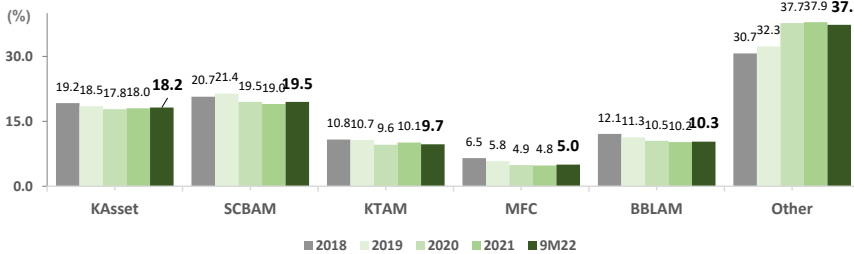
Industry Outlook:

- 9M22 industry AUM at Bt8.03trn, decreasing 7.64% YoY
- KAsset AUM at Bt1.46trn, decreasing 8.01% YoY

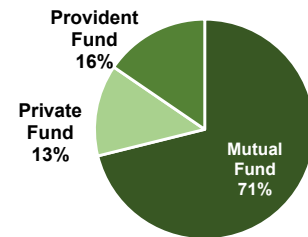
KAsset Highlights:

- Ranked **#1** in Mutual Fund and **#2** in Provident Fund with market share of 21.71% and 16.77%, respectively
- Ranked **#2** in total AUM with market share of 18.22%
- Mutual fund accounts for 71% of KAsset AUM

Market Share by AUM



KAsset AUM Breakdown by Type



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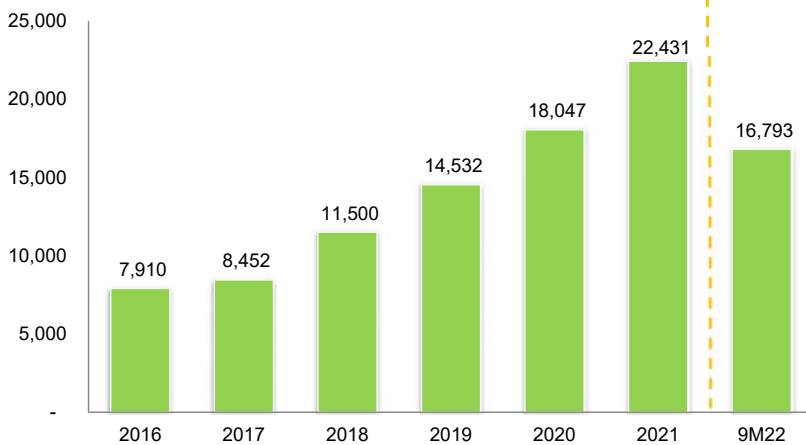
KResearch Highlights in 9M22

September 2022

ศูนย์วิจัยกสิกรไทย
开泰研究中心 KASIKORN RESEARCH CENTER



Number of News Quotes



Source : News Center, isentia, IQnewsClip, etc.

The number of quotes from the media newspapers online newspaper and other online news. (excluding magazines, TVs, and Radio)

KResearch Highlights:

- The most quoted private research house in Thailand
- Top of mind research house for the public, including clients of KBank and its wholly-owned subsidiaries

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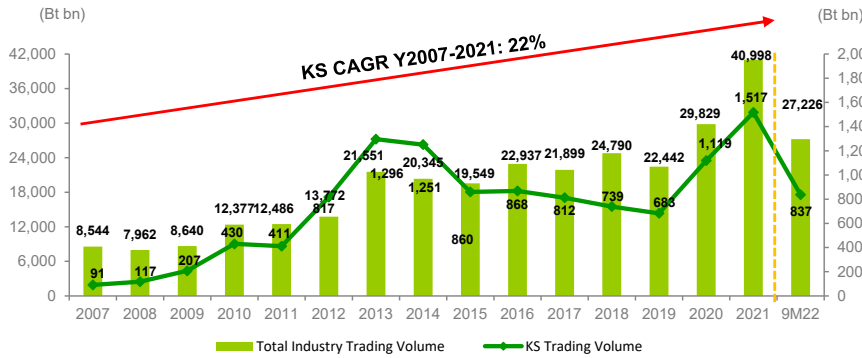
KSecurities Highlights in 9M22

September 2022

หลักทรัพย์กสิกรไทย
开泰证券 KASIKORN SECURITIES



Trading Volume (KSecurities vs. Industry)*



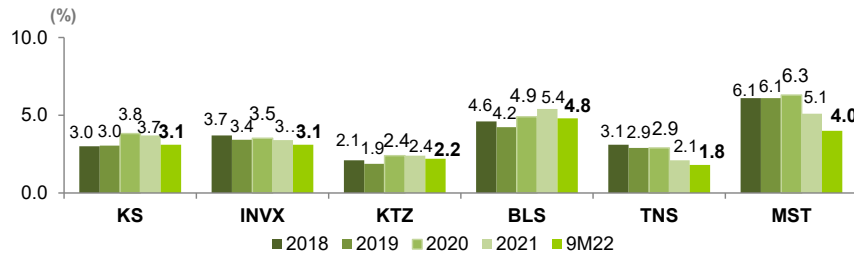
Industry Outlook:

- 9M22 industry trading volume* was Bt27.23trn, decreasing 13% YoY.
- KS trading volume was Bt837bn.

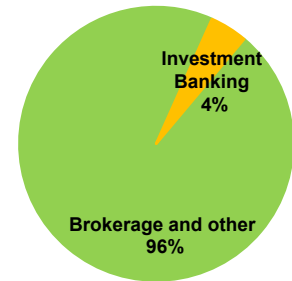
KSecurities Highlights:

- KS ranked #12, with 3.07% market share.
- Majority of revenue came from brokerage.
- Number of customers account grew 11% YoY to 346,565 customers in 9M22.

Market Share by Trading Volume*



KSecurities Revenue by Business



Note: * Industry trading volume excluding proprietary trades
** SCBS change to INVX in Sep 2022

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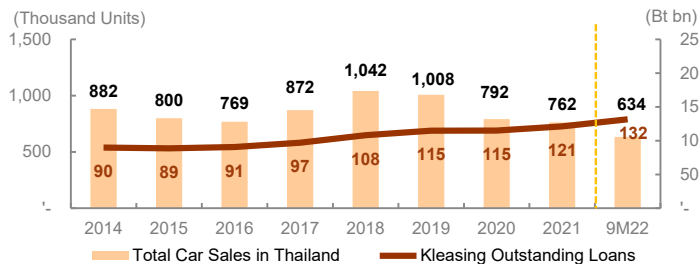
KLLeasing Highlights in 9M22

September 2022

ลีสซิ่งกสิกรไทย
开泰租赁 KASIKORN LEASING



KLLeasing vs. Industry



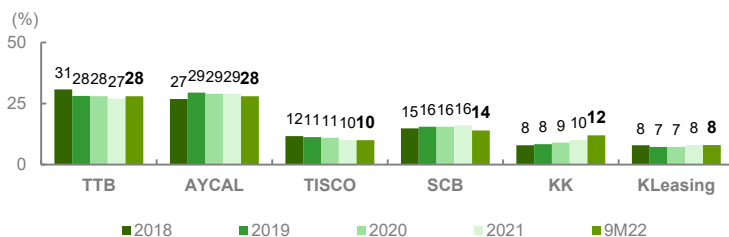
Industry Outlook:

- 9M22 industry car sales totaled 634,020 units

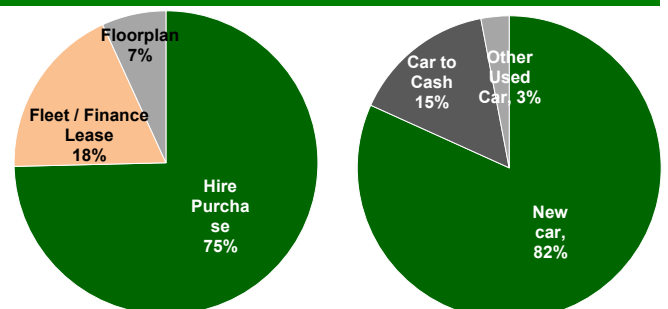
KLLeasing Highlights:

- 9M22 KLLeasing loans totaled Bt131.61bn, increasing 12.57% YoY
- 9M22 KLLeasing NPL ratio was 1.59%, lower than the Thai commercial bank average ratio

Market Share by Total Outstanding Loans (%)*



KLLeasing Outstanding Loans Breakdown**



Note: * Excluding captive and non-bank leasing

** New car includes HP New car, Fleet finance, Finance lease (FL) and Floorplan
Used car includes Car to Cash (K-Car / Car registration loan) and other used cars

บริการทุกระดับประทับใจ



KF&E Highlights 9M22

September 2022

แฟคเตอรี แอนด์ อีควิปเม้นท์ กสิกรไทย
开泰设备融资 KASIKORN FACTORY AND EQUIPMENT



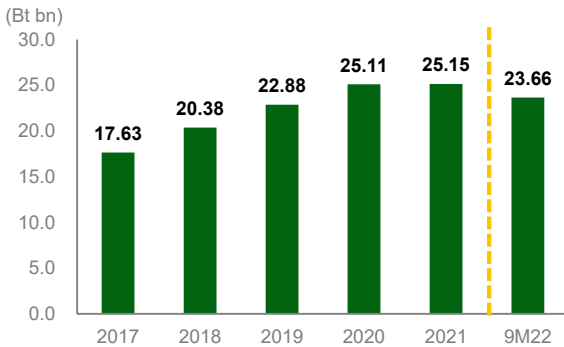
KF&E Loan Outstanding

Industry Outlook:

- Growth in Equipment Leasing (EQL) business forecasted using numerous factors including total import volume of machinery and equipment, direction of government policy, domestic and international business growth opportunities, and Capital Investment Index, including the labor cost factor that causes switching to use machines instead of human labor.

KF&E Highlights:

- 9M22 KF&E loan outstanding was decreased Bt23.66bn, 5.32% YoY.
- KF&E currently ranked **#1**; maintaining lead position in equipment leasing industry.



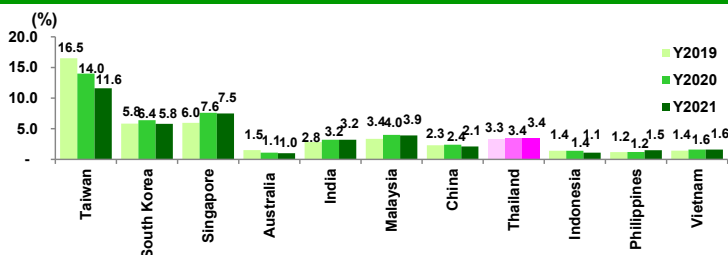
Note: In 2010, KASIKORN FACTORING (KFactoring) was renamed KASIKORN FACTORY AND EQUIPMENT (KF&E) to better reflect their business, focusing on offering leasing services for machinery and equipment; the factoring business operation of KFactoring was transferred to KBank

บริการทุกระดับประทับใจ



Life Insurance Industry in Thailand

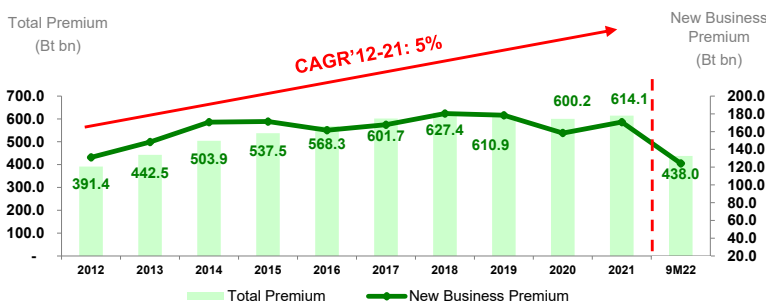
Premium per % GDP by Country



Source: Swiss Reinsurance

- In 2021, 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 9M22 with 11.6% market share of total premium.
- **#4** in life insurance industry in Thailand, in 2021

Size of Market by Premium (%)

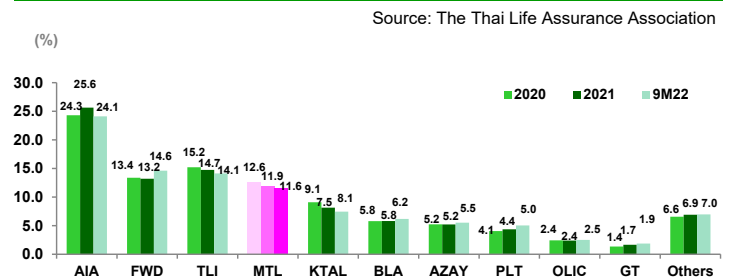


* New Business Premium in 9M22 = Bt124.2bn

Source: The Thai Life Assurance Association

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

Market Share by Total Premium in Life Insurance (%)

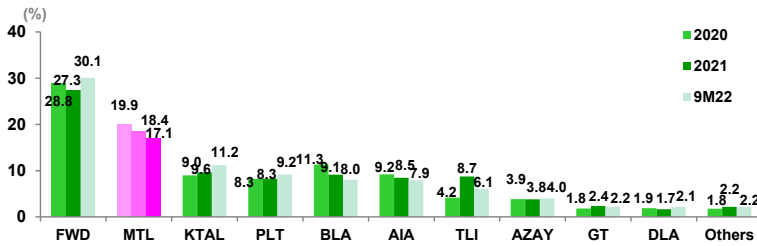


Source: The Thai Life Assurance Association

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Bancassurance Highlights in 9M22

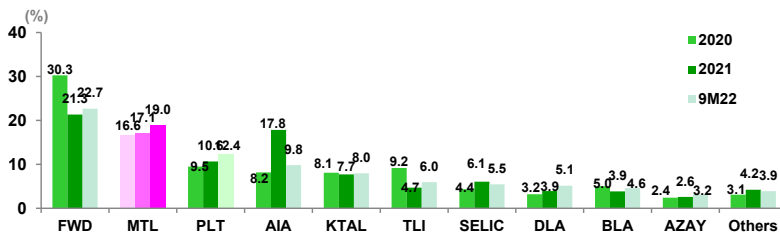
Bancassurance Market Share by Total Premium (%)



■ MTL ranked #2 in Bancassurance market

- #2 in Bancassurance total premium with 17.1% market share
- #2 in Bancassurance new business premium with 19.0% market share

Bancassurance Market Share by New Business Premium (%)



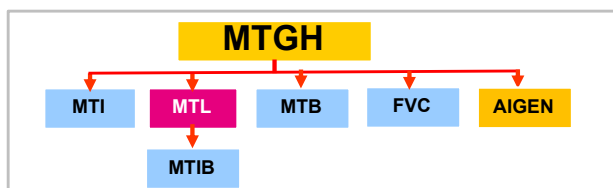
Source: Muang Thai Life Assurance (MTL), The Thai Life Assurance Association (TLAA) monthly report (new format)

Note: Bancassurance premium include all bank partners' premiums of MTL

บริการทุกระดับประทับใจ

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 Life Assurance PCL. (MTL)	38.25%
Muang Thai Insurance PCL. (MTI)	10.20%
Muang Thai Broker Co., Ltd. (MTB)	50.99%
MT Insure Broker Co., Ltd. (MTIB)	38.20%
Fuchsia Venture Capital Co., Ltd. (FVC)	38.25%
AIGEN Co., Ltd. (AIGEN)	51.00%

- 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)
- Thailand Top Company Awards 2022 (Insurance Industry) from Business+ Magazine and University of the Thai Chamber of Commerce
- Most Trusted Life Insurance Company Thailand 2022 from Global Business Review Magazine
- Innovation in Product and Service Award (Life Insurance Industry) from Siamrath Co., Ltd.
- Life and Non-Life Insurance Award Category of Investment-Linked Product from "Muang Thai Unit Linked (uDesign)" and Category of Service from "MTL Click" from Business+ Magazine and Mahidol University
- 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)	2020	2021	9M22
Net premiums earned	72.2	69.4	48.0
Net investment income	21.4	22.5	14.0
Total revenues	93.6	91.9	62.0
Long-term technical reserve increase from the previous period	26.0	25.6	10.0
Net benefit payments and insurance claims	43.0	41.6	37.7
Commissions and brokerages	9.1	8.6	5.3
Other underwriting expenses	0.6	0.7	1.8
Operating expenses & Other	5.2	5.5	3.3
Total Expenses	83.9	82.0	58.1
Profit before income tax expense	9.7	9.9	3.9
Income tax expense	1.8	1.8	0.7
Net profit (loss)	7.9	8.1	3.2

Strategy in 2022

To become the trusted brand that is ready to take care of and stand by next to customers during their every life stage and challenging environments under "MTL Next to You". This can be achieved through presentations of products and services via multi-channel distribution, with innovations and technologies that can address customer needs in every target group in a more personalized manner on digital and non-digital platforms responding to all needs of different lifestyles. The Company also progresses to develop its workforce for handling and adapting itself to the digital world completely and continuously emphasizes market expansion in countries with potential for economic growth.

Key Financial Targets						
Bt bn	2017	2018	2019	2020	2021	9M22
Total Premium (after refund)	102.7	94.5	83.8	75.3	73.0	50.8
% Growth	6%	-8%	-11%	-10%	-3%	-6%

Statements of Financial Position (Bt bn)	2020	2021	9M22
Total Assets	556.4	607.5	619.1
Total Liabilities	483.4	520.9	537.3
Total Equities	73.0	86.6	81.8

	2020	2021	9M22
ROE (%)	11.3%	10.2%	5.6%
ROA (%)	1.4%	1.4%	0.8%
Risk-Based Capital (RBC)	323.3%	359.7%	320.3%

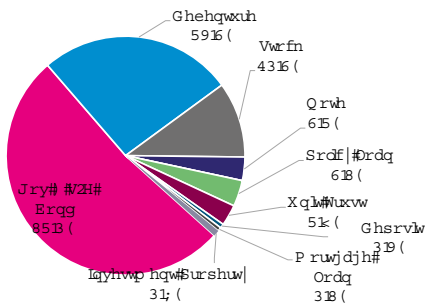
Source: Muang Thai Life Assurance, data based on book value except for RBC

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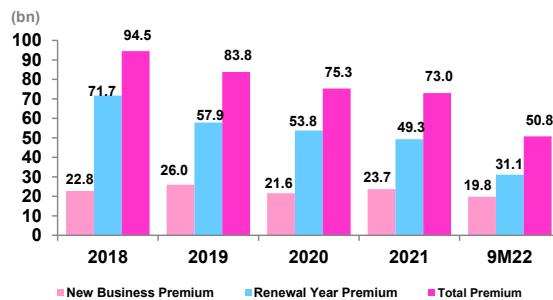
MTL Investment Portfolio and Insurance Premium

MTL Investment Portfolio:
Fixed Income accounted for around 83%



Assets Under Management (AUM)* (9M22): Bt 573,310 bn

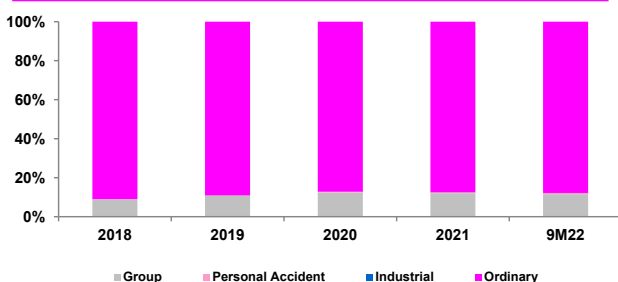
MTL Total Premium



Total Premium Growth (%YOY)	MTL	Industry
Y2018	-8%	4%
Y2019	-11%	-3%
Y2020	-10%	-2%
Y2021	-3%	2%
9M22	-6%	0%

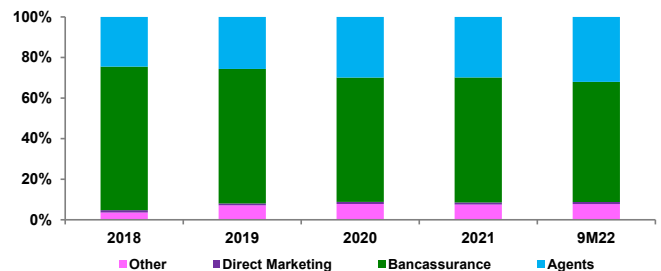
Source: The Thai Life Assurance Association

MTL Total Premium by Products:
Ordinary product accounted for around 88% in 9M22



*Remark: Invested Assets + Investment Property

MTL Total Premium by Channels:
Bancassurance accounted for about 59% in 9M22



Source: The Thai Life Assurance Association (TLAA) / 2019 - 3Q22 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 Canada 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

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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

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Sample of K-Bancassurance and MTL Products



K-Bancassurance Products¹⁾

Endowment Life Insurance

Endowment 615 Participating (Global)

Pay premium for only 6 years, but the coverage continues for 15 years

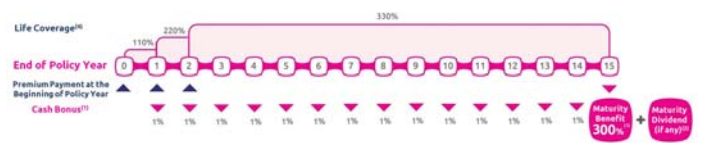


Muang Thai Life Assurance Products²⁾

Endowment Life Insurance

Muang Thai Smart Linked 15/3 (Global)

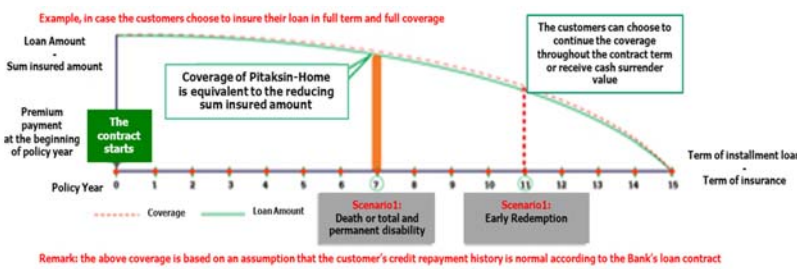
Payment premium for only 3 years, but the coverage continues for 15 years



- (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.
 - (3) The amount shown in the schedule below is calculated based on "Maturity Dividend Formula" only.
 - (4) The Company shall pay 300% of the initial sum insured or 101% of the paid premium to the insured, whichever is higher.
- Life coverage is equivalent to % of the initial sum insured according to the above schedule or the cash surrender value at that time or 101% of the paid premium (whichever is higher).

Term Life Insurance

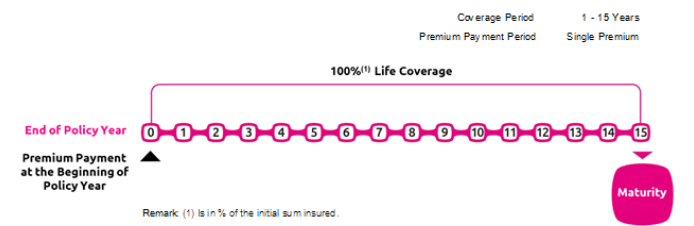
MRTA-Home (Mortgage Reducing Term Assurance)



Term Life Insurance

Khumkhong Baep Khongthi Life-Bukkhon

Single Premium payment period, but the coverage can be chosen between 1 - 15 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

บริการทุกระดับประทับใจ

Sample of K-Bancassurance and MTL Products

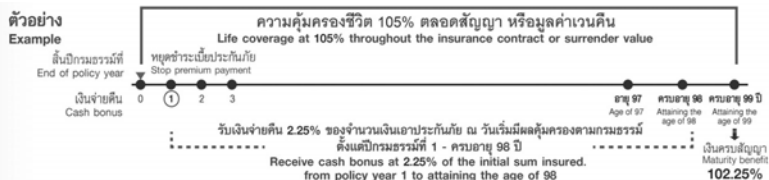


K-Bancassurance Products¹⁾

Whole Life Insurance

Muang Thai Khumkhong Talot Chip 99/1 (CB 2.25%)

Life insurance with single premium, but the coverage continues to age 99 years



Muang Thai Life Assurance Products²⁾

Whole Life Insurance

Muang Thai Smart Protection 99/7

Whole life coverage: payment premium for 7 years and get coverage to the age of 99



- (1) Life coverage is 100% of the initial sum insured or cash surrender value at that time or 101% of paid premium (whichever is higher).
- (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 Rider

- Receive OPD Coverage**
Up to 30 Times per year
- The Right Rider**
This OPD rider is not required to be purchased together with IPD coverage.
- Complete Coverage**
Including doctor's fees, diagnosis charges, or medical expenses

- 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

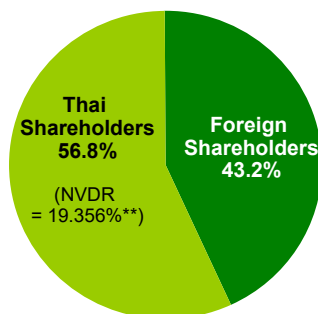
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Shareholder Structure

September 8, 2022 (Record Date)

Shareholder Structure



Note:

Foreign Shareholding Limit 49%

Top 10 Shareholders*

%

1. THAI NVDR CO., LTD.**	19.356
2. STATE STREET EUROPE LIMITED	10.356
3. SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	4.651
4. THE BANK OF NEW YORK MELLON	3.355
5. SOCIAL SECURITY OFFICE	2.359
6. SOUTH EAST ASIA UK (TYPE A) NOMINEES LIMITED	2.024
7. STATE STREET BANK AND TRUST COMPANY	1.648
8. BNY MELLON NOMINEES LIMITED	1.507
9. SE ASIA (TYPE B) NOMINEES LLC	1.052
10. BBHISL NOMINEES LIMITED	0.983

Other Shareholders

52.708

Total

100.000

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

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Credit Ratings

As of November 11, 2022

	KBank					Thailand			
	Foreign Currency			Local Currency/ National		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:

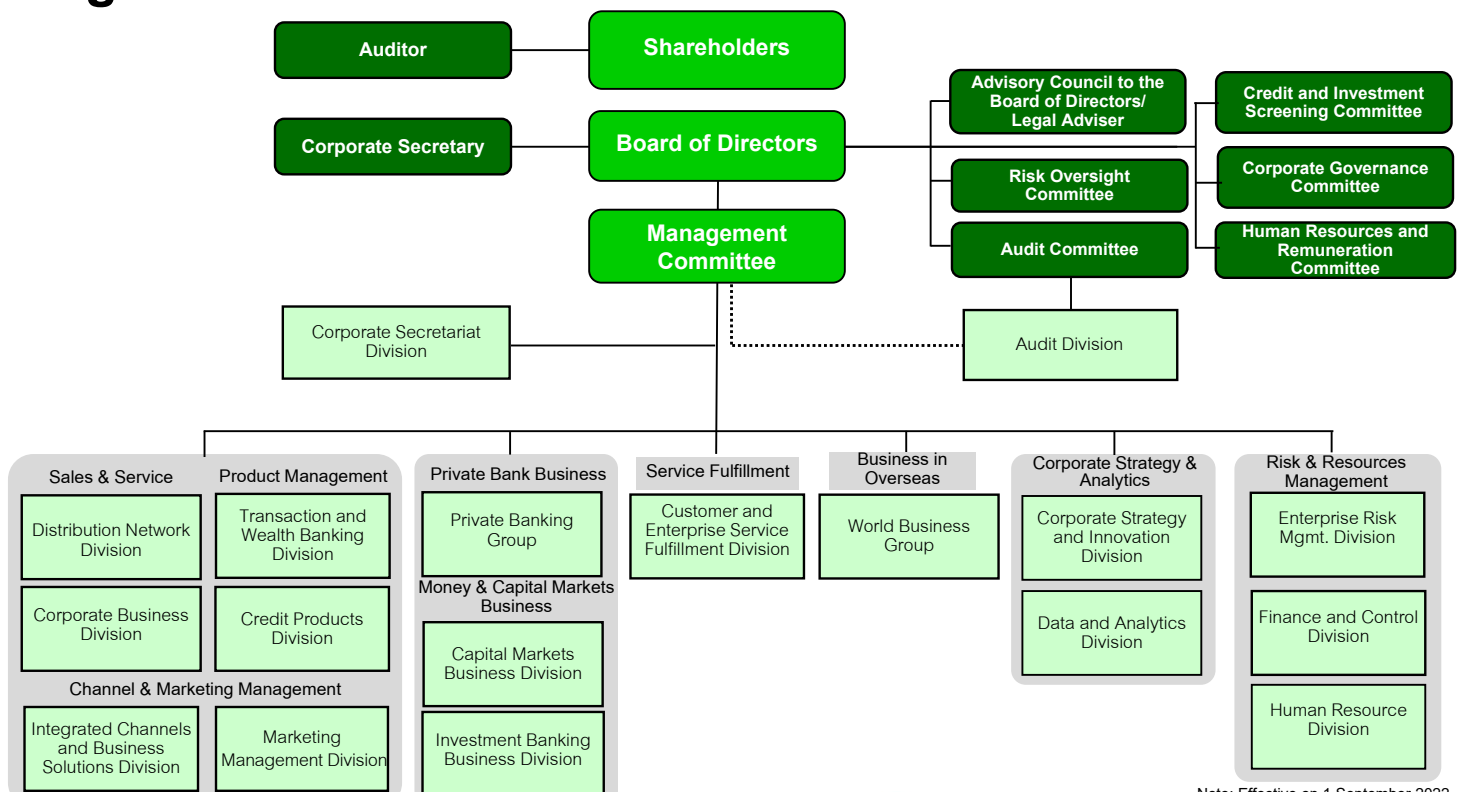
* Moody's: Foreign Currency Long-term Deposit Rating; S&P's: Long-term Counterparty Credit Rating; Fitch Ratings: Foreign Currency Long-term Issuer Default Rating

- 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.

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Organization Chart



Note: Effective on 1 September 2022

บริการทุกระดับประทับใจ

Board of Directors Structure

- 18 board members: 6 Independent Directors, 5 Executive Directors, and 7 Non-Executive Directors
- Director age limit is 72 years old
- Term limit of directorship for Independent directors shall not exceed nine consecutive years

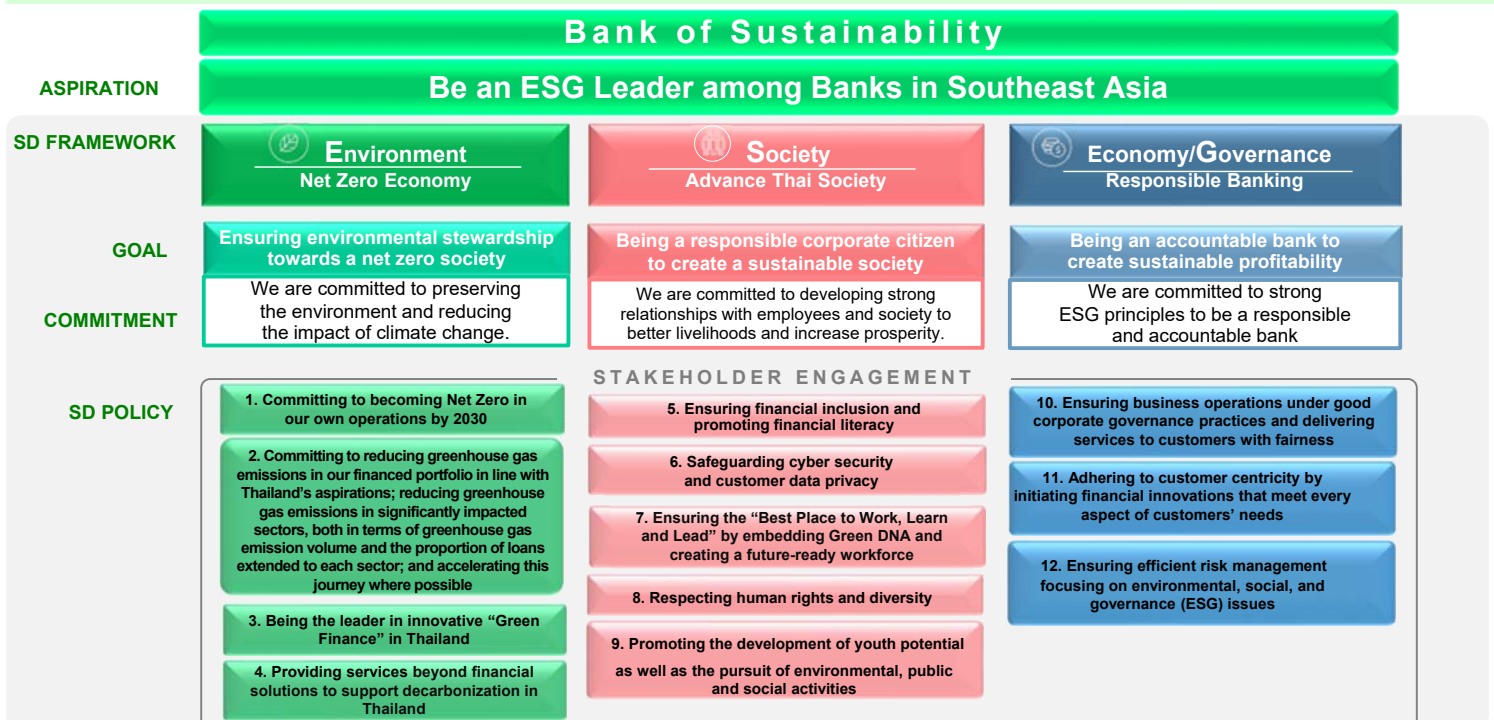
Executive Directors (5)	Non-Executive Directors (7)	Independent Directors (6)
<ul style="list-style-type: none"> • Ms. Kattiya Indaravijaya (Chief Executive Officer) • Mr. Pipit Aneaknithi (President) • Mr. Patchara Samalapa (President) • Mr. Krit Jitjang (President) • Dr. Pipatpong Poshyanonda (President) 	<ul style="list-style-type: none"> • Ms. Sujitpan Lamsam (Vice Chairperson) • Sqn.Ldr. Nalinee Paiboon, M.D. (Chairperson of the Corporate Governance Committee) • Mr. Saravoot Yoovidhya • Mr. Kalin Sarasin (Chairman of the Risk Oversight Committee) • Mr. Sara Lamsam • Ms. Chonchanum Soonthornsaratoon (Legal Adviser) • Mr. Suroj Lamsam 	<ul style="list-style-type: none"> • Ms. Kobkarn Wattanavrangkul (Chairperson of the Board) • Mr. Wiboon Khusakul • Ms. Suphaje Suthumpun (Chairperson of the Human Resources and Remuneration Committee) • Mr. Chanin Donavanik • Ms. Jainnisa Kuvnichkul Chakrabandhu Na Ayudhya • Ms. Kaisri Nuengsigkapan (Chairperson of the Audit Committee)

Note: More information on the Board of Directors biographies can be found on our website at <https://www.kasikornbank.com/EN/about/Pages/board-of-directors.aspx>

บริการทุกระดับประทับใจ

Sustainable Development Framework and Policy

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.



บริการทุกระดับประทับใจ

Net Zero Commitment

As KBank's commitment to be the leading sustainable bank in Thailand, KBank will contribute to the global effort to transition to net zero emission, with the aim of mitigating impacts of climate change, and supporting Thailand and KBank's clients in regional economies to work together in making the transition towards a net zero emission economy. KBank's Board of Directors has resolved to announced **the Bank's Net Zero Commitment 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 Baht 100-200 billion 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 emissions by 2050 is the global effort to transition to net zero emissions, in alignment, with the Paris Agreement goals. However, KBank is committed to achieving net zero in our financed portfolio in line with Thailand's aspirations, accelerating this journey where possible.

Collaborative Actions and Signatories

 In 2019, KBank signed a memorandum of agreement to define the Sustainable Banking Guidelines – Responsible Lending	 In 2021, KAsset became a signatory to the United Nations Principles for Responsible Investment (UN PRI).
 In 2020, KBank became a signatory to the "UN Principles for Responsible Banking" of the United Nations Environmental Program Finance Initiative, or UNEP FI.	 In 2022, KBank became a signatory to the United Nations Global Compact (UNGC).
 In 2020, KBank became a supporter of the Task Force on Climate-related Financial Disclosures (TCFD).	 In 2022, KBank became a signatory to the Partnership for Carbon Accounting Financials (PCAF). In 2022, KBank became a signatory to the Climate Action Leading Organization

Pride of KBank

INTERNATIONAL

- Dow Jones Sustainability Indices**
Member of the Dow Jones Sustainability Indices (DJSI) World Index and DJSI Emerging Markets Index for six consecutive years (2016-present)
- Sustainability Award**
Gold Class 2022 (S&P Global)
KBank has been classified in the Gold Class of the banking industry from S&P Global Sustainability Awards (2022) (Bronze Class 2018-2020 and Silver Class 2021)
- MSCI**
KBank's Leadership Level rating is at AA for its ESG performance among emerging market banking sector peers
- FTSE4Good**
A member of the FTSE4Good Emerging Index for six consecutive years (2016-present)
- Bloomberg Gender-Equality Index (GEI)**
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 four consecutive years (2019-present)
- CDP**
The first Thai commercial bank with A- Leadership Level rating, assessed by the Carbon Disclosure Program (CDP)

NATIONAL

- THSI**
Included in Thailand Sustainability Investor (THSI) for seven years (2015, 2017-2022)
- ESG 100**
ESG 100 certificate 2022 (Certified by Thaipat Institute)
- Carbon Neutral**
The first and only commercial bank in Thailand granted Carbon Neutral Certification (2018-2021)
- LCSI**
An Excellence award under The Low Carbon and Sustainable Business Index (LCSI) award (2021-2022)
- SET Sustainability Awards**
granted by the Stock Exchange of Thailand
– Highly Commended in Sustainability Awards for three years (2018-2019, 2021) and Best in Sustainability Awards (2022)
- Sustainability Report Award 2021**
Sustainability Disclosure Award granted by Thaipat Institute

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KBank Strives towards Net Zero

■ Supporting Thailand and our clients in regional economies on their decarbonization journeys

	2025	2030	2050	2065
Thailand's aspirations*			Carbon Neutrality <ul style="list-style-type: none"> Reduction of GHG emissions in various sectors 50% renewable electricity generation share for new power generation capacity 	Achievement of Net Zero GHG Emission
KBank's Roadmap	<ul style="list-style-type: none"> Scope 1&2: 21% GHG emission reduction Scope 3: Supporting our customers in the transition to a net zero economy and pioneering green banking products 	<ul style="list-style-type: none"> Scope 1&2: Achieving Net Zero Scope 3: Allocating at least Baht 100-200 billion in sustainable financing and investment 	<ul style="list-style-type: none"> Scope 3: <ul style="list-style-type: none"> Achieving net zero in our financed portfolio in line with Thailand's aspirations; accelerating this journey where possible 	
	<ul style="list-style-type: none"> Contributing to the global effort to transition to net zero emissions by 2050* in alignment with Paris Agreement goals 			



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

Source: Thai Prime Minister's statement at the World Leaders Summit during the 26th Session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP26), November 1, 2021

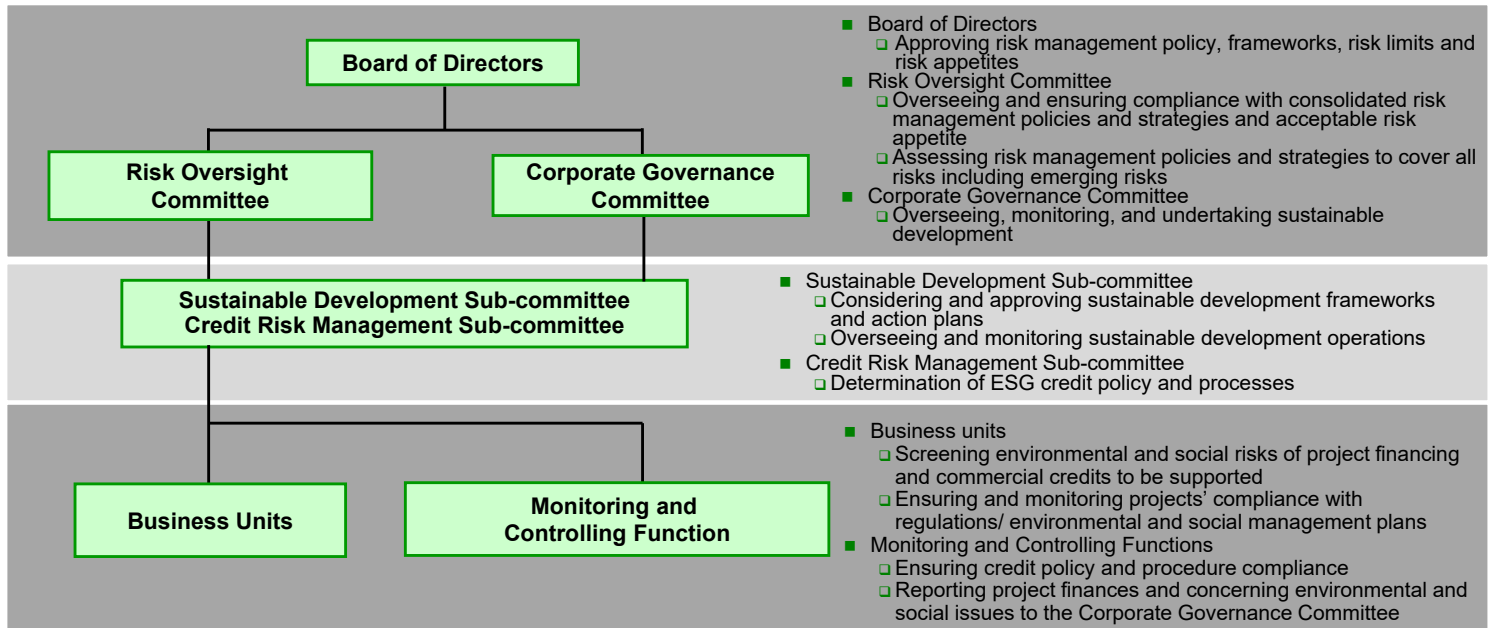
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Example of Economic Aspect: ESG Risk Management

- KBank has integrated ESG considerations into the risk management framework, with particular attention given to risks related to lending, investment, products, and services

At the management level

Lending activities are structured so as to demonstrate environmental and social responsibility as follows



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Example of Economic Aspect: ESG Risk Management (Con't)

- KBank has integrated ESG considerations into the risk management framework, with particular attention given to risks related to lending, investment, products, and services

At the transaction level

The Bank ensures that lending transactions violate neither the law nor social ethics, for example

Exclusion List



Examples of Exclusion List:

- Offences related to illegal activities or activities that risk violation of laws including domestic environmental laws and international agreements, for example:
 - 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, etc.
- Credits related to destroying or encroaching upon important ecosystems, such as mangrove forests and conservation areas, for example:
 - Natural parks, conservation areas and animal sanctuaries per related public notifications
 - UNESCO World Heritage Sites, etc.
- Credits for hydropower generation from dams that generate significant impacts on the environment and society, 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, unless there is a strategy to add or change to other low-carbon energy sources

Sector - Specific Guidelines

KBank has developed the loan consideration guidelines for specific industrial sectors in accordance with environmental and social impacts by including ESG factors in credit consideration for each industry in addition to other factors, to ensure that risk management at the credit portfolio and transaction levels comply with the target to achieve a low-carbon economy, especially for the industries with risks of environmental and social impacts, for example:

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

ESG Lending:

- 100% of Project Finance and medium enterprises (and above) requests must be processed through the Environmental, Social and Governance (ESG) assessment procedure
- Credit requests approved with ESG Assessment*: Baht 420 billion
 - Project Finance: Baht 13 billion
 - Commercial credits for medium enterprises and above: Baht 407 billion

Note: * KBank's Performance as of December 2021

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Examples of Economic Aspect: CG and Anti-Corruption

Corporate Governance

- Reviewing KBank practices under Thai IOD, ASEAN CG Scorecard, and Dow Jones Sustainability Indices (DJSI) criteria
- 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 and communicating with customers on the “SATI” campaign to build awareness and protect themselves against 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 approval of 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
 - Communicating with all directors, executives and employees via KBank 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 rights and labor, anti-corruption, safety and occupational health, and environment for acknowledgment and compliance.
 - Communication of the No Gift Policy for all occasions and festive seasons.
 - Communication of the Bank’s procurement procedures and policies, as well as sustainable business operations under good corporate governance, procurement with responsibility and operations in accordance with the ESG principles.
 - Communication of the Code of Conduct and Anti-Corruption Policy.
 - Provision of various channels to receive information, complaints and whistle-blowing

Note: Thai IOD = Thai Institute of Directors; CG = Corporate Governance

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Examples of Sustainable Development Key Performance Targets and Indicators

Social Dimension

Financial inclusion and financial literacy

- Credit support for new customers who have difficult access to financial services, with the number of customers growing 3 times from 2021 over the next 5 years*
- Financial Literacy for underprivileged = 15,473 persons**

“Best Place to Work, Learn and Lead” by embedding Green DNA and creating future-ready workforce

- No complaint of discriminatory labor treatment or violence that leads to a lawsuit**
- Internal filled rate: 79%**
- Female in leadership position: 61%**
- Engagement score: 77%**
- Human Capital Return on Investment level: 4.21**
- Average hours per FTE of training and development = 37.4 hrs/yr/person**
- Employee absentee rate: 0.67 day**

Respect for human rights and diversity

- Human rights risk assessment in all business activities: 100% of KBank and joint ventures of KBank**

Development of youth potential as well as pursuit of environmental, public and social activities

- Number of employee volunteer hours: 210,937 hours**
- Number of beneficiaries from CSR projects: 714,965 persons**

Environmental Dimension

Net Zero bank in our own operations by 2030

- 7.79% reduction of GHG emissions (Baseline year 2020)**

Decarbonized financed portfolio emissions in line with Thailand’s ambition, and at the earliest for key material sectors by 2050 where possible

- Emissions intensity of power utility sector controlled according to sector strategy and/or glidepaths*
- The proportion of loans supported to coal-fired power plants in the portfolio decreased by 70% by 2025. (Baseline year 2021)*
- Completely discharge existing loans on coal-fired power plants by 2030*

Leader of innovative “Green Finance” agenda in Thailand

- Total megawatts (MW) 16% of domestic market share by providing various type of financial support and services to renewable energy projects in accordance with Thailand’s Alternative Energy Development Plan**
- 15% loan growth in Energy and Environmental Conservation Projects Funding
- Support Green/Social/ Sustainability/other Environmental and Society related projects via the issuance of Sustainability bonds with remaining outstanding of USD 282 million**
- Supports renewable energy loans in the People’s Republic of China for 8% of the loans for corporate customers in People’s Republic of China**

Beyond finance solutions to support decarbonization in Thailand

- Satisfaction level of using Beyond banking solution: 80%*

Note: * Targets (2022-2025)
** Performance as of December 2021

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Public Recognition Highlight: 2021-9M22

2021

- Sustainability Award** - Sustainability Award, Silver Class of the banking industry
- S&P Global** - Winner- Best Retail Bank Thailand - Winner- Excellence in Service Innovation
- RETAIL BANKER** - Highly Commended Achievement- Best Social Media Marketing Campaign
- THE ASSET** - Highly Commended Achievement- Best Payment Innovation - Best for ESG in Thailand
- THE ASSET** - Highly Commended Achievement- Excellence in SME Banking - Best for HNW in Thailand
- การประเมินค่า** - The Asset ESG Corporate Awards 2020 - Bank of the Year 2021
- ADR** - Platinum Award: Excellence in ESG
- Best Private Bank** - Digital Private Bank of the Year in Thailand
- Best Service Provider-Cash Management** - Best Service Provider-E-Solutions Partner
- Best Project Finance House of the Year** - Battery Storage Deal of the Year
- Power Deal of the Year** - Green Project of the Year - Highly Commended: Outstanding
- Best Private Bank** - Best Private Bank-HNWIS Private Bank-Southeast Asia
- Thai Baht Bond Research** - Best Retail Bank in Thailand
- Most Prominent Fund House in Corporate Bond Market** - Best Merchant Service (Facebook Pay)
- Best Bond House** - Best Digital/Mobile Banking Service
- Top Underwriting Bank** - Best THOR Engagement
- Best THOR Engagement** - Top Mobile Banking in Asia Pacific (KBTG)
- Best Fund House - Domestic Equity** - Best Retirement Mutual Fund - Equity
- Best Thailand Equity Large-Cap Fund** - Best Thailand Mid/Long-Term Bond Fund
- Best FX Bank for Structured Product: Commodities** - Best Sustainable Bank
- Best Corporate Treasury Sales and Structuring Team** - Best Private Bank for Credit Equity FX and Multi-Assets
- Best FX Bank for Retail Clients** - Digital Marketing & Communication - Asia
- Best Bond House in Thailand** - Thailand Domestic Cash
- Best Cash Management Bank** - Management Bank of the Year
- Winner: Best Digital Bank for CX - Thailand (LINE BK)** - Thailand Domestic COVID
- Winner: Best Fintech for Digital CX-Alternative Wealth Management (FinVest)** - Management Initiative of the Year
- Winner: Best Digital Bank - Thailand (LINE BK Power by KBank)** - Excellence in Leadership
- Winner: Outstanding Omni-channel Integration by a Retail Bank (K Check ID)** - Excellence in Development
- Highly Acclaimed: Best CX Business Model - Winner: Best Retail Bank - Thailand** - Excellence in Innovative Use of HR Tech
- Highly Acclaimed: Best Digital CX Partner/Vendor (LINE BK)** - Excellence in Leadership
- Winner: Outstanding Innovation in Digital CX - Investment Product/Service** - Excellence in Innovative Use of HR Tech
- Winner: Outstanding Innovation in Digital CX - Platform/Website** - Excellence in Leadership
- Winner: Best Private Bank Thailand - Highly Acclaimed: Best Private Bank for client Experience** - Excellence in Leadership
- Retail Outward Remittance Infrastructure - Thailand IDC Future Enterprise of The Year** - Thailand IDC Future Enterprise of The Year
- Thailand Best in Future of Digital Infrastructure - Thailand Best in Future of Industry Ecosystem** - Regional IDC Future Enterprise of the year
- Regional IDC Future Enterprise of the year** - The Banker - Best Private Bank in Thailand
- Capgemini** - Winner: Bank + NewTech category (LINE BK)
- Efma** - Winner: Bank + NewTech category (LINE BK)
- REFINITIV** - Best OIS Data Contributor 2020
- Asia Bankers Club** - The Best Office Architecture Thailand 2021-2022 (KBTG)

Note: CX = Customer Experience

9M22

- THE ASSET** - Top Investment Houses in Asian Local Currency Bond
- THE ASSET** - Top Arranger - Investors' Choice for Primary Issues Corporate Bonds (THB, Rank1)
- THE ASSET** - Top Arranger - Investors' Choice for Primary Issues, Government Bonds (THB, Rank1)
- THE ASSET** - Top Sellside Firm in the Secondary Market, Government Bonds (THB, Rank1)
- THE ASSET** - Top Sellside Firm in the Secondary Market, Corporate Bonds (THB, Rank3)
- THE ASSET** - Project Finance House of the Year (Thailand)
- THE ASSET** - Renewable Energy Deal of the Year (Thailand)
- THE ASSET** - Digital Infrastructure Deal of the Year (Thailand)
- THE ASSET** - Renewable Energy Deal of the Year - Solar (Vietnam)
- THE ASSET** - Best Local Currency Bond in Thailand
- THE ASSET** - Best Sustainability-linked Bond in Thailand
- THE ASSET** - Best Data Analytics Project - Digital Private Bank of the Year
- THE ASSET** - Best Digital Collaboration (KASIKORN LINE)
- THE ASIAN BANKER** - Most Selected Main Retail Bank in Thailand and 8th in Asia Pacific
- THE ASIAN BANKER** - Best Retail Bank in Thailand
- RETAIL BANKER** - Best Strategic Partnership
- RETAIL BANKER** - Best In-Person (or virtual) Customer Event
- RETAIL BANKER** - Most Dynamic Third-Party Collaboration
- RETAIL BANKER** - Highly Commended- Best App for Customer Experience
- RETAIL BANKER** - Highly Commended- Best Content Marketing Program
- RETAIL BANKER** - Highly Commended- Excellence in SME Banking
- RETAIL BANKER** - Highly Commended- Excellence in Omni-Channel Integration (K CHECK ID)
- RETAIL BANKER** - Highly Commended- Trailblazing Use of AI or Machine Learning in Financial Services (Digital Commercial Loan for Shopee project)
- RETAIL BANKER** - Highly Commended- Trailblazing Use of AI or Machine Learning in Financial Services (KASIKORN LINE)
- RETAIL BANKER** - Highly Commended- Best Use of Big Data in Customer Strategy (KASIKORN LINE)
- RETAIL BANKER** - Highly Commended- Excellence in Loan Origination Process (KASIKORN LINE)
- RETAIL BANKER** - Best for Mass Affluence/HNW in Thailand
- ASIAN PRIVATE BANKER** - Product of the Year: Premium Health Insurance Product for Elite Health Insurance
- Business+** - Product of the Year: Lump sum Health Insurance Product for Delight Health Insurance
- HR Asia** - Best Companies to Work for in Asia-Thailand region - HR Leader of the Year (Gold Level)
- HR Asia** - Excellence in HR Change Management (Gold Level)
- HR Asia** - Excellence in Workforce Flexibility (Gold Level) from the "Work That FITS" project
- BANKING & FINANCE** - Mobile Banking & Payment Initiative of the Year - Thailand
- BANKING & FINANCE** - Strategic Partnership of the Year - Thailand
- BANKING & FINANCE** - Thailand Domestic Cash Management Bank of the Year
- red dot** - Red Dot Award: Brands & Communication Design in the category of Interface & User Experience Design (for Mobile User Interfaces) for KhunThong social chatbot
- Best IPO**
- Best Retail Bank for Digital CX - Thailand**
- Best Private Bank for Digital CX - Thailand**
- Best Digital CX in Banking - Social Channels (KASIKORN LINE)**
- Best Fund House - Domestic Fixed Income (KASSET)**
- Best Bond House in Thailand**
- Best Private Bank for Digital Marketing & Communication, Asia**

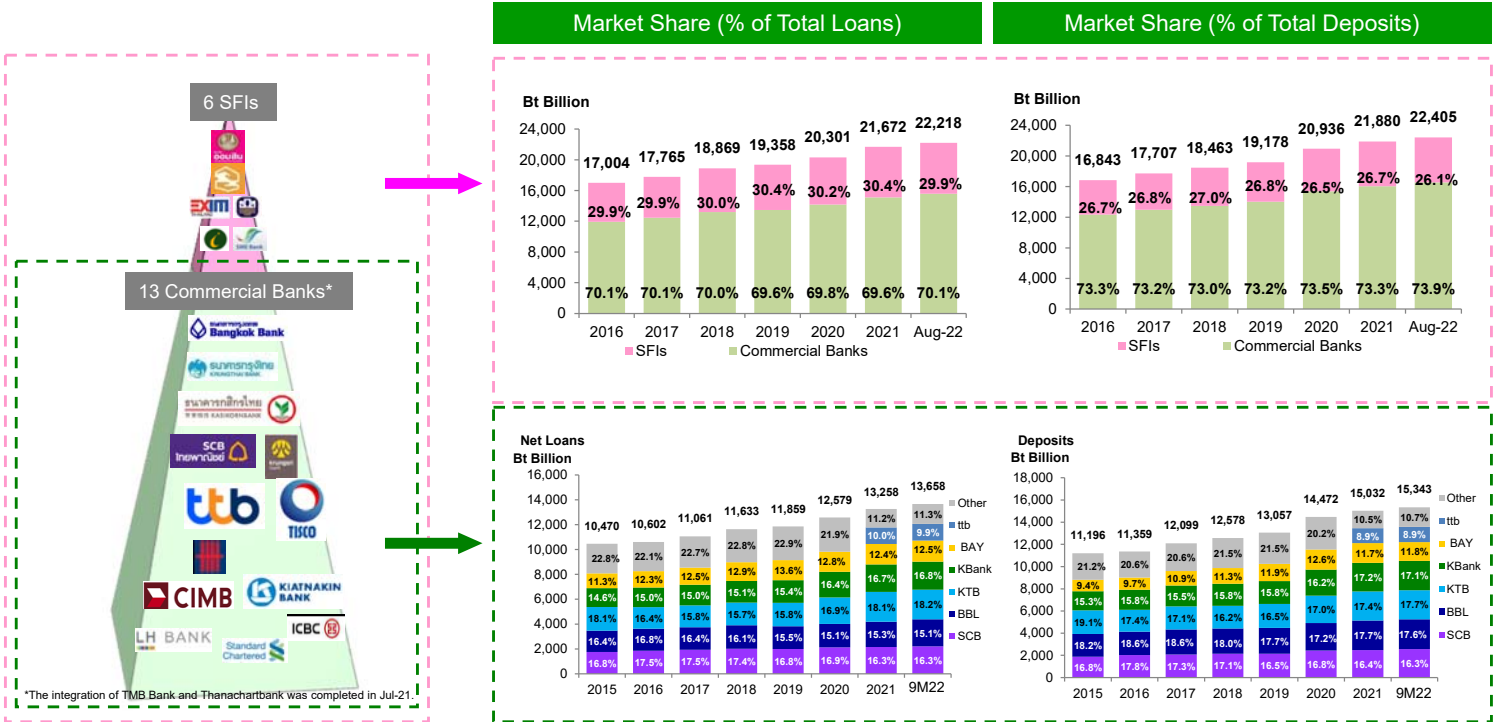
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Banking System and Regulations Update

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Thai Commercial Banks and Specialized Financial Institutions (SFIs)

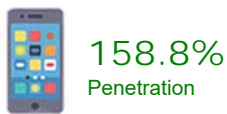


Note: 6 SFIs include Government Saving Bank (GSB), Government Housing Bank (GHB), Export-Import Bank of Thailand (EXIM Bank), Bank for Agriculture and Agricultural Co-operatives (BAAC), Small and Medium Enterprise Development Bank of Thailand (SME Bank), and Islamic Bank of Thailand (IBank)

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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)



Mobile Internet ¹⁾
(Mobile internet numbers)



Broadband Internet ²⁾
(No. of households using internet via broadband)



Social Media ³⁾
(No. of Facebook users)



Thailand e-Payment ⁴⁾
(Volume and Value)



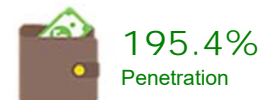
PromptPay ⁵⁾
(Total registration)



Mobile Banking ⁶⁾
(No. of accounts)



Internet Banking ⁶⁾
(No. of accounts)



e-Money ⁶⁾
(No. of accounts/ cards)

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

Notes: Denominator for all penetration ratio is number of population age six and above as of December 2021. Denominator for fixed internet penetration is number of household.

1) As of Jun-22, 2) As of Mar-22, 3) As of Jul-22, 4) Jan-Aug 22, 5) As of Jul-22 6) As of Aug-22

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Financial Sector Master Plan (FSMP) Implementation Stages

FSMP I (Y2004-2009)	FSMP II (Y2010-2014) Looking forward to liberalization	FSMP III (Y2016-2020) competitive, inclusive, connected, and sustainable
<ul style="list-style-type: none"> ▪ Increase efficiency of the financial institutions system <ul style="list-style-type: none"> - 'One Presence' policy - Expand scope of business: 'Universal Banking' - New licenses for retail banks and foreign bank subsidiaries ▪ Promote financial inclusion <ul style="list-style-type: none"> - Strengthen financial institutions (FIs) by promoting voluntary mergers ▪ Protect customers 	<p>Reducing system-wide operating costs</p> <ul style="list-style-type: none"> ▪ Streamlining regulations ▪ Tackling remaining NPLs and NPAs <p>Promoting competition and access to financial services</p> <ul style="list-style-type: none"> ▪ Promote competition ▪ Promote financial access <p>Strengthening financial infrastructure</p> <ul style="list-style-type: none"> ▪ Promote development of financial products that help support risk management ▪ Enhance information systems for risk management ▪ Push for draft/review of necessary financial laws to support risk management and an expedited resolution to NPLs ▪ Promote information technology utilization ▪ Develop human resources in the financial sector 	<p>1) Promote electronic financial and payment services, as well as enhance efficiency of the financial system</p> <ul style="list-style-type: none"> ▪ Promote the adoption of digital banking & electronic payment services in the government, business, and retail sectors ▪ Enhance operational efficiency of financial institutions and other service providers ▪ Evaluate future financial landscape to promote operational efficiency of financial institutions and other service providers <p>2) Support regional trade and investment linkages</p> <ul style="list-style-type: none"> ▪ Facilitating and reducing obstacles for banks' international expansion, including <ul style="list-style-type: none"> ▪ The establishment of Qualified ASEAN Bank (QAB) ▪ The development of cross-border financial infrastructures ▪ The creation of suitable financial environments among neighboring countries to foster international trade and investment in the GMS <p>3) Promote financial access</p> <ul style="list-style-type: none"> ▪ For households: encouraging development of financial products and services appropriate for changing customer demands ▪ For SMEs: improving necessary SME database within the financial institution system and supporting credit extension to SMEs ▪ For Corporate: promoting and facilitating suitable environment for private sector's raising of capital <p>4) Develop relevant infrastructure (Enablers)</p> <ul style="list-style-type: none"> ▪ Developing key infrastructures in the financial system ▪ Strengthening regulations and supervision in line with international standards to ensure stability of the overall financial system

Source: BOT and KRResearch

Note: There are four types of Commercial banks in Thailand; Full service banks; Foreign bank branches; Retail banks; and Subsidiaries
GMS = Greater Mekong Subregion = Cambodia, China, Lao PDR, Myanmar, Thailand, and Vietnam

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BOT Consultation Paper: Repositioning Thailand's Financial Sector

Digital Technology

Leveraging 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.
- ✓ 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.

Source: BOT Consultation Paper, KRResearch

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

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Updates on the Deposit Protection Agency (DPA)

DPA Objectives and Missions

- Enhanced understanding of the deposit protection scheme
- Close cooperation with related authorities to maintain stability of the financial institution system
- Establishment of an appropriate system for premium collection and sound management of the Deposit Protection Fund
- Development of an effective information system to ensure fairness of the deposit protection scheme, with accurate and rapid reimbursement
- Management according to Good Governance Principles and in compliance with international standards established by the International Association of Deposit Insurers

Amount of Insured Deposits

- Insured deposits include deposits and accrued interest denominated in Thai Baht accounts, excluding non-resident Thai Baht accounts
- Blanket guarantee will be gradually phased-out to a limited coverage of Bt1mn per depositor per institution. Until 2011, Thai banks paid 0.40% per year of the daily average deposit amount (paid in June and December), excluding deposits in foreign currencies and deposits from financial institutions not insured by the DPA
- Since January 27, 2012, the contribution rate has increased from 0.40% to 0.47%, with 0.46% being the contribution to the FIDF, and 0.01% being paid to the DPA. The FIDF fee will temporarily reduce to 0.23% until the end of 2022*
- Royal Decree on an extension of deposit protection coverage was announced in the Royal Gazette on September 24, 2012
- The Cabinet approved a one-year extension of deposit protection up to a maximum of Bt5mn. From August 11, 2021, the protection covers deposits up to Bt1mn.

Insured Deposit Under the amending the Deposit Protection Agency Act

11 August 2012 – 10 August 2015	Up to Bt50mn
11 August 2015 – 10 August 2016	Up to Bt25mn
11 August 2016 - 10 August 2018	Up to Bt15mn
11 August 2018 - 10 August 2019	Up to Bt10mn
11 August 2019 - 10 August 2021	Up to Bt5mn
11 August 2021, onwards	Up to Bt1mn

Deposit Accounts in Thailand (as of August 2022)

Deposits	# of Accounts	%	Amount (Bt mn)	%
Less than Bt1mn	116,908,529	98.37	3,314,028	21.16
More than Bt1mn, but less than Bt10mn	1,772,618	1.49	4,339,683	27.71
More than Bt10mn, but less than Bt25mn	103,328	0.09	1,534,869	9.80
More than Bt25mn, but less than Bt50mn	31,512	0.03	1,097,827	7.01
More than Bt50mn	25,164	0.02	5,373,372	34.31
Total	118,841,151	100	15,659,779	100

* According to the BOT announcement in the Royal Gazette, per the authority of the emergency decree dated April 7, 2020, financial institutions are required to pay 0.23% of the average deposit amount, B/Es, debt instrument (excluding the amount counted as capital), borrowings, and securities transactions under repurchase agreements, during January 2020 to December 2022

Source: Deposit Protection Agency (DPA), the Bank of Thailand, KBank and KResearch

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Regulations Update

Capital (Basel III)

- Pillar2:** BOT revised Pillar2 regulation to enhance risk management and capital adequacy assessment as well as emphasize on ESG risk management. The revision become effective from 1 Jan 2022 onwards
- BCBS has finalized the 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

Guidelines for supervision of financial groups of commercial banks related to digital asset business

- Remove the investment ceiling (3% of the capital of Thai banks) for FinTech business,** as commercial banks have more experience investing in FinTech business, and regulators have guidelines to manage risks
- Allow subsidiaries of Thai banks to invest in companies related to Digital Assets (DA) business** not greater than 3% of their capital, limiting new risks; DA companies having good governance, supervision of risks, and protection of customers are exempted from this investment ceiling

Financial Sector Master Plan III (FSMP III)

- 22 Mar 2016:** Cabinet approved FSMP III (2016 – 2020), with aims to establish strategic framework for continuous financial sector development and ensure challenges arising from the changing environment will be effectively managed
- Overall:** FSMP III comprises four main initiatives: 1) Promote electronic financial and payment services as well as enhance efficiency of Thai financial system; 2) Support regional trade and investment linkage; 3) Promote financial access; and 4) Develop relevant infrastructure
- 1Q17:** BOT adopted the 'regulatory sandbox' which allowed regulatory flexibilities to be granted to financial institutions and FinTech companies to experiment with FinTech businesses with plans to grant a new license for P2P lending players or digital personal loan operators
- As of May-2022,** BOT granted licenses for 9 digital personal loan operators
 - Impacts on Thai banks: Move toward further liberalization and digitalization, along with enhanced competition from FinTech and non-bank companies
 - Impacts on KBank: Ability to maintain competitiveness over both existing and new players, helped by an effective customer-centric strategy and preparation for a changing environment

Thai and International Financial Reporting Standards (TFRSs / IFRSs)

- Year 2020 onwards:** Timeframe was specified by Thailand Federation of Accounting Professions (TFAC); TFRS 9 (Financial Instruments) and TFRS 16 (Leases) became effective in 2020; TFRS 4 (Insurance Contracts) will be changed to TFRS 17 and will be effective in 2025.
 - Expected impacts on Thai banks:** For TFRS 9, expected credit loss is a significant issue due to economic uncertainty from COVID-19 outbreak and Thai systemic risk. For TFRS 17, it will be more transparent and easier to compare financial performance from insurance business.
 - Expected impacts on KBank:** For TFRS 9, Bank's expected credit loss is still based on prudence basis following both TFRS 9 and BOT guidelines. Impacts resulted from TFRS 17 is still under investigation.

Note: D-SIBs = Domestic Systemically Important Banks

CVA = Credit Valuation Adjustment,
 Source: The Bank of Thailand and KResearch

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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
Conservation Buffer*	0.625%	1.25%	1.875%	2.5%	2.5%	2.5%	2.5%	2.5%
D-SIBs Buffer**	-	-	-	0.5%	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%)
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%)
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%)
Countercyclical Buffer (Subject to the BOT consideration)***	-	-	-	-	-	-	0.0-2.5%	0.0-2.5%
Leverage Ratio (Tier 1 / Exposure) ≥ 3%	Parallel run period							Effective in 2023 (Tentative)
Liquidity Coverage Ratio (LCR)**** (Liquid Assets / Net Cash Outflows within 30 days) ≥ 100%	LCR ≥ 60%	LCR ≥ 70%	Effective (Phase-in) LCR ≥ 80%		LCR ≥ 90%	LCR ≥ 100%	LCR ≥ 100%	LCR ≥ 100%
Net Stable Funding Ratio (NSFR) (Available Stable Funding / Required Stable Funding) ≥ 100%			Effective in Jul-18 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 166%, 174% and 158% as of June 2022, December 2021 and June 2021, 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

- Issued and paid-up share capital
- Premium on ordinary shares
- Legal reserve and Retained earnings

- Hybrid Tier 1 (<15% of total Tier 1)
- Minority interest, Preferred stock

Deduction of Tier 1

- Goodwill, Treasury stock, Deferred tax asset
- Investment in insurance (50% Tier 1 and 50% Tier 2)

Common Equity Tier 1

- Issued and paid-up share capital*
- Premium on ordinary shares
- Legal reserve and Retained earnings
- Other comprehensive income (OCI)
e.g. surplus on bond and equity FVTOCI (100%),
surplus on land & premises (100%)

Additional Tier 1

- Hybrid Tier 1 with loss absorbency feature
- Minority interest, Preferred stock

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

Tier 1 capital

Tier 2 capital

- Long-term subordinated debt
- Hybrid Tier 1 (exceeds from Tier 1 limit)
- General Provision
- Surplus on AFS equity (45%)
- Surplus on land & premises (70% and 50%)

- Long-term sub-debt with loss absorbency feature

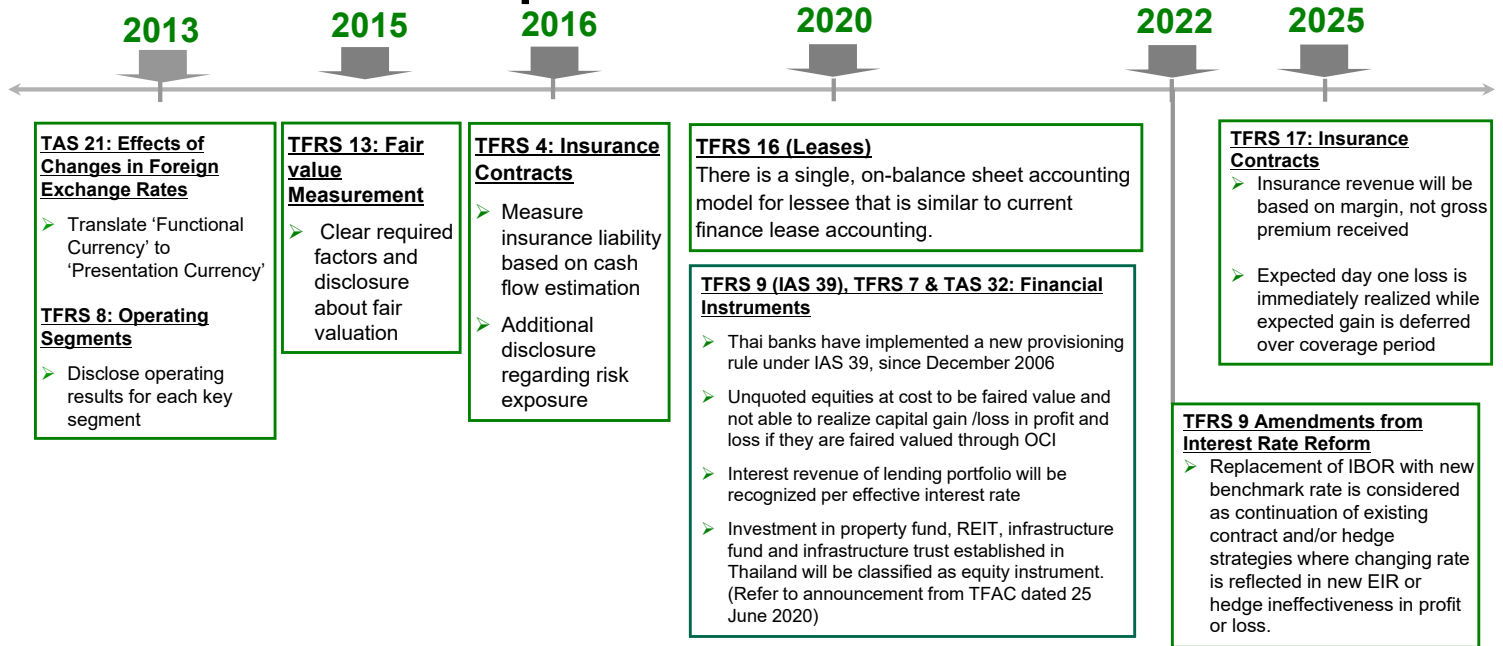
- General Provision

* Net Treasury Stock

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TFRS and IFRS Implementation*



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.

* Only financial and disclosure impact to Thai Banks

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Government Policy

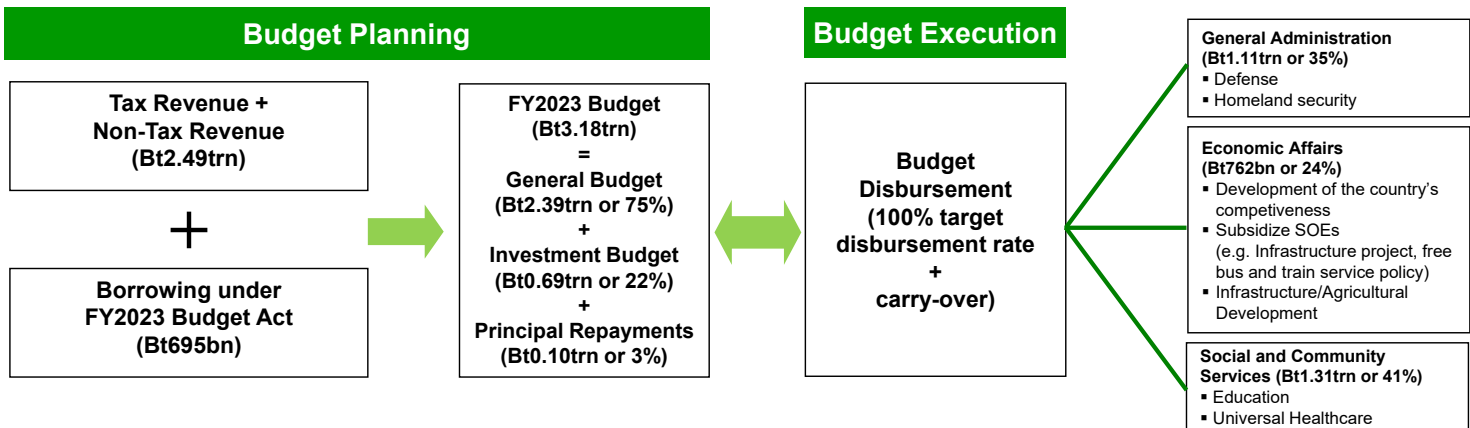
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Sources and Uses of Public Funds

FY2023 Budget

FY2023 budget act was approved in August 2022 and was published in the Royal Thai Gazette on September 19, 2022.

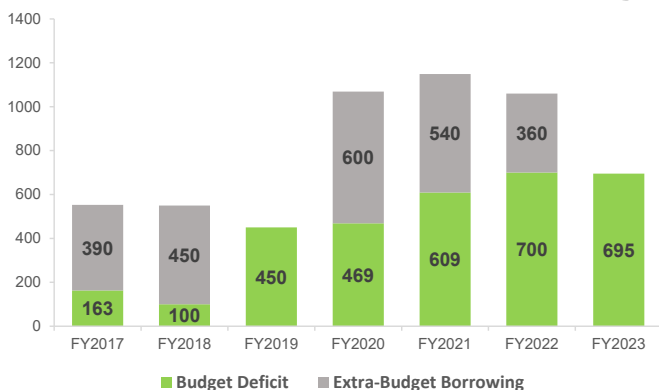


Notes: Thai government's fiscal year (FY) begins on 1 October and ends on 30 September of the following year.

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Government Fiscal Budget



- Thai parliament approved FY2023 budget worth Bt3.18trn, with a deficit of Bt695bn
- Implementation of FY2023 budget effective October, 2022

Economic Policies	Key Points	Implementation Process	Possible Impacts/ Expected Budget
2022 Budget Act	FY2022 budget at Bt3.10trn with a deficit of Bt700bn	<u>FY2022</u> Effective date: October 1, 2021	<ul style="list-style-type: none"> Government spending will help maintain economic momentum Fiscal sustainability to remain manageable in near-term; however, continued debt creation, both from budget deficit and other borrowings, may impact long-term fiscal sustainability
2023 Budget Act	FY2022 budget at Bt3.18trn with a deficit of Bt695bn	<u>FY2023</u> Effective date: October 1, 2022	

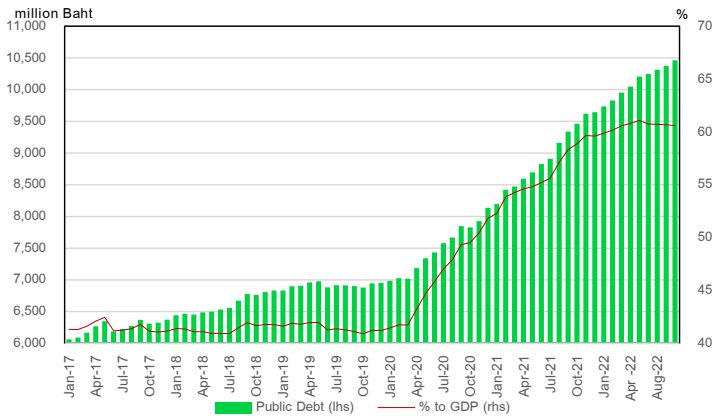
Note: - Thai government's fiscal year (FY) begins on October 1 and ends on September 30 of following year
Sources: The Ministry of Finance and KResearch (as of October 2022)

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Public Debt to GDP and Fiscal Budget

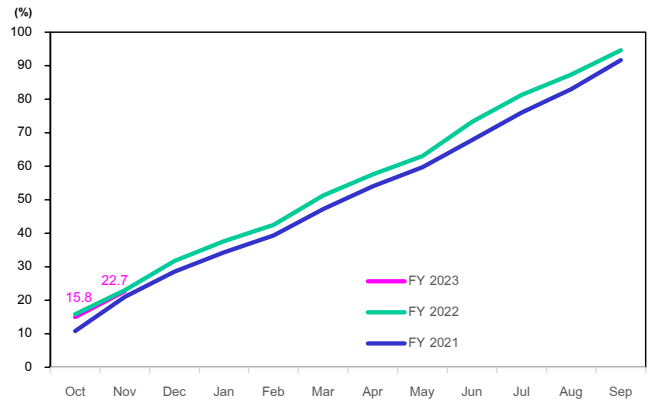
Public Debt



- Public debt to GDP ratio rose to **60.6% in October 2022**. 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 60.43% in FY2023

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

Budget Disbursement Rate



FY23 Budget	FY23 target	2M FY23 actual	Unused FY23 Budget
Total Budget Bt3.18trn	Bt3.18trn (100%)	Bt0.72trn (23%)	Bt2.71trn (77%)
- General Budget Bt2.52trn	Bt2.52trn (100%)	Bt0.62trn (25%)	Bt2.10trn (75%)
- Investment Budget Bt0.66trn	Bt0.66trn (100%)	Bt0.10trn (15%)	Bt0.61trn (85%)

- Government budget disbursement rate for 2MFY2023 is 22.7%, down 0.3% from 23.0% in 2MFY2022

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Relief Measures for COVID-19 Impacts

MOF

Measures	Package Size
Phase 1 - Soft loans worth Bt150 billion - Interest cuts and delayed debt payments (SFIs) - Reducing electricity and water bills	Bt 400 billion
Phase 2 - Cash handouts - Emergency loans - Tax benefits	Bt 120 billion
Phase 3 - Implementing health-related plans and giving financial aid to affected people - Economic and social rehabilitation	Bt 1.0 trillion

Bt1.5 trillion or 9.8% of 2020 GDP

BOT

Measures	Package Size
Provide liquidity for bond mutual funds	Bt 1.0 trillion
Soft loans and asset warehousing programme	Bt 500 billion
Corporate Bond Liquidity Stabilization Fund (BSF)	Bt 400 billion

Bt1.9 trillion or 12.2% of 2020 GDP

Note: SFIs = Specialized Financial Institutions
Source: MOF, BOT and KResearch, as of July 2021

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20-Year National Strategy (2017-2036)

(As defined in Section 65 of the Constitution of the Kingdom of Thailand and passed by the NLA in June 2017)

- To achieve the vision “Security, Prosperity, Sustainability”, to become a high-income country, to improve quality of life, to generate high income, to escape the middle income trap, and to ensure well-being for all Thais

Key Strategies

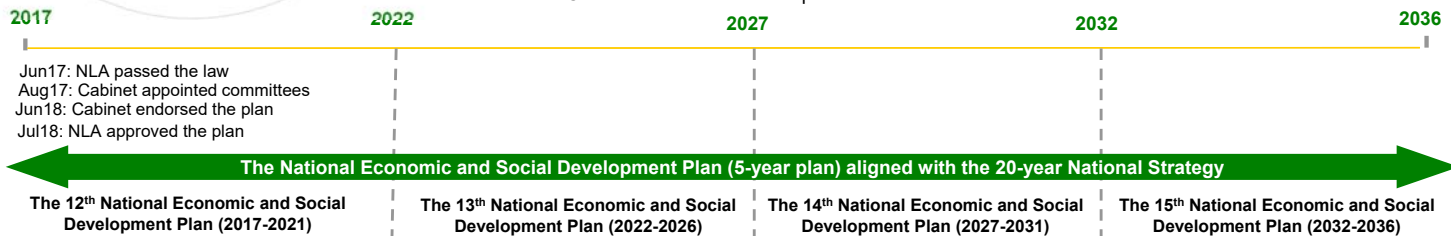
The Goals



- High income country: 15,000 USD per capita by 2036 (2016 income per capita = 5,901 USD)
- Economic growth around 5% per year (4-5% under 12th NESDB Social and Economic Development Plan and 5% for the next three NESDB 5-Year Plans)
- People of all ages healthy and with lifelong learning opportunities
- Target Gini: ≤ 0.36 (inequality measurement: lower figure indicates better income distribution)
- Forest area as percentage of total land area more than 40%
- Fully implement Digital Government Services
- Enhance Corruption Perceptions Index beyond 50Plus (the lower tier of least corrupt countries)

National Strategy Committee: Chairman is the Prime Minister; Secretary is NESDB Secretary-General

- 34 committee members
- First 17 committee members are high-ranking state officials and leading industry experts such as the Prime Minister, members of the top brass, National Police Chief, Permanent Secretary for Defense, President of the House of Representatives, Chairman of the Federation of Thai Industries, President of the National Farmers Council, President of the Thai Bankers' Association, Chairman of the Thai Chamber of Commerce, etc.
- Second 17 Committee members are experts from various fields



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Government Policy: Long-term Policies

■ **20-Year National Strategy:** To achieve the vision “Security, Prosperity, Sustainability,” to become a high-income country, to improve quality of life, to generate high income, to escape the middle-income trap, and to ensure well-being for all Thais (Page 128)

■ Transport Infrastructure Development Plan:

- Project will reduce logistical costs, increase transportation speed of goods and people, as well as connect Thailand to neighbors along the East-West and North-South Economic Corridors
- Public Transport Infrastructure Investment 2015 to 2022: worth Bt2.59trn (Page 132)

■ **Eastern Economic Corridor (EEC):** Area for facilitating and attracting investment in 10 innovative target industries to transform Thailand into Thailand 4.0 (Page 136)

■ Digital Economy:

- NBTC awarded mobile licenses in various spectrums and launched 5G
- Government plans to adapt National Digital ID to speed up the process towards digital economy

■ **BOI Measures for Supporting Private Investment:** Tax and non-tax incentive measures to support private investment, such as Special Economic Zones (SEZs) (10 provinces, including Tak, Mukdahan, Sa Kaeo, Songkhla, Trat, Chiang Rai, Kanchanaburi, Nong Khai, Nakhon Phanom, and Narathiwat)

■ Ten targeted industries as new engines of growth: Next Generation Automotive, Smart Electronics, Affluent Medical and Wellness Tourism, Agriculture and Biotechnology, and Food for the Future; New S-Curve (for new growth) consists of Robotics, Aviation and Logistics, Biofuels and Biochemicals, Digital, and Medical Hub

■ **Additional Incentives:** Biotechnology, Nanotechnology, Advanced Materials Technology, and Digital Technology

■ **Promote Establishment of International Headquarters (IHQ) and an International Trading Center (ITC) in Thailand:** Help Thailand become a key trading nation in the region

■ **ASEAN Economic Community (AEC):** Since December 2015, ASEAN has transformed into the “ASEAN Economic Community,” with free movement of goods, services, investment, and skilled labour, and a freer flow of capital; Strategic measures under the five characteristics in the AEC Blueprint 2025 will be operationalised through sectoral work plans and their implementation and monitored through the AEC 2025 Monitoring and Evaluation Framework

■ **Free Trade Area (FTA):** Already signed FTA with ASEAN+3 (China, Japan, and Korea), India, Australia, New Zealand, Peru, Chile; In progress with Canada, European Union (EU), the Regional Comprehensive Economic Partnership (RCEP), and Comprehensive and Progressive Agreement of Trans-Pacific Partnership (CPATP)

■ **Age Society:** Mandatory retirement age for government and state enterprise officials will be extended from 60 to 63, effective in 2024

■ **Energy Policy:** Reform petroleum concessions and energy price structures, including an LPG subsidy

■ **Tax Reform:** Reform tax collection, generate sufficient revenue for the government, and boost competitiveness for local businesses, especially SMEs

■ **Constitution:** National assembly seeks to amend the constitution section-by-section



Government Policy: Short-term Policies

Government Budget:

- Fiscal budget deficit in FY2022: plans for Bt700bn deficit to provide additional supports to stimulate Thai economy after COVID-19 outbreak
- Relief Measures for COVID-19 Impacts:** Helping financial market stability and liquidity, and business, work force, and individuals through soft loan programs and relief measures

Short-term Stimuli:

- Welfare Card:** Give Bt200-300 a month to each welfare smart card (14.5 million people) for purchase of necessary goods for those earning less than Bt100,000 annually; give Bt500 wallets to help with transportation costs
- Thailand Plus Package:** attract foreign investment, especially to expedite investments from companies seeking to relocate as a result of ongoing trade war
- Cash handout for workers not covered by SSE:** Bt5,000 monthly payments for 3 months to informal workers affected by COVID-19 (April - June 2020)
- Supporting tourism:** Subsidies for domestic tourists (Moral Support & We Travel Together campaigns) (July 2020 to April 2021); "Special Tourist Visa" for long-staying visitors (90-day stay in country, which can be extended twice, each for an additional 90 days. Visa costs Bt2,000 per 90-day extension)
- Property stimulus package:** Property transfer fees reduced from 2% to 0.01% and mortgage fees reduced from 1.0% to 0.01% for buying condominium units priced at not over Bt3mn (Jan - Dec 2022)
- Measures to help farmers:** Price insurance for agricultural plants such as rice, rubber, oil palm, cassava, and corn (Bt98bn for 2022 government budget)
- Measures to help flood victims 2022:** A package of 14 tax measures such as up to Bt100,000 for house repairs and Bt30,000 for car maintenance to be deducted from taxable income

Short-term Stimuli (continue):

- Projects to boost domestic consumption:**
 - "Half-Half" scheme : a co-payment for food and general products subsidizing half of the purchase price
 - Phase 1&2: Bt3,500 to 15 million people (October 2020 - March 2021)
 - Phase 3: Bt4,500 to 31 million people (July - December 2021)
 - Phase 4 : Bt1,200 to 29 million people (March - April 2022)
 - Phase 5 : Bt800 to 26.5 million people (September - October 2022)
 - "Shop Dee Mee Kuen" - a tax deduction for spending, up to Bt30,000 (1 January – 15 Feb 2022)
 - Purchasing power scheme of
 - State card holders: Bt400 to 13.34 million people (September – October 2022)
 - People classified as needing special help: Bt400 to 2.23 million people (September - October 2022)
- Projects to boost travel:**
 - We Travel Together: 40% of hotel expenses, or up to Bt3,000 per room per night and food coupons of up to Bt600 a day
 - Tour Travel Thai campaigns: 40% of the tour package price, or up to Bt5,000 per person
- Measures to help people with rising living costs:**
 - State welfare cardholders: Bt100 subsidy for cooking gas and up to Bt100 for water bill (October 2022 - April 2023)
 - Vendors with state welfare cards : Bt100 subsidy for cooking gas (October – December 2022)
 - Vulnerable groups (using electricity below 500 units per month): bill subsidy
 - Section 33: reducing contributions to the Social Security Fund under Section 33 from 5% to 3%, Section 39 from Bt432 to Bt240 per month, but no reduction for Section 40 (October - December 2023)

Sources: Newspaper and KResearch (as of November 2022)

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Ongoing Government Measures to Assist Cost of Living

Measures	Details
Household Assistance	<p>Train/ Bus/ Skytrain and Subway Fares: Bt500 monthly allowance for welfare card holders to use for public transportation</p> <p>Necessity Goods: A Bt200* grant per month in welfare card to purchase necessity goods, products intended for education and farming materials from all Blue Flag shops</p> <p>Cooking Gas: A Bt100** discount each quarter in welfare card for purchasing cooking gas</p> <p>Allowances (e-Money): Depending on measure, which can be withdrawn from an ATM, such as Elderly welfare allowance (Bt50-100) and Disable allowance (Bt200)</p> <p>Water and electricity price: Reduce water and electricity bills and refund meter fees</p>
Energy Prices	<p>Diesel Fuel:</p> <ul style="list-style-type: none"> Instruct fuel retailer cap diesel marketing fee at Bt1.40 per litre (October - December 2022) Extend Bt5 per litre excise tax cut for diesel until November 2022 <p>NGV and LPG Price:</p> <ul style="list-style-type: none"> Household sector: remain LPG price cap to Bt408 /per 15-kilo canister in September (October - December 2022) FT Rate: Fuel Adjustment Tariff (FT) Rate for electricity is set to increase to Bt93.43 (September - December 2022)
Value-added-tax (VAT) Rate	<p>On August 24, 2021, the Government announced the following VAT Rates:</p> <ul style="list-style-type: none"> Maintain the 7% value-added-tax (VAT) rate until September 30, 2023

Note : * If income exceed Bt30,000 per annum will get Bt 200

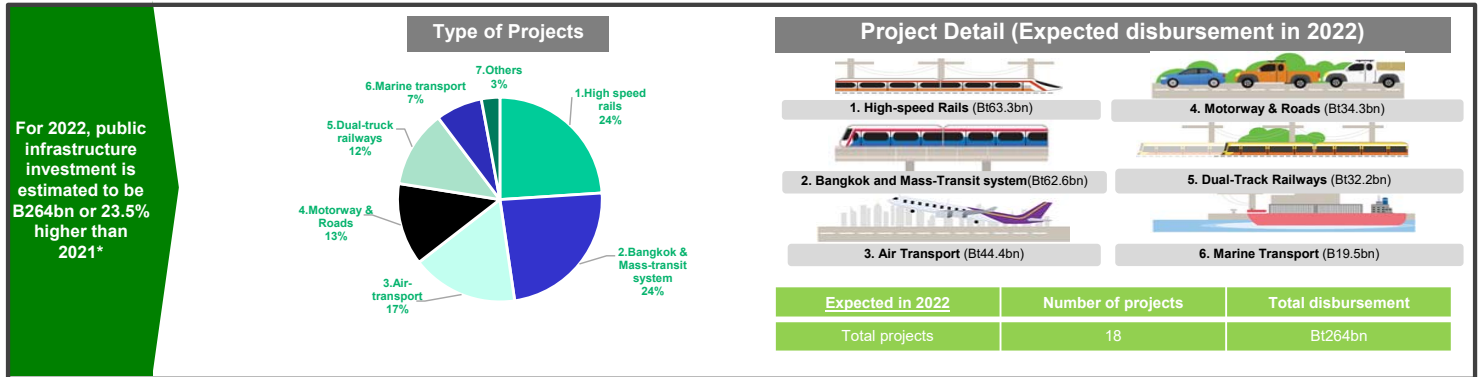
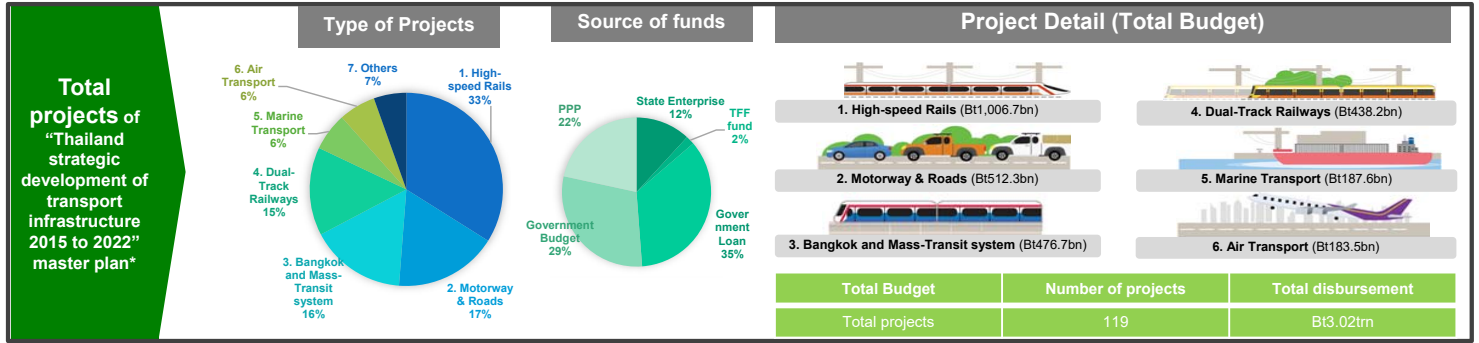
** Effective period July– September 2022

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

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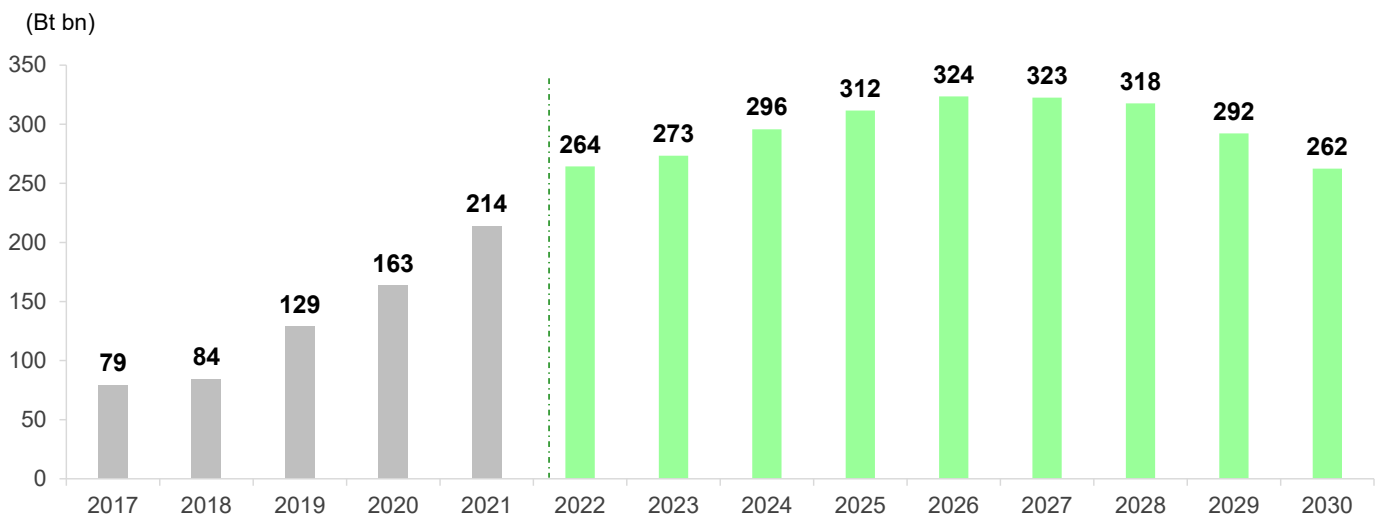
Public Transport Infrastructure Investment 2015 to 2022



Source : Office of Transport and Traffic Policy and Planning (Thailand strategic development of transport infrastructure 2015 to 2022 master plan) and KResearch (November 2022)
 Notes : PPP = Public-Private Partnership, TFF fund = Thailand future fund. Total investment may be reduced due to cutting the scope of work, delay in construction, and allocation of state disbursement for COVID-19 relief measures
 * The budget of Bt1.911trn referring "Thailand strategic development of transport infrastructure 2015 to 2022 master plan" are excluded High-speed train (Bt637.3bn) and Suvarnabhumi airport (Bt104.4bn), but our estimation include both of these projects

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Projections on Budget Disbursement of Public Transport Infrastructure Investment



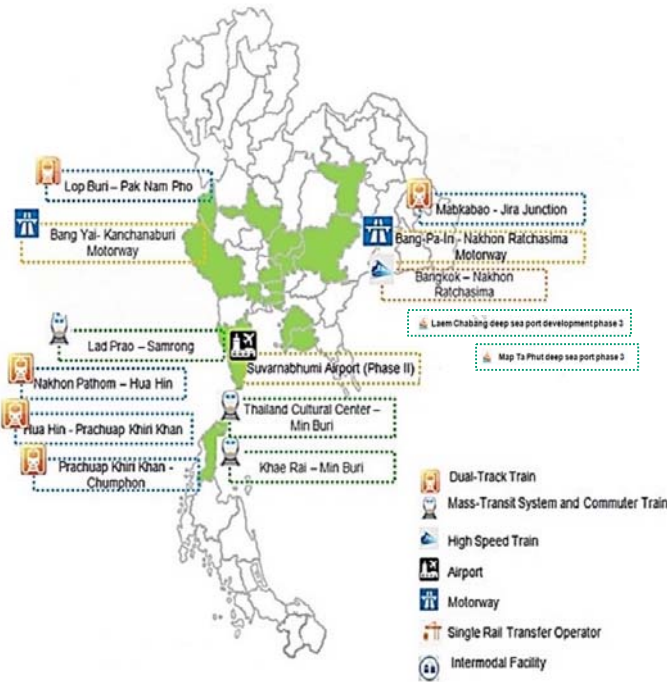
Notes:
 - Thai government's fiscal year (FY) begins on 1 October and ends on 30 September of the following year
 - Projects that were delayed or terminated by Cabinet are not included
 - The budget of Bt1.911trn referring "Thailand strategic development of transport infrastructure 2015 to 2022 master plan" are excluded High-speed rails (Bt693.9bn) and Suvarnabhumi airport (Bt79.5bn), but our estimation include both of these projects

Source : Office of Transport and Traffic Policy and Planning (Thailand strategic development of transport infrastructure 2015 to 2022)

Note: * KResearch projected as of November 2022

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On-going highlight projects under construction in 2022*



Source : Ministry of Transport and KResearch (November 2022)

Notes : Projects that visibly have construction progress on-site or have been stated in official documents that it had been constructed

*Only highlight/Mega projects are shown in this presentation

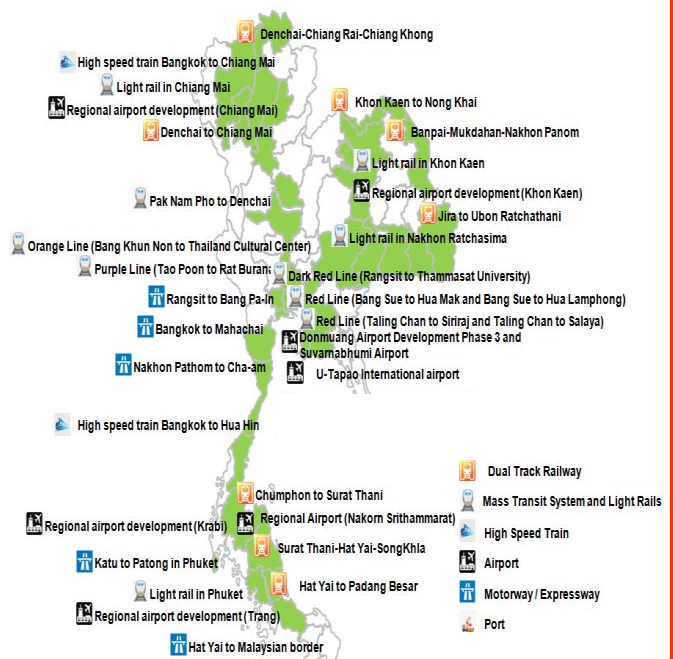
Projects under construction	Expected completion year	Note
Motorways/Expressways Bang Pa In – Nakhon Ratchasima (M6) Rama III – Dao Khanong Bang Yai – Kanchanaburi (M81) Bang Khun Thian - Ban Phaeo (M82)	2023 2023 2024 2025	97% in progress 89% in progress 84% in progress 24% in progress
High speed rails Thailand – Chinese (Bangkok – Nakhon Ratchasima)	2027	15% in progress
Mass – transit system and commuter rail lines Yellow line (Lad Prao – Sam Rong) Orange line (Thailand cultural center – Min Buri) Pink line (Khae Rai-Min Buri) Purple line (Tao Poon-Racha Burana)	2023 2025 2023 2027	97% in progress 98% in progress 92% in progress 3% in progress
Dual-Track Railways Nakhon Pathom – Hua Hin Hua Hin – Prachuap Khiri Khan Lop Buri – Pak Nam Pho MabKhabao – Jira Junction Prachuap Khiri Khan – Choom Porn	2023 2023 2023 2023 2023	96% in progress 100% in progress 75% in progress 95% in progress 90% in progress
Air transport Suvarnabhumi Airport Phase 2 Suvarnabhumi Airport 3rd runway	2023 2023	98% in progress 42% in progress
Marine transport Laem Chabang Phase 3 Map Ta Phut Phase 3	2025 2026	5% in progress 18% in progress

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Upcoming Infrastructure Projects

TOR Process/ Bidding Process /Land reclamation /Preparing for construction	Status	Expected to start construction	Note
High-Speed Rails: Bangkok-Rayong (3 Airports)	Preparing for construction + Land reclamation	2023 (Q1)	- Land reclamation are 100% in progress
Air Transport: U-Tapao Airport Don Mueang Airport Phase 3	Preparing for construction TOR process	2022 (Q4) 2024	
Motorways: Kratus-Pathong (Phuket)	TOR process	2024	
Dual-Track Railways: Den Chai-Chiang Rai Ban Pai-Nakorn Panom	Land reclamation Land reclamation	2023 2023	- Land reclamation are 40% in progress
Mass-Transit System and Commuter Rail Lines: Orange line (Bang Khun non - Cultural center) Dark Red line (Rangsit - Thammasat University) Light Red line (Taling Chan – Siriraj) Red line (Taling Chan – Salaya)	Bidding Process TOR Process + Land reclamation TOR Process + Land reclamation TOR Process + Land reclamation	2023 2023 2023	- Expect to delay due to a change in TOR - Expect to open bidding by H1/23
Projects Preparation for approval by Cabinet/ PPP Process /EIA Process/Feasibility Plan		Status	
High-Speed Rails: Thailand-Chinese F2 (Nakhon Ratchasima - Nong Khai) Bangkok-Rayong (3 Airports) F2			- May be asked for approval by Cabinet in 2022 (Q4) - Feasibility plan
Air Transport: Suvarnabhumi Airport Phase 3 (North building expansion) Suvarnabhumi Airport (East expansion)			- Expect to open bidding by H1/23 - Preparation for approval by Cabinet
Motorways: Bang Bua Thong –Bang Khun Thian (M9), Srinakarin-Suvarnabhumi (M7) Rangsit-Bang Pa In (M5) Nakhon Pathom – Cha am (M8)			- PPP approved +Preparation for approval by Cabinet - EIA process - Preparation for approval by Cabinet (H1/23) - PPP process
Dual-tracks Railways: Khon Kean-Nhong Kai, Pak Po-Den Chai (*Priorities) Jira-Ubonracha Thani Den Chai –Chaingmai, Choom Porn-Surat Thani, Surat Thani-Song Khla, Had Yai-Padang Besar			- Preparation for approval by Cabinet - EIA approved - EIA process
Mass-Transit System and Commuter Rail Lines: Red line (Bangsue-Phayathai-Makkasan-Huamark) Dark red line (Bangsue-Hua lamphong) Grey line (Watcharapol -Thong Lo) F1 Brown line (Khae Rai-Lam Sai)			- Preparation for approval by Cabinet - Feasibility plan - Feasibility plan

Upcoming Infrastructure Projects by Areas



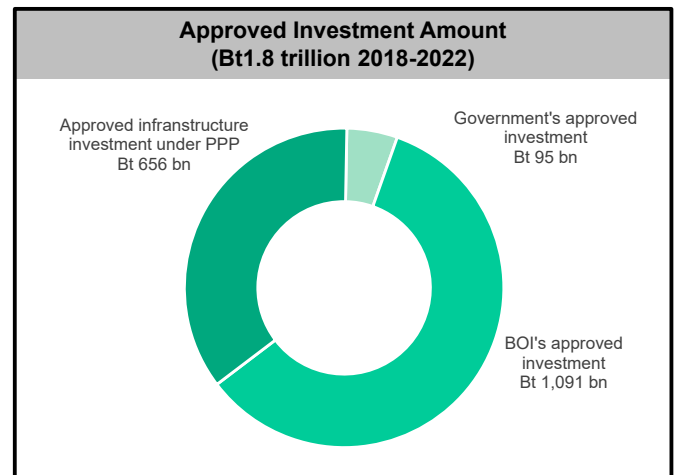
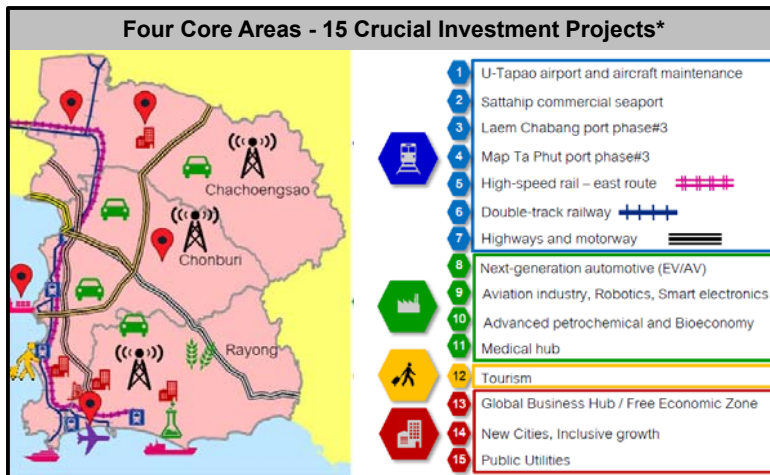
Source : Ministry of Transport and KResearch (November 2022)

Notes : Some projects are expected to be delay due to COVID-19 situation

ประทับใจ

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 :** Bt1.8 trn (2018 - 2022) from (1) BOI’s approved projects (private sector investment) Bt 1,091 bn (2) infrastructure investment under Public Private Partnership (PPP) Bt 656 bn and (3) government investment from integrated budgeting Bt 95 bn.
- 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)



Source: The Board of Investment of Thailand (BOI), and The Eastern Economic Corridor Office of Thailand (EECO) presentation and KResearch projected (as of November 2022)

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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)	1Q23	2029
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)	4Q22	2025
U-Tapao MRO (Maintenance, Repair Overhaul)	Bt 8.4bn	Royal Thai Navy	TBC	To Launch Term of References (TOR) for bidding in June 2022	-	2025
Laem Chabang seaport (3 rd Phase)	Bt114bn	Port Authority of Thailand	Nov 2021 and Aug 2020	GPC (Gulf Energy Development Pcl + PTT Tank Terminal + China Harbour) for F Dock Development C NNC (NTL Marine + Nathalin + Zhonggang Construction) for Land reclamation project	4Q23 (F Dock) 2Q21 (Land reclamation)	2025 (for F1 Dock) 2029 (for F2 Dock)
Map Ta Phut seaport (3 rd 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	3Q21 2025	2025 2026

Source: Newspaper, Eastern Economic Corridor Office of Thailand and KResearch as of November 2022

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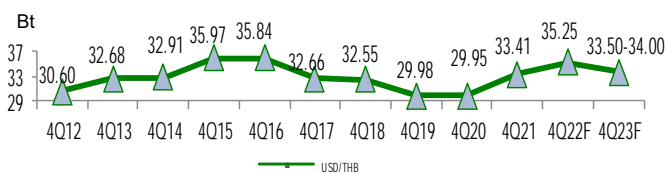
Thailand Economic Figures

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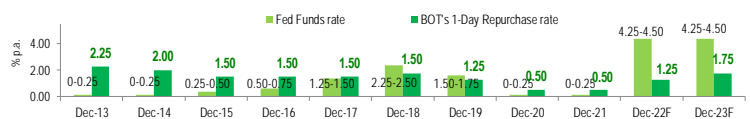
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Currency and Interest Rate Outlook (As of December 2022)

USD/THB: End Period



Interest Rate Trend



- Baht posted a quick U-turn appreciating to below Bt35.00, the strongest level in 5 months, after U.S. CPI confirmed the turning point and Fed admitted to hike its interest rates with lower paces
- At 2023 year-end, Baht will reach Bt33.50-34.00 per USD, as Thai economy continues to recover, due to recovery of tourism with supporting sentiment from easing COVID-19 measures in China and Thai current account surplus
- However, uncertainties on Fed's policy, geopolitical tensions especially nuclear treat, and global recession are main risks to weaken Baht and Asian currencies
- Fed has sent a strong signal that the Fed will slow the pace of interest rate hike
- Markets expect 50bps hike in December 2022 to 4.25-4.5% and a peak around 5% next year before cutting rates at the end of next year, due to high probability of U.S. economic recession
- Fed's interest rate at the end of 2023 may be around 4.25-4.50%
- BOT is expected to continue with its gradual hiking path, amid decreasing inflation
- BOT's interest rate is expected to be 1.75% at the end of 2023

Note: F is estimated by KBank Capital Markets Research (as of December 8, 2022)

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Monthly Economic Conditions: October 2022

Units: YoY%, or indicated otherwise	2022													
	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	
Private Consumption Index (PCI)	-1.6	-1.5	-0.4	2.8	8.1	3.8	0.8	8.8	12.1	10.2	14.9	17.3	11.7	6.6
- Non-durables Index	-4.8	-5.9	-4.7	-2.2	2.8	-4.3	-5.0	2.2	3.7	1.4	7.2	7.8	5.3	2.6
- Durables Index	0.2	-7.4	2.2	-7.8	14.1	12.2	0.2	3.0	11.6	1.9	13.6	41.5	10.4	2.6
- Service Index	-3.6	2.0	2.0	10.1	17.1	14.8	9.8	17.3	26.5	27.3	32.8	36.8	29.0	25.0
- Passenger Car Sales	6.0	-9.9	2.3	-19.3	34.7	17.9	-2.9	12.7	28.2	-3.3	29.2	75.3	6.7	-0.4
- Motorcycle Sales	8.2	-6.0	15.1	15.4	7.6	13.8	-9.0	-7.9	16.2	8.3	16.7	68.5	35.0	17.2
Private Investment Index (PII)	9.8	8.1	6.0	4.1	7.1	2.9	1.6	0.2	3.8	5.9	5.1	12.0	5.1	2.0
- Construction Material Sales Index	-1.3	-1.1	-4.2	3.2	-1.7	-1.9	-4.6	4.1	-1.3	5.4	18.2	12.0	3.7	5.7
- Domestic Machinery Sales at constant prices	19.1	16.4	12.0	8.4	12.8	9.7	4.9	1.2	4.9	9.9	13.0	26.6	11.7	8.7
- Imports of Capital Goods at constant prices	17.6	17.7	6.9	4.6	11.0	-5.3	-2.2	-4.1	4.1	4.2	-4.6	2.6	-0.7	-4.9
- Newly Registered Motor Vehicles for Investment	0.2	-15.3	5.3	-4.5	3.5	8.5	5.0	2.5	7.4	4.8	5.9	34.6	23.8	-4.0
Manufacturing Production Index	5.8	2.7	4.6	6.7	2.0	2.5	0.4	0.0	-2.0	-0.2	6.4	14.1	3.3	-3.7
- Capacity Utilization	63.0	63.7	64.3	65.5	63.6	63.6	63.7	63.3	61.7	63.1	63.4	65.4	63.8	60.6
Agricultural Production Index	1.6	-3.7	-2.4	-1.6	-1.8	5.2	16.1	6.3	11.2	6.6	-0.5	-4.9	0.8	6.0
- Agricultural Price Index	3.0	-8.2	-3.3	-2.3	4.4	0.2	8.8	10.2	9.1	11.2	18.1	23.3	18.9	18.3
Tourist arrival growth	-93.6	1589.2	2882.4	3413.7	1641.2	2564.6	3028.2	3339.0	8518.3	13388.6	6125.0	7679.7	10598.0	7178.2
Exports (Custom basis)	17.1	17.3	24.7	24.2	8.0	16.2	19.5	9.9	10.5	11.8	4.3	7.5	7.8	-4.4
- Price	2.6	3.3	5.9	6.8	3.6	3.8	4.5	5.0	5.0	5.3	4.7	4.6	4.0	3.2
- Volume	15.0	12.6	19.1	19.0	4.1	11.6	13.8	1.5	6.0	5.6	-1.0	3.7	4.7	-6.3
Imports (Custom basis)	29.8	34.6	20.5	33.4	20.5	16.8	18.0	21.5	24.1	24.5	23.9	21.2	15.6	-2.1
- Price	4.3	8.3	8.6	6.7	9.3	10.5	13.5	13.5	13.4	13.0	14.7	15.0	14.2	13.0
- Volume	18.3	13.1	5.6	23.8	8.2	3.1	2.7	4.7	8.2	9.5	8.0	7.7	5.5	-6.7
Trade Balance (\$ millions) (Custom basis)	3,573	-370	1019	-354	-2526	123	1459	-1,908	-1,874	-1,529	-3,661	-4,215	-853	-596
Current Account (\$ millions)	-10,901.9	28.66	31.09	-1669.85	-2627.49	-811.57	866.16	-2086.52	-2879.88	-3126.34	-4067.58	-3492.41	623.29	837.15
Headline CPI	1.23	2.38	2.71	2.17	3.23	5.28	5.73	4.65	7.10	7.65	7.61	7.86	6.41	5.98
Core CPI	0.23	0.21	0.29	0.29	0.52	1.80	2.00	2.00	2.28	2.51	2.99	3.15	3.12	3.17

- In October 2022, private investment and consumption declined
- Nevertheless, service sector improved, in line with increasing foreign tourist arrivals
- Agricultural production and price increased MoM, although Thailand faced the unfavorable weather
- Exports and imports experienced first contraction in about 20 months, amid the global economic slowdown and declining energy prices
- Headline inflation decreased for the second consecutive months, whereas core inflation slightly increased

Sources: Bank of Thailand (BOT), Ministry of Commerce (MOC), Office of Industrial Economics (OIE), and Office of Agricultural Economics (OAE)

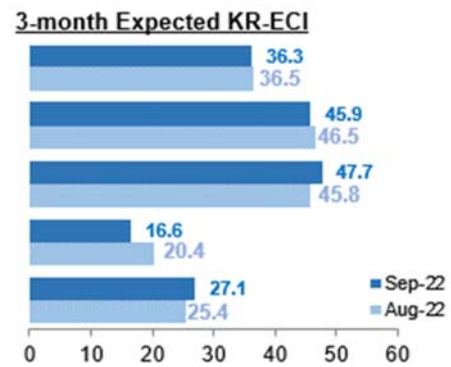
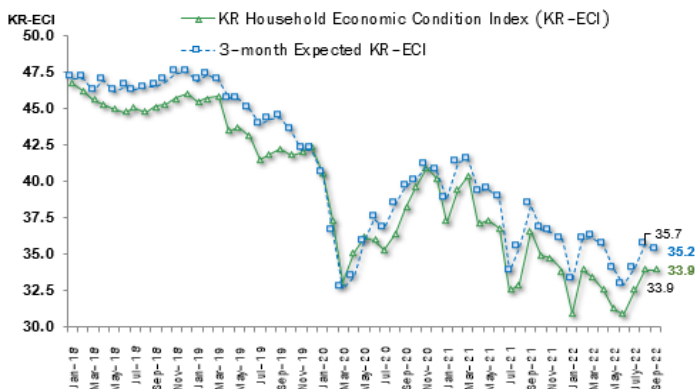
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KR Household Economic Condition Index (KR-ECI)

- In September 2022, the KR-ECI and 3-month Expected KR-ECI stood at 33.9 and 35.2, respectively. Households were more optimistic towards prices in many product categories, with the exception of food and beverages, as energy costs began to decline. Additionally, heavy precipitation resulted in flooding and caused damage to agricultural land in many areas, triggering increased concern among households about their income and employment, including expenses that may increase in the aftermath of the inundations

KR Household Economic Condition Index (KR-ECI)

Components of 3-month Expected KR-ECI



Source: KResearch

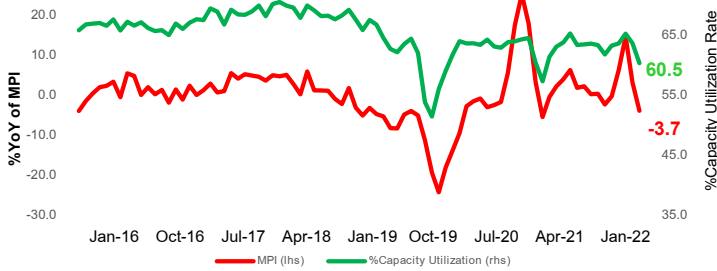
Notes: - The KR Household Economic Condition Index (KR-ECI) has been devised by KResearch to monitor household sentiment towards economic conditions at the current level and over the next three months. Any reading above 50 reflects positive sentiment and below 50 negative sentiment.
 - Research sample includes households in Bangkok and Metropolitan Area (BMA).
 - KR-ECI consists of household savings, household income, household debt, household expenses excluding debt, and prices of consumer goods.

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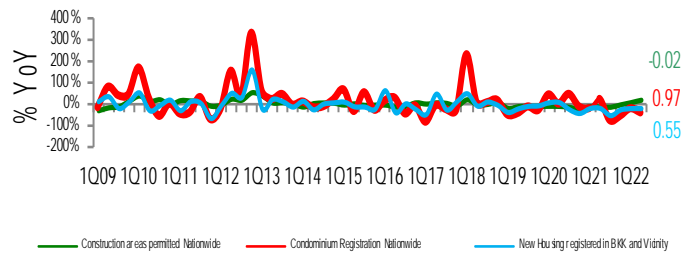


Economic Condition Highlights: October 2022

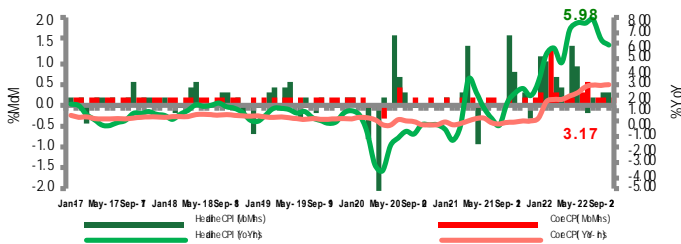
Oct22 MPI and CAPU declined in many sectors, particularly in the petroleum products and electronics



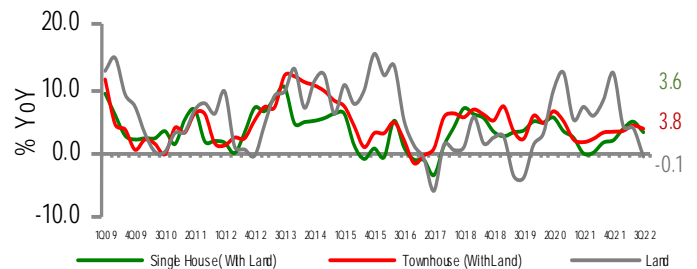
3Q22 Construction area permission turned into negative territory, while real estate market rebounded



Oct22 Headline inflation slowed MoM, as energy and fresh food prices softened, while core inflation slightly increased



3Q22 Prices of single house, townhouse were stable from the previous quarter, whereas land price continued to drop



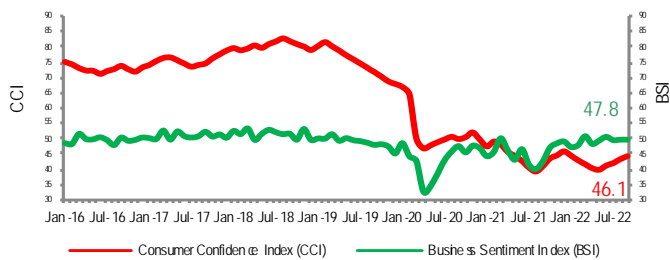
Sources: Bank of Thailand (BOT), Ministry of Commerce (MOC), University of the Thai Chamber of Commerce (UTCC), and Office of Industrial Economics (OIE)

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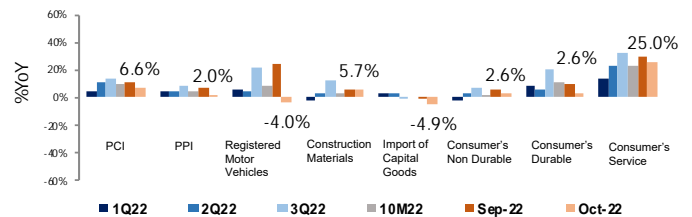


Economic Condition Highlights: October 2022

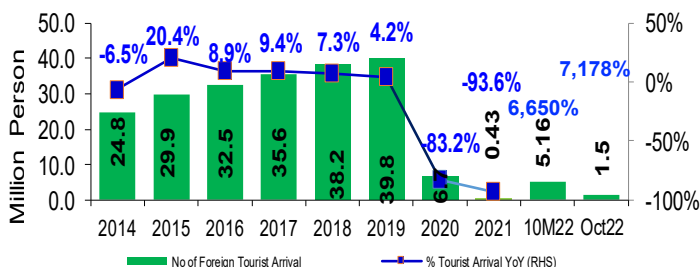
Oct22 BSI slightly dropped, while CCI hit 10-month high, in line with Thai economic recovery



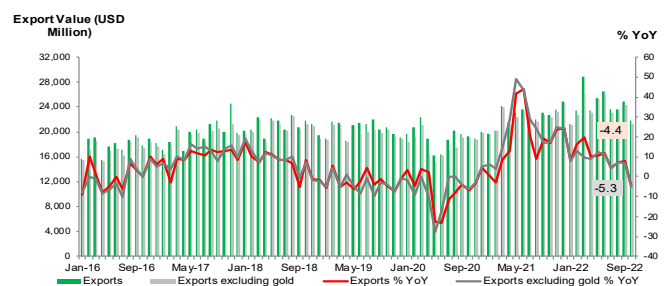
Oct22 Private investment dropped, amid pressure from slower manufacturing demand and consumption



The number of foreign tourist arrivals continued to increase, especially the tourists from Europe and the U.S.



Oct22 export shrank for the first time in 20 months, as a slower demand in all main trading partners



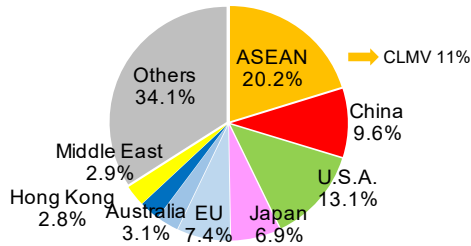
Sources: Bank of Thailand (BOT), Ministry of Commerce (MOC), University of the Thai Chamber of Commerce (UTCC), and Office of Industrial Economics (OIE)

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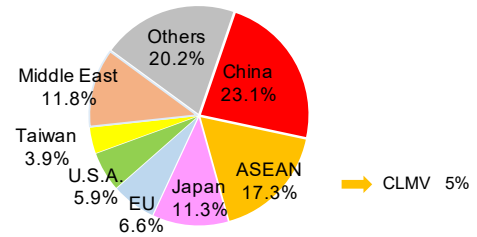


Exports and Imports: 10M22

Exports by Country



Imports by Country



Top 10 Exports by Product (Customs Basis)

Total Exports, Custom Basis	10M22		
	USD Millions	Weight	%YoY
Total Exports,	243,138	100%	9.1%
Motor cars, parts and accessories	23,069	9.5%	-2.7%
Automatic data processing machines and parts thereof	17,464	7.2%	-2.3%
Precious stones and jewelry	13,668	5.6%	67.1%
Rubber products	11,704	4.8%	-3.9%
Polymers of ethylene, propylene, etc in primary	9,257	3.8%	-0.5%
Refine fuels	8,809	3.6%	24.1%
Chemical products	8,253	3.4%	3.3%
Electronic integrated circuits	7,757	3.2%	11.3%
Machinery and part thereof	7,389	3.0%	9.7%
Air conditioning machine and parts thereof	5,981	2.5%	11.0%

Top 10 Imports by Product (Customs Basis)

Import, Custom Basis	10M22		
	USD Millions	Weight	%YoY
Total Imports,	258,719	100.0%	18.3%
Crude oil	33,149	12.8%	80.9%
Chemicals	17,924	7.0%	6.2%
Machinery and parts	17,299	6.7%	0.0%
Electrical machinery and parts	17,083	6.6%	7.7%
Electronic integrated circuits	16,177	6.3%	30.1%
Iron, steel and products	13,525	5.2%	-1.3%
Jewelry including silver bars and gold	13,348	5.2%	36.0%
Other metal ores, metal waste scrap, and products	11,616	4.5%	8.8%
Natural gas	11,456	4.4%	165.9%
Computers, parts and accessories	7,867	3.0%	-6.1%

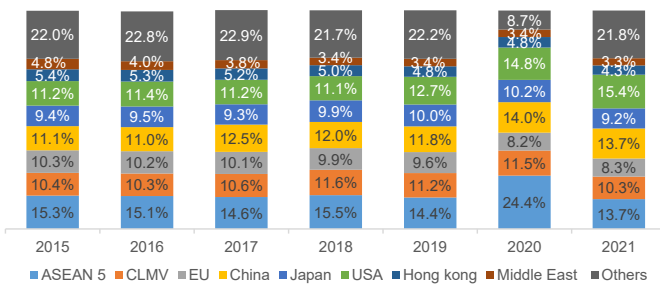
Source: Ministry of Commerce

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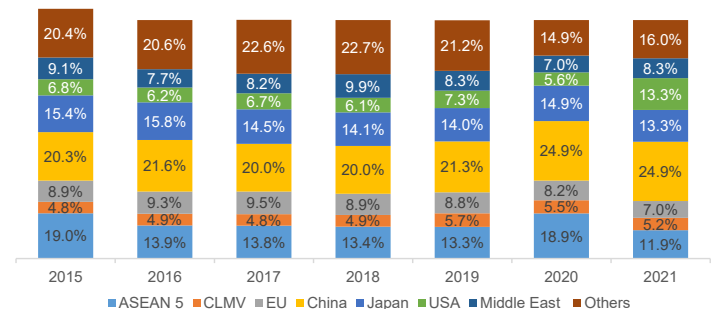


Export and Import Data: 2015 - 2021

Exports by Country



Imports by Country



Total Exports, Custom Basis	2021		
	USD Millions	Weight	%YoY
Total Exports,	271,174	100.0%	17.1%
Electronic machines	42,902	15.8%	17.5%
Motor cars, motor vehicles, parts and accessories	29,094	10.7%	36.2%
Electrical equipment	28,276	10.4%	20.3%
Precious stones and jewelry	10,045	3.7%	-44.8%
Chemical products	9,797	3.6%	45.5%
Refine fuels	8,833	3.3%	65.2%
Machinery and parts thereof	7,980	2.9%	21.6%
Iron and steel and their products	6,796	2.5%	40.1%
Textiles	6,526	2.4%	13.6%
Other industrial products	5,804	2.1%	21.5%

Import, Custom Basis	2021		
	USD Millions	Weight	%YoY
Total Imports,	267,600	100.0%	29.8%
Crude oil	24,139	9.0%	49.7%
Machinery and parts	20,952	7.8%	15.6%
Chemicals	20,637	7.7%	43.1%
Electrical, electronic equipment and parts thereof	20,182	7.5%	25.9%
Electrical machinery and parts	19,272	7.2%	14.8%
Iron, steel and products	16,417	6.1%	60.6%
Other metal ores, metal waste scrap, and products	12,954	4.8%	59.9%
Jewellery including silver bars and gold	11,983	4.5%	59.9%
Parts and accessories of vehicles	11,333	4.2%	25.8%
Computers, parts and accessories	10,145	3.8%	18.3%

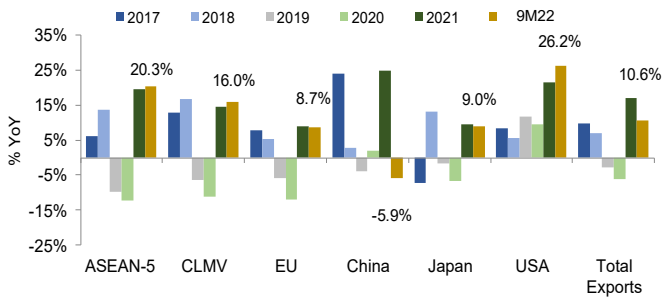
Source: Ministry of Commerce

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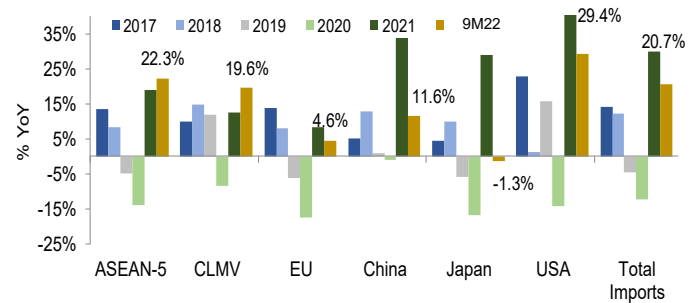


Export and Import Growth by Key Destinations

Export growth by key destinations



Import growth by key destinations



Exports	2021		9M22	
	Value (Million USD)	Share	Value (Million USD)	Share
ASEAN-5	37,080	13.67%	31,969	14.4%
CLMV	27,935	10.3%	24,027	10.9%
EU	22,541	8.3%	17,417	7.9%
China	37,204	13.7%	26,627	12.0%
Japan	24,985	9.2%	18,886	8.5%
USA	41,768	15.4%	36,447	16.5%
Total	271,174	100.00%	221,366	100.00%

Imports	2021		9M22	
	Value (Million USD)	Share	Value (Million USD)	Share
ASEAN-5	31,868	11.9%	28,653	12.1%
CLMV	13,916	5.2%	12,200	5.2%
EU	18,711	7.0%	15,448	6.5%
China	66,546	24.9%	54,326	23.0%
Japan	35,685	13.3%	26,450	11.2%
USA	35,685	13.3%	13,630	5.8%
Total	267,600	100.00%	236,351	100.00%

Source: Ministry of Commerce

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Challenges: Exports

Export is expected to mediocre in 2022 amid global trade uncertainties and transitions to structural changes

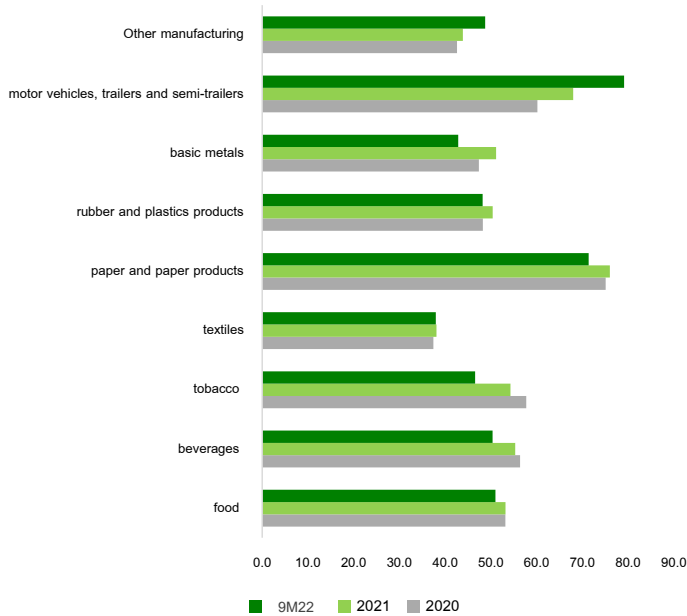
Exports	
Short-term Challenges	<ul style="list-style-type: none"> Global economic recession THB volatility Zero-COVID in China Ongoing geopolitical risks
Key Structural Problems	<ul style="list-style-type: none"> High dependence on China's market Changing demand in electronic products and loss of competitiveness in some areas (e.g. HDD) High crop surplus among competitors
Key Affected Products	<ul style="list-style-type: none"> Electronics and Electrical Appliances (Structural Challenge) Fishery and Agriculture Products (US SIMP) Steel and Aluminum, Washing machine (US tariffs) Plastic, ICs, Machinery and Electrical Equipment (US-China's trade dispute)
Short-term Measures from Authorities and Related Parties	<ul style="list-style-type: none"> Extending products to catch up with changing consumer trends Enhancing practices to comply with international standards Setting up export promotion board Providing supports to help individuals gain skills and qualifications relevant to the needs of the labour market
Long-term Measures from Authorities and Related Parties	<ul style="list-style-type: none"> Negotiating FTA and regional trade agreements Relocating factories to GSP eligible countries Promoting BOI's privileges which grant merit based on competitiveness enhancements Enhancing productivity

Note: HDD = Hard Disk Drive; IUU fishing = Illegal Unreported and Unregulated fishing; FTA = Free Trade Area; GSP = Generalized System of Preferences; BOI = the Board of Investment of Thailand
Source: KResearch (as of August 2022)

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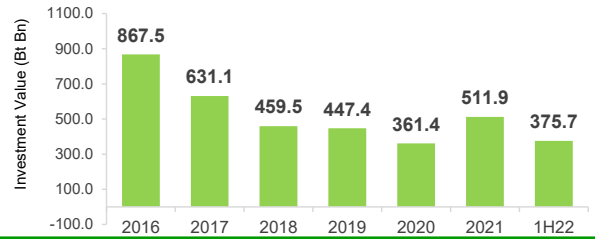
Economic Condition Highlights: CAPEX and Investment Cycle

Capacity Utilization by Key Industries

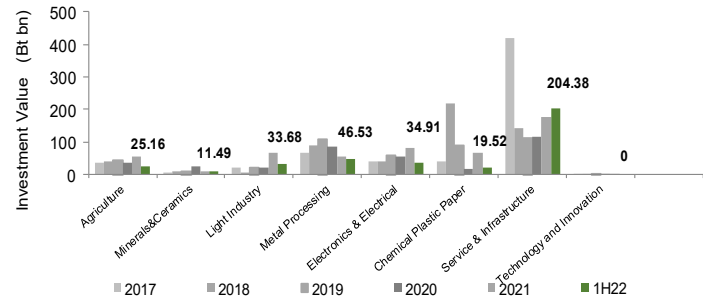


Source: The Bank of Thailand (BOT), The Ministry of Commerce (MOC), and Office of Industrial Economics (OIE)
(Data as of September 2022)

Investment value of BOI-approved applications (Total)*



Investment value of BOI-approved applications (by Industry)*



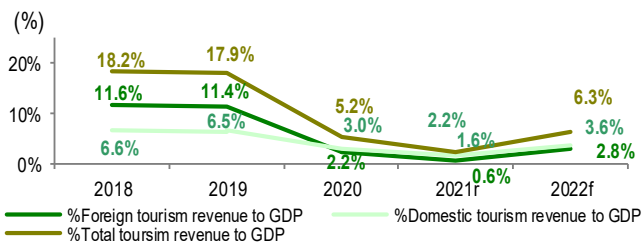
Source: The Board of Investment of Thailand (BOI)
Note: *Figures above indicate investments of approved projects requesting investment promotion benefits from BOI

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Tourism

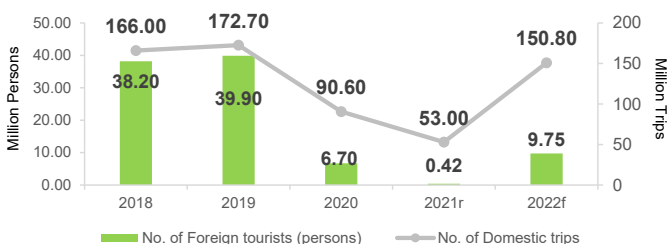
Despite bottoming in 2021, Thailand's tourism industry in 2022 will still be far from pre-COVID level

%Tourism Revenue to GDP

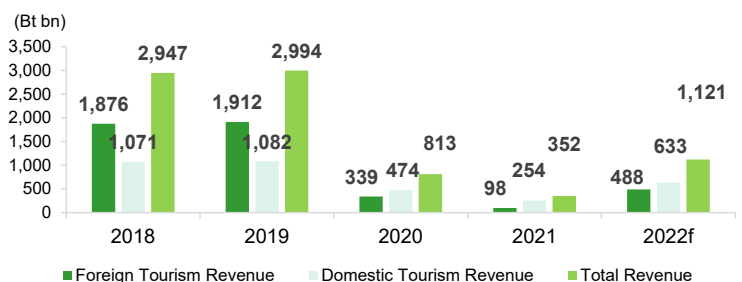


- In 2022, the number of foreign tourist arrivals in Thailand may be around 9.75 million persons.
- Meanwhile, domestic travel is expected to report steady growth. Preliminarily, KResearch projects Thais will make around 150.8 million domestic trips in 2022

No. of Foreign Tourists and Domestic Trips



Tourism Revenue



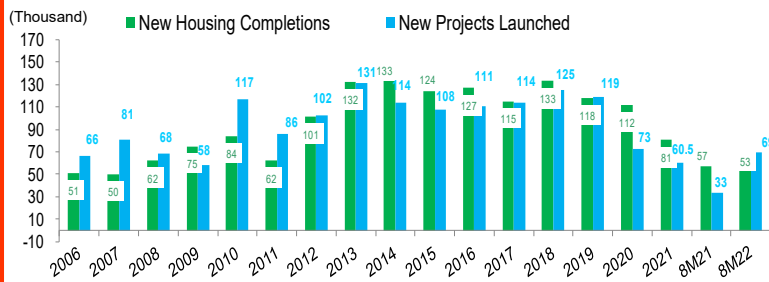
Note: As of November 2022, KResearch estimates tourism data for 2022

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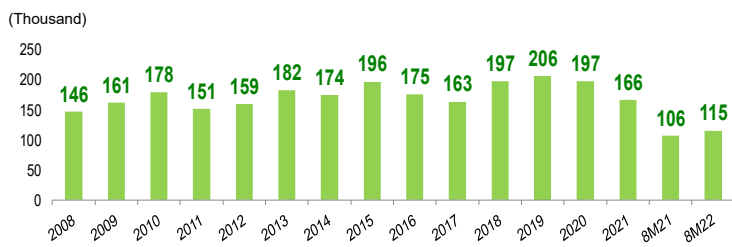


Property Market: New project launching rebound on the first 8 months; nonetheless, market remain high uncertainty

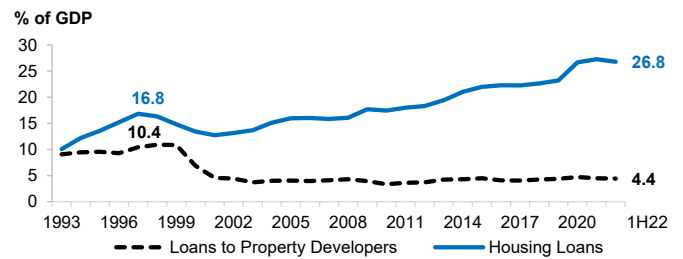
Supply Side: New Housing Completions and New Projects Launched in BMR*



Demand Side: Transferred Properties in BMR*



Outstanding Mortgage Loans to Individuals and Property Developers to GDP



- Mortgage loans to GDP are 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 4.4% in 1H22, still lower than pre-crisis level
- Supply Side: New housing projects launched in 8M22 increased 110.3% YoY mainly due to condominium launched, also compare to the low base in the last year
- Demand Side: In 8M22, property transactions increased by 8.5% compared to the low base last year, however, rising inflation and economic uncertainties may lead to more cautious buying homes later this year.
- Mortgage NPLs among Thai commercial banks was at 3.38% in 1H22, compared to 3.52% in 2021

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

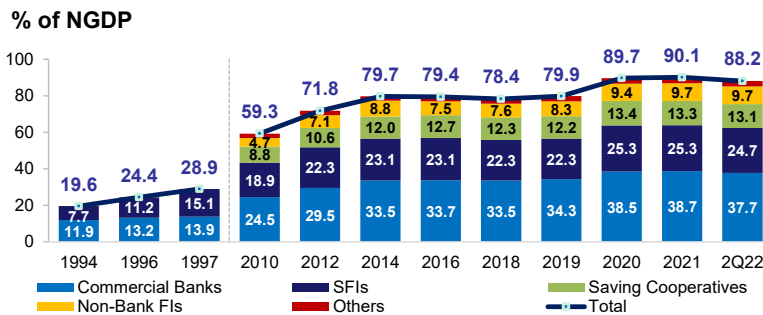
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Household Borrowing

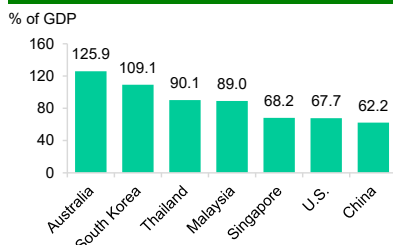
Household Borrowing to GDP

Old Definition New Definition



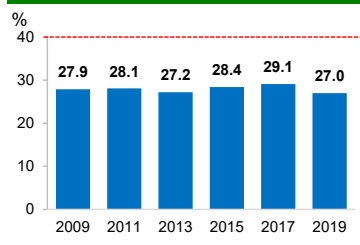
Old Definition: Data from 1991 - 1997: lending from commercial banks and SFIs to individual persons for consumption only
New Definition: Data from 2010 onwards: takes into account individual persons' outstanding loans from all types of financial institutions, including savings Co-ops and non-banks

Cross-Country Comparison of Household Debt (as of 2021)



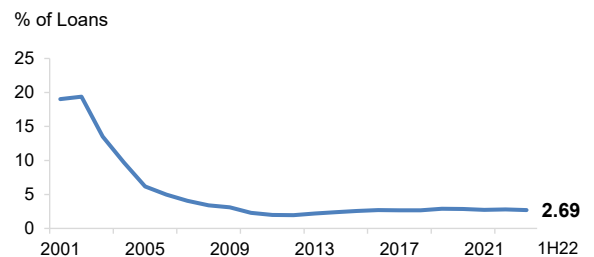
Source: CEIC and KRResearch

Debt Service Ratio of Thai households



Source: NSO and KRResearch

% NPL for Consumption Loans of Thai Commercial Banks



- Household debt to GDP stayed at 88.2% in 2Q22, and is expected to remain high in 2022
- 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 fell to 2.69% in 1H22 from 2.78% in 1Q22

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

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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: October 20, 2021 - December 31, 2022)

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

- 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)
- 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%
- 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	-	-
Credit Line (times of average monthly income)	Income	Credit Line	Credit Line	Income	Credit Line
	< Bt30,000	≤ 1.5 times	≤ 5 times	< Bt30,000	≤ 1.5 times
	< Bt50,000	≤ 3 times	≤ 5 times	≤ 3 institutions	≤ 5 times
	> Bt50,000	≤ 5 times	≥ Bt30,000	≤ 5 times	

- For credit card and personal loans, credit line will be raised to 2 times for customers who have monthly income below 30,000 Baht per month, effective until December 2022.

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%

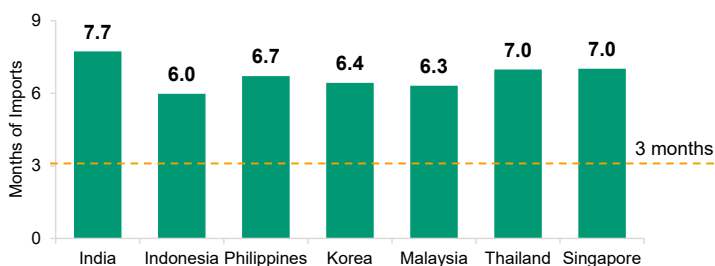
Note: * Picofinance and Pico Plus are allowed to provide loans only in the registered province

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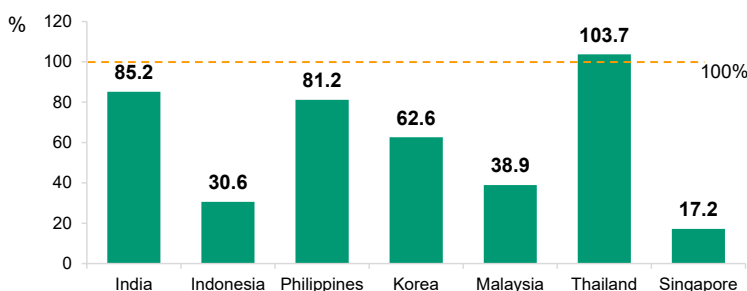
Thailand's external balances remain relatively strong compared to peers

International reserves / Imports (Import Coverage)



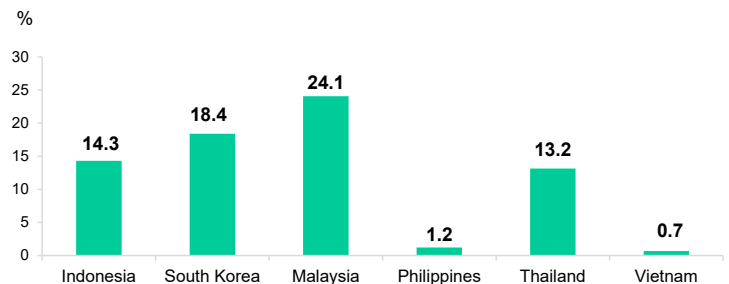
Source: CEIC, KResearch (data as of September 2022)

International reserves / External debts (% Ratio)



Source: CEIC, KResearch (data as of June 2022)

Low foreign holding ratio in Thai government bonds



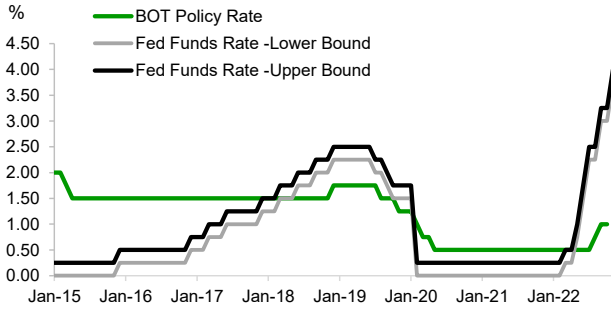
Note: Retrieved from Asia Bond Online, based on latest available data
Source: Asian Development Bank

- Thailand's economy and financial markets are able to withstand impacts from fluctuations in global liquidity due to:
 - High import coverage (international reserves/monthly imports) compared with the IMF's three month import coverage guideline
 - More than 100% of external debt covered by international reserves
 - Low portion of foreign holdings in Thai government bonds compared with other countries

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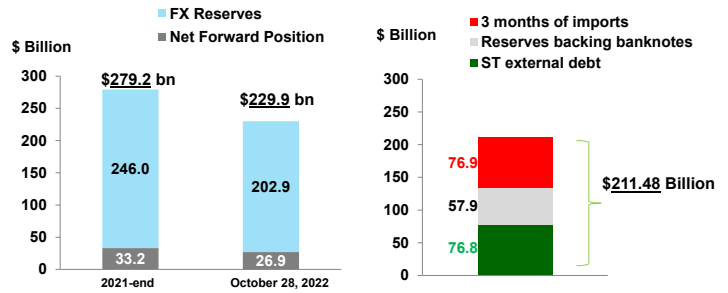
Monetary and fiscal expansion raises financial stability concerns

In contrast with the Fed, the BOT has maintained interest rate to support the economy amid COVID-19 outbreak



Sources: BOT, Federal Reserves and KResearch (as of November 7, 2022)

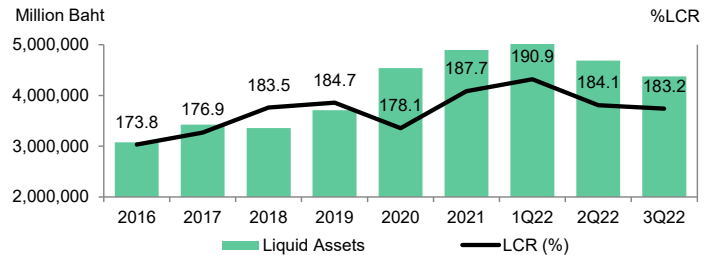
Thailand has enough FX reserves to meet all internal and external obligations



Source: BOT and KResearch Last Update: November 7, 2022

- Due to high inflationary pressures, the Fed decided to raise its policy rate to 3.75-4.00% in November 2022
- Monetary easing leads to a massive exodus of capital from emerging markets and worsens exchange rate depreciation. However, Thailand's external stability will likely be maintained
- The Thai banking system excess liquidity rose slightly. The CAR was good (19.66% as of August 2022) and NPL ratio was still manageable (3.04% as of 1H22), with net profits of Bt105.6bn in 1H22

Excess liquid assets in Thai commercial banks slightly rose

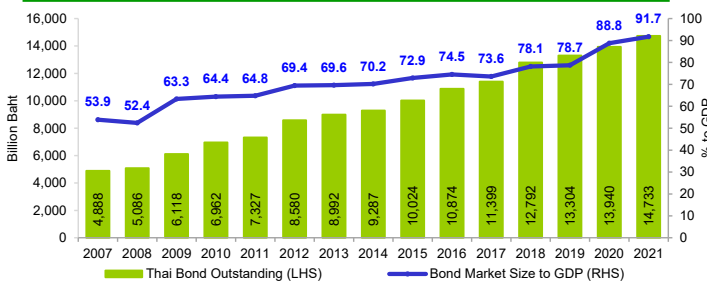


Note: BOT has imposed the Liquidity Coverage Ratio (LCR) Framework which replaces the maintenance 6% reserve requirement. Regarding the LCR framework, all banks shall maintain high-quality liquid assets not less than net expected cash outflow over the next 30 days. The LCR was implemented on January 1, 2016, with the minimum requirement set at 60%, rising in equal annual steps of 10 percentage points to reach 100% on January 1, 2020

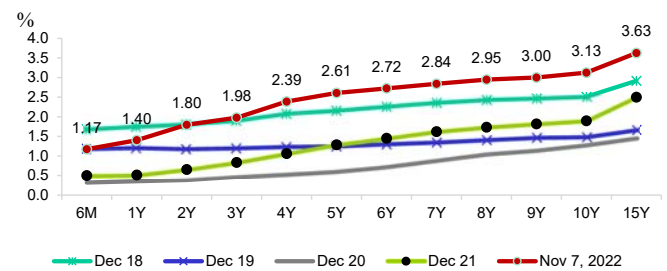
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Other Figures

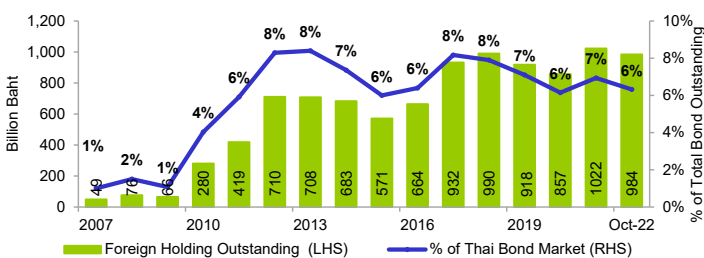
Thai Bond Market Size (Gov't and Private bonds)



Bond Yields

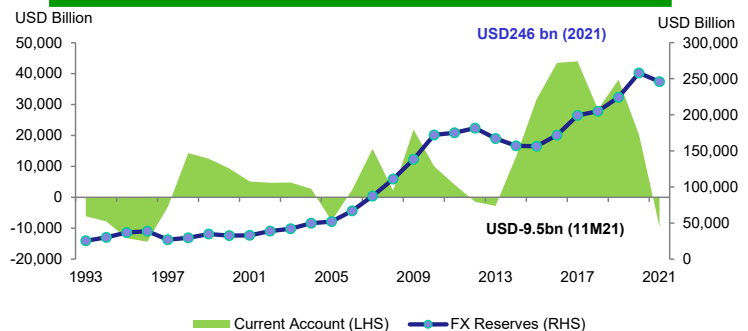


Foreign Holdings of Thai Bonds



Source: BOT and ThaiBMA

Current Account and FX Reserve

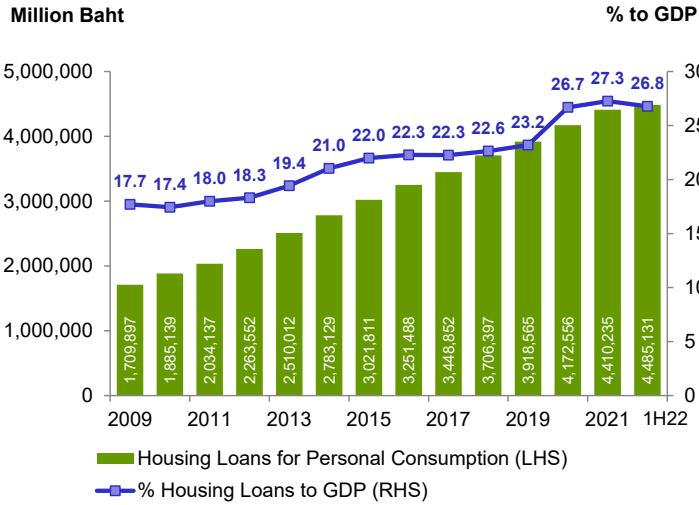


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Other Figures

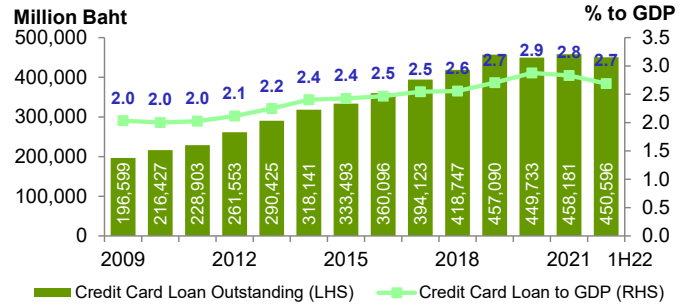
Housing Loans / GDP



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)

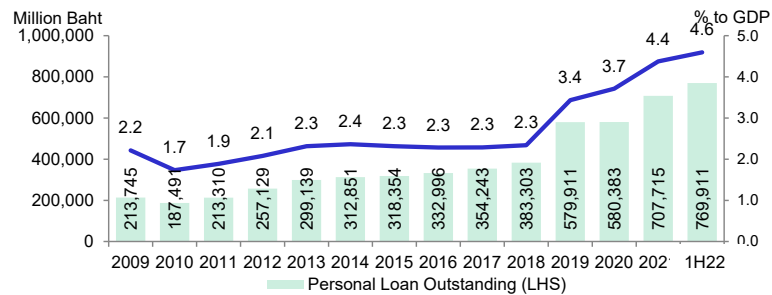
Source: BOT, NESDC

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



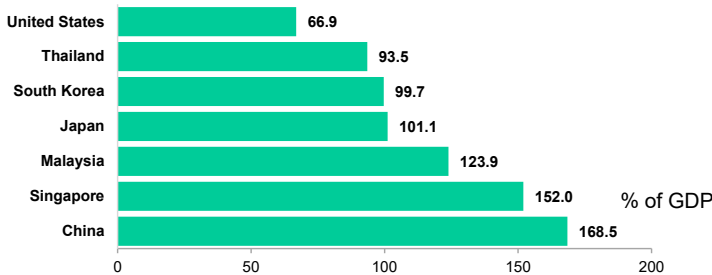
Note : 1) Personal Loans represent outstanding personal loans under supervision (including commercial banks and non-banks, excluding SFIs, saving cooperatives and others financial Institution)

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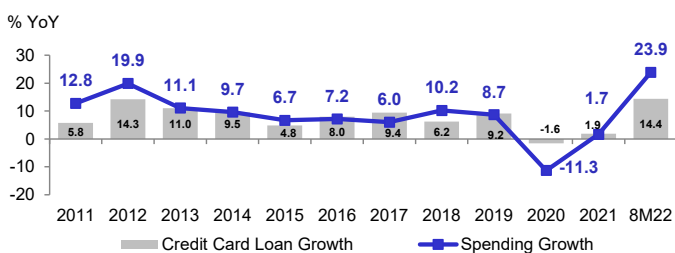
Other Figures

Loans to GDP as of 2021



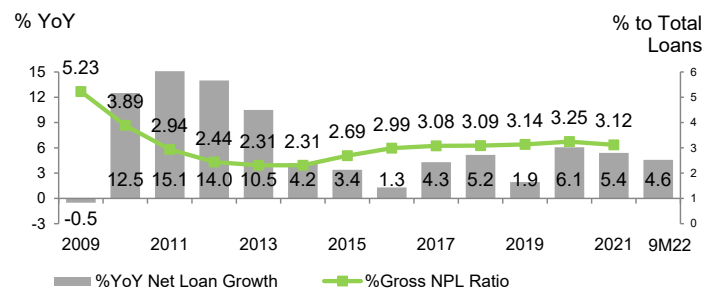
Note: Data on China, Korea and Japan include loans from commercial banks as well as financial institutions, the rest include loans only from commercial banks

Credit Card Statistics



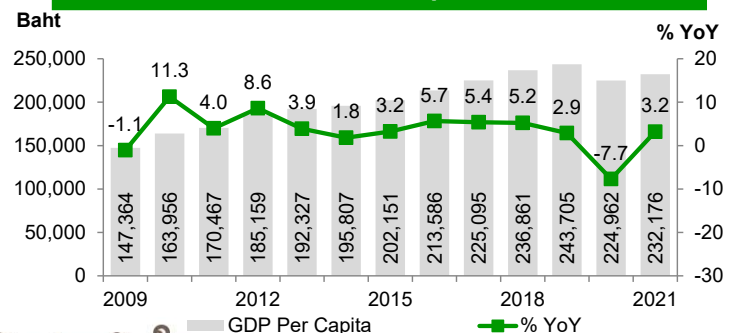
Note: The credit card statistics number includes foreign bank and non-bank credit cards
Source: BOT, NESDC, NSO, CEIC Data, and KResearch

Thai Banks' Net Loan Growth and NPL Ratio



Note : %YoY Net loans represent growth of net loans in 18 Thai commercial banks from C.B.1.1
Latest data for %Gross NPL is at 3.04% as of 2Q22.

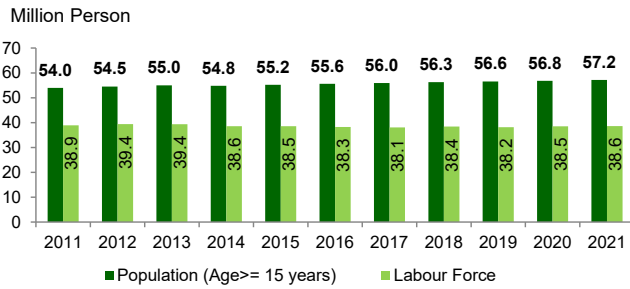
GDP Per Capita



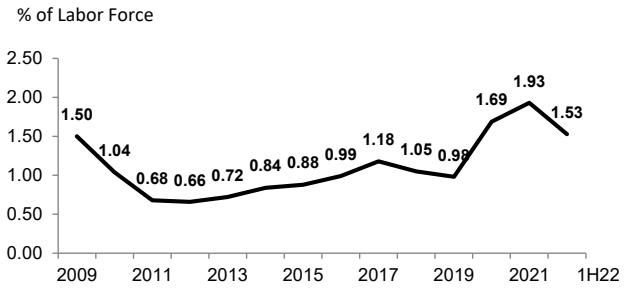
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Other Figures

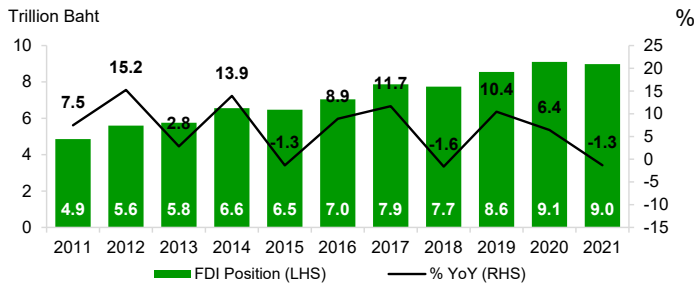
Population and Labor force



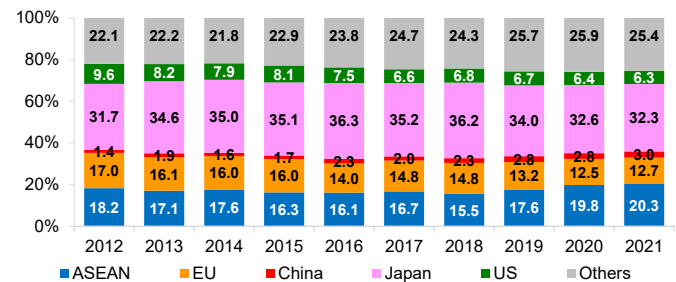
Unemployment Rate



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, NESDC, NSO, and KResearch

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For Further Enquiries, Contact KASIKORNBANK Investor Relations:

Chief Investor Relations Officer Tel (66) 2470 2673 to 4

Investor Relations Team Tel (66) 2470 6900 to 1

Tel (66) 2470 2660 to 1

Email: IR@kasikornbank.com

IR Website

www.kasikornbank.com → Investor Relations

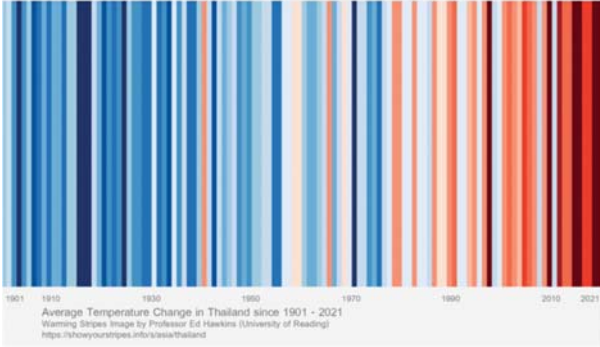
Disclosure Practice:

- Unreviewed/unaudited quarterly financial reports are released within 21 days from the end of each period
- 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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Bank of Sustainability

STRIVE TOWARDS NET ZERO SOCIETY



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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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