



# KASIKORNBANK

## Investor Presentation as of 3Q24

November 2024

---

For further information, please contact the Investor Relations Unit or visit our website at [www.kasikornbank.com](http://www.kasikornbank.com)

บริการทุกระดับประทับใจ



KASIKORNTHAI

ธนาคารกสิกรไทย  
开泰银行 KASIKORNBANK



## KASIKORNBANK at a Glance

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

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



### Core Value:

Customer at Heart |  
Collaboration | Agility |  
Innovativeness | Integrity

### Consolidated (9M24)

Financial figures				Share information		
	Assets	Loans <sup>1</sup>	Deposits			
Value	<b>Bt4,367bn</b> (USD135.2bn)	<b>Bt2,434bn</b> (USD75.4bn)	<b>Bt2,770bn</b> (USD85.8bn)	Average share price	<b>KBANK</b> <b>Bt139.07</b> (USD4.31)	<b>KBANK-F</b> <b>Bt140.25</b> (USD4.34)
Rank <sup>2</sup>	<b>#2</b>	<b>#2</b>	<b>#1</b>	Share capital	Authorized <b>Bt30.2bn</b> (USD0.94bn)	Issued and paid-up <b>Bt23.7bn</b> (USD0.73bn)
Market share	<b>16.57%</b>	<b>16.15%</b>	<b>17.23%</b>	Number of shares and market capitalization	# of shares <b>2.4bn</b>	Market Capitalization <b>Bt355.4bn</b> (USD11.01bn)
Key ratio and operating figures						
Key ratio	CAR <b>20.58%<sup>3</sup></b>	ROE <b>9.47%<sup>4</sup></b>	ROA <b>1.17%</b>	Key ratio	EPS <b>Bt15.78</b> (USD0.49)	BVPS <b>Bt226.04</b> (USD7.00)
Operating	Branches <b>792</b>	K PLUS Users <b>22.8mn</b>	Employees <sup>5</sup> <b>19.0k/ 31.9k</b>			

Note:

1. Loans = Loans to customers

2. Assets, loans and deposits market share is based on C.B.1.1 (monthly statement of assets and liabilities) of 17 Thai commercial banks as of September 2024

3. Capital Adequacy ratio (CAR) has been reported in accordance with Basel III Capital Requirement from 1 January 2013 onwards. CAR is based on KASIKORNBANK FINANCIAL CONGLOMERATE, which means the company under the notification of the Bank of Thailand re: consolidated supervision, consisting of KBank, K companies and subsidiaries operating in supporting KBank. Phethai Asset Management Co., Ltd. and subsidiaries within the permitted scope from the BOT's to be financial conglomerate.

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

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

6. Exchange rate at the end of September 2024 (Mid Rate) was Bt32.29 per USD (Source: Bank of Thailand)<sup>1</sup>

บริการทุกระดับประทับใจ

## Table of Contents

Topic	Slide Page
■ Operating Environment and Challenges	4 - 5
■ 2024 Financial Targets	6 - 7
■ The K-Strategy	8 - 9
■ Financial Performance	10 - 17
■ Capital and Dividend	18 - 20
■ Summary	21
■ Appendix	22 - 178

บริการทุกระดับประทับใจ



KASIKORNTHAI

ธนาคารกสิกรไทย  
开泰银行 KASIKORNBANK



# Operating Environment: Economic Outlook for 2024

## Key GDP Forecasts and Assumptions

% YoY	2019	2022	2023	2024F (Sep 24)	2024F* (Dec 24)
GDP	2.1	2.5	1.9	2.6	2.6
Private Consumption	4.0	6.2	7.1	3.9	4.6 ↑
Government Consumption	1.6	0.1	-4.6	1.3	2.0 ↑
Total Investment	2.0	2.3	1.2	-0.3	0.1 ↑
- Private investment	2.6	4.7	3.2	0.5	-0.7 ↓
- Public investment	0.1	-3.9	-4.6	-2.0	2.8 ↑
Gov't Budget Deficit (% of GDP)	-3.0	-3.5	-3.3	-3.8	-4.1 ↓
Exports (Customs Basis)	-2.6	5.5	-1.0	2.5	4.5 ↑
Imports (Customs Basis)	-4.8	13.6	-3.7	4.5	6.0 ↑
Current Account (USD bn)	38.0	-16.9	6.6	11.0	8.5 ↓
Headline Inflation	0.7	6.1	1.2	0.5	0.5
Avg Dubai Oil Price	63.2	97.0	82.0	80.0	79.5 ↓
No. of Foreign Tourists (Mn)	39.9	11.2	28.2	36.0	35.6 ↓
Policy Interest Rate**	1.25	1.25	2.50	2.25	2.25
USD/THB (End Period)**	29.98	34.61	34.14	34.50	34.50

Thailand GDP is projected to grow 2.6% in 2024 with rebounds in tourism and export sectors as key drivers. However, with intensifying geopolitical situations and domestic structural headwinds, Thai economic growth outlook remains subdued.

### ■ Uneven economic recovery:

- (+) Hotel and Restaurants, Transport and Storage, Private Hospitals, Retail Spending, Food and Beverage Exports
- (-) Property, Auto, Electronic and Electrical Appliances

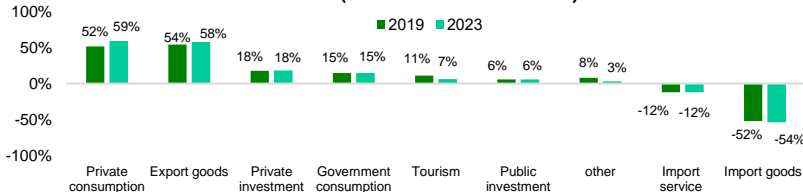
### ■ Key Challenges:

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

### ■ Interest Rate and Exchange Rate:

- THB expected to be at 34.50 against USD at year-end, from 35.5 per USD in the previous forecast, due to market rebalancing
- Policy rate expected to be at 2.25% this year with a possible cut next year

Share of GDP (2019 - Pre-COVID vs 2023)



Notes: MPC's policy rate is at 2.25% (as of October 16, 2024)

Source: \* KResearch (as of December 4, 2024 vs forecast September 20, 2024)

\*\* KBank Capital Markets Research (as of October 17, 2024)

บริการทุกระดับประทับใจ



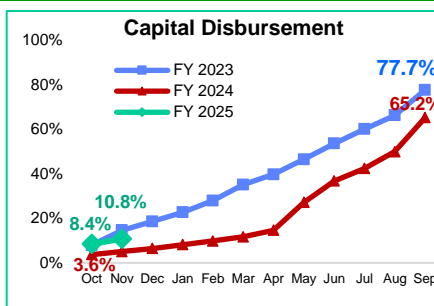
# Operating Environment: Economic Outlook for 2024 (as of 4 November 2024)

## Global Economy

Economic growth (%YoY)	2022	2023	2024F
US	2.5	2.9	2.7
EU	3.5	0.4	0.7
Japan	1.2	1.7	0.0
China	3.0	5.2	4.8

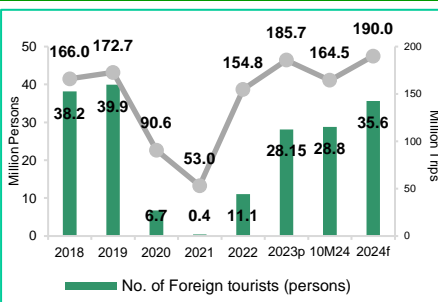
- Global economic momentum will likely weaken amid ongoing geopolitical issues, heightened trade conflicts, and sluggish manufacturing sector.

## Government/ Public



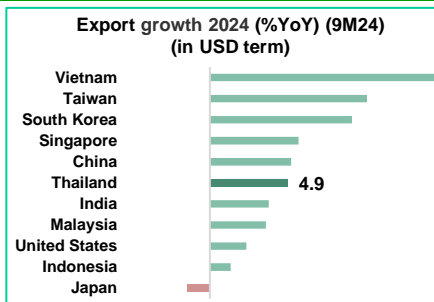
- FY2025 budget disbursement took effect in October 2024 with no delays.
- Capital budget disbursement for FY2025 expected to range between 75-80%, supporting GDP in 4Q24 and into 2025.

## Tourism



- Tourist arrivals in 2024 expected to accelerate to 35.6 million persons.
- Rebound in tourism sector will continue to be the main driving factor for Thai economy, despite declining momentum.

## Export



- Thai exports for 10M24 expanded 4.9% YoY, driven by an uptick in electronics exports.
- Looking ahead to 4Q24 and into 2025, Thai exports expected to grow at a slower pace due to weakening global demand.

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



## 9M24 Financial Performance

Consolidated	3Q24 Actual	9M24 Actual	2024 Targets	Notes (9M24)
NIM	3.61%	3.66%	Maintain	NIM declined QoQ due to temporary high liquidity in September related to a large fund's transactions. If such transactions are excluded, NIM and LDR would be stable QoQ.
Loan Growth	-2.28% YTD -2.17% QoQ	-2.28% YTD -0.18% YoY	3 – 5%	Loans decreased YTD mainly from SME, retail, and regional business while corporate business increased. Overall loan activities decreased from continued precaution and prudent risk management with more stringent underwriting standards, loan repayment, ongoing balance sheet clean up, and loan reclassification to FVTPL <sup>(5)</sup> ; continue focusing on growing quality loans and improve risk-adjusted returns.
Net Fee Income Growth <sup>(1)</sup>	8.06% YoY 4.39% QoQ	4.98% YoY	Mid to High-Single digit	Net fee income increased YoY from wealth management business e.g. fund management and commercial fees; continue focusing on wealth management business.
Cost to Income Ratio <sup>(2)</sup>	44.17%	42.95%	Low to Mid-40s	Continue managing costs and improving productivity while investing for future growth. Cost-to-income ratio may remain seasonally high in the last quarter.
Credit Cost per year (bps)	189 bps	190 bps	175 – 195 bps	Credit cost aligned with the target and remained high to cover future uncertainties; continue prudent financial policy, and proactive asset quality cleanup.
NPL Ratio (Gross) <sup>(3)</sup>	3.20%	3.20%	< 3.25%	
ROE <sup>(4)</sup>	8.74%	9.47%	N/A	
ROA	1.11%	1.17%	N/A	
Dividend Policy	N/A	<b>Not Less than 25%<sup>(a)</sup> Dividend Payout on Consolidated Net Profit</b>		<sup>(a)</sup> However, if facing an unforeseen circumstance, the Bank may consider not to pay at the above-mentioned level of not less than 25 percent of dividend payout ratio by considering prudence and suitable return to shareholders.

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



## 2024 Financial Targets

Consolidated	2023 Actual	2024 Targets	Notes (2024)
<b>NIM</b>	3.66%	<b>Maintain</b>	NIM maintains in line with interest rate trend and selective loan growth; cost of funds remain high from last year rising interest rate.
<b>Loan Growth</b>	-0.19% YoY	<b>3-5%</b>	Sensible loan growth in line with the economy; focus on growing quality loans in selective recovering sectors, secured loans and regional expansion strategy; continue focusing on asset quality by revamping credit strategy, reinvigorating key capabilities, and enhancing end-to-end transformation.
<b>Net Fee Income Growth*</b>	-5.17% YoY	<b>Mid to High-Single Digit</b>	Improved net fee income growth driven by new strategic growth in wealth management business; despite lower conventional transaction fees due to changing consumer behavior.
<b>Cost to Income Ratio**</b>	44.10%	<b>Low to Mid-40s</b>	Moderate revenue growth; potential investment to support K-Strategy; continuing cost management and productivity improvements.
<b>Credit Cost per year</b>	208 bps	<b>175-195 bps</b>	Continue proactive asset quality clean up and prudent financial policy; credit cost peaked in 2022 and gradually decrease in 2023-2024 but remain high to cover future uncertainties; credit cost will reach a normalized level in 2025. Stable NPL ratio amid uncertain economic recovery.
<b>NPL Ratio (Gross)***</b>	3.19%	<b>&lt; 3.25%</b>	
<b>ROE****</b>	8.29%	<b>N/A</b>	
<b>ROA</b>	0.99%	<b>N/A</b>	
<b>Dividend Policy</b>	<b>Not Less than 25%<sup>(1)</sup> Dividend Payout on Consolidated Net Profit</b>		<sup>(1)</sup> However, if facing an unforeseen circumstance, the Bank may consider not to pay at the above-mentioned level of not less than 25 percent of dividend payout ratio by considering prudence and suitable return to shareholders.

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



KASIKORNTHAI

ธนาคารกสิกรไทย  
开泰银行 KASIKORNBANK



**Vision and K-Strategy:** Focus on three strategic priorities +1 in medium- and long-term to increase competitiveness, capture growth opportunities, and deliver sustainable value to stakeholders

### BANK OF SUSTAINABILITY

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

Vision

K-Strategy

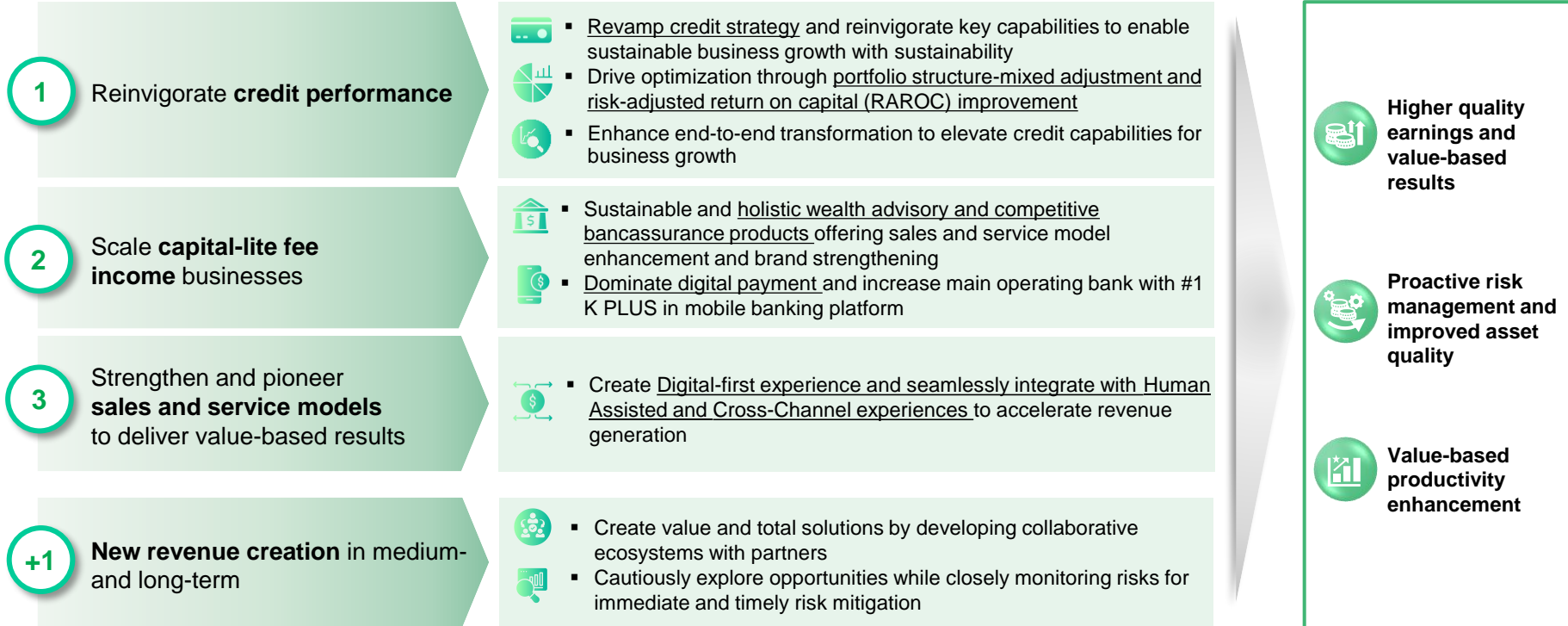


บริการทุกระดับประทับใจ



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

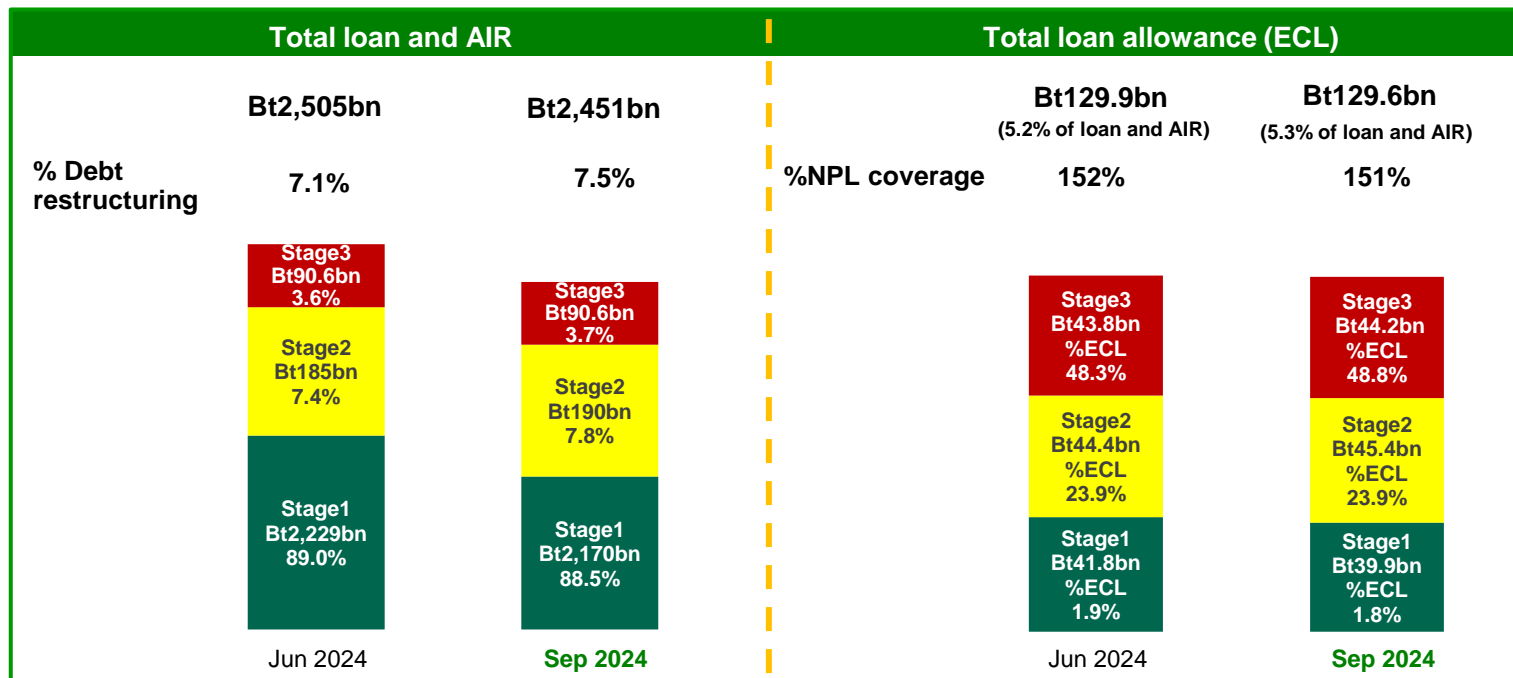
## Proactively Enhance Overall Risk-adjusted Return on Capital to Uplift Shareholder Value





## Classified Loans

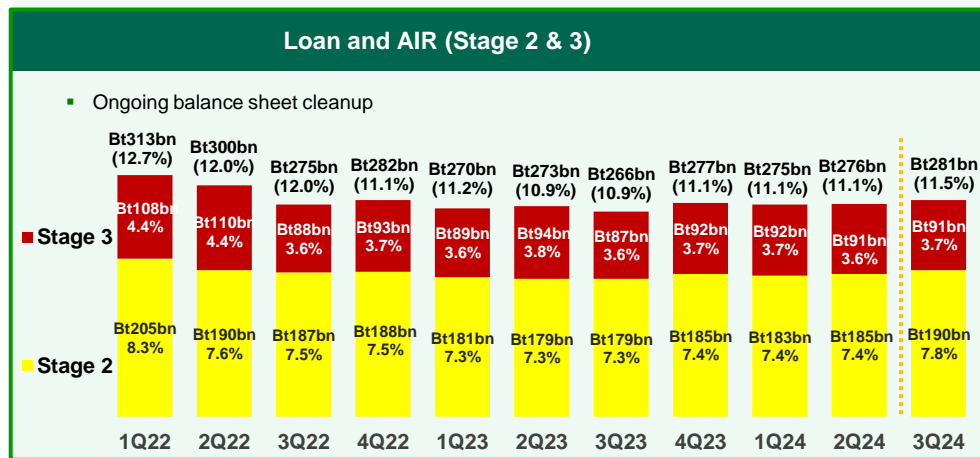
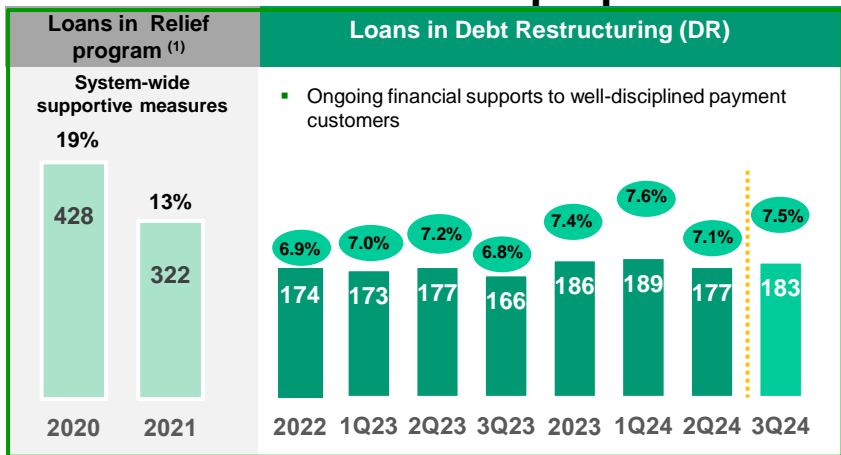
- On track asset quality management amid several challenging economic environments
- Continued precaution and prudent risk management with more stringent underwriting standards



Note: % Debt Restructuring including comprehensive debt restructuring loans



# Balance Sheet Cleanup Updates



	2019	2020	2021	2022	1Q23	2Q23	3Q23	4Q23	2023	1Q24	2Q24	3Q24	9M24
<b>Total Loan Allowance (bn)</b>	125	134	145	134	128	128	130	134	134	130	130	130	130
<b>ECL to Loan and AIR (%)</b>	6.2%	6.0%	5.9%	5.3%	5.2%	5.2%	5.3%	5.3%	5.3%	5.2%	5.2%	5.3%	5.3%
<b>Credit Cost (bps)</b>	174 bps	205 bps	173 bps	211 bps	205 bps	208 bps	209 bps	220 bps	208bps	189bps	189bps	189bps	190bps
<b>NPL ratio (%)</b>	3.65%	3.93%	3.76%	3.19%	3.04%	3.20%	3.11%	3.19%	3.19%	3.19%	3.18%	3.20%	3.20%
<b>NPL Coverage (%)</b>	148.6%	149.2%	159.1%	154.3%	156.7%	147.3%	154.9%	152.2%	152.2%	150.3%	151.9%	150.7%	150.7%
<b>Write – off (bn)</b>	26.4	21.5	27.4	59.0	1	4.3	3.7	5.1	14.1	9.1	7.5	3.2	19.8
<b>NPL Sales (bn) <sup>(2)</sup></b>	7.1	6.8	0	72.0	35.6	15.0	23.0	4.8	78.4	7.9	6.3	4.9	19.1

Note: 1) Loans in relief programs including debt resolution measures during the early stage of COVID-19; covering broad-based payment holiday and opt-in program; loans in CDR before 3Q23 included one-year scheme

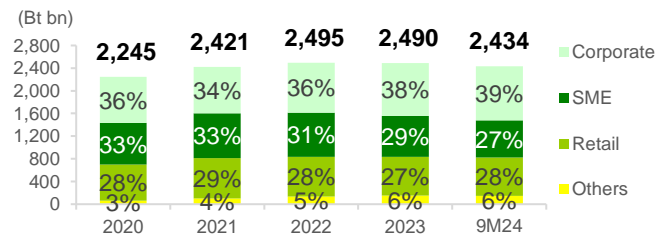
2) NPL sales = legal claim amount, not book value of transferring amount



# Composition of Growth: Loans by Business

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

## Loan Portfolio Structure



Consolidated	Amount (Bt bn)		Loan Portfolio		Y2024 Loan Growth Target (%)
	Dec 23	Sep 24	9M24 Loan Growth (%)	9M24 Yield Range (%)	
Corporate Loans	935	953	1.9%	3-5%	2-4%
SME Loans	719	660	(8.1%)	6-8%	1-2%
Retail Loans	684	675	(1.3%)	6-8%	1-2%
Other Loans	153	146	(4.8%)		
<b>Total Loans<sup>1)</sup></b>	<b>2,490</b>	<b>2,434</b>	<b>(2.3%)</b>	<b>6.0%</b>	<b>3-5%</b>

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.  
<sup>1)</sup> Other loans through the World Business Group were included. In 9M24, WBG loans were Bt98bn, decreasing -5.5% YTD, and -7.9% YoY

	9M24	2024 Outlook
<b>Corporate Loans</b>	<ul style="list-style-type: none"> <li>Loan portfolio increased YTD, mainly from short-term loans, driven by Financial Institution, Communication, Packaging and Printing, and Industrial Agriculture sectors.</li> </ul>	<ul style="list-style-type: none"> <li>Projected corporate loan growth driven by customers' new investment opportunities</li> <li>Continue focusing on supporting ESG loans in prospective industries</li> </ul>
<b>SME Loans</b>	<ul style="list-style-type: none"> <li>SME loans decreased YTD, reflecting limited recovery of businesses amid the economic situation. This also aligns with the strategy to focus on prudent lending during the economic slowdown, prioritizing secured loans and high-potential existing customers.</li> </ul>	<ul style="list-style-type: none"> <li>Maintain focus on secured lending, prioritizing quality over quantity within our existing customer base, selecting only businesses that offer acceptable risk-adjusted returns rather than pursuing rapid growth. KBank also supports customers in debt restructuring to enhance financial stability.</li> </ul>
<b>Retail Loans</b>	<ul style="list-style-type: none"> <li>Retail loans declined YTD, as KBank strategically focuses on growth through secured lending, prioritizes high-potential existing customers and ensuring debt levels for all retail loan products remain manageable under responsible lending principles.</li> <li>Home loans increased, supported by strategic partnerships that enhance credit quality and portfolio stability. Meanwhile, credit card loans decreased reflecting seasonal trends, and personal loans declined in alignment with the strategy.</li> </ul>	<ul style="list-style-type: none"> <li>Focus remains on higher-segment existing customers, with focus on secured loans</li> <li>Continue strengthening risk management and collection capabilities to ensure sustainable growth of lending business.</li> <li>Focus on enhancing liquidity and supporting daily expenditures, ensuring customers avoid excessive debt levels under responsible lending principles.</li> </ul>

### Loan Definition

**Corporate Loans:** Loans of KBank and KBank's Subsidiaries in Corporate Segments (annual sales turnover > Bt400mn)

**SME Loans:** Loans of KBank and KBank's Subsidiaries in SME Segments (annual sales turnover ≤ Bt400mn)

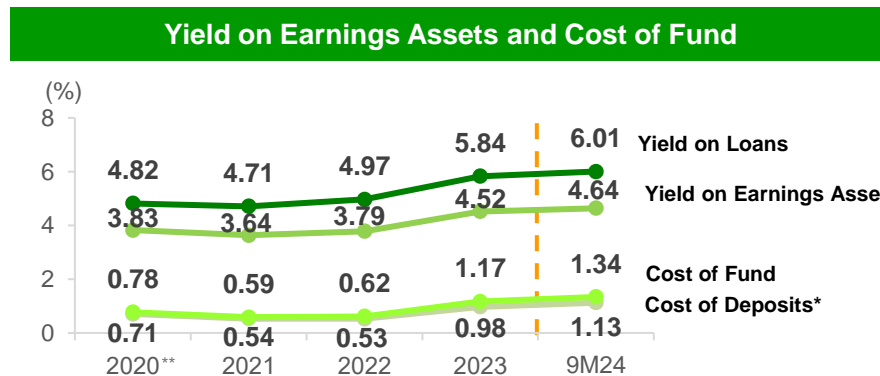
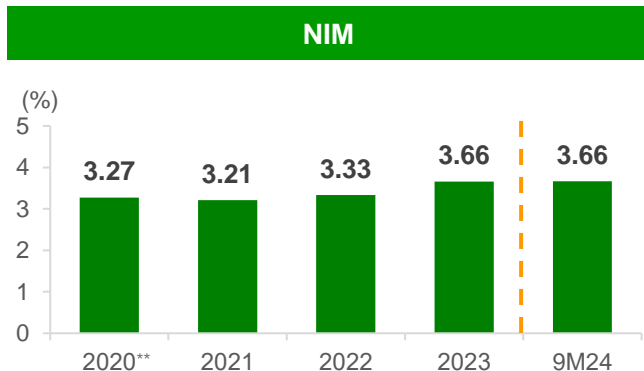
**Retail Loans:** Loans of KBank and KBank's Subsidiaries in Retail Segments

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



# Net Interest Margin

September 2024 (Consolidated)



- NIM stood at 3.66% in 9M24, increased YoY align with interest rate trend. NIM declined QoQ due to temporary high liquidity in September related to a large fund's transactions. If such transactions are excluded, NIM and LDR would be stable QoQ.
- High portion of CASA (81%) also helped support cost of fund.

	2020	2021	2022	2023	9M23	9M24	1Q24	2Q24	3Q24
<b>NIM (%)</b>	3.27	3.21	3.33	3.66	3.62	3.66	3.76	3.67	3.61
<b>Yield on Earnings Assets (%)</b>	3.83	3.64	3.79	4.52	4.46	4.64	4.74	4.67	4.57
<b>Yield on Loans (%)</b>	4.82	4.71	4.97	5.84	5.85	6.01	6.09	6.01	5.85
<b>Cost of Fund (%)</b>	0.78	0.59	0.62	1.17	1.13	1.34	1.35	1.39	1.32
<b>Cost of Deposits (%), incl DPA</b>	0.71	0.54	0.53	0.98	0.95	1.13	1.14	1.16	1.14

Note: Cost of deposits including contributions to the Financial Institutions Development Fund (FIDF) and Deposit Protection Agency (DPA).

\* The FIDF fee is temporarily reduce from 0.46% to 0.23% for 3 years, according to the BOT announcement in the Royal Gazette, during January 2020 to December 2022.

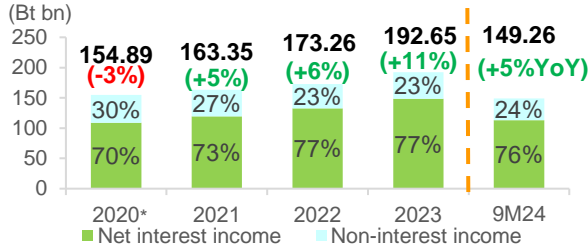
\*\* The Bank and its subsidiaries have adopted new accounting standards (TFRS 9: Financial Instruments) since January 1, 2020 onwards, some financial statements and financial ratios are not comparable with previous years' financial figures before Y2020, which were based on the prior accounting standards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



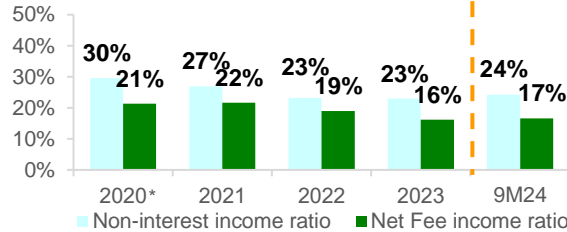
# Composition of Growth: Net Fees and Non-interest Income

September 2024 (Consolidated)

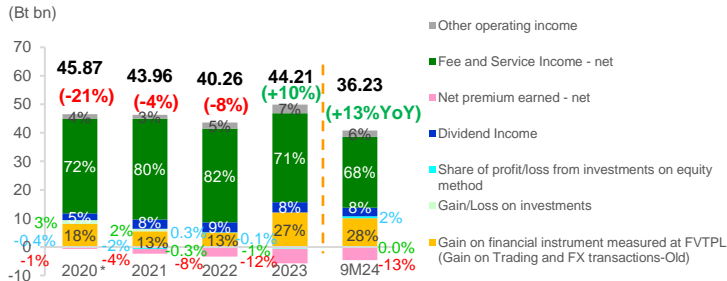
## Total Operating Income - net



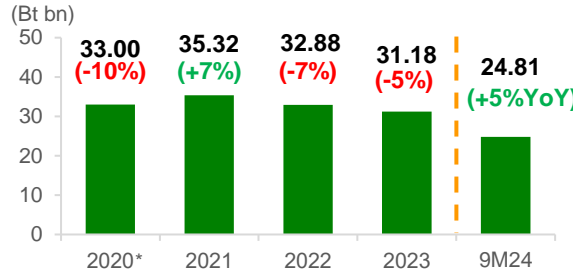
## Non-interest Income Ratio and Net Fee Income Ratio



## Non-interest Income



## Net Fee Income



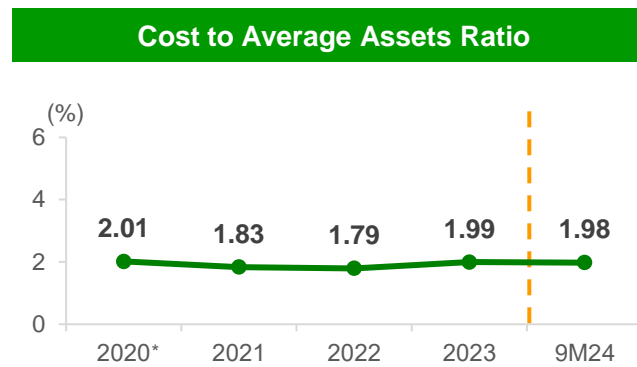
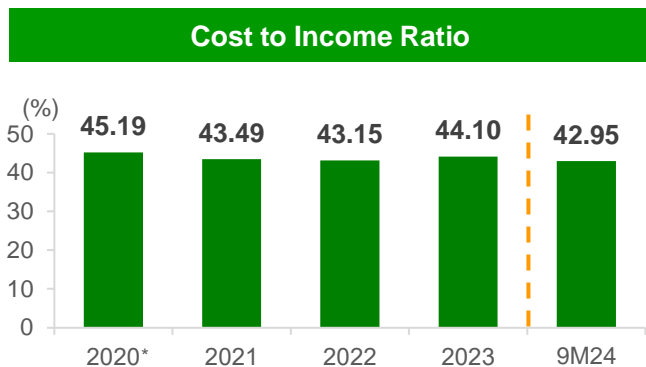
- 9M24 non-interest income accounted for 24% of total net operating income and net fee income accounted for 17%.
- 9M24 non-interest income increased 13% YoY, mainly due to gains from FVTPL and investment income, along with revenue from foreign exchange transactions also increased in line with the recovery of tourism, and higher fee income.
- 9M24 net fee income increased 5% YoY, mainly from wealth management business e.g. fund management and commercial fees; continue focusing on the wealth management business.

Note: - Non-interest Income Ratio = Non-interest Income/Total Operating Income - net  
 - Net Fee Income Ratio = Net Fee Income / Total Operating Income - net  
 - Net Premium Earned - net = Net Premium Earned less Underwriting Expense

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

## Cost to Income Ratio

September 2024 (Consolidated)



- 9M24 cost to income ratio was 42.95%, slightly increased YoY.
- Continue managing costs and improving productivity while investing for future growth. Cost-to-income ratio may remain seasonally high in the last quarter.

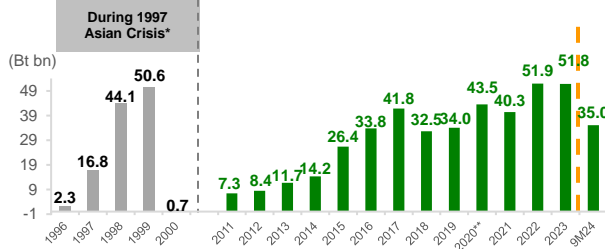
	2020	2021	2022	2023	9M23	9M24	1Q24	2Q24	3Q24
<b>Cost to Income Ratio (%)</b>	45.19	43.49	43.15	44.10	42.65	42.95	41.30	43.40	44.17
<b>Cost to Average Assets Ratio (%)</b>	2.01	1.83	1.79	1.99	1.89	1.98	1.93	2.04	2.00

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).

# Asset Quality and Expected Credit Loss (Provision)

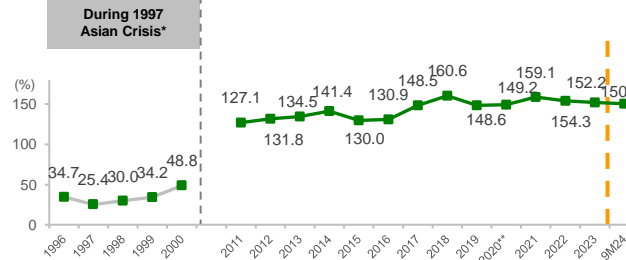
September 2024 (Consolidated)

## Expected credit loss (Provision)



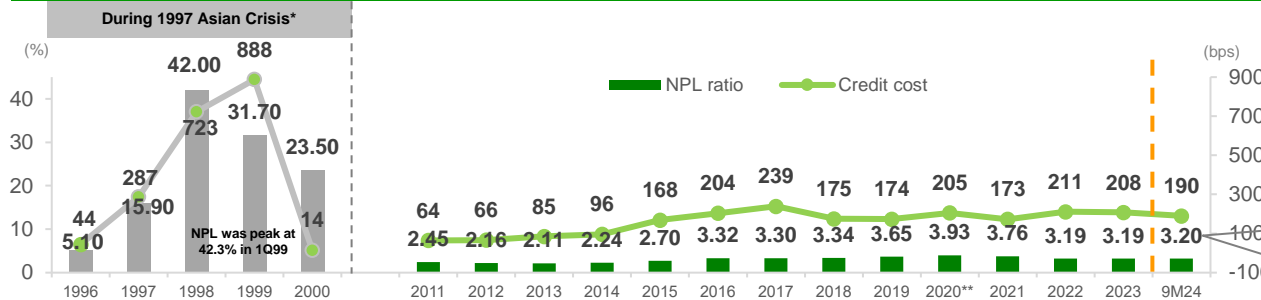
Note: Provision referred to Impairment Loss on Loans and Debt Securities; from January 1, 2020 onwards based on TFRS9, provision refers to Expected Credit Loss

## Coverage Ratio



- NPL ratio in 9M24 was at 3.20%, with coverage ratio of 150.7%.
- Credit cost aligned with the target and remained high to cover future uncertainties; continue prudent financial policy, and proactive asset quality cleanup.
- Without large corporate cases, 2023 credit cost would be around 170-175 bps.

## NPL Ratio and Credit Cost



NPL Ratio by Business	2017	2018	2019	2020	2021	2022	2023	9M24
Corporate Business	<2%	<2%	<2%	<2%	<2%	<2%	<2%	<2%
SME Business	-5%	-5%	-6%	<7%	<7%	<7%	<7%	<6%
Retail Business***	-4%	-4%	-4%	<5%	<5%	<5%	<5%	<5%

Notes: \* Data in 1996-1997 is KBank only

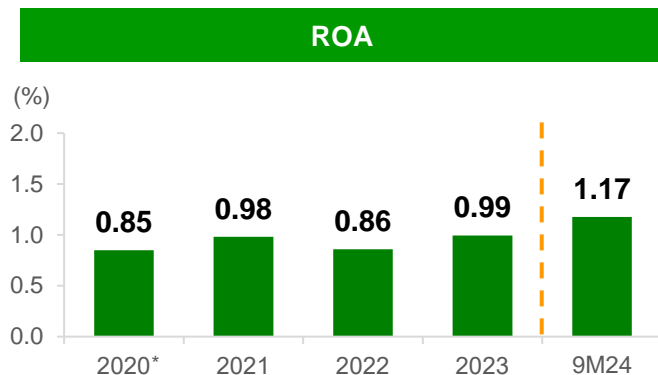
\*\* The Bank and its subsidiaries have adopted new accounting standards (TFRS 9: Financial Instruments) since January 1, 2020 onwards, some financial statements and financial ratios are not comparable with previous years' financial figures before Y2020, which were based on the prior accounting standards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

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



# ROA and ROE

September 2024 (Consolidated)



	2020	2021	2022	2023	9M23	9M24	1Q24	2Q24	3Q24
ROA (%)	0.85	0.98	0.86	0.99	1.03	1.17	1.25	1.18	1.11
ROE (%)	7.10	8.44	7.38	8.29	8.63	9.47	9.99	9.54	8.74

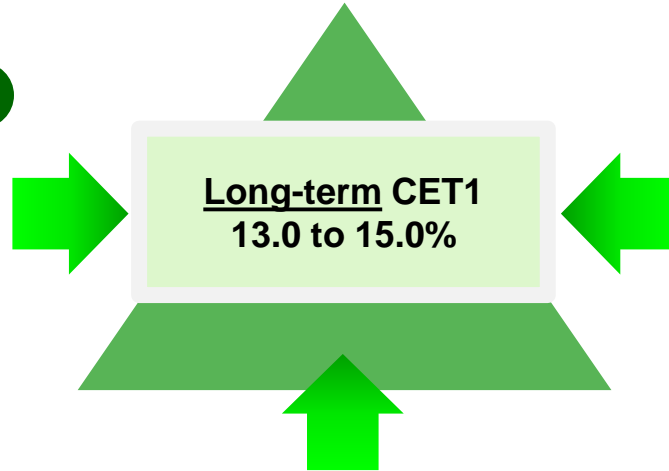
Note: \* The Bank and its subsidiaries have adopted new accounting standards (TFRS 9: Financial Instruments) since January 1, 2020 onwards, some financial statements and financial ratios are not comparable with previous years' financial figures before Y2020, which were based on the prior accounting standards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

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

# Capital Management: To improve capital efficiency and shareholders' returns

## Financial Stability

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



## Shareholder Returns

- Dividend Policy: Dividend payout ratio of not less than 25%
- Dividend payment in 2023: Bt6.5 or 36.97% on consolidated level

## Investment for Growth

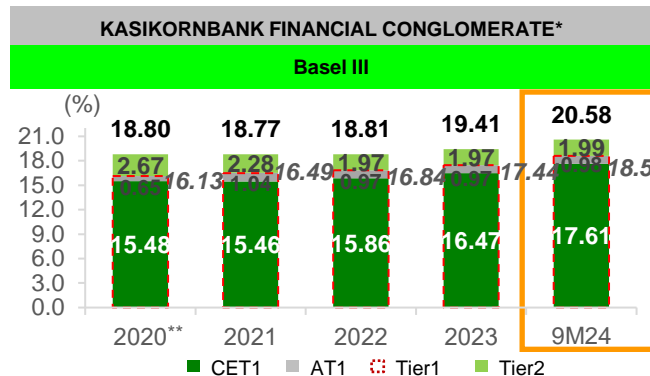
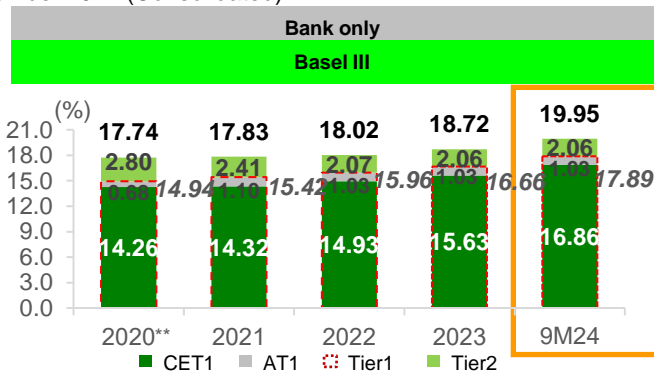
- Strategic investments focus on capturing long-term sustainable returns
- Reduce unprofitable assets to invest in areas with growth potential

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



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

September 2024 (Consolidated)



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

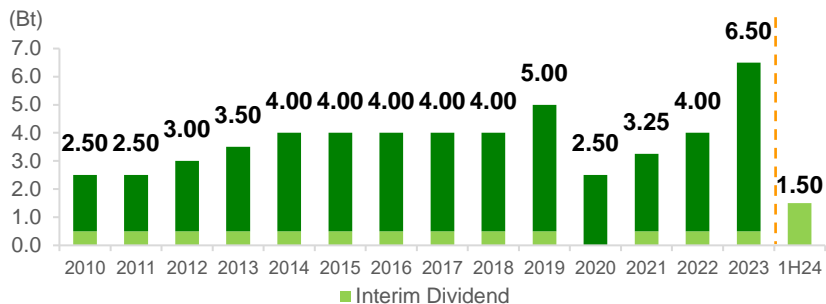
	2020	2021	2022	2023	9M23	9M24	1Q24	2Q24	3Q24
<b>Bank only</b>									
CAR (%), excluding net profit of each period	17.74	17.83	18.02	18.72	19.02	19.95	18.75	18.84	19.95
Tier 1 (%), excluding net profit of each period	14.94	15.42	15.96	16.66	16.95	17.89	16.70	16.80	17.89
<b>KASIKORNBANK FINANCIAL CONGLOMERATE*</b>									
CAR (%), excluding net profit of each period	18.80	18.77	18.81	19.41	19.62	20.58	19.37	19.42	20.58
Tier 1 (%), excluding net profit of each period	16.13	16.49	16.84	17.44	17.65	18.59	17.42	17.46	18.59

Note: \* KASIKORNBANK FINANCIAL CONGLOMERATE means the company under the Notification of the Bank of Thailand re: Consolidated Supervision, consisted of KBank, K Companies and subsidiaries operating in supporting KBank, Phethai Asset Management Co., Ltd. and other subsidiaries within the permitted scope from the BOT's to be financial conglomerate.  
Under Bank of Thailand regulations, net profit in the first half of the year is to be counted as capital after approval by the Board of Directors as per the Bank's regulations. Net profit in the second half of the year is also counted as capital after approval of the General Meeting of Shareholders. However, whenever a net loss occurs, the capital must be immediately reduced accordingly.  
\*\* The Bank and its subsidiaries have adopted new accounting standards (TFRS 9: Financial Instruments) since January 1, 2020 onwards, some financial statements and financial ratios are not comparable with previous years' financial figures before Y2020, which were based on the prior accounting standards (non-TFRS9).

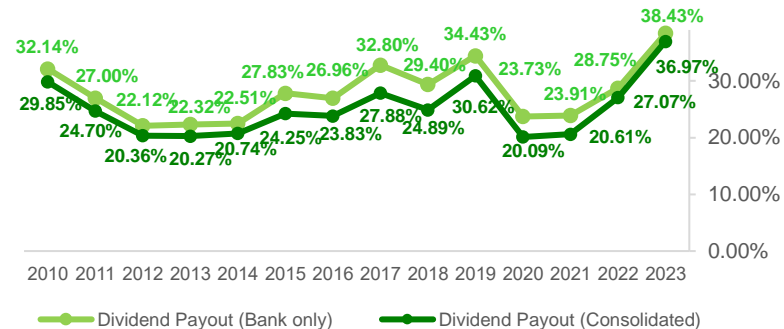


## Dividend

### Dividend Per Share



### Dividend Payout Ratio



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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	1H24
Dividend Per Share (Bt)	2.50	2.50	3.00	3.50	4.00	4.00	4.00	4.00	4.00	5.00	2.50	3.25	4.00	6.50	1.50
Dividend Payout Ratio (%) (Consolidated)	29.85	24.70	20.36	20.27	20.74	24.25	23.83	27.88	24.89	30.62	20.09	20.61	27.07	36.97	n.a.

\* 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.



## Summary

- **K-Strategy:** focus on three strategic priorities +1 in medium- and long-term to increase competitiveness, capture growth opportunities, and deliver sustainable value to stakeholders
- **Double-digit ROE target by 2026:** focus on three priorities (reinvigorate credit performance, scale capital-lite fee income businesses and strengthen and pioneer sales and service models); building on competitive strengths and prioritizing growth opportunities to deliver high quality earnings growth and improve productivity
- **Selective Growth:** loans to grow carefully with prudent underwriting policy and NPL outflow management in line with economic conditions; appropriate liquidity maintained; proactive asset quality management closely monitored and constantly reviewed; prudent loan loss reserves; manageable cost to income ratio
- **Adequate Capital:** capital adequacy remains sufficient to support new business growth; adequate Tier 1 ratio as required under Basel III and new regulatory requirements amid global economic uncertainty
- **Sustainable Development:** conduct business with the principles of a Bank of Sustainability, appropriate risk management, and good corporate governance principles; strive to balance economic, social, and environmental dimensions to achieve goals and create long-term sustainable returns



## Appendix



## KBank: Strategy

บริการทุกระดับประทับใจ



KASIKORNTHAI

# KBank Journey

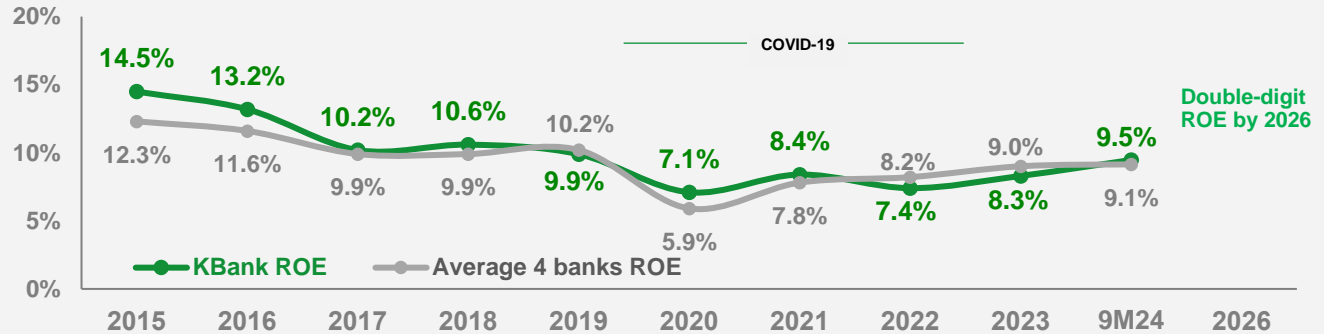
## Key Operating Environment, Challenges and Risks

Operating Environment



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

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



Banking Sector



- 2015: Established KBTG - AEC+3
- 2016: Develop Ecosystem Strategy
- 2017: Insurance Business Tightening
- 2018: PromptPay & Fee Cancellation
- 2019: Responsible Lending
- 2020: TFRS 9
- 2021: Announced Net Zero Commitment
- 2023: Established KIV
- 2024: Announced 3+1 Strategic Priorities

Empower Every Customer's Life and Business; Dominate Digital Payment  
Reimagine Lending; Democratize Investment and Insurance;  
Penetrate Regional Markets (AEC+3)

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

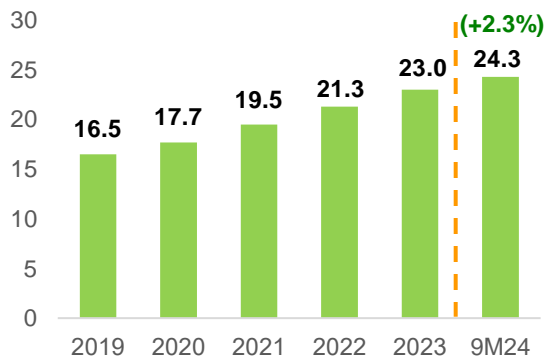
### บริการทุกระดับประทับใจ



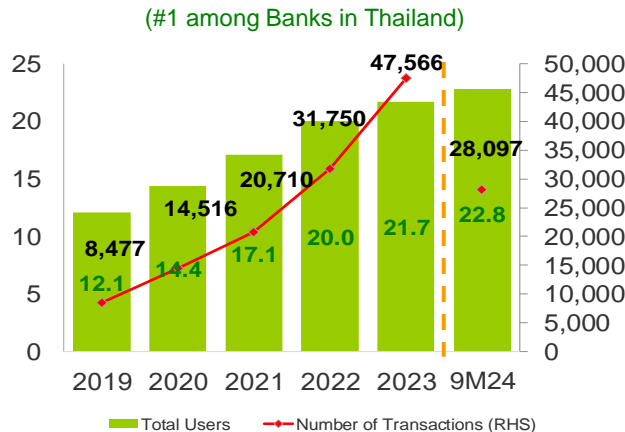
# Performance

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

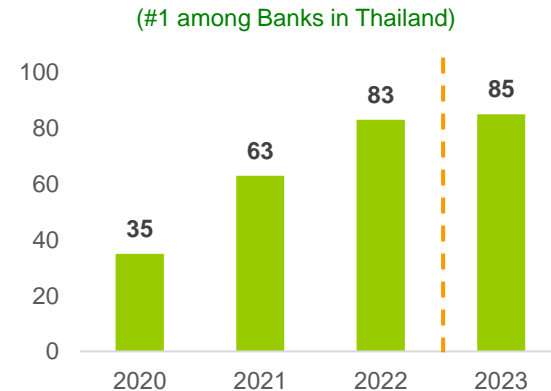
## Number of Customers\* (mn)



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



## Net Promoter Score (NPS)\*\*\*



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

\*\* Active users defined as minimum of 1 Login per month; 77% active users as of 9M24

\*\*\* NPS Study 2023 surveyed by The NielsenIQ (Thailand) Limited during September to November 2023, measuring the willingness of customers to recommend a company's products or services to others



KASIKORNTHAI

ธนาคารกสิกรไทย  
开泰银行 KASIKORNBANK



# KBank: Company Structure by Investment Purpose

	Credit	Wealth	Payment	Beyond Banking	Regional Business
<b>Key Subsidiaries</b>	KLeasing	KAsset		<b>KX</b> (Venture Builder and Venture Capital Fund) <b>KUBIX</b> (ICO Portal) <b>KXVC</b> (Venture Capital to invest in AI, Web3 & Deep Tech)	<b>KASIKORNTHAI BANK (Lao PDR)</b>
	KFactory & Equipment	KSecurities			<b>UNITA CAPITAL</b> (Holding Company for Digital Asset Business) <b>ORBIX TRADE</b> (Digital Asset Exchange) <b>ORBIX CUSTODIAN</b> (Digital Asset Custodian) <b>ORBIX INVEST</b> (Digital Asset Fund Management) <b>ORBIX TECHNOLOGY &amp; INNOVATION</b> (Blockchain Infrastructure Development)
		MTL*		<b>KVF</b> (KASIKORN VISION FINANCIAL) <b>Bank Maspion (84.55%)</b>	
	<b>KASIKORN INVESTURE (KIV)</b> JV/Investment (Partner Network & IT Capability)			<b>KOP50</b> (Holding Company for ESG Business) <b>KENERGYPLUS</b> (e-Marketplace platform & IT Solution) <b>KCLIMATE 1.5</b> (Supporting services for carbon accounting and reporting ESG data.)	
	<b>KLIN (JV) &amp; KLINE Insurance Broker</b> (Loan, Insurance brokerage and channel for e-payment Business)				
<b>T2P Holding (JV)</b> (Lending & Financial Transaction Solutions)					
	<b>KBAO (JV)</b> <b>TD TAWANDANG (Investment)</b> <b>CJ More (Investment)</b> (Financial Services)		<b>KGP (Investment)</b> (Online Payment Solutions)		
	<b>JK AMC (JV)</b> <b>JAM (Investment)</b> (Asset Management Business)		<b>BUZZEBEES** (Synergy-Driven)</b> (CRM Solution Platform)		
	<b>NGERN HAI JAI (Investment)</b> (Auto Loan)		<b>Grab Holdings** (Synergy-Driven)</b> (On Demand Service)		

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

บริการทุกระดับประทับใจ



KASIKORNTHAI

ธนาคารกสิกรไทย  
开泰银行 KASIKORNBANK



**Vision and K-Strategy:** Focus on three strategic priorities +1 in medium- and long-term to increase competitiveness, capture growth opportunities, and deliver sustainable value to stakeholders

**BANK OF SUSTAINABILITY**

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

Vision

K-Strategy



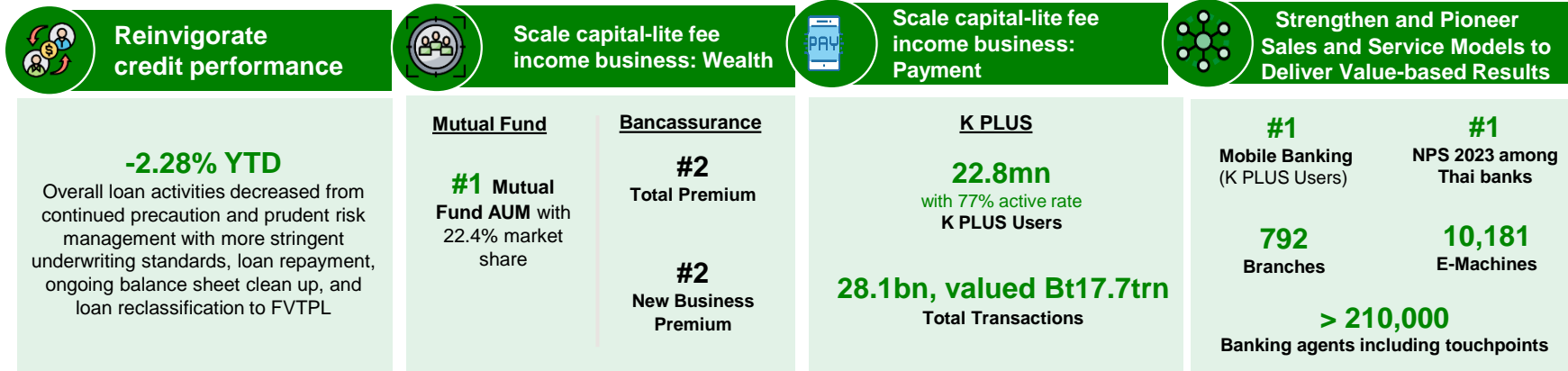
Conduct business with good corporate governance principles and appropriate risk and cost management

บริการทุกระดับประทับใจ

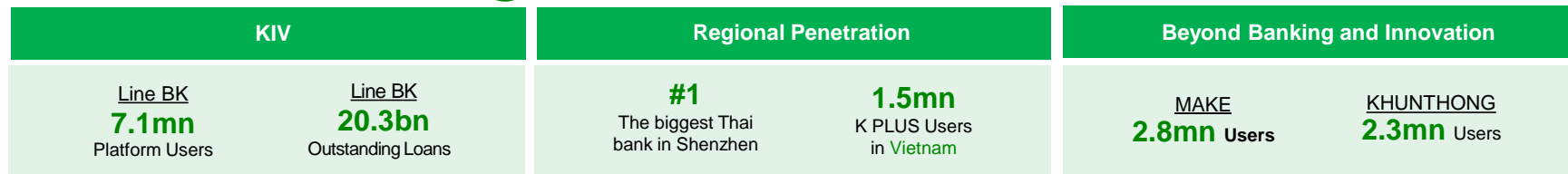


# Key Performance of K-Strategy

## 9M24 Performance



## New revenue creation in medium- and long-term



บริการทุกระดับประทับใจ



# Reinvigorate Credit Performance

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



1

Credit

2

3

+1

Key Strategies		Key Measurements
 <p><b>New Customers</b> (Focus on existing non-credit customers)</p> <p>.....</p>	<p><b>Growing Quality Credit Product Portfolio</b></p> <ul style="list-style-type: none"> <li>Focus on growing new loan quality through <u>secured credit products</u> with focus on <u>existing middle-income customers and higher segments</u></li> <li>Utilize data-driven modeling techniques focusing on internal data e.g. existing K PLUS customers and payment data to selectively acquire new-to-credit customers according to desired risk appetite</li> </ul>	<p><b><u>New Loans:</u></b></p> <ul style="list-style-type: none"> <li><b>Penetration of new to credit*</b></li> <li><b>Loan Growth</b></li> </ul> <p><b><u>Asset Quality:</u></b></p> <ul style="list-style-type: none"> <li><b>NPL ratio</b></li> <li><b>Credit Cost</b></li> <li><b>Coverage Ratio</b></li> </ul>
 <p><b>Existing Customers</b> (Focus on existing healthy credit customers)</p>	<p><b>Proactive Retention &amp; Anti-Attrition, especially consumers and SME segment</b></p> <ul style="list-style-type: none"> <li>Conduct up-selling as well as increase share of wallet to targeted good performance customers</li> <li>Remain proactive to identify and provide customer solutions to prevent refinancing and enhance customer loyalty</li> <li>Enhance competitive advantages and strengthen ecosystem to increase brand value and customer benefits; raise barriers to exit</li> <li>Strengthen relationship with corporate customers and their supply chain to capture new business opportunities with proven track records</li> </ul>	

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



# Reinvigorate Credit Performance

1

Credit

2

3

+1

Key Progress	9M24 Results
<p><b>Growing Quality Credit Product Portfolio</b></p> <ul style="list-style-type: none"> <li>• KBank maintained a prudent loan growth policy, prioritizing secured loans with rigorous selection criteria, focusing on loan quality enhancement among existing customers.</li> <li>• KBank tailored loan products and campaigns for target segments, with a focus on liquidity enhancement and spending convenience to meet customer needs.</li> </ul>	<p><b><u>Loans:</u></b></p> <ul style="list-style-type: none"> <li>• <b>Loan Growth -2.28% YTD</b></li> <li>• <b>% Penetration of new to credit*</b></li> </ul>
<p><b>Proactive Retention &amp; Anti-Attrition, especially consumers and SME segment</b></p> <ul style="list-style-type: none"> <li>• Committed to enhancing profitability, operational efficiency and long-term sustainability.</li> <li>• Focusing on <b><u>retaining high-quality customers</u></b> along with <b><u>expanding the potential customer base</u></b> through data analytics to promptly and effectively meet customer needs. This approach has driven the new customer acquisition rate within the middle-to-high-income segment to reach the Bank's targets.</li> <li>• Performing a comprehensive <b><u>review of product program</u></b> features and pricing schemes, aiming to drive future profitability and sustainable business growth.</li> </ul>	<p><b><u>Asset Quality:</u></b></p> <ul style="list-style-type: none"> <li>• <b>NPL ratio 3.20%</b></li> <li>• <b>Credit Cost 190 bps</b></li> <li>• <b>Coverage Ratio 150.72%</b></li> </ul> <p><small>Note: *Internal measurement</small></p>



KASIKORNTHAI



# Reinvigorate Credit Performance

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

1

Credit

2

3




+1

	Origination	Monitoring & Data Acquisition	Collection & Recovery
1	<p><b>Tailor-made credit approval processes and analytics to ensure credit quality</b></p> <ul style="list-style-type: none"> <li>Deeper approval processes customization according to customer risk and persona</li> <li>Enhance approval scores and analytics using payment and alternative data</li> </ul>	<p><b>Embed Artificial Intelligence (AI) and Machine Learning (ML) Driven Monitoring Approach</b></p> <ul style="list-style-type: none"> <li>Enhance corporate early warning system with expanded data and near real time analytics</li> </ul>	<p><b>Enhance Collection Analytics to Increase Recovery</b></p> <ul style="list-style-type: none"> <li>Enhance analytical models to identify best location, time, number to contact, and persona models</li> <li>Identify sub-segment strategy for the right customer collection treatments</li> </ul>
2	<p><b>Optimize Commercial Portfolio Strategy</b></p> <ul style="list-style-type: none"> <li>Dynamically evaluate target industry to ensure highest risk-adjusted return on SME portfolio</li> <li>Lead generation capability to capture high growth industries and their supply-chain</li> </ul>	<p><b>Decision Led Multi-Dimension Dashboard Development</b></p> <ul style="list-style-type: none"> <li>Increase granularity of sub-segmentations to enhance tracking and monitoring capabilities</li> <li>Ensure data availability and single version of truth through Modernized Data Foundation (MDF) Project</li> </ul>	<p><b>Uplift Collection Operation Capability</b></p> <ul style="list-style-type: none"> <li>Uplift collection capability ex. optimize demand supply management, optimize collection strategy based in customers' behavior</li> <li>Collection process reengineering to streamline operation, lean process and improve productivity</li> <li>Enhance collection workflow and IT systems to support frontline activity</li> </ul>
3	<p><b>Fraud Analytics</b></p> <ul style="list-style-type: none"> <li>End-to-End fraud management with analytical tools and database to detect fraud</li> </ul>		
+1			



## Scale Capital-lite Fee Income Businesses (Wealth and Payment): Wealth

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

Key Strategies			Key Measurements
<p>1</p>  <p><b>Comprehensive Product Offerings</b></p>	 <p><b>Sale &amp; Service Model Enhancement</b></p>	 <p><b>K-Wealth Brand Strengthening</b></p>	<p><b>Net Fee Income</b></p> <p><u>Wealth</u></p> <ul style="list-style-type: none"> <li>• Mutual Fund AUM</li> <li>• Bancassurance Premium</li> <li>• Wealth Product holding</li> <li>• Customer investment return</li> </ul>
<p><b>2</b></p> <p><b>Sustainable and holistic wealth advisory and service throughout customer's life stage</b></p>			
<p>3</p> <ul style="list-style-type: none"> <li>○ Offer <b>full-suite</b> investment products using <b>core &amp; satellite portfolio strategy</b> to advise customer according to their needs and risk appetites</li> <li>○ Provide <b>comprehensive bancassurance</b> products focusing on legacy, retirement and health</li> <li>○ Leverage <b>customer financial data and analytic capability</b> to offer right product at the right timing</li> </ul>	<ul style="list-style-type: none"> <li>○ <b>Expand Wealth customers</b> into our <b>large healthy SMEs</b> to capture more opportunity and to support all aspect of our customers needs</li> <li>○ <b>Provide single trusted relationship</b> for integrated sales and services to customers with wealth expert and specialist support</li> <li>○ <b>Enhance wealth management functions on K PLUS</b> to provide comprehensive investment and protection products in a digital-first journey</li> </ul>	<ul style="list-style-type: none"> <li>○ Becoming brand-of-choice by revamping <b>WISDOM's Value Propositions:</b> <ul style="list-style-type: none"> <li>○ Holistic wealth advisory approach,</li> <li>○ Integrated customer offering, and</li> <li>○ Exclusive financial benefits and privileges</li> </ul> </li> </ul>	
<p>+1</p>			

บริการทุกระดับประทับใจ



KASIKORNTHAI



# Scale Capital-lite Fee Income Businesses : Wealth

1

2

Fee

3

+1

## Key Progress

### Comprehensive Wealth Products & Offerings

- **K Private Banking and KAsset partnered with global leading investment companies**, e.g. J.P. Morgan Asset Management, Lombard Odier, and EQT, to uplift investment solutions and insights as well as offer new investment opportunity to customers
- **Continued “Core & Satellite” investment portfolio concept**
  - **Core Portfolio:** continued promoting balanced funds, “K-WealthPLUS Series” and “K-ALLROADS Series”, for sustainable long-term returns
  - **Satellite Portfolio:** launched new fund enhancing the investment option on global equities managed by J.P. Morgan Asset Management – “K-GSELECT”
- **One-time IPO: launched a new fund for customer aiming additional returns** and investment guarantees – “K-GSTEPB”
- **Continued success with Legacy<sup>(1)</sup> and Living Benefit themes**, launched a new product for long-term saving protection with no health questions required (80/8 Big Bonus)

### Sales And Service Model Enhancement with Digital Capability

- **Enhanced need-based recommendations and advisory models:** capturing the right moment to engage customers through both RM and digital channels, e.g. term fund maturity, and investment advice in case of various triggers, etc.
- **Virtual RM: scaled up coverage to support a selected group of top middle-income** retail customers
- **K PLUS: introduced open additional services regarding investment advice** on K PLUS – investment tools with personal financial planning e.g. fund recommendations, consolidated portfolio and statement

### K-Wealth Brand Strengthening

- **Expanded K-Wealth investment and protection knowledge** on KBank digital channels and social media platforms and hosted Wealth Decoded events focusing on exclusive market update and investment recommendation for WISDOM customers
- **Organized THE WISDOM NIGHT: A Rhythmic Journey Concert** – an exclusive one-time concert specially performed by various renowned artists for WISDOM<sup>(2)</sup> customers

Note: <sup>(1)</sup> Legacy insurance refers to wealth transferring policies. <sup>(2)</sup> Invest in mutual funds or insurance greater than or equal Bt10mn.

## 9M24 Results

**Net Fee Income 4.98% YoY**

### Mutual fund:

- **#1 Mutual Fund AUM** with 22.4% market share
- **13% YoY AUM Growth** mainly from “Core & Satellite” recommendation
- **+243,000 New to Mutual Fund customers (178% YoY)**

### Bancassurance:

- **#2 Bancassurance Premium**
- **95% Satisfied** from K-Health Service

# Scale Capital-lite Fee Income Businesses : Wealth

1

## Comprehensive Wealth Products & Offerings

### Public Recognition Highlights



- Digital Private Bank of the Year
- Best Private Bank (Thailand)
- Best Private Bank for HNWI's (Thailand)
- Best Wealth Management Bank in Thailand
- Top Investment Houses in Thailand Market (Rank 1)

ASIAMONEY

- Best for High Net Worth in Thailand



- Best Private Banking Thailand



- Best Private Bank in Thailand

2

Fee

## Sales And Service Model With Digital Capability

### Rollout integrated learning and recognition programs for Wealth business to all front-line staffs

- o Product performance
- o Lead and Triggers
- o Personalized Script and Story
- o Intensive skill development
- o Communication



3

## K-Wealth Brand Strengthening







+1

บริการทุกระดับประทับใจ



## Scale Capital-lite Fee Income Businesses (Wealth and Payment): Payment

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

1	Key Strategies	Key Measurements
<p>2</p> <p>Fee</p> <p>3</p> <p>+1</p>	<p><b>Payment</b> Accessible anytime, anywhere for everyone</p> <p><b>Payment: Dominate digital payment and increase main operating bank with #1 K PLUS in mobile banking platform with secure, convenient, and better experience throughout customer journey</b></p> <ul style="list-style-type: none"> <li>Expand into <b>potential growth areas</b> related to tourism and international trade and business sectors e.g. <b>FX, merchant, and cross border payment fees</b> thru reliable, simple, and cost-effective solutions and universal source of fund acceptance capability that fits domestic and overseas ecosystems</li> <li>Optimize cost on <b>lower fee areas</b> due to customer behavior change e.g. <b>transaction service fee</b> thru optimizing IT system (money transfer) and operation cost (cheque processing)</li> <li>Develop <b>new payment revenue model</b> from product solution offerings for <b>merchant business</b> e.g. subscription fee, value-added package, business assistant with partner, and Banking as a Service (BaaS) for <b>cross border payment</b></li> </ul>	<p><b>Net Non-Interest Income</b></p> <p><b>Payment</b></p> <ul style="list-style-type: none"> <li><b>Digital Payment Share</b></li> <li><b>Cost per Transaction</b></li> <li><b>CASA</b></li> </ul>
<p><b>Anytime and Anywhere by Embedded Services in Digital Ecosystem</b></p>		
<p>• Be top-of-mind solution by integrating K PLUS into all necessary ecosystems</p> <p>e.g.  Shopee  Lazada  UnionPay  Alipay  TikTok  LINEMAN</p>		

บริการทุกระดับประทับใจ



## Scale Capital-lite Fee Income Businesses : Payment

1

2

Fee

3

+1

### Key Progress

- **Digital payment share grew as planned**
  - **Commercial payment:** Leading with new customers acquired and spending from existing customers
  - **Consumer payment:** Commercial launched “Mutelu” theme Debit Card, and continue promoting new financial planning capability on K PLUS enhancing “BETTER FINANCE” experience to lift active users
- **Potential Growth Areas: Achieved revenue target from strategic actions**
  - **FX:** Continuously expanding ATM and FX booth coverage in strategic areas as well as location-based pricing
  - **Merchant:** On-going SmartPay campaign focusing beauty, clinic, IT&Com and auto, acquiring new merchants, and managing Merchant Discount Rate in low-fee industry
  - **Low-value remittance:** Boost up fee from international funds transfer via K PLUS covering corridors over 150 countries
- **Lower Fee Areas: Cost reduction activities progressing as planned**
  - Continue reducing costs of low-fee products e.g., Debit Card, SMS alerts
  - IT cost optimization, end-to-end process improvement, and merchant end-to-end cost reduction

### 9M24 Results

**Non-Interest Income Growth  
12.64% YoY**

#### **Payment**

- **Digital Payment Share\* 29.27%**  
(as of Jul 2024) +0.64% YoY
- **Cost per Transaction\*\***
- **CASA 81%**

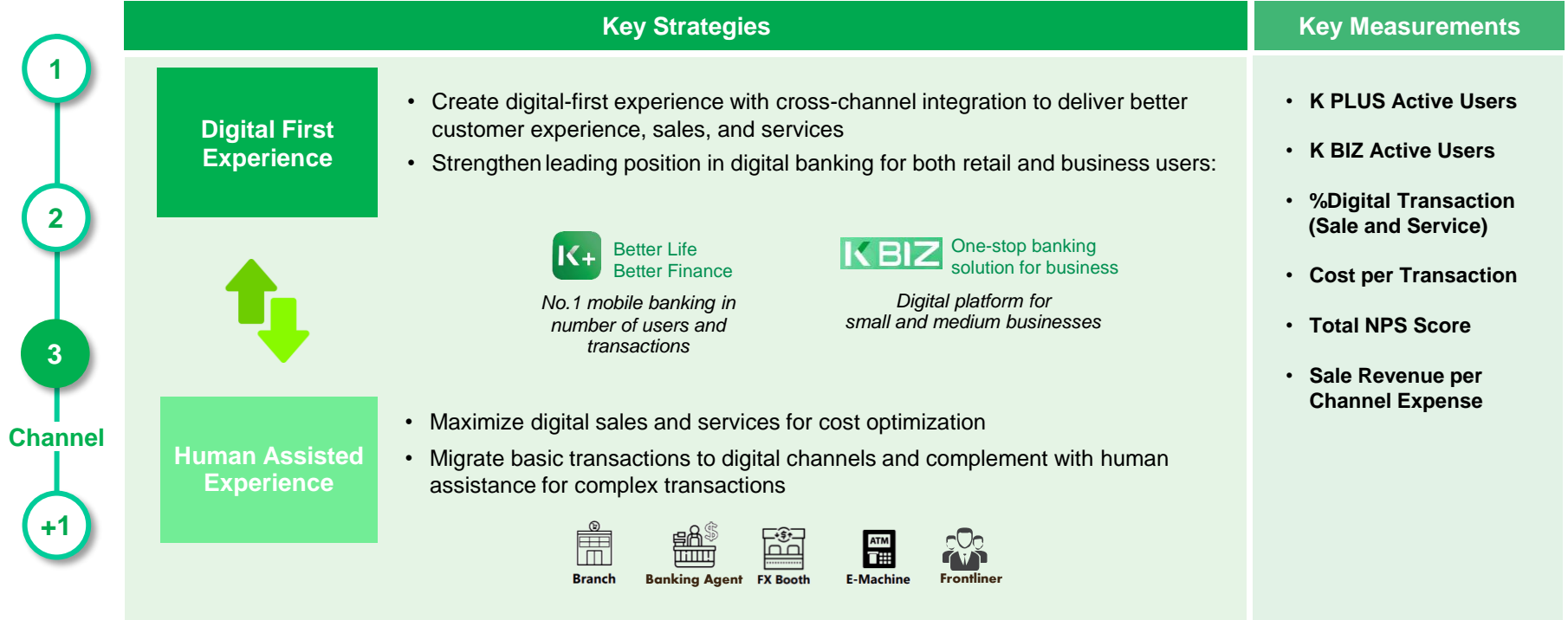
**Note:**

\* Market information from BOT lacking 3 months

\*\* Internal measurement

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

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



บริการทุกระดับประทับใจ

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

1	Key Progress	9M24 Results
2	<ul style="list-style-type: none"> <li><b>Enhanced digital-first experience:</b> Increased digital onboarding from 49% in 2023 to 58% in 9M24 and increased digital wealth product variety on K PLUS, including mutual fund with open architecture, gold, and foreign currency deposit wallet</li> <li><b>Strengthened leading position in digital banking</b> through:               <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div data-bbox="253 497 931 825" style="border: 1px solid green; padding: 5px;"> <p><b>K+</b> Significantly increased monthly engagement with 'Better Finance for Better Life':</p> <ul style="list-style-type: none"> <li><b>Financial portfolio management:</b> Consolidate diverse assets, including mutual funds from various asset management companies, empowering users to optimize their financial portfolios</li> <li><b>Budget monitoring:</b> Set personalized budgets and monitor spending by category, gaining insights into financial habits</li> </ul> </div> <div data-bbox="950 497 1307 825" style="border: 1px solid green; padding: 5px;"> <p><b>K BIZ</b> Simplified onboarding process during SME account opening with human assistance integration, significantly increasing acquisition of new juristic customers</p> </div> </div> </li> </ul>	<ul style="list-style-type: none"> <li><b>K PLUS Users</b> 22.8mn (+6% YoY)</li> <li><b>K BIZ Users</b> 1.1mn (+14% YoY)</li> <li><b>% Digital Transaction</b> 93.3%</li> <li><b>#1 in Overall Brand NPS*</b> (Branch, E-machine, K PLUS, K-contact center)</li> <li><b>Cost per Transaction**</b></li> <li><b>Sale Revenue per Channel Expense**</b></li> </ul>
3		
+1	<ul style="list-style-type: none"> <li><b>Successfully migrated servicing calls to digital channels</b>, covering 10% of call traffic at the contact center; <b>optimized physical channels</b> through a right-sizing strategy, reducing 722 e-machines and 17 branches; and leveraged e-machines for cash withdrawals via other banks' mobile banking, including Bangkok Bank</li> </ul>	<p><b>Note:</b></p> <ul style="list-style-type: none"> <li>* Data as of 2023. 2024 Score is to be measured at year end.</li> <li>** Internal measurement</li> </ul>
Channel		



KASIKORNTHAI



# New Revenue Creation for medium- and long-term

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

1

## KASIKORN INVESTURE (KIV)

*"New business to gain profitability from mass market"*

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



2

## REGIONAL PENETRATION

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

### Strategy

China

AEC

**Aggressive Play: Aggressively grow corporate lending**

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

**Mass Acquisition Play: Acquire more customers**

Acquiring local SME and retail customers by **leveraging relationship from corporate customers**

Acquiring local SME and retail customers via **transactional banking channels and partners**

**Disruptive Play: Grow digital lending with more local partners**

Capturing credit needs of retail customers with **high-yield credit via Enterprise to Enterprise (E2E) online credit tech**

3

## Beyond Banking and Innovation

*"Ecosystem play and innovation creation"*

- Financial Innovation** Technology solution to empower customer life
- Future of Finance** Blockchain for digital asset issuance and investment
- Uplift Banking** Develop marketplace in targeted industries e.g., education, travel to uplift customers life quality (fin/ non-fin)
- Sustainability** Completed green solutions with strategic partners to build "Green Platform"

+1

## Key measurement

% Contribution to Net Profit will be around 5% in the Next Five Years

บริการทุกระดับประทับใจ



KASIKORNTHAI



# Enablers of K-Strategy

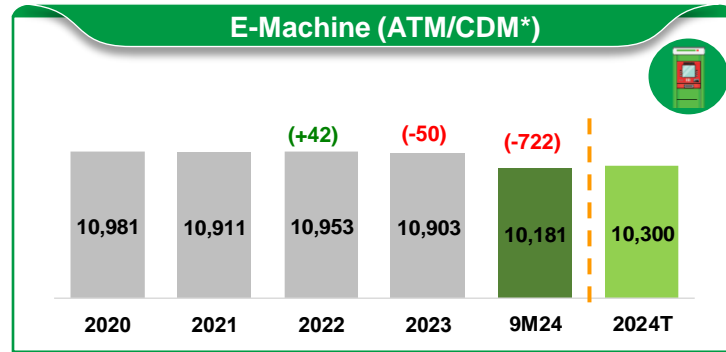
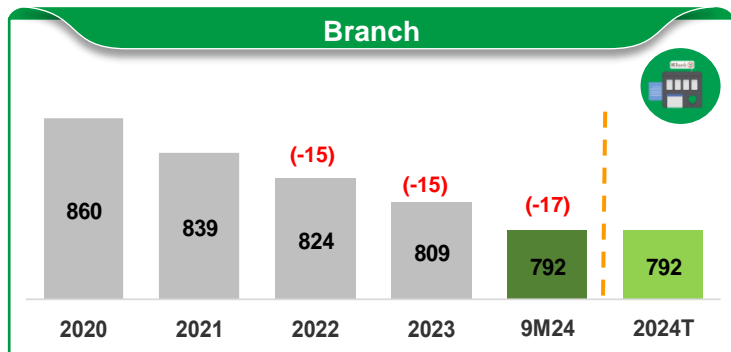
## Strengthen K-Strategy with Better Execution to Enhance Value-based Results

Key Strategies		Key Measurements
<b>Modern Technology</b>	<p>KBTG: Strengthen K-Strategy with cost effectiveness, competitive advantage, and resilience; make use of regional IT resources in Vietnam and China with focus on 4 key areas</p> <ul style="list-style-type: none"> <li>Scalable Core Banking &amp; Mobile Banking Platform to manage volume</li> <li>Enhance End-to-End Credit Capabilities, re-architect platforms, and AI for credit scoring and collection</li> <li>Strengthen Sales Lead/CRM by modernizing data platform on cloud</li> <li>Build IT capabilities on AI, ML, Web3, Blockchain, and new venture capital KXVC by KX Group</li> </ul>	<p><b>Technology</b></p> <ul style="list-style-type: none"> <li>3-year IT master plan delivering results with good execution</li> <li>System stability and service operation as the Best bank in Thailand</li> <li>New Data platform/data analytic/AI use cases deployment in Y2024</li> </ul>
<b>Scalable Data &amp; Analytics</b>	<p>Driving towards Data and AI driven organization</p> <ul style="list-style-type: none"> <li>Create value-based data and AI-driven business decisions focused on improving credit performance, enhancing wealth sales and service, increasing operational productivity, and elevating customer experience</li> <li>Establish a secure, robust, user-friendly big data foundation to ensure that all key data is available in ready-to-use format while implementing a comprehensive data management framework and equipping users with the necessary data and AI skills and tools</li> <li>Empower data and AI usage with best-in-class technology to enable business with scale and timeliness of data</li> </ul>	<p><b>Data</b></p> <ul style="list-style-type: none"> <li>% key business identifying data analytics and AI requirements on key business use cases</li> <li>% key business with data self-service skills and key business with ready-to-use data</li> <li>% Best-in-class big data platform</li> </ul>
<b>Performance Driven Organization</b>	<ul style="list-style-type: none"> <li>Realign organization design and workforce with K-Strategy</li> <li>Enhance effectiveness of performance management and strengthen performance-driven rewards</li> <li>Deliver effective development focusing on credit and wealth business, sales productivity, and risk culture</li> </ul>	<p><b>HR</b></p> <ul style="list-style-type: none"> <li>Human Capital ROI</li> <li>Strategic capability readiness</li> </ul>

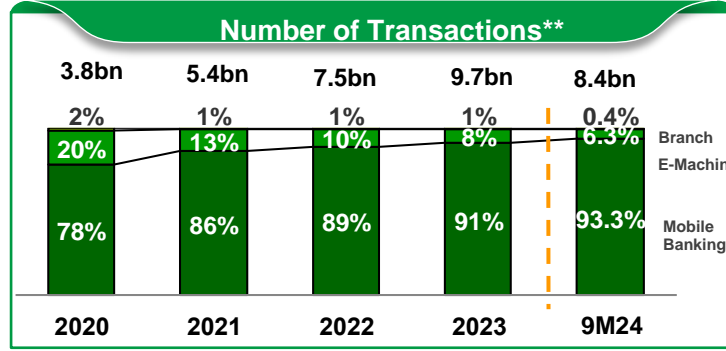
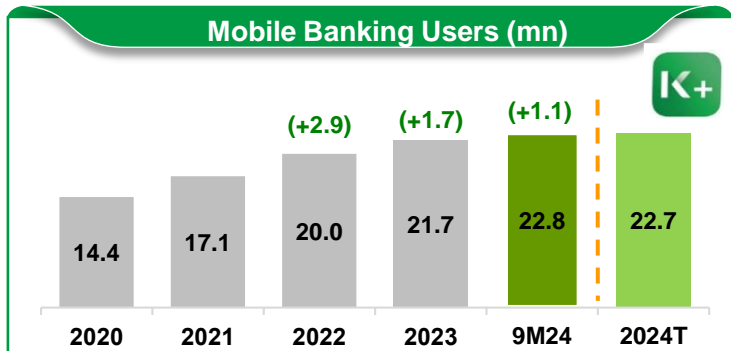
บริการทุกระดับประทับใจ



## Domestic Channels and No. of Transactions



\* Cash Deposit Machine



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

บริการทุกระดับประทับใจ



KASIKORNTHAI

# Domestic Channels

## New KBank Branch (Hybrid Branch)



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

## Community Branch (K Park)



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

## THE WISDOM Lounge



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

## E-Machine



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

## KBank Service



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

## KLOUD by KBank



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

## Digital Banking



Digital Banking includes:

- K PLUS
- K PLUS SME
- K SHOP

- K BIZ
- K-Corporate Connect
- K-Payment Gateway
- K-PowerP@y (mPOS)

- LINE BK
- MAKE
- Khunthong
- LINE KBank LIVE

# บริการทุกระดับประทับใจ

ธนาคารกสิกรไทย  
开泰银行 KASIKORNBANK





# Ecosystem Partnership & Harmonized Channel

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



## Partnership

### eWallet and Payment

### University and Healthcare

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

### ESG

### Digital Asset

### Joint Venture

for Co-Lending through LINE Platform

for Co-Lending through Carabao Conglomerate channels

for Debt Collection and Asset Management Business

for End-to-End Loyalty management system from point exchange to CRM platform

บริการทุกระดับประทับใจ



# Beacon Venture Capital

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

	Synergistic Fund Est. 2016	Opportunistic Fund Est. 2021	Beacon Impact Fund Est. 2022
<b>Objective</b>	To acquire business capability or build deep-collaboration with chosen startup partner	To scout for frontier or emerging innovation for KBank's banking businesses or potential partners with strong growth prospect	To help KBank fulfill its ESG commitment and elevate ESG industry standards within the region
<b>Portfolio</b>	    	    	   

\* Co-investment with our partner

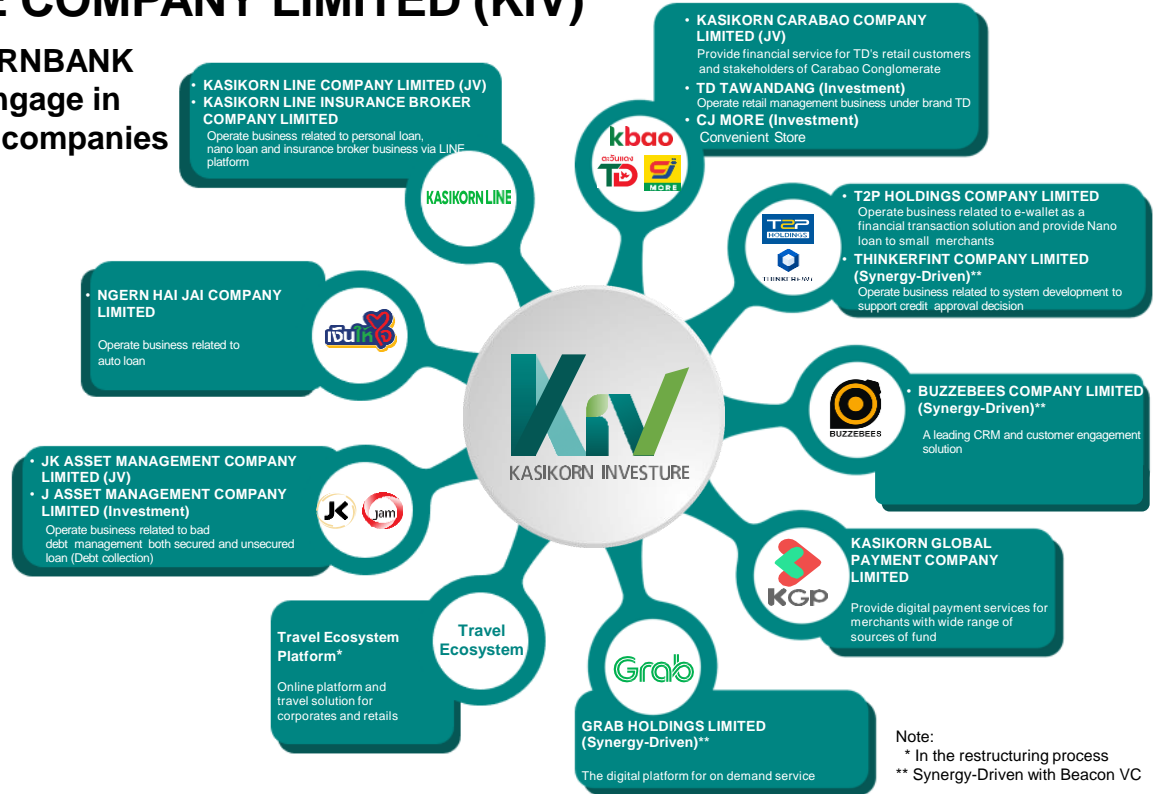


# KASIKORN INVESTURE COMPANY LIMITED (KIV)

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

## Investment Value

Total around **30,000** Million Baht



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

# KIV Business Model

Mass Market Opportunity to Improve Profitability

## KIV Business Model



Profitably Servicing the Mass Market  
(Inclusive of Underbanked)



Bank's + Partner's Capabilities = Cost Down

### Major Financial Services Categories

#### Deposit / Saving / Source of Fund

- e-Wallet Infrastructure
- Group-Savings

#### Payment / Channels

- e-Wallet
- Payment Gateway
- Loyalty Points

#### Non-Corp Loans

- Asset-Based
- Credit Scored
- Value-Chain Based

#### Investment

- Insurance Brokerage
- P2P Borrow-Lend
- Foreign Currency Deposit Wallet



LINE BK



TSP



KGP

Over 15 Million Users



LINE BK



TSP



กสิกร



TSP



TSP



กสิกร



กสิกร

Over 10 Billion Baht



LINE BK



TSP

To Be Launched

### Key KBank's Capabilities



Over 20 Million  
K Plus Users



Sales & Service Channel  
(Selling / KYC)



Data



Core IT  
Back-End



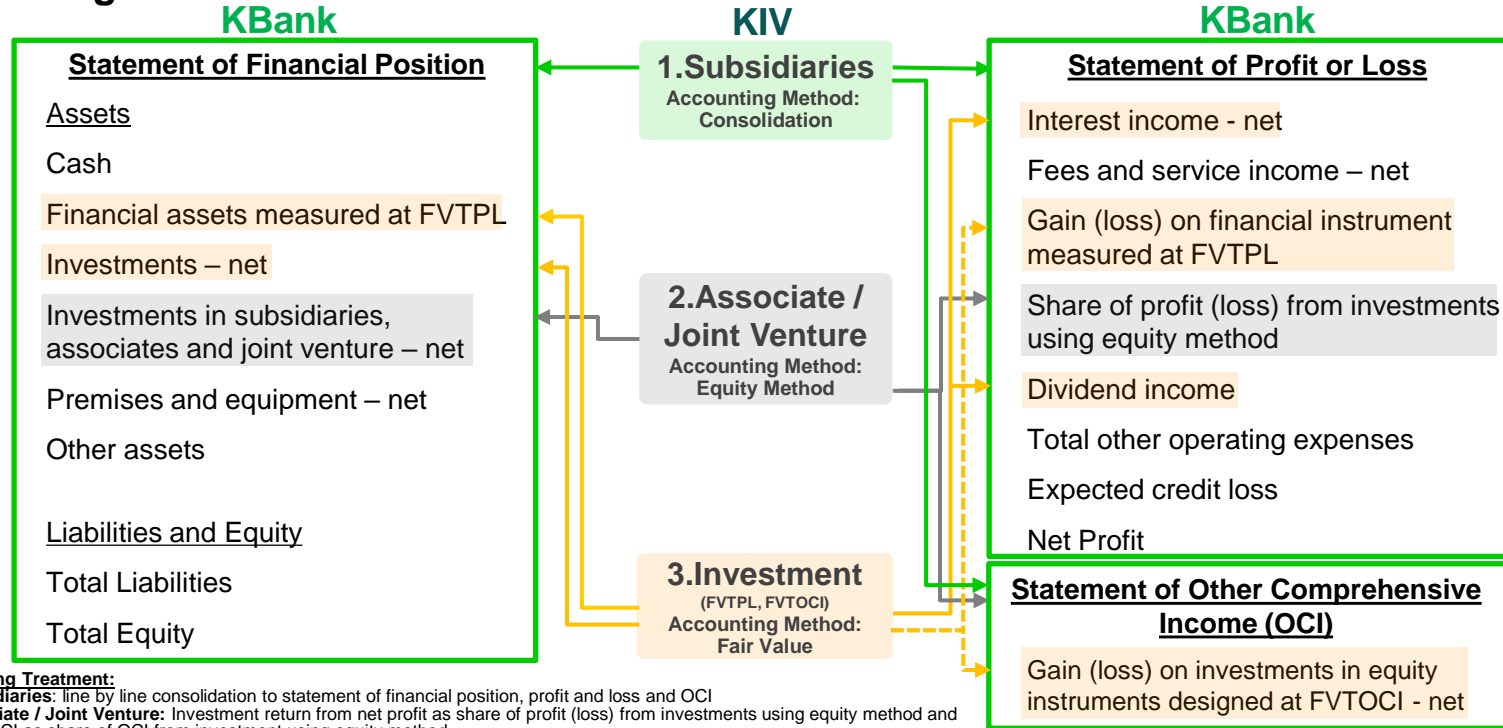
Funding

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

บริการทุกระดับประทับใจ



# Accounting Treatment of KIV on KBank's Consolidated Financial Statements

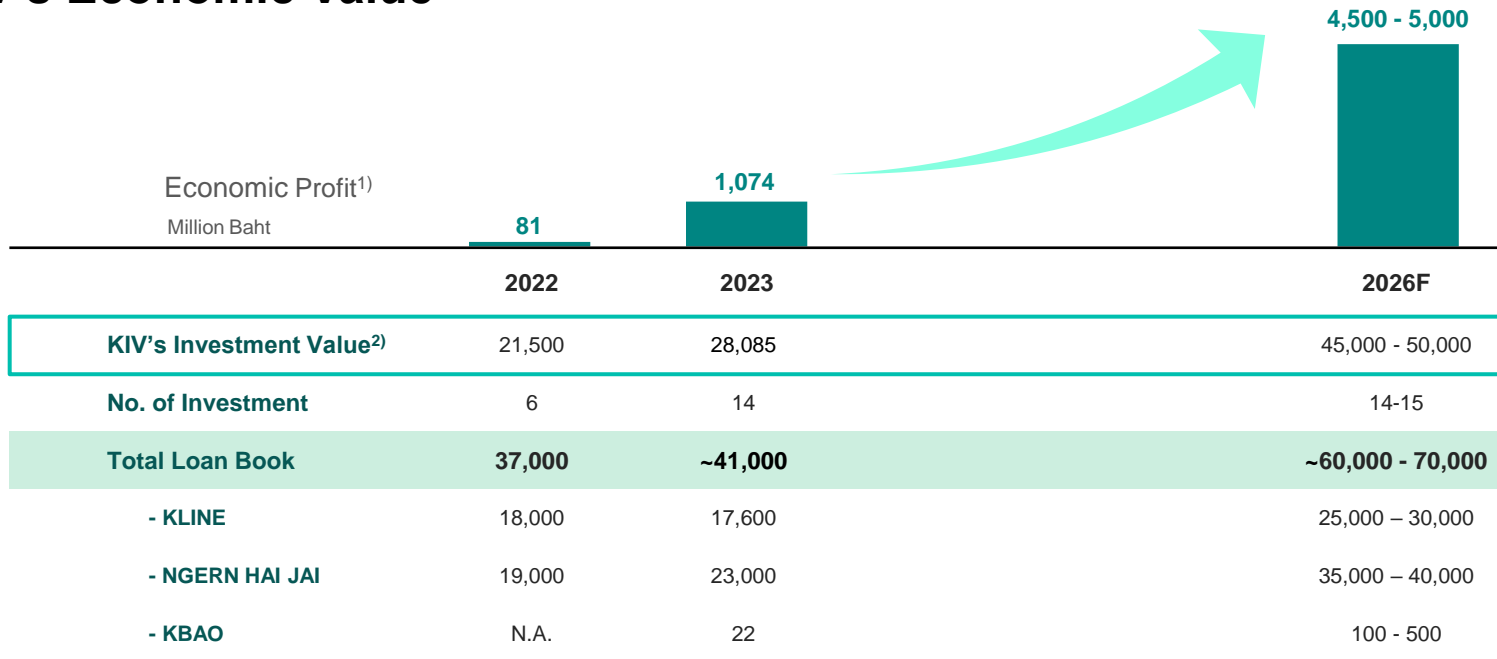


## Accounting Treatment:

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



## KIV's Economic Value



Note:

1) Economic Profits = Profit Sharing of Companies Under KIV + Net Interest Income and Net Fee paid to KBank by Companies Under KIV + Cost Charged from Services provided by KBank

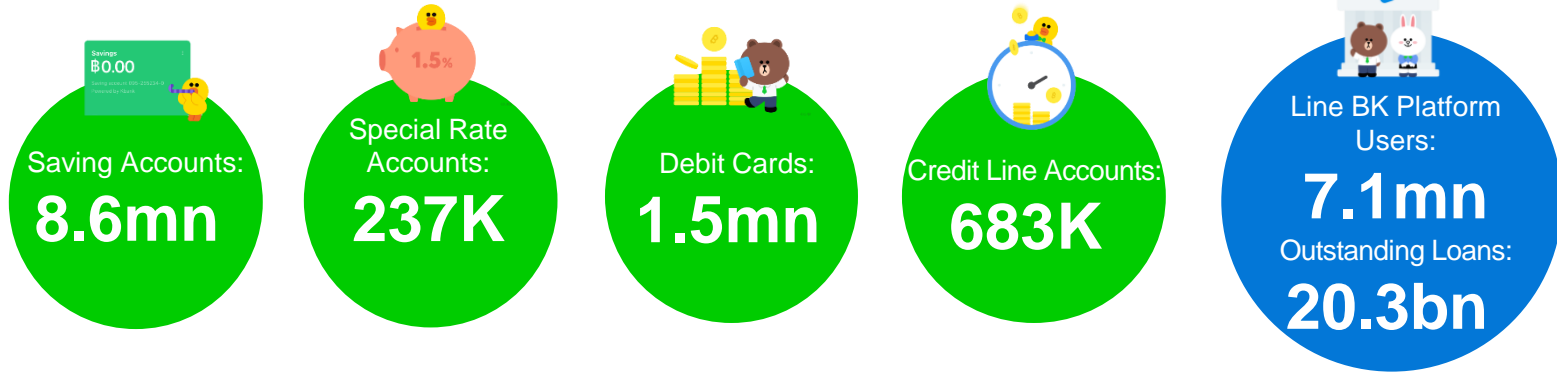
2) Investment Value = Capital Injection + Accumulated Profit Sharing of Companies Under KIV + Realized and Unrealized Gains (Losses) on Investment

\*KIV performance data will be updated annually

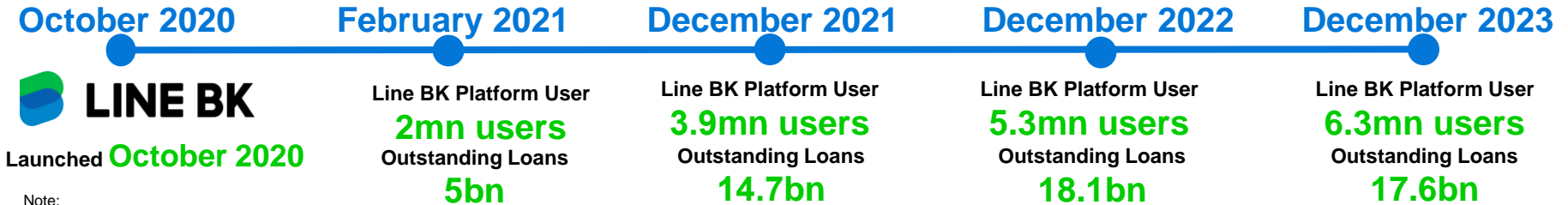


# Success Story of KLINE: Line BK Services

## 9M24 Key Performance



## October 2020 – December 2023\*



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

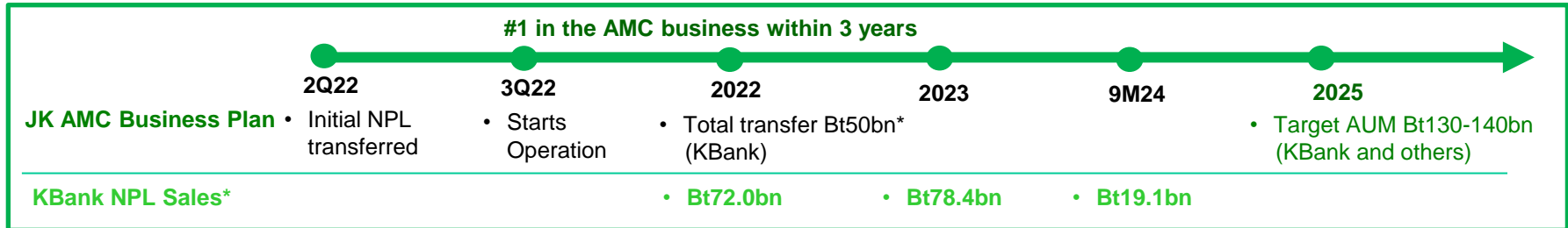
บริการทุกระดับประทับใจ

## JK Asset Management Co., Ltd. (JK AMC)



- Company Profile**
- In June 2022, Thailand's first joint venture co-owned by a commercial bank (KBank via KASIKORN INVESTURE (KIV)) and an asset management company (JMT via JAM), with an **initial paid up capital of Bt10bn (50% by KIV : 50% by JAM)**
  - Operating an asset management business, per the relevant laws and criteria, through the purchase or acknowledgement of transfers of impaired assets, as well as foreclosed properties of **KBank and KBanks' affiliates, including other financial institutions and companies**, both secured and unsecured loans

- Benefit to KBank**
- Allowing KBank to manage NPLs with enhanced efficiency, while offering borrowers more options for settling their debt that are suited to their debt servicing ability
  - Balance Sheet:
    - ▲ Cash and room for new good loans
    - ▼ NPL, NPA and credit cost with insignificant impact on coverage ratio
  - Income Statement:
    - ▲ Net profit from higher net interest income from new loans and lower credit cost
    - ▲ Net profit from share of profit (loss) from investment using equity method



Note: \*Legal claim amount, not book value of transferring amount; total KBank's NPL transferred mostly to JK AMC

# New Revenue Creation for medium- and long-term : Regional Penetration

## Key Strategy

China

AEC

### A Aggressive Play: Aggressively grow and responsibly grow corporate lending

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

Local Large Corporates

Thai Direct Investment (TDI)

AEC+3

### B Mass Acquisition Play: Acquire more customers

Acquiring local SME and retail customers by **leveraging relationship from corporate customers**

Business

Retail

Supply chain financing via a self-owned platform under 'Better SME' concept

Retail online lending via a self-owned platform under 'Better ME' concept

Acquiring local SME and retail customers via **transactional banking channels and partners**

Business

Retail

K-Cyber Banking

EDC

Ecosystem Partners

K+

ATM / Agent

Note: EDC = Electronic Data Capture Machine

### C Disruptive Play: Grow digital lending with more local partners

Capturing credit needs of retail customers with **high-yield credit via Enterprise to Enterprise (E2E) online credit tech**

Banking as a Service (BaaS)

Digital Lending



## Key Progress

3.3% and 2.9% of Net Total Income in 1H24 and 2023, respectively

### KBank China

- **Corporate & SME:** Focus on cross-border business on corporate loan and transactional banking; continues to be KBank's RMB settlement bank
- **Retail:** Continue to leverage Customer Engagement Platform as gateway to attract potential customers

### KBank Indonesia via PT Bank Maspiion

- **Corporate & SME:** Continued to grow corporate loans by targeting Thai-affiliated companies and local conglomerates. Secured liquidity through rural bank deposits and FI business
- **Retail:** Expanded the QRIS merchant base, introduced new features on the bank's mobile banking application to attract more users, and broadened payroll customer base

### KBank Vietnam

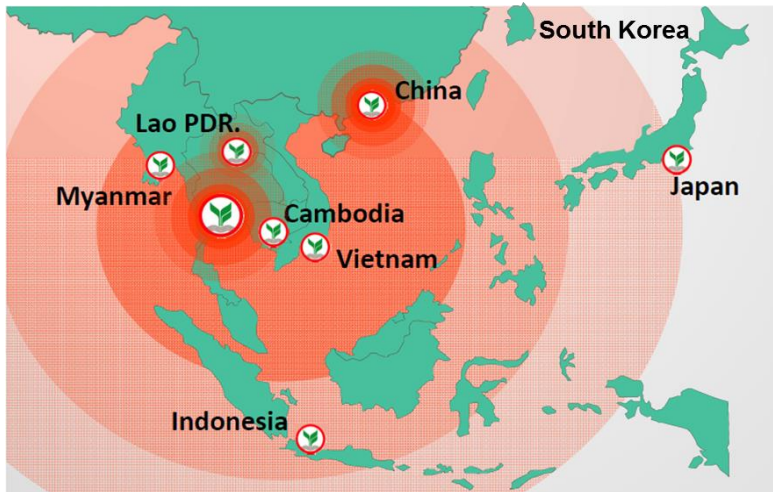
- **Corporate:** Endeavoring to reposition our strategies to prioritize large local non-listed companies, particularly those in targeted industries
- **SME & Retail:** Scaling digital payment solutions to small and micro merchants, while offering a diverse range of products for retail clients. K PLUS users now totaled 1.5 million.

QRIS = Quick Response Code Indonesia Standard



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

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



Note:

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



### Physical Footprint



### Digital Platform

X-Border Multi-Currency Settlement

X-Border THB Direct Settlement

X-Border Retail Payment



### Partnership



บริการทุกระดับประทับใจ




# New Revenue Creation for medium- and long-term: Beyond Banking and Innovation



## Key Strategy



### “Ecosystem play and innovation creation”

- 



Technology solution to empower customer life
- 


Blockchain for digital asset issuance and investment
- 



Develop marketplace in targeted industries e.g., education, travel to uplift customers life quality (fin/non-fin)
- 




Completed green solutions with strategic partners to build “Green Platform”

## Key Progress

- 1. Financial Innovation:**
  - **MAKE:** 2.8mn users
  - **KHUNTHONG:** 2.3mn users
- 2. Future of Finance**
  - **Orbix Trade:** Licensed Digital Asset Exchange certified with 3 ISO Standards
  - **Orbix Invest:** Licensed Digital Asset Fund Manager launched in July 2024
  - **Orbix Custodian:** Granted Thailand 1<sup>st</sup> Digital Asset Custodian licensed from SEC, in process of license activation in 2025
  - **Orbix Technology:** Launched the Q-Bond use case (Bond data on Quarix chain) in September 2024
- 3. Uplift Banking**
  - Still in the business setup phase
- 4. Sustainability**
  - **WATT'S UP:** Public launch e-Marketplace platform for Electronic Motorcycle. Provide bike rental service and swap station search in-app with more than 100 stations in Bangkok and vicinity
  - **GreenPass (REC Aggregation Service):** supported INNOPOWER and launched pilot test in 2Q24 with internal KBank staffs
  - **KCLIMATE 1.5:** Established on Jun 18, 2024 - to provide software and advisory service related to greenhouse gas emissions report according to international GHG protocol standard

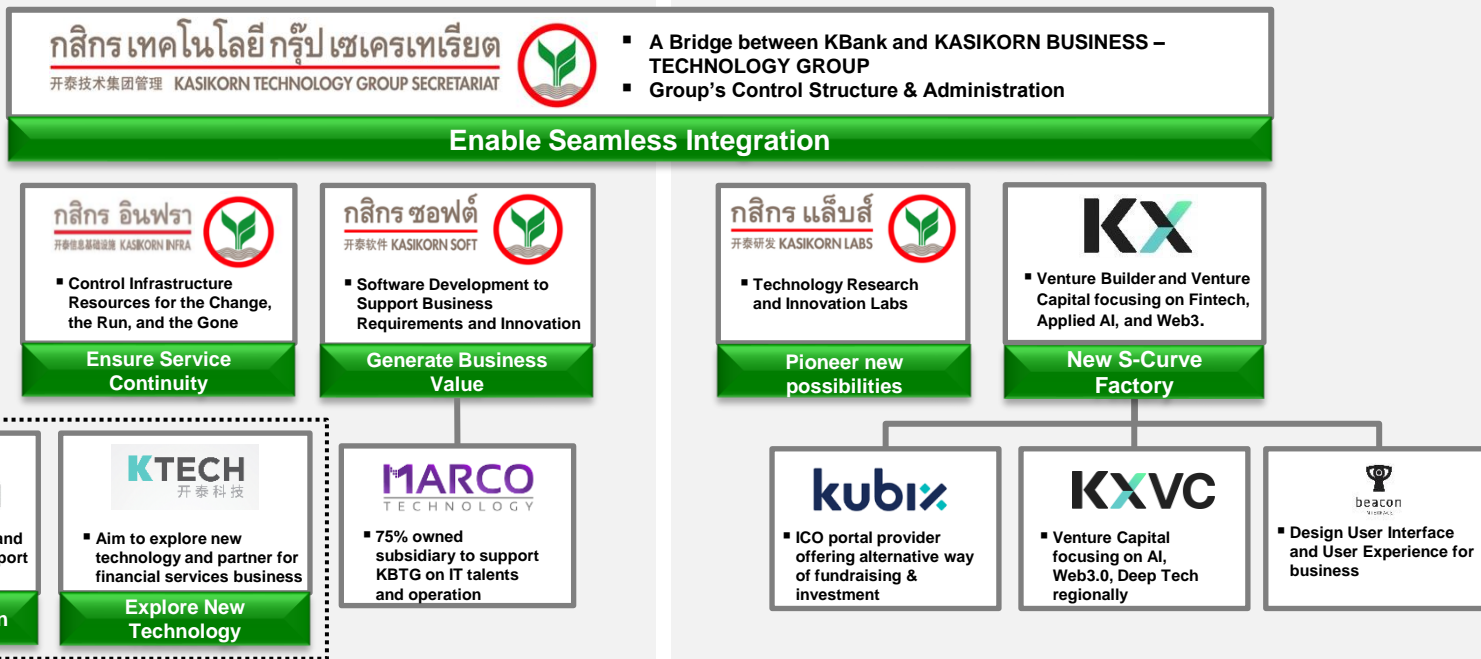


# KASIKORN BUSINESS - TECHNOLOGY GROUP

## Group Structure

Run the Bank - Technology Partner to KBank

Create the Future - Innovation & New S-curve Builder













Note: KUBIX and KXVC are subsidiaries of KX, established in March 2021 and October 2023, respectively. Macro Technology was acquired in April 2023.



## IT: KBTG Strategy and Innovation

- Build and Maintain Technology & Innovation to Deliver Sustainable Value to Stakeholders
- Aim to be ONE of the Best Tech Companies in Southeast Asia

2024-2026 Strategy	Key Achievements in 9M24
<ul style="list-style-type: none"> <li>▪ <b>Delivering Value</b> Ensure excellence in project delivery to support KBank strategy execution including innovation to ease operations and reduce costs</li> <li>▪ <b>Enhancing Operation and Cost Efficiency</b> Maintain top quality services to ensure smooth operations and resiliency while increasing productivity and cost efficiency</li> <li>▪ <b>Boosting Technology Capabilities</b> Upgrade technology foundation in 5 areas (Data, AI, Enterprise Architecture, Open API, and Cloud) to support K-Group growth opportunities</li> <li>▪ <b>Uplifting People Capabilities</b> Fill company with talent while promoting well-being</li> </ul>	<ul style="list-style-type: none"> <li> <b>+118</b> New IT Projects Delivered</li> <li> <b>182</b> Projects currently in development</li> <li> <b>400+</b> KBank Applications</li> <li> <b>1st</b> Rank of Cyber Security among Banks in Thailand From BitSight Rating</li> <li> <b>2</b> Regional Development Sites (Vietnam, China)</li> <li> <b>4 Million+</b> users from Platform Businesses</li> <li> <b>'Meowjot'</b>, expense tracking via e-slip, launched subscription package</li> <li> <b>Launched THaLLe</b>, a Large Language Model with financial capability</li> <li> <b>Organized KBTG Techtopia: A Blast from the Future</b></li> <li> <b>Strategic partnership with AI Fund, global leading venture studio</b></li> </ul>

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



# KBTG: Support Running the Bank

## Vision: ONE of the Best Tech Companies in Southeast Asia

	2020	2023	2026
Project Delivery	121	195	250 (+107%)
IT System Stability	< 5 hours	< 5 hours	< 5 hours
K PLUS Digital Users	14.4 mn	21.7 mn	+++
People	1,533	2,545	3,000 (+66%)

Note: %Growth against year 2020

### 1. Project & Innovation Delivery

#### Excellence in Project Delivery

- Scale project delivery through transformation to support expanded project demand and complexity
- Apply global best practices, processes, and tools to transform IT delivery to address rapid changes in IT

#### Innovation Development

- Explore innovation to support business operation and productivity and commercialize proven technology

### 2. IT Brilliant Basics

#### IT System Stability

- Maintain over 400 applications with highest system availability
  - High system availability (99.95%) for customers
  - Less than 12 severe customer impact incidents a year
  - No high customer impact of security breach

### 3. Technology Capabilities

#### Foundation Upgrade

- Strengthen foundation to enable and expand opportunities thru modern technology
  - Re-architecture E2E capabilities
  - Modernize data platform on cloud
  - Ecosystem expansion via Open API

### 4. World Class Tech Talent

#### People

- Maintain employee retention rate at industry benchmark
- Develop additional capability for focused role to support sustainable growth
- Utilize specialization from regional resources
- Build and foster employee well-being with excellent employee experience



# KBTG: Support Running the Bank

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

### KTECH (China)

- Fintech company wholly owned by KASIKORN VISION CO., LTD. (KVision) registered in Shenzhen, People's Republic of China, with registered capital of RMB300mn
- Continues to deliver key IT projects for KBank China. Collaborative portfolio planning is improved, and delivery is more cost-efficient
- KTECH continues to enhance Blockchain Center of Excellence and is actively engaged in KBank's exploration of emerging business, such as digital asset custodian and brokerage.
- KTECH started to market its supply chain finance software and digital asset solutions to external customers in 2H24.

### Indonesia

- Work closely with Bank Maspion to manage IT implementation roadmap along with the bank's business strategy
- Leverage appropriate platforms and services for Bank Maspion utilization
- Continue IT transformation, especially people capability & capacity management to cope with business and digital transformation
- Encourage self analysis to break through limited work efficiency and enhance cost effectiveness
- Provide advisory to establish data tower function into structure and revamp IT services management role and responsibility
- Share and support leveraging of IT cyber security policy implementation

### Vietnam

- Continue to enhance key strategic regional projects such as SME Merchant platform consisting of POS, EDC, SME Mobile Banking, Credit Card–Acquiring, and new technology upgrade to our channels to use Near Field Communications (NFC) to register new customers on KPLUS Vietnam mobile and branch with national ID card
- K PLUS Vietnam user growth to 1.5 million customers within 2 years
- In addition to KBank Vietnam projects, KBTG Vietnam expands our technical capabilities to support KBank HQ projects in numerous areas such as wealth, payment, climate, innovation, and beyond banking (digital assets, custodians, etc.) and aims to support other financial institutions.
- KBTG Vietnam has been selected as the final winner of 2024 AIBP Enterprise Innovation Awards (in Open Categories).
- KBTG Vietnam strives to improve its software delivery and information security by pursuing ISO Standard 27001 which will be accomplished by 2Q25.
- For 2024, KBTG Vietnam targets to establish new capabilities such as AI and data analytics, UXUI design, infrastructure management, and cybersecurity to better support KBank's 3+1 Strategy.



# KBTG: Create the Future of Finance

## Scale-up Innovation Products & Partnerships

### Financial Innovation



MAKE



Khunthong



MeowJot

### AI Products & Partnership



Large Language Model (LLM)



Verification Tech



Car AI Tech



Insurance Lead

### In house AI Highlights



Marketing & Credit Intelligence



Process Automation



Facial Technology

## Launch New S-Curve Products

### Venture Builder



Fully operated KX as 'Venture Builder' and established 'KX Venture Capital (KXVC)' as a global AI, Web3, and Deep Tech

### CeFi



Be the Digital Asset Platform of Choice

### DeFi



NFT Marketplace Platform



Digital Collectibles Wallet

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

บริการทุกระดับประทับใจ



# KBTG: Create the Future of Finance – Breakthrough Innovation

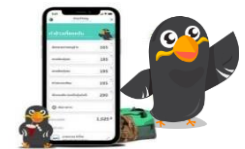
## Financial Innovation



**2.8mn** Users

### MAKE by KBank

A mobile banking application designed specifically for a new generation to personalize financial management.



**2.3mn** Users

### KhunThong

Social chatbot helping friends settle expenses within a chat for a seamless payment experience.



**168k** Users

### MeowJot

A mobile application for tracking user expense via e-slip from 12 mobile banking applications including categorizing and summarizing the expense.

## AI Product



### AI: THaLLE

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

## Partnership & Public Relations

### KBTG Techtopia: A Blast from the Future

Organized KBTG Techtopia for the second consecutive year. KBTG Techtopia brought together over 50 speakers from around the world and more than 2,500 attendees. One of the key speakers is Dr. Andrew Ng, the Managing General Partner of AI Fund, founder of DeepLearning.AI, co-founder of Coursera, and named by Time magazine as one of the most influential people in AI.

Not limiting the subjects to AI, KBTG Techtopia touched on other emerging techs, from machine learning, blockchain, Web3, quantum computing, cyber security, ESG and many more, through the eyes of industry experts like Microsoft, AWS, Google Cloud, IBM, and Cisco.

The conference offered three conference stages, six workshops, as well as the innovation product exhibition with selections of state-of-the-art technology and cutting-edge solutions by KBTG and partners.



## KBTG: Create the Future of Finance – The New S-Curve and AI Innovation

### New S-Curve Products



#### KASIKORN X (KX)

Incubate, scale, and spin-off new S-Curve businesses in AI, Web3.0, and Fin Tech



- **Coral**

A non-fungible token (NFT) marketplace platform for reinventing fan engagement experience through digital collectible NFT.



- **Kubix Digital Asset (Kubix)**

A full-fledged platform on blockchain technology for asset tokenization services and digital tokens.



- **KXVC**

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



### AI Innovation



- **AINU**

A business solution for identity verification driven by AI to elevate business operations and fulfill regulatory requirements with ease.



Car AI Tech

- **CAR AI for Insurance**

A car inspection AI is a business solution to assess and detect car damage to help business increase operation efficiency and reduce costs and human error.

### Technology Research

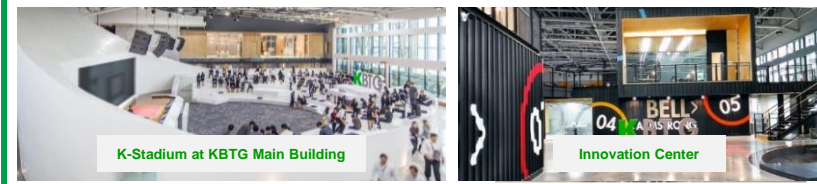
#### **MIT Media Lab Member**

KBTG became a Consortium Research Lab Member at MIT Media Lab, jointly conducting research on innovative technologies, namely AI, blockchain, and decentralized finance (DeFi), as well as sustainability and education. Currently, co-researching on AI-powered platforms in various use cases including Personal AI companion (Kookid), Interactive online class (FinLearn).



## KBTG Buildings and Awards

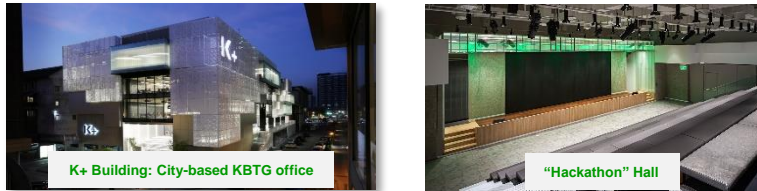
### KBTG Main Building



K-Stadium at KBTG Main Building

Innovation Center

### K+ Building



K+ Building: City-based KBTG office

"Hackathon" Hall

### KBTG Vietnam Building



KBTG Vietnam Building: Ho Chi Minh City

### Recognition & Awards



#### The Innovators 2024 – Compliance/Risk Innovations

Best eKYC Innovation to Minimize Facial Fraud awarded to Face Liveness Detection



#### HR Excellence Awards 2024 Thailand

- Excellence in Employer Branding (Silver)



#### LinkedIn Talent Awards 2024

In the category of

- Best Employer Brand
- AI Pioneer



#### HR Asia:

- Best Companies to work for in Asia
- Most Caring Company Award



# Enablers of K-Strategy: Modern Technology

## Strengthen K-Strategy with Better Execution to Enhance Value-based Results

### Modern Technology

#### Key Strategy

**KBTG:** Strengthen K-Strategy with cost effectiveness, competitive advantage, and resilience; make use of regional IT resources in Vietnam and China with focus on 4 key areas:

- Scalable Core Banking & Mobile Banking Platform to manage volume over double
- Enhance End-to-End Credit Capabilities, re-architect platforms, and AI for credit scoring and collection
- Strengthen Sales Lead/CRM by modernize data platform on cloud
- Build IT capabilities on AI, ML, Web3, Blockchain, and new venture capital KXVC by KX Group

#### Key Progress

- **Uplifting Technology Foundation:**
  - **Doubling core banking capacity** to manage growing volume within November to support smooth operations and customer experience
  - **Modernize data foundation** to manage data within organization with efficiency
- **Ensure Quality IT Service:** Modernize data center (DC) / data recovery (DR) and establish solid infrastructure and security to minimize any impacts that can disrupt operations
- **Build and Foster Modern Technology:**
  - **Strengthen business and operation with analytics and AI:** Delivering data analytics and AI model in credit, wealth, and CRM & marketing to enhance business decisions and increase productivity
  - **Strengthen Technology Ecosystem:** Organized “KBTG Techtopia: A Blast from the Future”, a conference gathering more than 50 speakers from various industry locally and globally to discuss on new possibilities that near-future technologies can unlock. The conference also showcase innovation products from KBTG and partners and conducted 6 workshops
- **Banking Service Quality: “ZERO” System Failure (For 3Q24)<sup>1</sup>**

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

# K-Data Strategy: Journey to Become Data Driven Organization

## Meaningful Business Values to gain Double Digit ROE

	Credit	Wealth	Payment	Sales & Services	Productivity
Use cases	<ul style="list-style-type: none"> <li>Reduce expected credit loss and increase credit revenue</li> </ul>	<ul style="list-style-type: none"> <li>Increase net-fee Income</li> </ul>	<ul style="list-style-type: none"> <li>Deepen wallet share by increasing CASA balance, fund flow, active users and K+ market share</li> </ul>	<ul style="list-style-type: none"> <li>Increase revenue from product sales and improved customer experience</li> </ul>	<ul style="list-style-type: none"> <li>Enhance work efficiency</li> <li>Reduce man-days</li> <li>Decrease OPEX (Operating Expenses)</li> <li>Increase output</li> </ul>
Data	Data Availability	Data Management			AI/Gen AI Management
	<ul style="list-style-type: none"> <li>Data is complete in a ready-to-use format for Bus</li> </ul>	Data Governance	Data Catalog	Data Quality	
	<ul style="list-style-type: none"> <li>Data is secure, legally compliant, and easy to use</li> </ul>	<ul style="list-style-type: none"> <li>Users understand the data's meaning, uses it correctly, and without confusion</li> </ul>	<ul style="list-style-type: none"> <li>Data is accurate, complete, and reliable</li> </ul>	<ul style="list-style-type: none"> <li>AI is widely used, transparent, easily accessible, fast, and beneficial, with AI usage governed and monitored according to Responsible AI principles</li> </ul>	
Technology	Big Data & Technology Platform			AI Tools & Analytics Platform	
	<ul style="list-style-type: none"> <li>BU's can access and use a big data platform that is secure, stable, efficient, user-friendly, and cost-effective, and equipped with the knowledge to benefit the bank</li> </ul>			<ul style="list-style-type: none"> <li>BU's can access available AI tools that are secure, stable, efficient, user-friendly, and cost-effective, and equipped with the knowledge to benefit the bank</li> </ul>	
People	Role Modeling & Leadership	Develop Talent & Skills	Foster Understanding & Conviction	Reinforce with Formal Mechanism	
	<ul style="list-style-type: none"> <li>Leaders understand the challenges and serve as role models in applying Data &amp; AI to business development</li> </ul>	<ul style="list-style-type: none"> <li>Teams possess the knowledge and skills to use Data &amp; AI for business development</li> </ul>	<ul style="list-style-type: none"> <li>Employees believe in and see the benefits of using Data &amp; AI to develop the business</li> </ul>	<ul style="list-style-type: none"> <li>Employees have clear KPIs to measure the impact of using Data &amp; AI in their work</li> </ul>	



# Enablers of K-Strategy: Scalable Data & Analytics

## Strengthen K-Strategy with Better Execution to Enhance Value-based Results

### Scalable Data & Analytics

#### Key Strategy

- **Create value-based Data and AI-driven business decisions** focused on improving credit performance, enhancing wealth sales and service, increasing operational productivity, and elevating customer experience
- **Establish a secure, robust, user-friendly big data foundation** to ensure that all key data is available for business in ready-to-use format while implementing a comprehensive data management framework and equipping users with the necessary data and AI skills and tools
- **Empower Data and AI usage with best-in-class technology** to enable business with scale and timeliness of data

Note: E2E = End to End

#### Key Progress

##### Key projects include

- Debt collection call efficiency improvement
- Credit loan application fraud prevention
- E2E credit data sandboxes and dashboards (home loan)
- Payment early warning analytics to prevent CASA drops
- Implementation of Microsoft 365 Copilot across various use cases for productivity enhancement
- Portfolio analysis tool for relationship managers providing wealth management services

##### Key projects include

- Integrating key data sources into the new big data platform on cloud
- Implementing role-based data access control for the new big data platform and new data quality framework
- Establishing the AI governance policy and risk management framework
- Developing Data and AI literacy training programs and campaigns to equip employees with skills and understanding of the application of data and AI in their work

##### Key projects include

- Implementation of the new big data platform on cloud
- Deployment of generative AI tool (Microsoft 365 Copilot) on key use cases Bank-wide



## 2024-2026 People Strategy: Objectives & Key Strategy

- A** Realign **Organization Design and Workforce with K-Strategy**
- B** Enhance **Effectiveness of Performance Management**
- C** Strengthen **Performance-Driven Rewards**
- D** Deliver **Effective Development Focusing on Credit & Wealth Business**
- E** Optimize **Sales and Service Productivity and Risk Culture**



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

- F** Promote **Employee Mental and Financial Well-being**
- G** Develop a **New HRIS Focusing on Performance Management and Development**



# Enablers of K-Strategy: Performance Driven Organization

## Strengthen K-Strategy with Better Execution to Enhance Value-based Results

### Performance Driven Organization

Key Strategy	Key Progress
<ul style="list-style-type: none"> <li>Realign organization design and workforce with K-Strategy</li> <li>Enhance effectiveness of performance management and strengthen performance-driven rewards</li> <li>Deliver effective development focusing on credit and wealth business, sales productivity, and risk culture</li> </ul>	<p><b>Achieved notable improvement of 10% growth in Human Capital Return on Investment (HCROI) from 2.8 times to 3.1 times in nine months YoY performance with 5 areas of key progress in 3Q24:</b></p> <ol style="list-style-type: none"> <li><b>Continued to implement stringent workforce management:</b> We revisited the recruitment plan to align with the revised business plan for 2025-2027 and economic outlook.</li> <li><b>Enforced performance driven culture</b> amongst executives through monthly monitoring and alignment, as well as improve the ability of managers through intensive “Performance Driven Leaders” development programs. “Performance Driven Leader Program” has been deployed to 78% of our middle-level managers.</li> <li><b>Launched long-term incentive scheme for executives</b> to better link performance to rewards</li> <li><b>Executed integrated learning and recognition programs for wealth business</b> that contributed to remarkable growth in sales volume of mutual funds and high-margin bancassurance products</li> <li><b>Enhanced employees’ well-being through mental health and financial literacy support programs,</b> where managers are equipped with tools to proactively support their team. Moreover, our financial literacy programs are developed in collaboration with our wealth experts to help employees plan for financial security</li> </ol>



# Improve Value-Based Productivity

## End to End Product Offering

To create a more efficient , agile and customer focused product offering process that can drive business growth and competitive advantage.

Design product feature and process to enable digitization process and increase customer convenience.

Leverage data analytics to gain insights into customer behavior and preference, enabling personalized offering.

### Sales & Service Optimization

- Enhance sales opportunity by leveraging CRM data to identify needs , predict trends and personalized sales approaches.
- Create digital-first experience with cross-channel integration.

### Operation & Back Office

- Enhance operational excellence by applying lean management concept to identify inefficiencies, reduce waste and streamline back-office process.
- Adopt new technologies / Gen AI.

To create a more efficient , secure and agile infrastructure that supports key enablement functions , ultimately driving overall productivity and business success.

### Workforce Management

- Strategic workforce planning to identify skills needed, develop succession plans and optimize capacity planning.
- Create career development and targeted training programs (upskill and reskill) together with internal redeployment.

### IT Effectiveness

- Optimize IT cost by moving to cloud-based infrastructure for scalability, flexibility and cost savings and use new technologies to maximize hardware utilization and reduce costs.

### Property & Facility

- Efficiently manage demand and supply of property assets. (Branch and Non-Branch)
- Optimize facility and equipment cost by minimizing unnecessary expenses and leveraging internal resource utilization for repairs and maintenance.

### Others

- e.g.
- Optimize marketing cost by ensure effectiveness and maximize benefits on spending.
  - Enhance and improve procurement and negotiation processes.

บริการทุกระดับประทับใจ

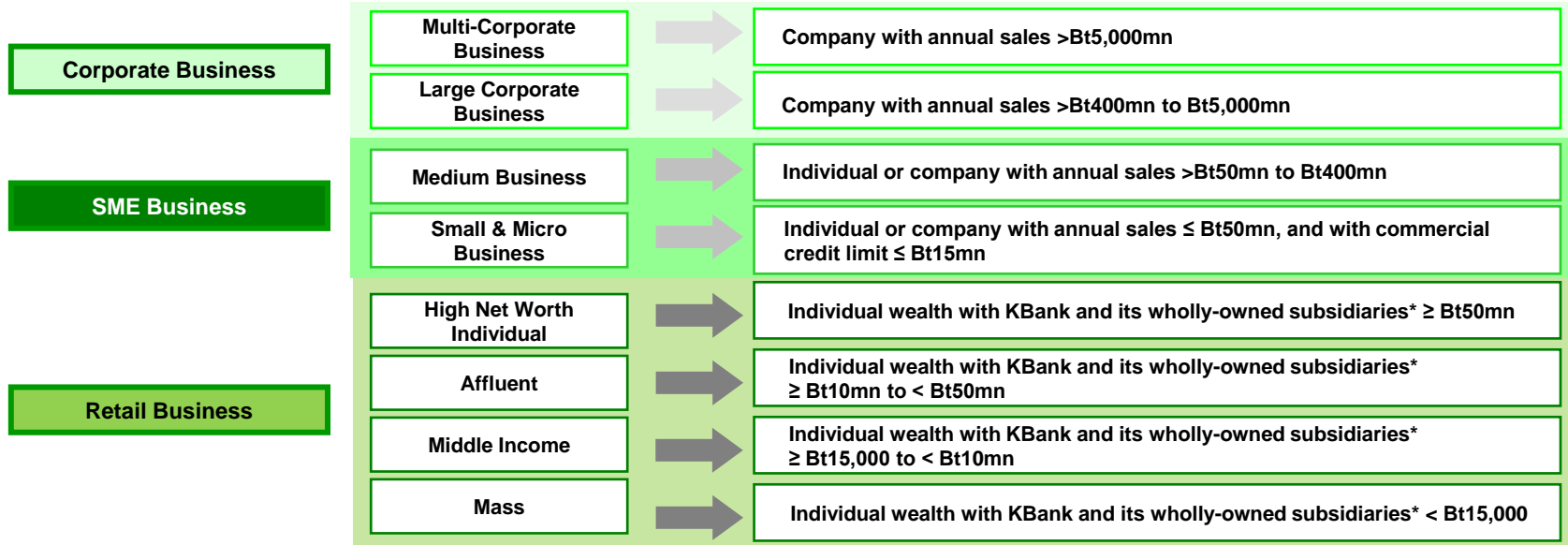


## KBank: Business Highlights

บริการทุกระดับประทับใจ



# Customer Segments



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

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



# Corporate Business: Key Performance

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

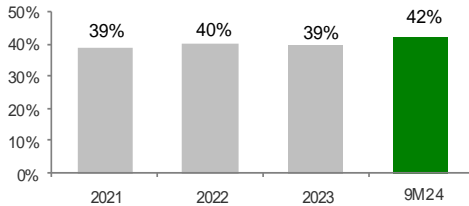
- Aim to be trusted partner to enrich customers' businesses with best-in-class financial services and solutions
  - Provide innovative and multi-sourced fund raising
  - Offer total solutions for collection, payment, and settlement
  - Enhance digital solutions and platforms

## Key Performance



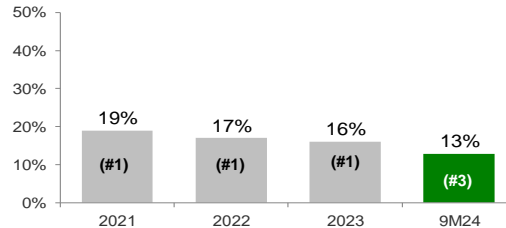
### Main Bank

- Main Bank Status\* at 42% in 9M24



### #3 Corporate Bond Underwriting

- With 13% market share in 9M24

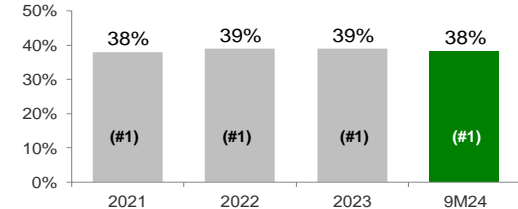


Source: The Thai Bond Market Association (ThaiBMA)



### #1 Mutual Fund Supervisor

- With 38% market share in 9M24



Source: SEC (include PPF, IFF)

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 borrowing bank

\*\* MB = Multi-Corporate Business, CB = Large Corporate Business

PPF = Property Fund; IFF = Infrastructure Fund

# SME Business: Key Performance

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

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

## Key Performance



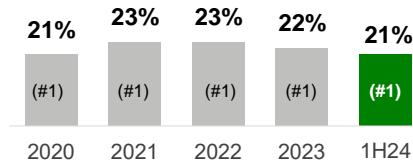
### #1 SME NPS and Main Bank Status

- Remain #1 with NPS score at 84\* for SME customers
- Strengthen #1 Main Bank score at 29\*\* for SME customer

Note: \* Info as of 2023 (SME NPS Study 2023 by NielsenIQ)  
 \*\* Info as of 2023 (Main Banking Study 2023 by IPSOS)

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

### #1 in Market Share by SME loan outstanding



Source : Total SME loan outstanding from BOT



### #1 SME Lending

- Maintain #1 position in SME products; especially commercial loans
- Highest share, 21% of SME credit outstanding in 1H24



# Private Banking Group: Key Performance

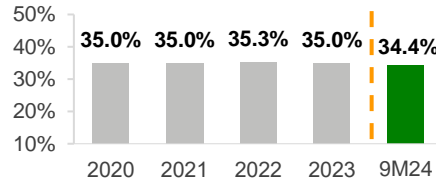
Multi-Corporate Business	Large Corporate Business	Medium Business	Small & Micro Business	High Net Worth Individual	Affluent	Middle Income	Mass
--------------------------	--------------------------	-----------------	------------------------	---------------------------	----------	---------------	------

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

## Key Performance

### **#1** Market Share by # of customers

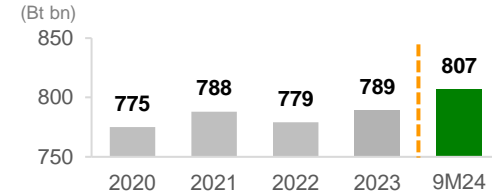
- With 34.4% market share (12,854 customers)



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

### Growing AUM

- Bt807bn AUM; growth 2.31% YoY in 9M24
- AUM Breakdown: Investment 60% and Deposit 40%



#### ■ Focus Customers (Type of Customer):

- Sophisticated customers (over 70% of total customers); Non-Sophisticated customers

#### ■ Product Types and Services:

- Collaborate with Lombard Odier to develop innovative products; build capability via staff trainings and regular workshops; offer advisory services with close Chief Investment Officer collaborations; and offer referral offshore investment services
- Key product and services:
  - Financial Products and Services: Investment Advisory
  - Non-Financial Products and Services: Family Wealth Planning & Real Estate
  - Others: Financial Event & Privilege

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



# Retail Business: Key Performance

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

- Support Retail customers to succeed in life
- Leverage data analytics to gain deep insights, and provide comprehensive products to fit customers' goals and life stages
- Provide excellent service via digital and human-assisted channels together with financial advisory to deliver best in class customer experience
- Collaborate with partners by offering beyond banking solutions to uplift customers' lives in focused areas i.e. health, education, and travel

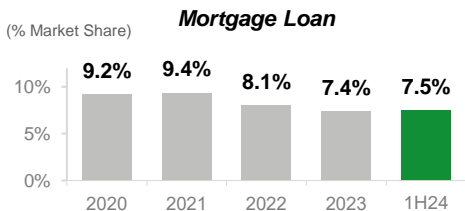
## Key Performance

### K+ #1 Digital Banking

- NPS: Mobile Banking Level by Nielsen 2023
- Recognition Award from national & international institutes

### #3 Mortgage Loan Outstanding

- Top 3 among commercial banks with 7.5% market share in 1H24; steady growth and maintaining good portfolio quality

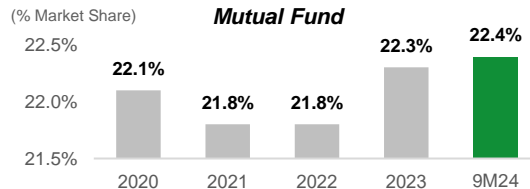


### #1 Retail spending volume

- K PLUS users grew to 22.8 million users (ranked #1), with commercial launch of financial planning capability on K PLUS
- Commercial launched "Mutelu" theme Debit Card to strengthen top position while maintain spending market share over 40%

### #1 Mutual Fund AUM

- Highest share 22.4% in 9M24
- Highest share in Money Market & Fixed Income Fund, Balance Fund, and Foreign Investment Fund



### #1 Credit Card spending

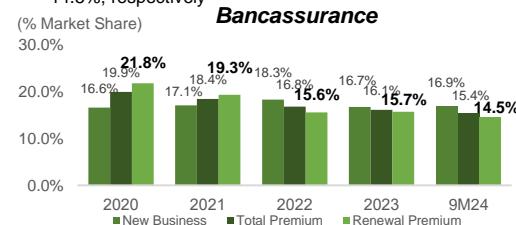
with 20.1% market share in 1H24

### #2 Number of Cards

- with 15.4% market share in 1H24
- Card-accepting merchant services (online & offline platforms): ranked #1, with 34.82% market share by sales volume in 1H24

### #2 Bancassurance Premium

- MTL ranked #2 in new business, total and renewal premiums with 9M24 market share of 15.4%, 16.9%, and 14.5%, respectively





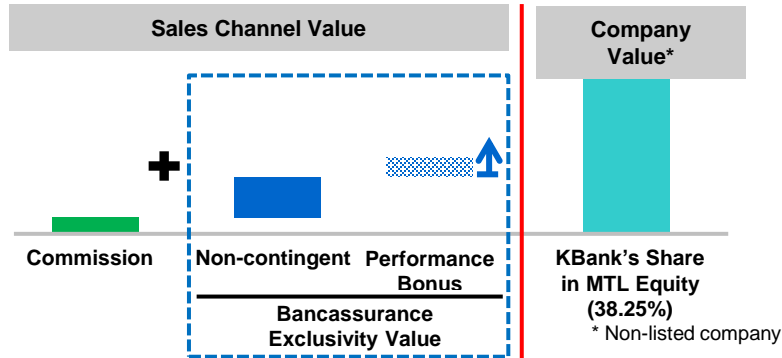
## KBank and MTL Enter the 10 Years Bancassurance Agreement

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



## Total Economic Value

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



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

## Impacts on Income Statement

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

### KBank (Bank only):

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

### MTL:

Non-interest expense: + Annual Payment

### Consolidated KBank:

Non-controlling interest: ↓ 61.75% x annual payment after tax  
Consolidated net profit: ↑ 61.75% x annual payment after tax

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

#### Note:

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

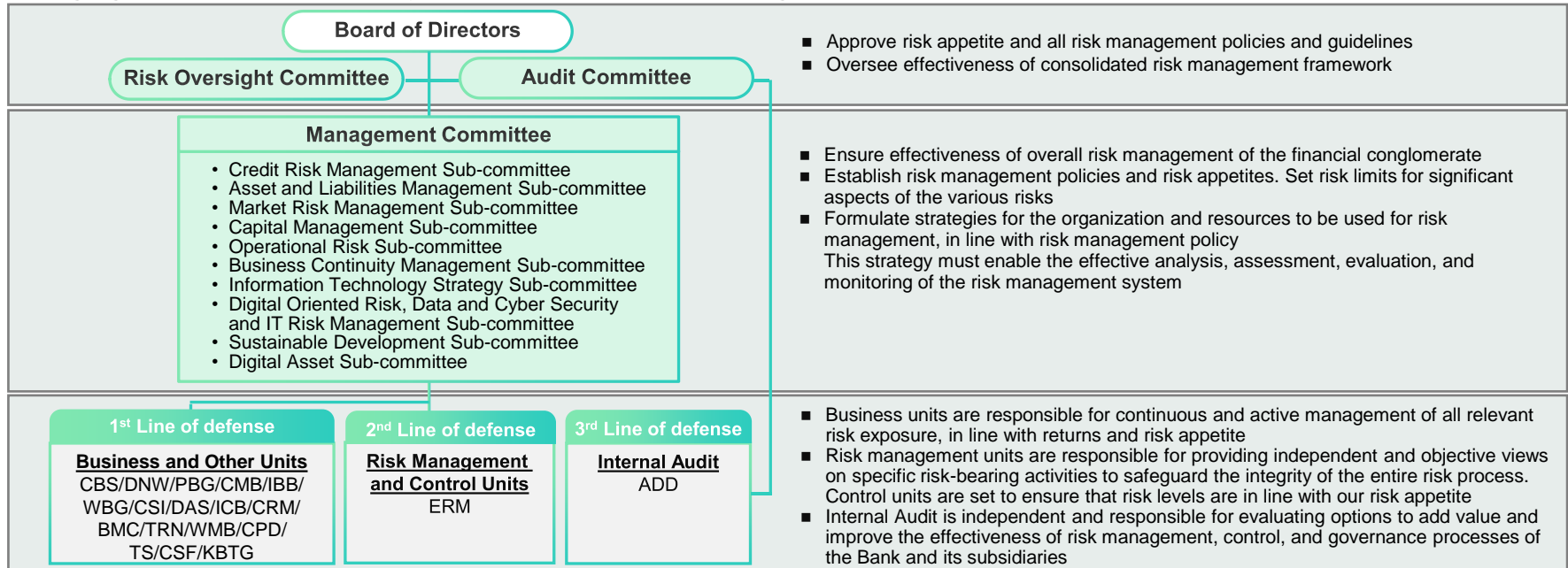


# KBank: Risk and Credit Management



# KBank Risk Management Structure

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



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 Business Division, CRM = Customer Relationship Management and Segmentation Division, BMC = Branding and Marketing Communication Division, TRN = Transaction Banking Business Division, WMB = Wealth Management and Bancassurance Division, CPD = Credit Products Business Division, TS = Central Treasury Department, CSF = Customer and Enterprise Service Fulfillment Division, KBTG = KASIKORN BUSINESS - TECHNOLOGY GROUP, ERM = Enterprise Risk Management Division, ADD = Audit Division

# KBank Credit Approval Process

	Corporate	SME (Medium)	SME (Small & Micro)	Retails (Housing)	Retail (Unsecured Loans)
Approval Process	Credit Underwriting Dept.	SME Credit and Housing Loan Approval Dept.			Payment Service Fulfillment Department
	<u>Policy Lending</u> <ul style="list-style-type: none"> <li>• Sufficiency of cash flow</li> <li>• Growth trends and ability to compete</li> <li>• Management experience and depth</li> <li>• Leverage, Liquidity, Asset Quality, ESG factors</li> <li>• Credit Risk Mitigation</li> <li>• Facilities Structure</li> </ul>	<u>Formula Lending</u> <ul style="list-style-type: none"> <li>• Customer Integrated Credit Scorecard</li> <li>• Application Score (SME Only)</li> <li>• FICO Score</li> <li>• Bureau information/Credit history</li> <li>• Debt service capacity</li> <li>• LTV</li> </ul>			<u>Formula Lending</u> <ul style="list-style-type: none"> <li>• Customer Integrated Credit Scorecard</li> <li>• FICO Score</li> <li>• Bureau information/Credit history</li> <li>• Debt service capacity</li> </ul>
Post Approval	Credit Service Fulfillment Dept.				Automated by system (FLP)
	<ul style="list-style-type: none"> <li>• Legal document</li> <li>• Limit set up</li> </ul>				<ul style="list-style-type: none"> <li>• Legal document</li> <li>• Limit set up</li> </ul>
	Corporate Business Div. & Distribution Network Div.		Asset Quality Strategic Management Dept.		
	<ul style="list-style-type: none"> <li>• Customer Review by Relationship Manager (RM)</li> <li>• Credit Portfolio Monitoring Unit to facilitate in customer monitoring</li> <li>• Credit Clinic for consultation</li> </ul>		<ul style="list-style-type: none"> <li>• Automated collection system</li> <li>• Efficiently utilize available behavior scoring and collection tools i.e. SMS, automated letter generation, phone-based collection</li> </ul>		
Bank-wide Risk Asset Review					

Note: FICO = Fair Isaac Corporation

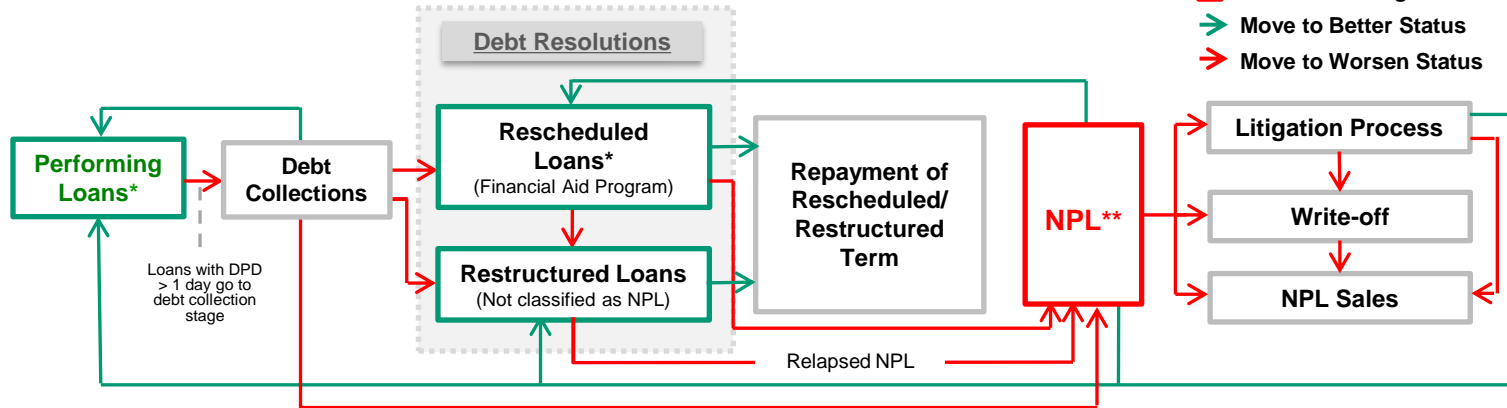


# KBank Credit Risk Management Process: Collection and Recovery

## 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



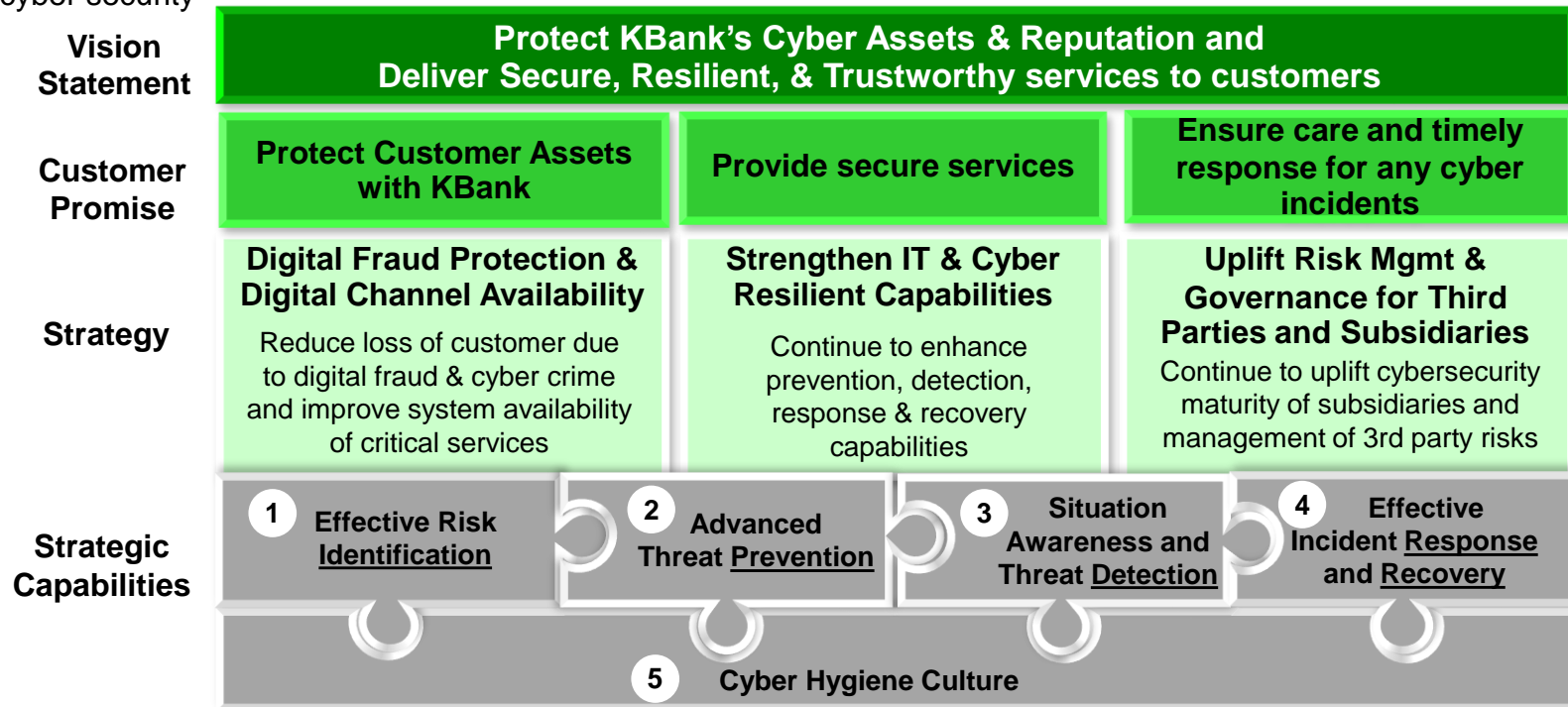
Note:

- \* 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, Doubtful of Loss Loans, and restructured loans classified as NPL



## Cyber Security

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

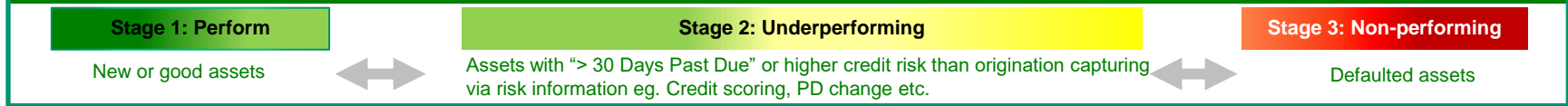


บริการทุกระดับประทับใจ

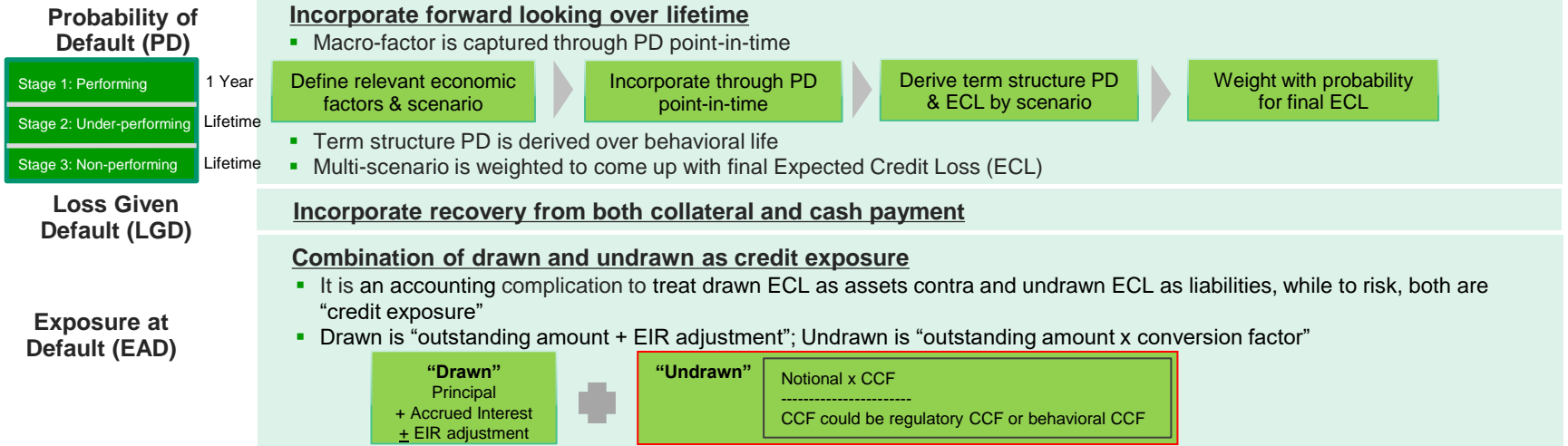


# TFRS9: Asset Class and Expected Credit Loss

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



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

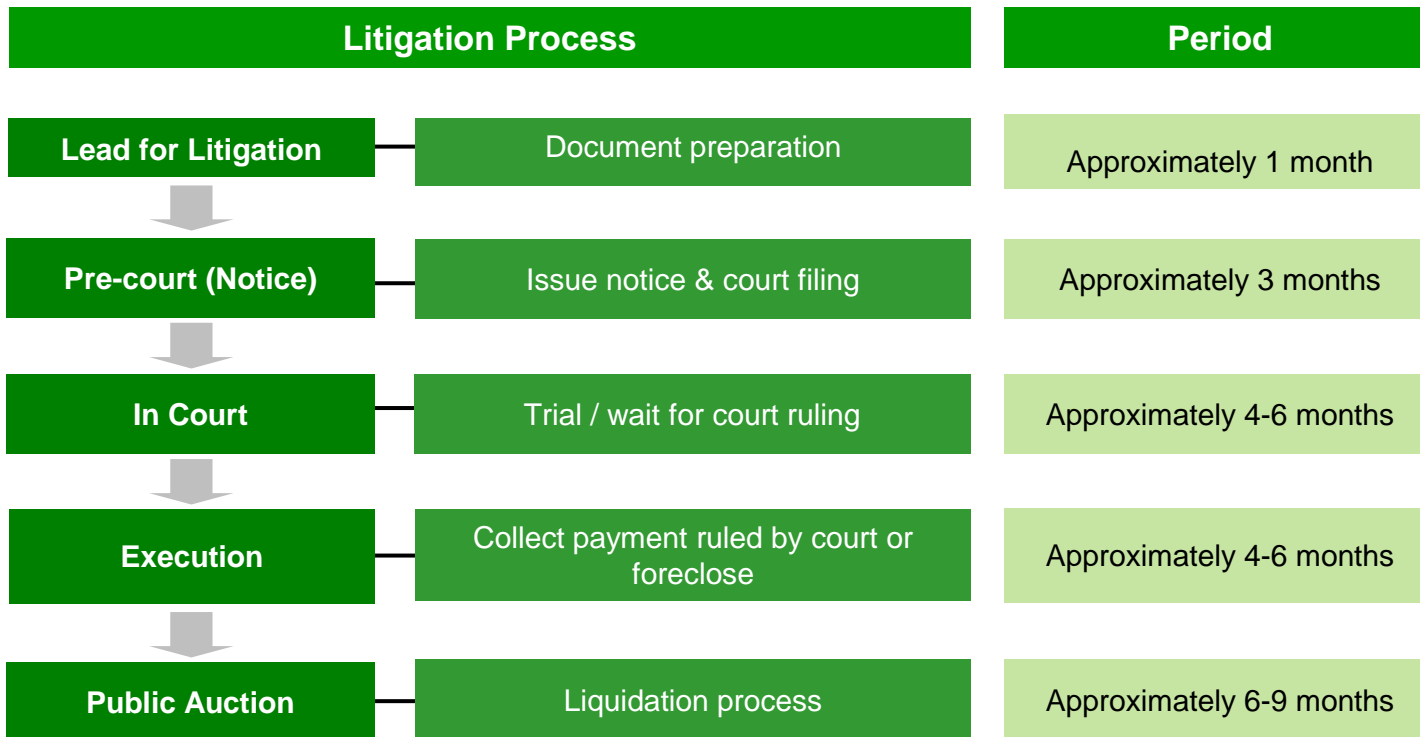


Note: Significant Increase in Credit Risk (SICR) reflects higher risk than origination, but not yet bad quality; modified loans are loans with changing terms and conditions, either good or bad; thus, it can be at any stage  
 Drawn = Loan amount that customer has already drawn down, which is booked under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



## Litigation Process

- Litigation process in Thailand takes about 2-3 years



บริการทุกระดับประทับใจ



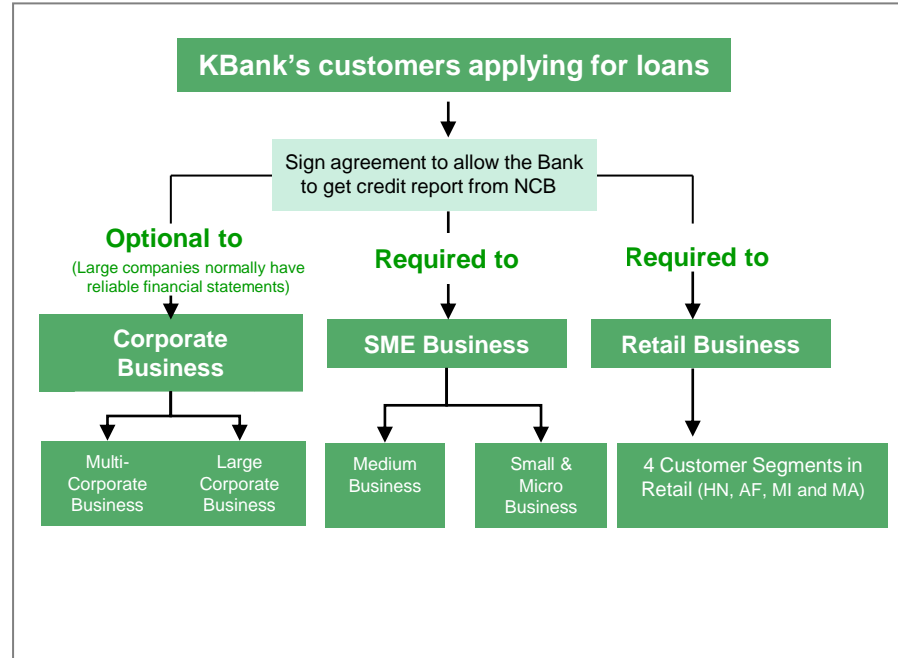
# Credit Bureau Summary

## 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.

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

## KBank Practice



## Proactive risk management to counter economic slowdown and high household debt

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

### Corporate Business

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

### SME Business

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

### Retail Business

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



## KBank: Financial Performance

---

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)

บริการทุกระดับประทับใจ

## 9M24 Performance Highlights

Consolidated	2022	2023	1Q24	2Q24	3Q24	9M24
Net Profit (Bt bn)	35.77	42.41	13.49	12.65	11.97	38.10
<b>Profitability</b>						
- NIM	3.33%	3.66%	3.76%	3.67%	3.61%	3.66%
- ROE*	7.38%	8.29%	9.99%	9.54%	8.74%	9.47%
- ROA	0.86%	0.99%	1.25%	1.18%	1.11%	1.17%
- YTD Loan growth	3.03%	(0.19%)	(1.07%)	(0.11%)	(2.28%)	(2.28%)
- YoY Loan growth	3.03%	(0.19%)	(0.05%)	1.56%	(0.18%)	(0.18%)
- YoY Net fee income growth	(6.89%)	(5.17%)	2.28%	4.72%	8.06%	4.98%
- YoY Non-interest income growth	(8.42%)	9.81%	(0.64%)	14.00%	28.01%	12.64%
<b>Cost control</b>						
- Cost to income	43.15%	44.10%	41.30%	43.40%	44.17%	42.95%
<b>Asset quality</b>						
- NPL ratio	3.19%	3.19%	3.19%	3.18%	3.20%	3.20%
- Credit Cost	2.11%	2.08%	1.89%	1.89%	1.89%	1.90%
- Coverage ratio	154.26%	152.23%	150.35%	151.87%	150.72%	150.72%
Loans to Deposits	90.77%	92.25%	91.17%	93.37%	87.85%	87.85%
Tier 1 Ratio	16.84%	17.44%	17.42%	17.46%	18.59%	18.59%
CAR	18.81%	19.41%	19.37%	19.42%	20.58%	20.58%

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 KASIKORN BANK FINANCIAL CONGLOMERATE. KASIKORN BANK 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

- 9M24 net profit improved 15.41%YoY, from net operating income that grew higher than OPEX as a result from continued cost management and productivity improvement, and ECL decreased YoY in alignment with the consistently prudent approach and supporting uncertainties of various factors that may affect the economic recovery.
- Loans decreased YTD mainly from SME, retail, and regional business while corporate business increased. Overall loan activities decreased from continued precaution and prudent risk management with more stringent underwriting standards, loan repayment, ongoing balance sheet clean up, and loan reclassification to FVTPL; continue focusing on growing quality loans and improve risk-adjusted returns.
- NIM was 3.66%, increased YoY align with interest rate trend. NIM declined QoQ due to temporary high liquidity in September related to a large fund's transactions. If such transactions are excluded, NIM and LDR would be stable QoQ.
- Net fee income increased 4.98% YoY, from wealth management business e.g. fund management and commercial fees; continue focusing on wealth management business.
- Cost to income ratio was 42.95%, slightly increased YoY. Continue managing costs and improving productivity while investing for future growth. Cost-to-income ratio may remain seasonally high in the last quarter.
- NPL ratio was stable at 3.20%, with a coverage ratio of 150.72%.
- Credit cost aligned with the target and remained high to cover future uncertainties; continue prudent financial policy, and proactive asset quality cleanup.
- Capital base remained sufficient to support business growth.



# Consolidated Financial Statements

Statements of Comprehensive Income (Bt mn)									
	2021	2022	2023	3Q23	4Q23	1Q24	2Q24	3Q24	9M24
Interest income	135,415	151,333	183,608	47,236	48,716	48,641	47,766	46,874	143,281
Interest expenses	16,024	18,334	35,164	9,217	9,867	10,113	10,298	9,838	30,249
<b>Interest income - net</b>	<b>119,390</b>	<b>132,998</b>	<b>148,444</b>	<b>38,019</b>	<b>38,849</b>	<b>38,528</b>	<b>37,468</b>	<b>37,036</b>	<b>113,032</b>
Fee and service income	48,628	48,345	48,620	12,177	12,038	12,955	12,643	13,102	38,700
Fee and service expenses	13,312	15,463	17,440	4,374	4,488	4,657	4,565	4,669	13,891
<b>Fee and service income - net</b>	<b>35,316</b>	<b>32,882</b>	<b>31,181</b>	<b>7,803</b>	<b>7,550</b>	<b>8,299</b>	<b>8,078</b>	<b>8,432</b>	<b>24,809</b>
Gain (Loss) on financial instrument measured at FVTPL	5,539	5,053	12,123	797	4,130	3,212	3,176	3,658	10,047
Share of profit (loss) from investments using equity method	(694)	115	(35)	105	42	197	227	288	712
Gain (Loss) on investments	817	(130)	(588)	230	(453)	(58)	(12)	69	(1)
Net premium earned	69,360	66,056	67,674	15,906	17,984	16,042	14,604	15,967	46,613
Other operating income	1,289	2,123	3,058	673	1,341	719	865	613	2,197
<b>Total operating income</b>	<b>234,328</b>	<b>242,542</b>	<b>265,426</b>	<b>64,386</b>	<b>70,064</b>	<b>67,916</b>	<b>65,569</b>	<b>66,928</b>	<b>200,412</b>
Underwriting expenses	70,979	69,285	72,772	17,271	19,170	17,764	15,140	18,248	51,152
<b>Total operating income - net</b>	<b>163,349</b>	<b>173,258</b>	<b>192,654</b>	<b>47,115</b>	<b>50,895</b>	<b>50,152</b>	<b>50,429</b>	<b>48,679</b>	<b>149,260</b>
<b>Total other operating expenses</b>	<b>71,044</b>	<b>74,753</b>	<b>84,968</b>	<b>19,821</b>	<b>24,508</b>	<b>20,713</b>	<b>21,888</b>	<b>21,501</b>	<b>64,101</b>
<b>Earning Before Provision and Tax</b>	<b>92,305</b>	<b>98,505</b>	<b>107,685</b>	<b>27,294</b>	<b>26,387</b>	<b>29,439</b>	<b>28,541</b>	<b>27,179</b>	<b>85,159</b>
Expected Credit Loss	40,332	51,919	51,840	12,793	13,572	11,684	11,672	11,652	35,009
Operating profit before income tax expenses	51,973	46,585	55,845	14,501	12,815	17,755	16,869	15,527	50,150
Income tax expenses	9,729	8,633	10,778	2,838	2,617	3,403	3,224	3,203	9,830
Net profit attributable:									
<b>Equity holders of the Bank</b>	<b>38,053</b>	<b>35,769</b>	<b>42,405</b>	<b>11,282</b>	<b>9,388</b>	<b>13,486</b>	<b>12,653</b>	<b>11,965</b>	<b>38,104</b>
Non-controlling interest	4,192	2,183	2,662	381	810	867	991	358	2,216
Statements of Financial Position (Bt mn)									
	2021	2022	2023	3Q23	4Q23	1Q24	2Q24	3Q24	9M24
Loans to customers	2,421,813	2,495,077	2,490,398	2,438,026	2,490,398	2,463,771	2,487,593	2,433,613	2,433,613
<b>Total Assets</b>	<b>4,103,399</b>	<b>4,246,369</b>	<b>4,283,556</b>	<b>4,266,004</b>	<b>4,283,556</b>	<b>4,318,809</b>	<b>4,247,540</b>	<b>4,367,025</b>	<b>4,367,025</b>
Deposits	2,598,630	2,748,685	2,699,562	2,680,655	2,699,562	2,702,266	2,664,259	2,770,120	2,770,120
<b>Total Liabilities</b>	<b>3,566,724</b>	<b>3,679,289</b>	<b>3,686,721</b>	<b>3,676,666</b>	<b>3,686,721</b>	<b>3,703,156</b>	<b>3,636,283</b>	<b>3,748,292</b>	<b>3,748,292</b>
<b>Total Equity attributable to equity holders of the Bank</b>	<b>476,714</b>	<b>503,270</b>	<b>532,285</b>	<b>525,160</b>	<b>532,285</b>	<b>548,220</b>	<b>544,471</b>	<b>551,119</b>	<b>551,119</b>

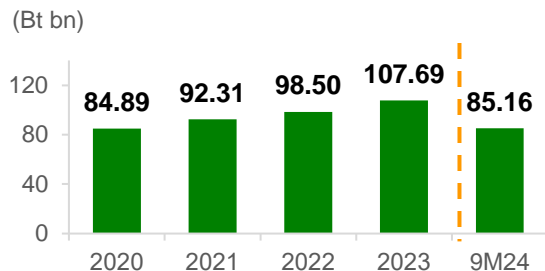
Note: - KBank acquired additional ordinary shares in MTGH, to hold a 51% stake valued at Bt7,529mn; the MTGH Acquisition was completed on November 30, 2009. As the MTGH acquisition was completed on November 30, 2009, the Bank's consolidated financial statements from 2010 include the performance of companies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



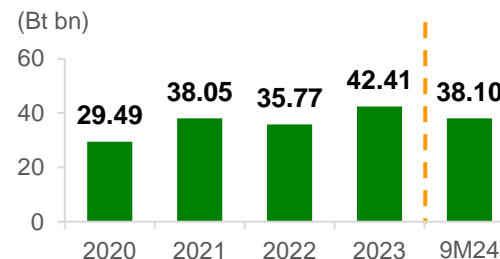
# Earnings Before Provision and Tax (EBPT) and Net Profit

September 2024 (Consolidated)

## EBPT



## Net Profit



- 9M24 net profit improved 15.41%YoY from net operating income that grew higher than operating expenses as a result from continued cost management and productivity improvement, and ECL decreased YoY in alignment with the consistently prudent approach and supporting uncertainties of various factors that may affect the economic recovery.

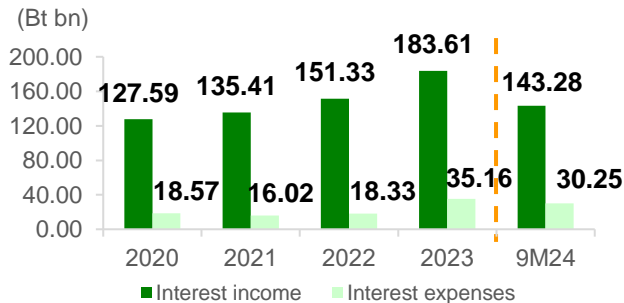
	2020	2021	2022	2023	9M23	9M24	1Q24	2Q24	3Q24
EBPT (Bt bn)	84.89	92.31	98.50	107.69	81.30	85.16	29.44	28.54	27.18
EBPT Growth (% YoY)	(3.27%)	8.73%	6.72%	9.32%	15.90%	4.75%	9.93%	4.84%	(0.42%)
Net Profit (Bt bn)	29.49	38.05	35.77	42.41	33.02	38.10	13.49	12.65	11.97
Net Profit Growth (% YoY)	(23.86%)	29.05%	(6.00%)	18.55%	1.35%	15.41%	25.55%	15.09%	6.06%



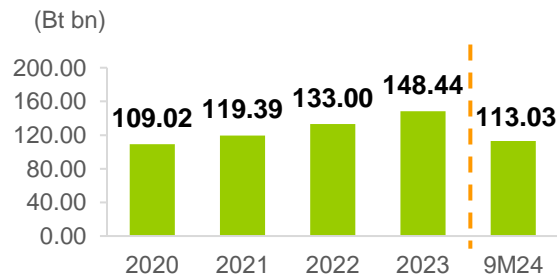
# Interest Income - net

September 2024 (Consolidated)

## Interest Income and Interest Expenses



## Interest Income - net



- 9M24 net interest income increased 3.14% YoY, mainly due to an increase in interest income, despite interest expenses increased.

	2020	2021	2022	2023	9M23	9M24	1Q24	2Q24	3Q24
Interest Income (Bt bn)	127.59	135.41	151.33	183.61	134.89	143.28	48.64	47.77	46.87
Interest Expenses (Bt bn)	18.57	16.02	18.33	35.16	25.30	30.25	10.11	10.30	9.84
Interest Income - net (Bt bn)	109.02	119.39	133.00	148.44	109.60	113.03	38.53	37.47	37.04
Interest Income - net (% Growth YoY)	6.17%	9.51%	11.40%	11.61%	13.16%	3.14%	10.47%	2.09%	(2.59%)

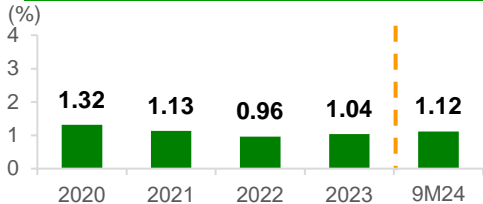
Note: Contributions from MTL's insurance business to KBank include non-interest income (e.g. net-premium earned-net), and interest income (e.g. interest income from investment portfolio); however, all income sources from MTL will be netted with non-controlling interests.



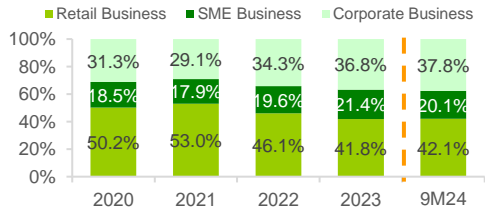
# Non-interest Income and Structure

September 2024 (Consolidated)

## Non-interest Income to Average Assets

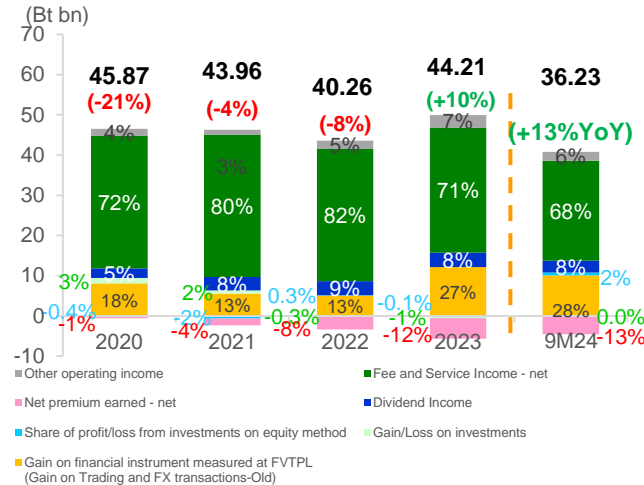


## Non-interest Income by Business\*

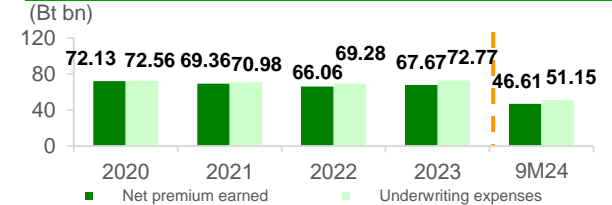


\* Non-interest income excludes capital market business, treasury business and others

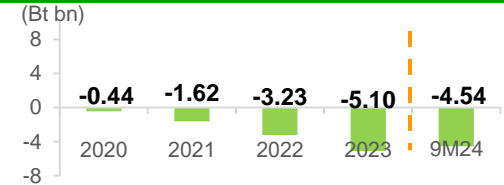
## Non-interest Income Structure



## Net Premium Earned and Underwriting Expenses



## Net Premium Earned - net



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

	2020	2021	2022	2023	9M23	9M24	1Q24	2Q24	3Q24
Non-interest Income (Bt bn)	45.87	43.96	40.26	44.21	32.16	36.23	11.62	12.96	11.64
Non-interest Income Growth (%YoY)	(20.65%)	(4.17%)	(8.42%)	9.81%	19.09%	12.64%	(0.64%)	14.00%	28.01%
Non-interest Income Ratio (%)	29.61	26.91	23.24	22.95	22.69	24.27	23.18	25.70	23.92

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



KASIKORNTHAI

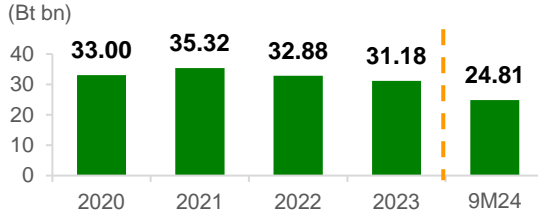
ธนาคารกสิกรไทย  
开泰银行 KASIKORNBANK



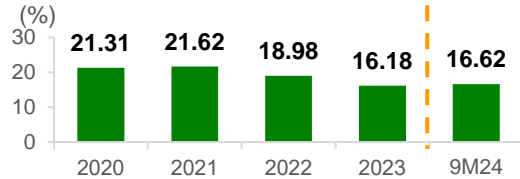
# Net Fee Income and Structure

September 2024 (Consolidated)

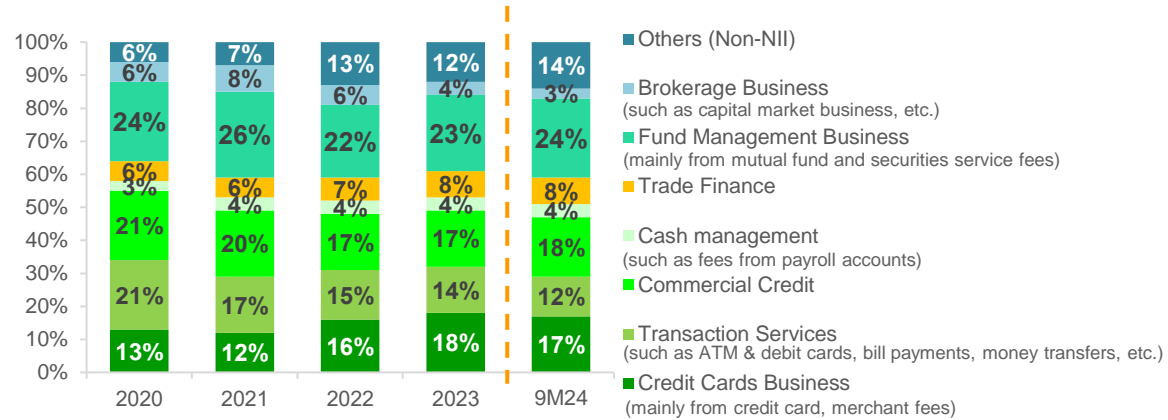
## Net Fee Income



## Net Fee Income to Net Total Operating Income



## Net Fee Income by Products



■ 9M24 net fee income increased 4.98% YoY, mainly from wealth management business e.g. fund management and commercial fees; continue focusing on the wealth management business.

	2020	2021	2022	2023	9M23	9M24	1Q24	2Q24	3Q24
Fee Income (Bt bn)	45.70	48.63	48.35	48.62	36.58	38.70	12.96	12.64	13.10
Fee Income-net (Bt bn)	33.00	35.32	32.88	31.18	23.63	24.81	8.30	8.08	8.43
Fee Income Growth (%YoY)	(9.65%)	6.41%	(0.58%)	0.57%	1.20%	5.79%	3.41%	6.45%	7.59%
Net Fee Income Growth (%YoY)	(10.17%)	7.01%	(6.89%)	(5.17%)	(5.86%)	4.98%	2.28%	4.72%	8.06%
Net Fee Income to Net Operating Income Ratio (%)	21.31	21.62	18.98	16.18	16.67	16.62	16.55	16.02	17.32

Note: - On the consolidated basis, Bancassurance fees are not included in net fee income since November 30, 2009, due to the elimination of inter-company transactions (the accounting treatment from the Muang Thai Group Holding consolidation)  
- Loan related fee in 9M24 was 16% of loan related and non-loan related fees - net

บริการทุกระดับประทับใจ



KASIKORNTHAI

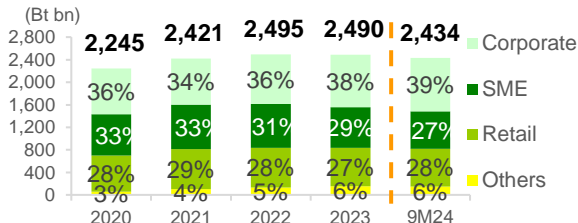
ธนาคารกสิกรไทย  
开泰银行 KASIKORNBANK



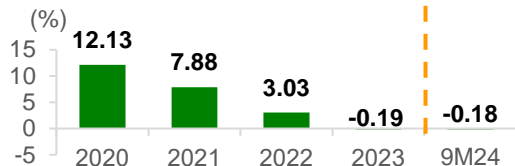
# Loan Structure and Loan Growth

September 2024 (Consolidated, TFRS 8: Operating Segments\*)

## Loan Portfolio Structure



## Loan Growth (% YoY)



## Loan Portfolio

Consolidated	Amount (Bt bn)		9M24 Loan Growth (%)	9M24 Yield Range (%)	Y2024 Loan Growth Target (%)
	Dec 23	Sep 24			
Corporate Loans	935	953	1.9%	3-5%	2-4%
SME Loans	719	660	(8.1%)	6-8%	1-2%
Retail Loans	684	675	(1.3%)	6-8%	1-2%
Other Loans	153	146	(4.8%)		
<b>Total Loans<sup>1)</sup></b>	<b>2,490</b>	<b>2,434</b>	<b>(2.3%)</b>	<b>6.0%</b>	<b>3-5%</b>

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.  
<sup>1)</sup> Other loans through the World Business Group were included. In 9M24, WBG loans were Bt98bn, decreasing -5.5% YTD, and -7.9% YoY.

## Loan by Retail Products (All Segments)\*\*

(Amount in Bt bn)	Dec 23	Sep 24	Y2023 Loan Growth (%)	9M24 Loan Growth (%)	% Portion to Total Loan
Housing Loans	426	436	(3.9)	2.5	17.9
Credit Cards	108	98	(1.5)	(8.6)	4.0
Consumer Loans	61	51	(16.3)	(16.3)	2.1
KLeasing	153	148	11.7	(3.3)	6.1

	2020	2021	2022	2023	9M23	9M24	1Q24	2Q24	3Q24
Loans (Bt bn)	2,245	2,422	2,495	2,490	2,438	2,434	2,464	2,488	2,434
Loan Growth (% YoY)	12.13%	7.88%	3.03%	(0.19%)	(1.07%)	(0.18%)	(0.05%)	1.56%	(0.18%)
Loan Growth (% YTD)	12.13%	7.88%	3.03%	(0.19%)	(2.29%)	(2.28%)	(1.07%)	(0.11%)	(2.28%)

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

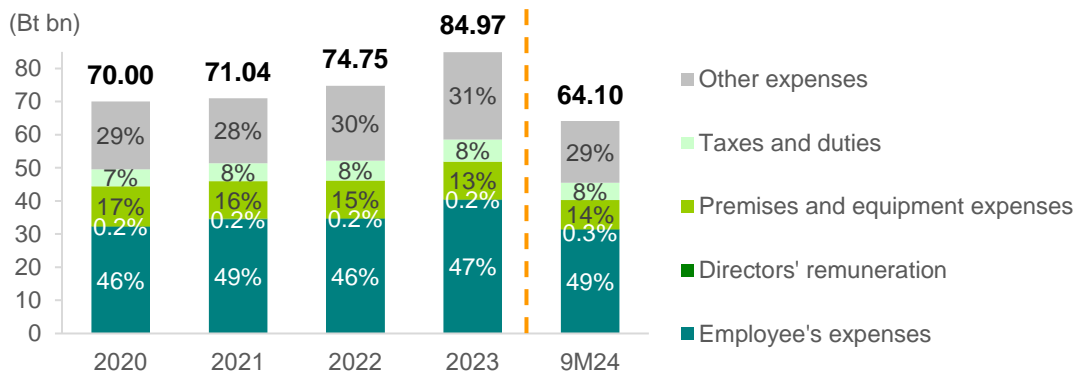
บริการทุกระดับประทับใจ



# Other Operating Expenses

September 2024 (Consolidated)

## Other Operating Expenses Structure



- 9M24 other operating expenses increased 6.02% YoY due to employee expenses, IT-related expenses to support the expansion of customer service and marketing expenses in line with business volume.

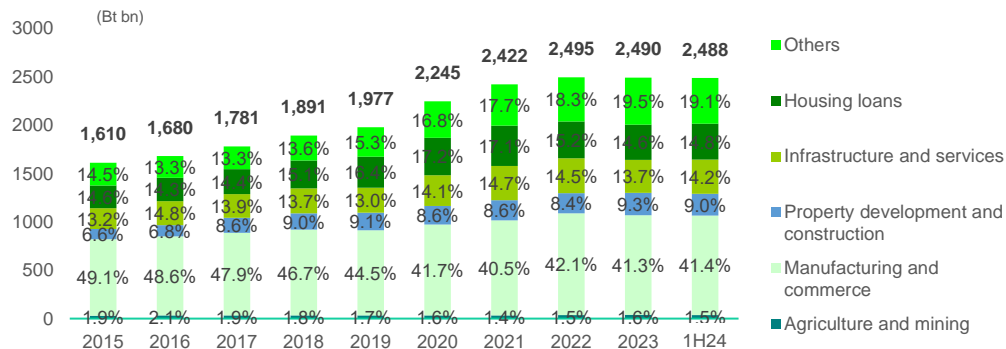
	2020	2021	2022	2023	9M23	9M24	1Q24	2Q24	3Q24
Other Operating Expenses (Bt bn)	70.00	71.04	74.75	84.97	60.46	64.10	20.71	21.89	21.50
Other Operating Expenses Growth (%YoY)	(3.76%)	1.50%	5.22%	13.67%	12.57%	6.02%	4.65%	4.99%	8.48%



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

June 2024 (Consolidated)

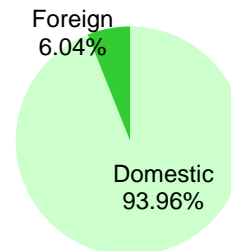
## Loan Portfolio by Business\*



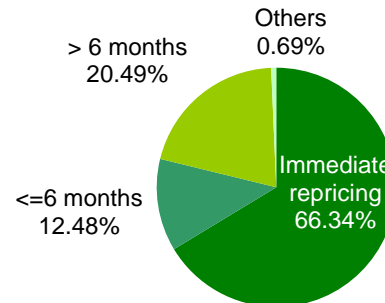
### Definition of Loans

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

## By Residency of Borrowers (June 2024)\*



## By Maturity of Interest Repricing (June 2024)\*



## Loans by Bangkok and Metropolitan vs. Upcountry

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

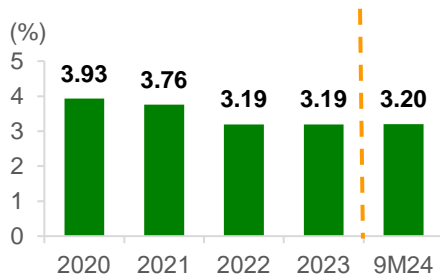
Note: \* The information on loans breakdown by industry, residency of borrowers, and maturity of interest repricing are disclosed on half year basis



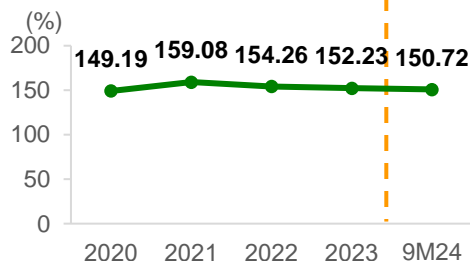
# Asset Quality

September 2024 (Consolidated)

## NPL Ratio



## Coverage Ratio



## Classified Loans\*

(Bt bn)	2021	2022	2023	9M23	9M24
Stage 1 Performing	2,130	2,230	2,228	2,186	2,170
Stage 2 Under-performing	202	188	185	179	190
Stage 3 Non-performing	106	93	92	87	91
<b>Total</b>	<b>2,438</b>	<b>2,511</b>	<b>2,505</b>	<b>2,452</b>	<b>2,451</b>

- NPL ratio in 9M24 was at 3.20%, with a coverage ratio of 150.72%.
- Continue prudent financial policy and proactive asset quality cleanup

	2020	2021	2022	2023	9M23	9M24	1Q24	2Q24	3Q24
NPL Ratio (%)	3.93	3.76	3.19	3.19	3.11	3.20	3.19	3.18	3.20
Coverage Ratio (%)	149.19	159.08	154.26	152.23	154.90	150.72	150.35	151.87	150.72
SML to Total Loans Ratio (%)*	-	-	-	-	-	-	-	-	-
Loans with significant increase in credit risk (%)	7.80	7.27	6.47	6.26	6.19	6.53	6.25	6.35	6.53

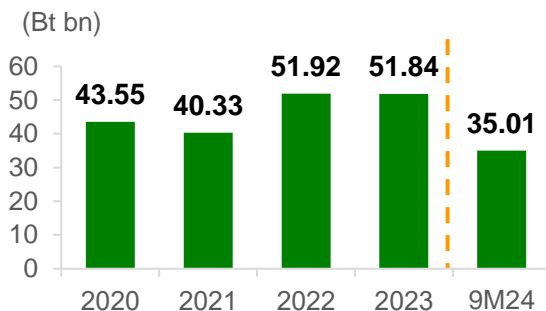
Note: \* Loans to customers and accrued interest receivables: Under TFRS 9, the classified loans are defined by 3 stages based on incremental risks, which cannot directly compare with the previous number these were defined by days past due.



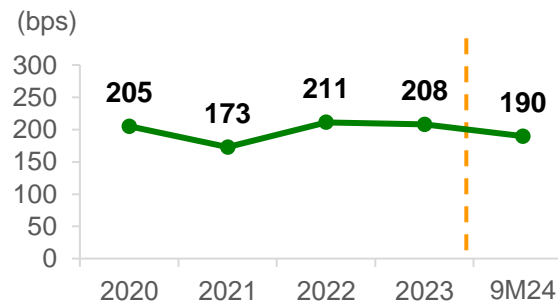
# Expected Credit Loss and Credit Cost

September 2024 (Consolidated)

## Expected Credit Loss



## Credit Cost



- 9M24 Credit cost was 190bps, aligned with the target and remained high to cover future uncertainties.

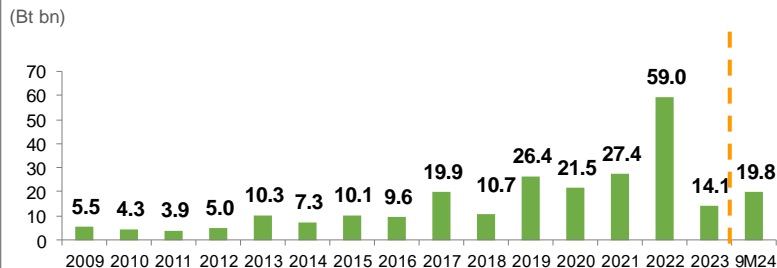
	2020	2021	2022	2023	9M23	9M24	1Q24	2Q24	3Q24
Expected Credit Loss (Bt bn) (Impairment Loss of Loans and Debt Securities)	43.55	40.33	51.92	51.84	38.27	35.01	11.68	11.67	11.65
Credit Cost (bps)	205	173	211	208	207	190	189	189	189



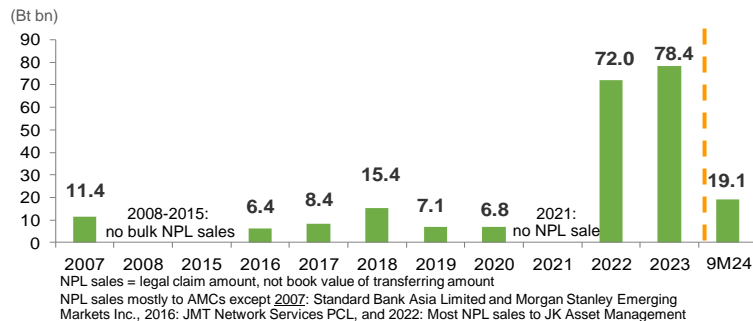
# Bad Assets Resolution

September 2024 (Consolidated)

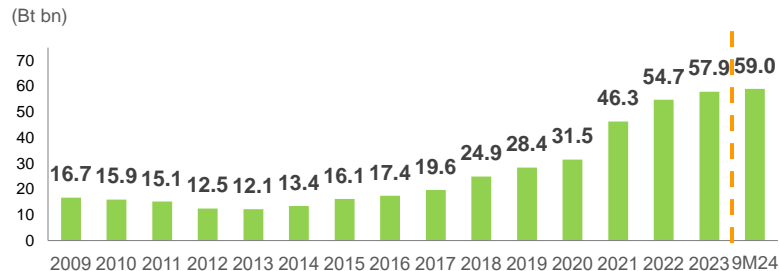
## Write-offs



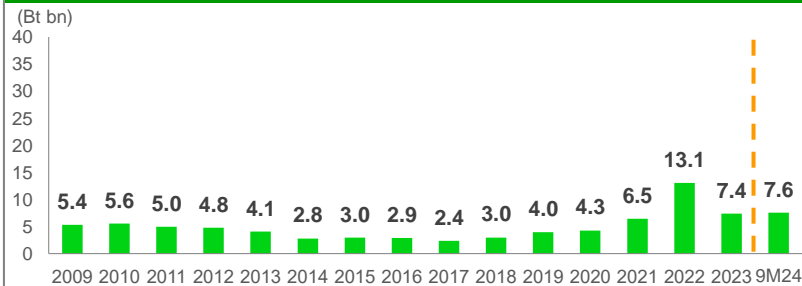
## NPL Portfolio Sales



## Outstanding Foreclosed Properties



## Sales of Foreclosed Properties (KBank only)



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

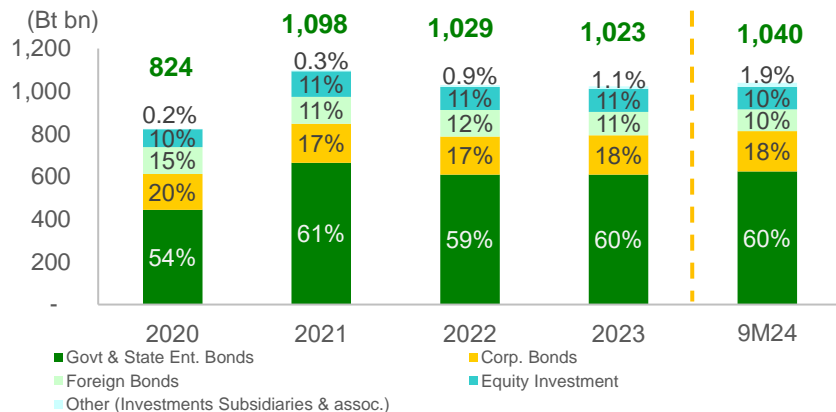
บริการทุกระดับประทับใจ



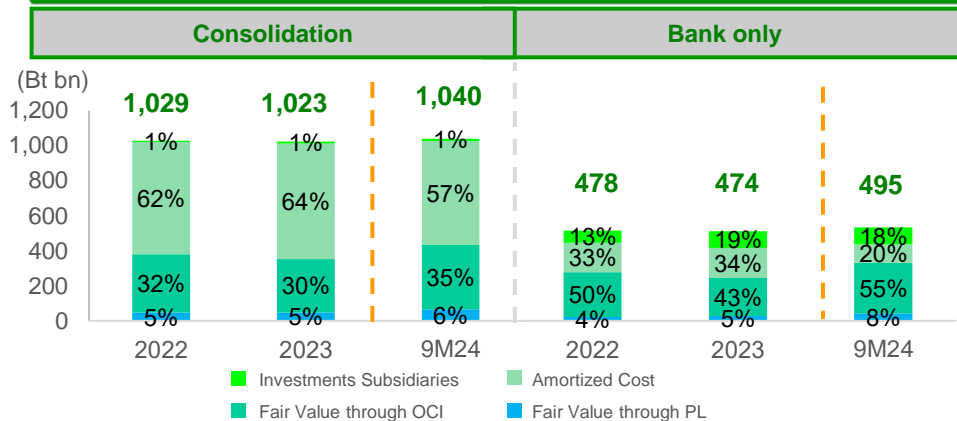
# TFRS 9: Investment in Securities Portfolio and Structure

September 2024

Instrument Type (Consolidated)



Financial Assets Classification (TFRS 9)



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

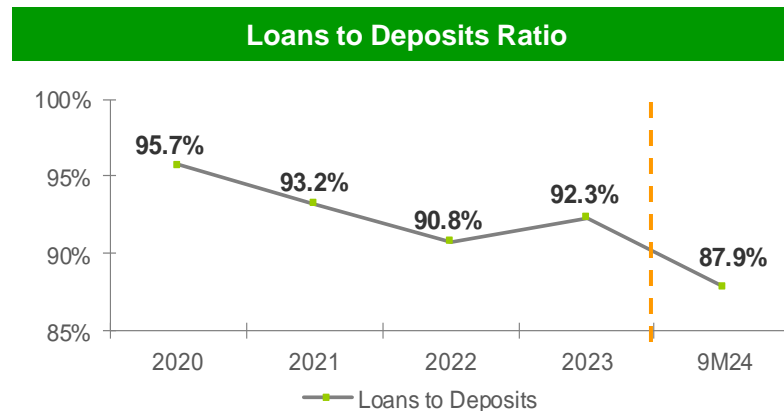
	2020	2021	2022	2023	9M23	9M24	1Q24	2Q24	3Q24
Investment Portfolio (Bt bn)	824	1,098	1,029	1,023	1,037	1,040	1,093	1,057	1,040
Investment Portfolio (% Growth YoY)	6.15%	33.16%	(6.23%)	(0.64%)	(1.24%)	0.31%	3.41%	0.25%	0.31%

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



# Deposits Growth and Loans to Deposits Ratio

September 2024 (Consolidated)



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

	2020	2021	2022	2023	9M23	9M24	1Q24	2Q24	3Q24
Deposits (Bt bn)	2,345	2,599	2,749	2,700	2,681	2,770	2,702	2,664	2,770
Deposits (% YoY)	13.2%	10.8%	5.8%	(1.8%)	0.8%	3.3%	(0.4%)	(1.7%)	3.3%
Deposits (% YTD)	13.2%	10.8%	5.8%	(1.8%)	(2.5%)	2.6%	0.1%	(1.3%)	2.6%
Loans to Deposits Ratio (%)	95.7%	93.2%	90.8%	92.3%	90.9%	87.9%	91.2%	93.4%	87.9%

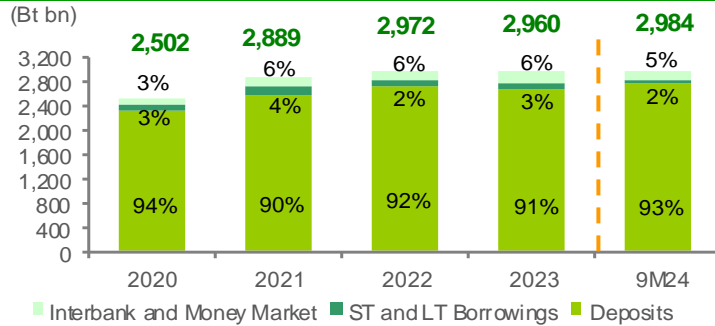
บริการทุกระดับประทับใจ



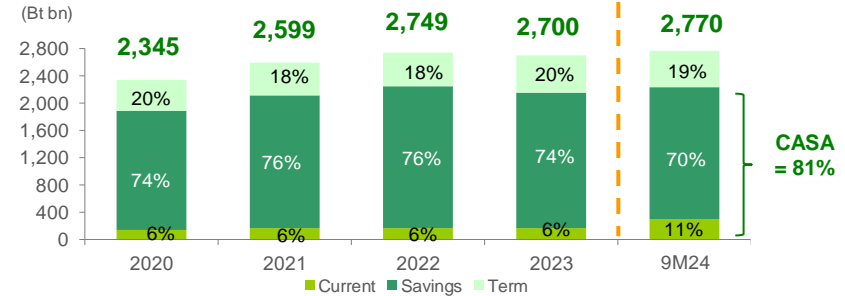
# Funding Structure and Interest Rate Movement

September 2024 (Consolidated)

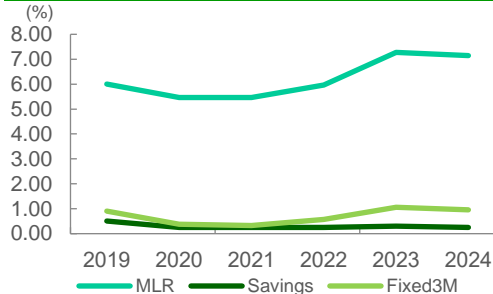
## Funding Structure



## Deposit Structure



## KBank Interest Rate Movement (Retail customers)



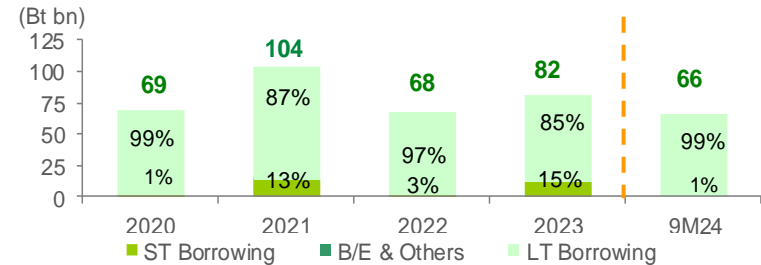
Deposit rates (%) (November 23, 2024)

Savings	0.25
Fixed 3M-12M	0.95-1.50
Fixed 24M-36M	1.80-1.95

Lending rates (%) (November 1, 2024)

MLR	7.15
MOR	7.34
MRR	7.18

## ST and LT Borrowings



## Long-term Senior/Subordinated Debentures

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

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

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



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



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

September 2024

	KAsset EST. Mar 1992	KResearch EST. Dec 1994	KSecurities EST. Jul 2002	KLeasing EST. Dec 2004	KF&E EST. Jul 1990
Company Name	KASIKORN ASSET MANAGEMENT CO., LTD.	KASIKORN RESEARCH CENTER CO., LTD.	KASIKORN SECURITIES PCL.	KASIKORN LEASING CO., LTD.	KASIKORN FACTORY AND EQUIPMENT CO., LTD.
Company Profile	A leader in fund management business (i.e., mutual funds, provident funds, and private funds)	<ul style="list-style-type: none"> <li>Professional in providing knowledge and analysis in economics, business, money and banking, and sustainability-related issues</li> <li>Only research house which is an affiliate of a bank</li> </ul>	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	Bt2.83bn	Bt0.18bn	Bt30.07bn	Bt128.10bn	Bt23.02bn
Market Share	18.20%	Ranked #1 as a Top-of-Mind Research Center in Thailand	2.73% (#12)	8% <sup>1</sup>	13%
2024 Targets	Maintain top tier position	Maintain our status as a top-notch research house in Thailand	Maintain leading position in securities business under local bank parent	Maintain a good asset quality portfolio	Maintain top tier position and focus on good asset quality
3-year Aspiration	Maintain top tier position	Maintain our status as a top-notch economic research house in Thailand with an aspiration to be at the forefront of research in Southeast Asia.	Top of mind securities firm	Provide complete range of financial solutions and maintain good asset quality	Top tier leader in sustainability in equipment leasing

Note: <sup>1</sup> Outstanding market share among 6 banks leasing companies (AYCAL, TTB, SCB, KK, TISCO and KL)



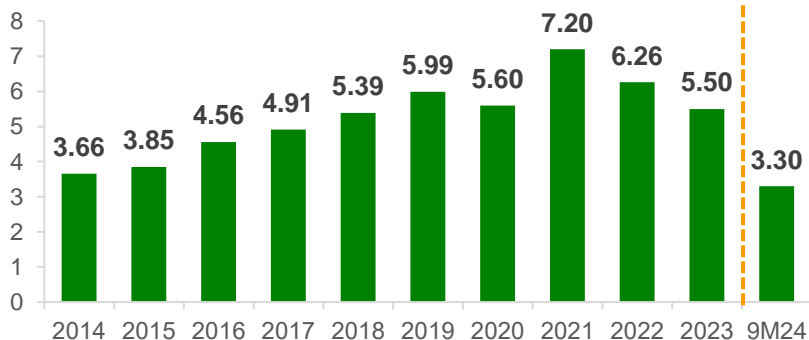
## The wholly-owned subsidiaries of KBank: 2024 Key Operating Performance

September 2024

	<b>KAsset</b> EST. Mar 1992	<b>KResearch</b> EST. Dec 1994	<b>KSecurities</b> EST. Jul 2002	<b>KLeasing</b> EST. Dec 2004	<b>KF&amp;E</b> EST. Jul 1990
<b>2024 Key Operating Performance</b>	Assets Under Management (AUM): Bt1.71 trn (7.54% YoY)	Ranked #1 as a Top-of-Mind Research Center in Thailand	- Trading volume: Bt434 bn - Number of customers grew 11% YoY	Outstanding loans: Bt126.79 bn (-14.62% YoY) <sup>1</sup>	EBT : 282.84 MB. (41.22% YoY)

### The wholly-owned subsidiaries of KBank: Net Profit

(Bt bn)



- Net profit dropped from the same period of 2023, -19.51% YoY. However, KBank continues to create synergy among its wholly-owned subsidiaries.

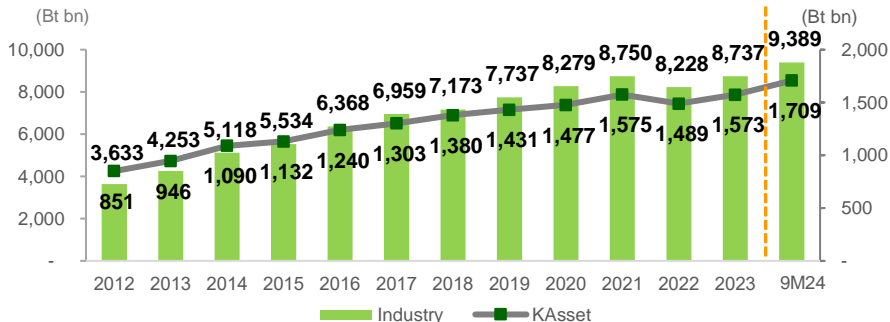
Note: <sup>1</sup> In April 24, KL sold and transferred Car to Cash and Car registration loan good portfolio to Ngerm Hai Jai, company under KIV

# KAsset Highlights in 9M24

September 2024

หลักทรัพย์จัดการกองทุนกสิกรไทย  
开泰基金管理 KASIKORN ASSET MANAGEMENT

## AUM (KAsset vs. Industry)



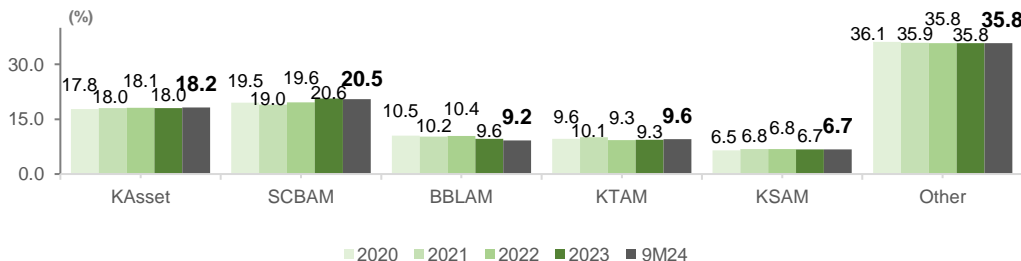
## Industry Outlook:

- 9M24 industry AUM at Bt9.39trn, increasing 8.8% YoY
- KAsset AUM at Bt1.71trn, increasing 7.5% YoY

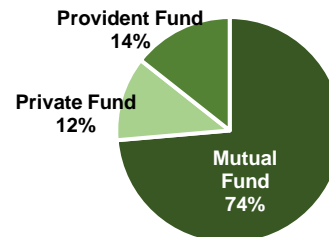
## KAsset Highlights:

- Ranked **#1** in Mutual Fund and **#2** in Provident Fund with market share of 22.4% and 16.3%, respectively
- Ranked **#2** in total AUM with market share of 18.2%
- Mutual fund accounts for 74% of KAsset AUM

## Market Share by AUM



## KAsset AUM Breakdown by Type



บริการทุกระดับประทับใจ

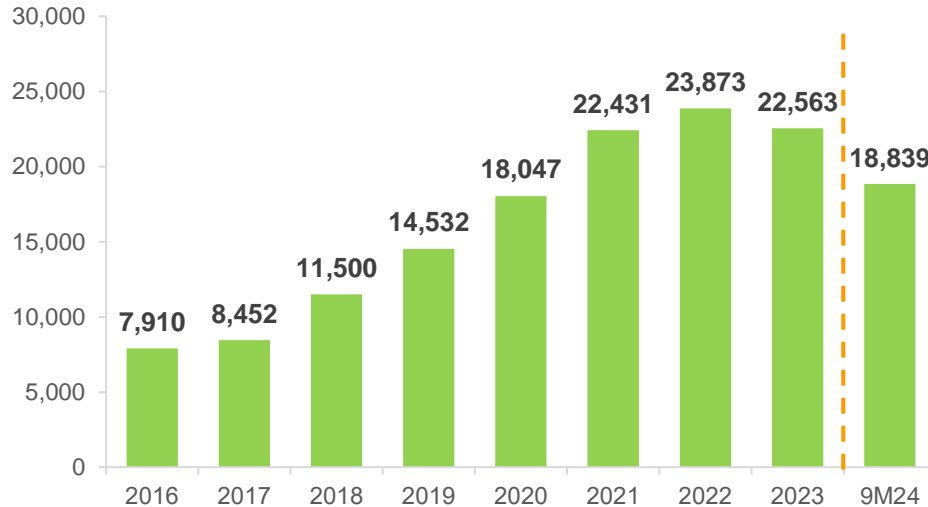


# KResearch Highlights in 9M24

September 2024



## Number of News Quotes



Source : NCX, Isentia, etc.

The number of quotes from the media newspapers online newspaper and other online news.

## KResearch Highlights:

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

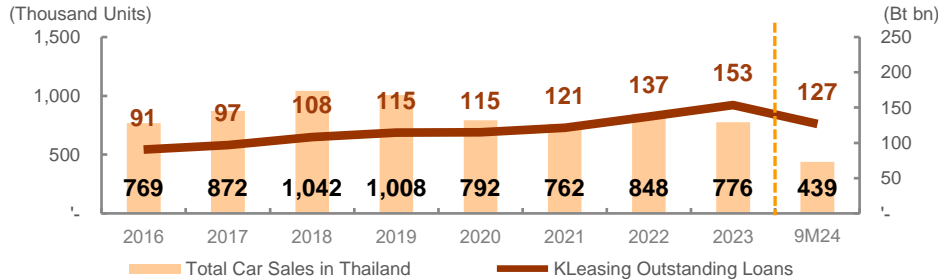


# KLeasing Highlights in 9M24

September 2024



## KLeasing vs. Industry



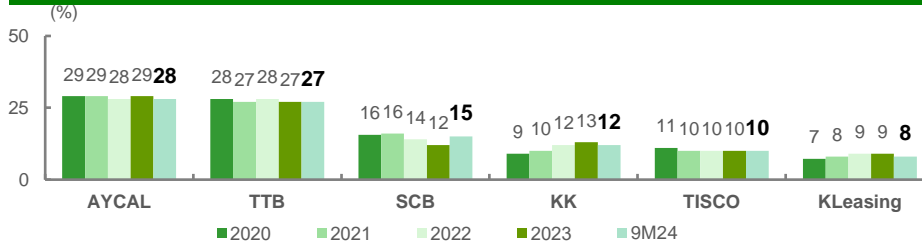
## Industry Outlook:

- 9M24 industry car sales totaled 438,659 units

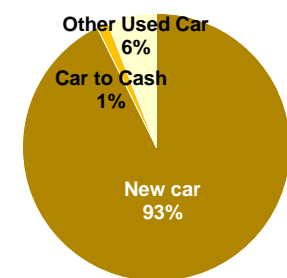
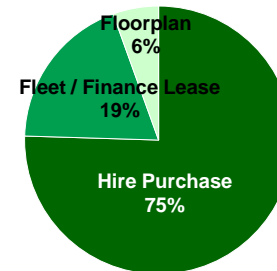
## KLeasing Highlights:

- 9M24 KLeasing loans totaled Bt126.79bn, decreasing 14.62% YoY<sup>3</sup>
- 9M24 KLeasing NPL ratio was 2.50%

## Market Share by Total Outstanding Loans (%)<sup>1</sup>



## KLeasing Outstanding Loans Breakdown<sup>2</sup>



Note: <sup>1</sup> Excluding captive and non-bank leasing, Lasted Data as of 3Q24

<sup>2</sup> New car includes HP New car, Fleet finance, Finance lease (FL) and Floorplan and Used car includes Car to Cash (K-Car / Car registration loan) and other used cars

<sup>3</sup> In April 24, KL sold and transferred Car to Cash and Car registration loan good portfolio to Ngern Hai Jai, company under KIV

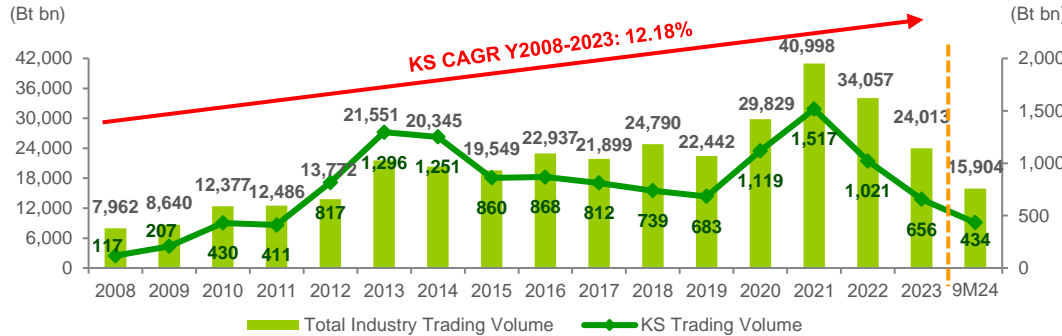


# KSecurities Highlights in 9M24

September 2024



## Trading Volume (KSecurities vs. Industry)\*



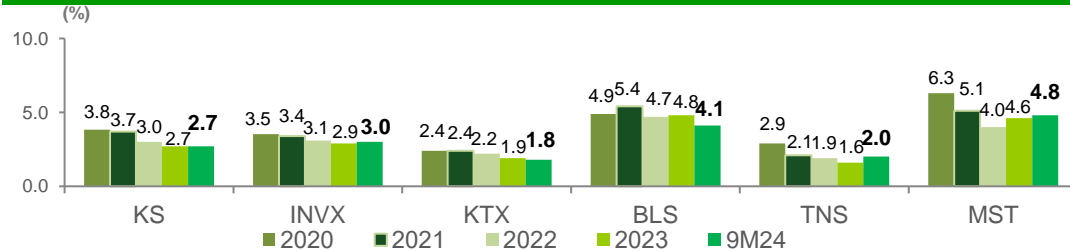
## Industry Outlook:

- 9M24 industry trading volume\* was Bt15.90trn, decreasing 17%YoY
- KS trading volume was Bt434.21bn

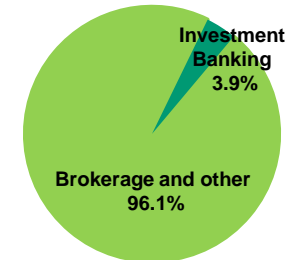
## KSecurities Highlights:

- KS ranked #12, with 2.73% market share
- Majority of revenue came from brokerage
- Number of customers account grew 11%YoY to 415,031 customers in 9M24

## Market Share by Trading Volume\*



## KSecurities Revenue by Business





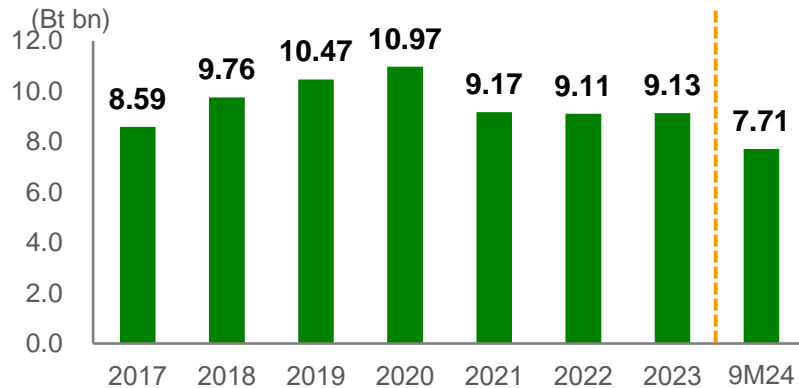
# KF&E Highlights in 3Q24

September 2024

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



## KF&E New Booking



## Industry Outlook:

- The growth of the Equipment Leasing (EQL) is forecasted using several factors, including the total import volume of machinery and equipment, government policy direction especially in supporting private sector in transitioning machinery for emission reduction, business growth opportunities domestically and internationally, and Capital Investment Index, including factors related to labor costs that drive the transition to machinery from human labor

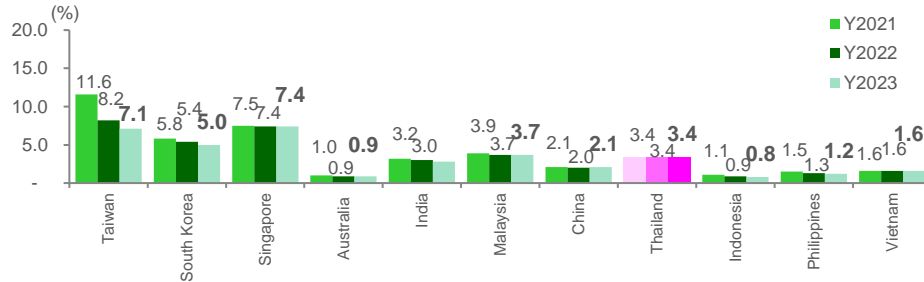
## KF&E Highlights:

- 9M24 KF&E has new booking of Bt7.71bn, 12.6% YoY
- KF&E is currently top tier positioning in equipment leasing industry

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

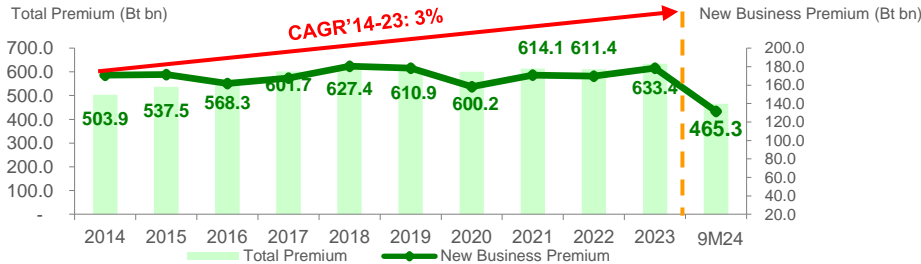
# Life Insurance Industry in Thailand

Premium per % GDP by Country



Source: Swiss Reinsurance

Size of Market by Premium(%)

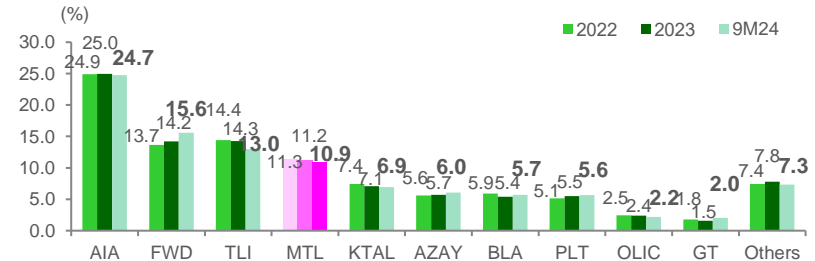


\* New Business Premium in 9M24 = Bt131.5bn

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 (%)



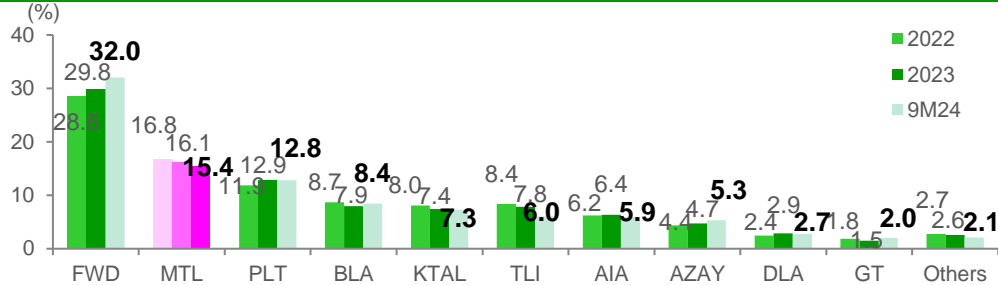
Source: The Thai Life Assurance Association

- In 2023, Thailand insurance penetration rate was 3.4% with a high opportunity for growth.
- Muang Thai Life Assurance (MTL) ranked #4 in life insurance industry in Thailand, in 9M24 with 10.9% market share of total premium.
  - #4 in life insurance industry in Thailand, in 2023



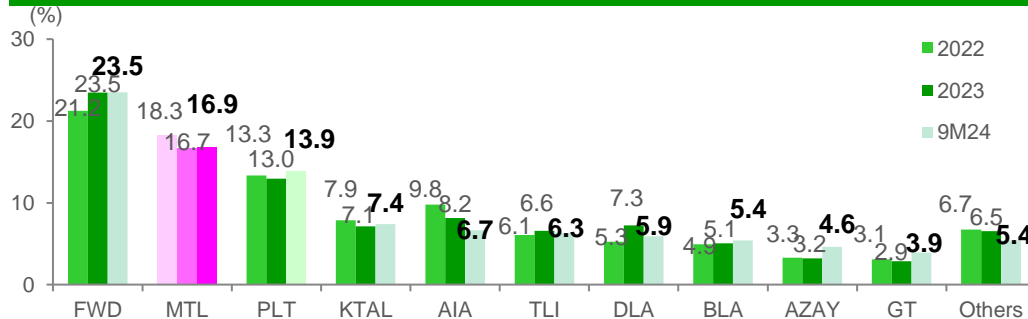
# Bancassurance Highlights in 9M24

## Bancassurance Market Share by Total Premium (%)



- MTL ranked #2 in Bancassurance market
  - #2 in Bancassurance total premium with 15.4% market share
  - #2 in Bancassurance new business premium with 16.9% market share

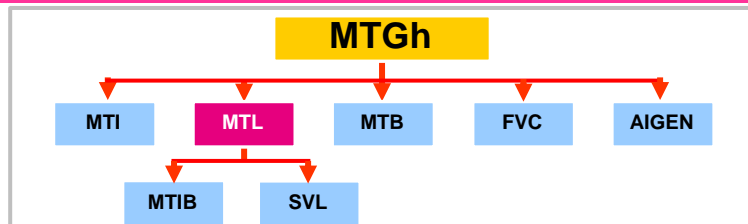
## Bancassurance Market Share by New Business Premium (%)



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

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

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



### Current KBank Economic Interests

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

(Data as of 30 September 2024)



- Established on 6 April 1951
- First life insurance company to have received the Royal benevolence in granting the appointment as the life insurance company of His Majesty King Bhumibol Adulyadej
- Joined hands with Ageas in 2004 (formerly known as Fortis Insurance International NV) and joined hands with KBank in 2009
- Credit Rating:
  - S&P Global: BBB+ (Stable Outlook)
  - Fitch Ratings: A- (Stable Outlook) / AAA(th) (Stable Outlook)
- Enterprise Asia Linchpin of Asia Award & Corporate Excellence Award hosted by Enterprise Asia
- Product of the Year Award 2024 Category of Premium Health Insurance from "Elite Health Plus" hosted by Business+ Magazine and Mahidol University
- Creative Business Award hosted by Creative Talk
- Ageas holds 7.83% in MTGH and holds 24.99990% in MTL

บริการทุกระดับประทับใจ

## Muang Thai Life Assurance (MTL) Information Summary



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

### Statements of Comprehensive Income (Bt bn)

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

### Statements of Financial Position (Bt bn)

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

### Strategy in 2024

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

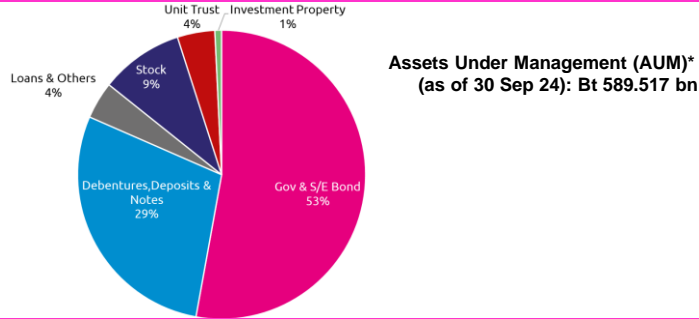
### Key Financial Targets

Bt bn	2019	2020	2021	2022	2023	9M24
<b>Total Premium (after refund)</b>	<b>83.8</b>	<b>75.3</b>	<b>73.0</b>	<b>69.3</b>	<b>71.0</b>	<b>50.5</b>
<b>% Growth</b>	<b>-11%</b>	<b>-10%</b>	<b>-3%</b>	<b>-5%</b>	<b>2%</b>	<b>-4%</b>
				<b>2022</b>	<b>2023</b>	<b>9M24</b>
ROE (%)				6.6%	6.5%	6.7%
ROA (%)				0.9%	0.9%	0.9%
Risk-Based Capital (RBC)				332%	353%	381%

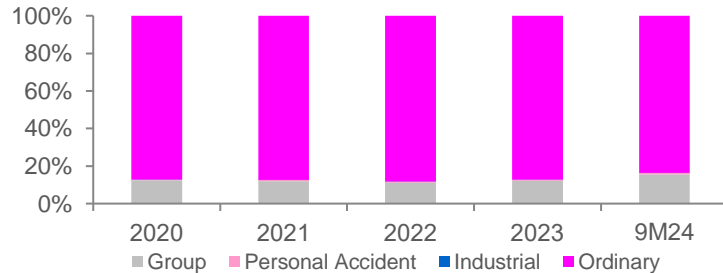


# MTL Investment Portfolio and Insurance Premium

**MTL Investment Portfolio:**  
Fixed Income accounted for around 82%

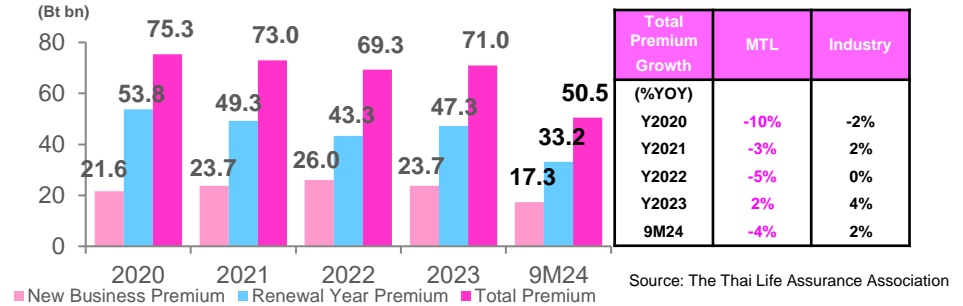


**MTL Total Premium by Products:**  
Ordinary product accounted for around 84% in 9M24

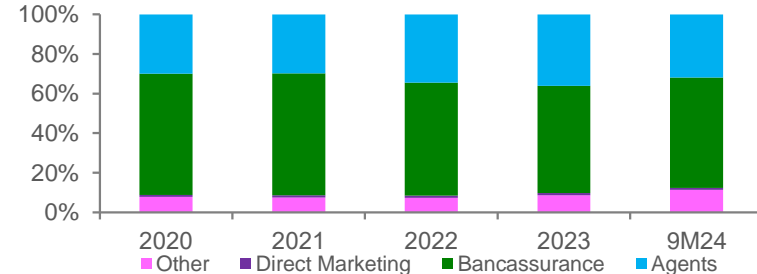


Note: \* Invested Assets + Investment Property

**MTL Total Premium**



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



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



## MTL International Business Expansion



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



# MTL's Life Insurance Product Profile

## Four Major Types of Life Insurance Product

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



# Sample of K-Bancassurance and MTL Products

## K-BANCASSURANCE K-Bancassurance Products<sup>1)</sup>

### Endowment Life Insurance

#### Phuea Khumkhong 80/8 (MiNgoenKhuen)

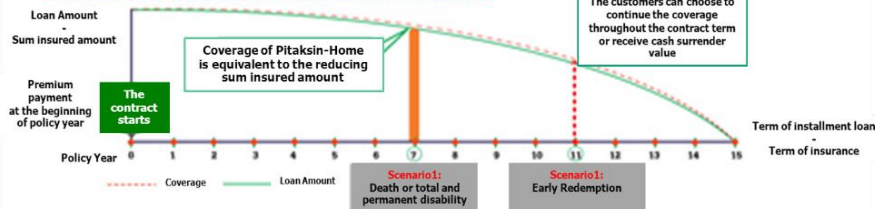
Pay premium for only 8 years, but the coverage continues for Attaining the age of 80



## Term Life Insurance

#### MRTA-Home (Mortgage Reducing Term Assurance)

Example, in case the customers choose to insure their loan in full term and full coverage



Remark: the above coverage is based on an assumption that the customer's credit repayment history is normal according to the Bank's loan contract

<sup>1)</sup> K-Bancassurance products are MTL's life insurance products selling through KBank

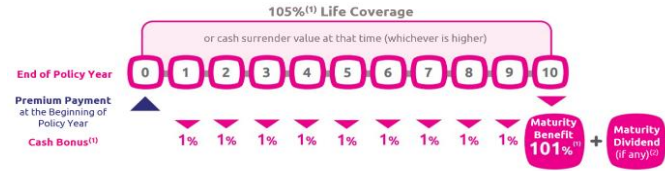
<sup>2)</sup> Muang Thai Life Assurance products are MTL's life insurance products selling through MTL sales agents, and/or other channels

## mtl Muang Thai Life Assurance Products<sup>2)</sup>

### Endowment Life Insurance

#### Muang Thai Smart Linked Pro 10/1 (Global)

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



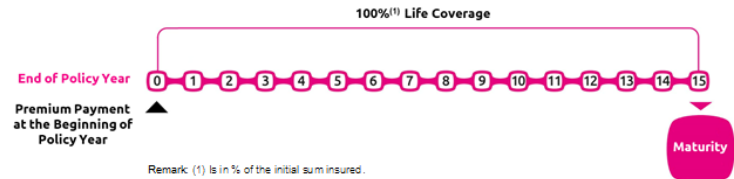
<sup>(1)</sup> Benefit and coverage are % of the initial sum insured. In case the benefit amount and coverage are stated incorrectly, the specified % shall apply.

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

## Term Life Insurance

#### Khumkhong Baep Khongthi Life-Bukkhon

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





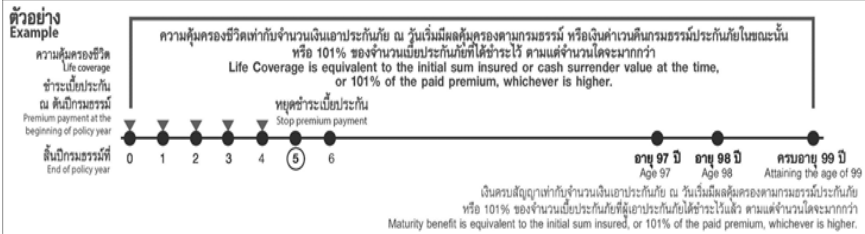
# Sample of K-Bancassurance and MTL Products

## K-Bancassurance Products<sup>1)</sup>

### Whole Life Insurance

#### Muang Thai Premier Legacy 99/5

Life insurance coverage continues to age 99 years

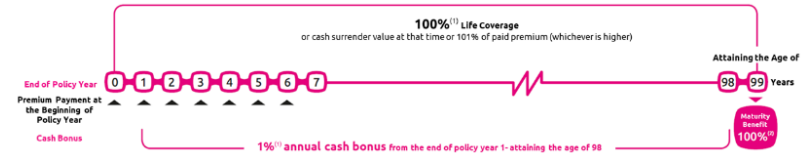


## Muang Thai Life Assurance Products<sup>2)</sup>

### Whole Life Insurance

#### Muang Thai Happy Return 99/7

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



<sup>(1)</sup> Is in % of the initial sum insured.

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

### Rider

#### Elite Health Plus Rider



##### Right Coverage

Medical expense coverage for both OPD\* and IPD which is paid by actual amount



##### Comprehensive Coverage

Standard single room at any hospital or special single room at 10,000-25,000 Baht per day



##### Long-Term Health Coverage

Insurable age is until the age of 90 with coverage period until the age of 99.

#### D Health Plus Rider



##### Be Covered to the Max

Lump sum benefit based on actual expense of 5 million Baht\* Standard single room in any hospital



##### Plus Additional Coverage

Maternity Plus or Well-Being Plus that covers health checkup, vaccination, dental care, and eye care which meet all of your needs.



##### Long-Term Health Care

Entry age is up to 90 years old with long-term coverage until attaining the age of 99

#### OPD Per Time Rider/and OPD MaoChai Rider

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



##### OPD Per Time Rider

OPD 500 - 3,000 THB per time per day. Up to 30 times per year.



##### OPD MaoChai Rider

OPD 15,000 - 100,000 THB per year. Up to 2 times per day for second opinion.



##### Complete Coverage

Including telemedicine, doctor fees, diagnosis charge, medical expenses, physical therapy fee, CT Scan and MRI diagnosis, or kidney dialysis.

<sup>1)</sup> K-Bancassurance products are MTL's life insurance products selling through KBank

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



## KBank: Other Information

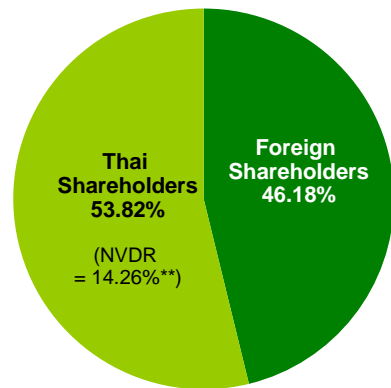
บริการทุกระดับประทับใจ



# Shareholder Structure

September 12, 2024 (Record Date)

## Shareholder Structure



**Note:**

Foreign Shareholding Limit 49%

## Top 10 Shareholders\*

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

Note: \* The Top 10 Shareholders are based on individual accounts

\*\* Thai NVDR Co., Ltd (Thai NVDR) is responsible for issuing and selling Non-Voting Depository Receipts (NVDRs) to investors. The Stock Exchange of Thailand (SET) is the major shareholder, holding 99.99% of the total shares, of Thai NVDR. The NVDR limit for KBank is 25%.

\*\*\* Thailand Securities Depository Company Limited (TSD), a subsidiary of the Stock Exchange of Thailand, provides three types of securities post trade services: securities depository services, securities registration services, and provident fund registration services; the shareholders booked under TSD are those who are not eligible for dividend payments as their investment is not aligned with their citizenship (i.e. foreign investors buying KBank shares on the local board or Thai investors buying KBank shares on the foreign board)

Source: Thailand Securities Depository Company Limited (TSD), the Stock Exchange of Thailand website (www.set.or.th), and KBank



# Credit Ratings

As of November 13, 2024

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

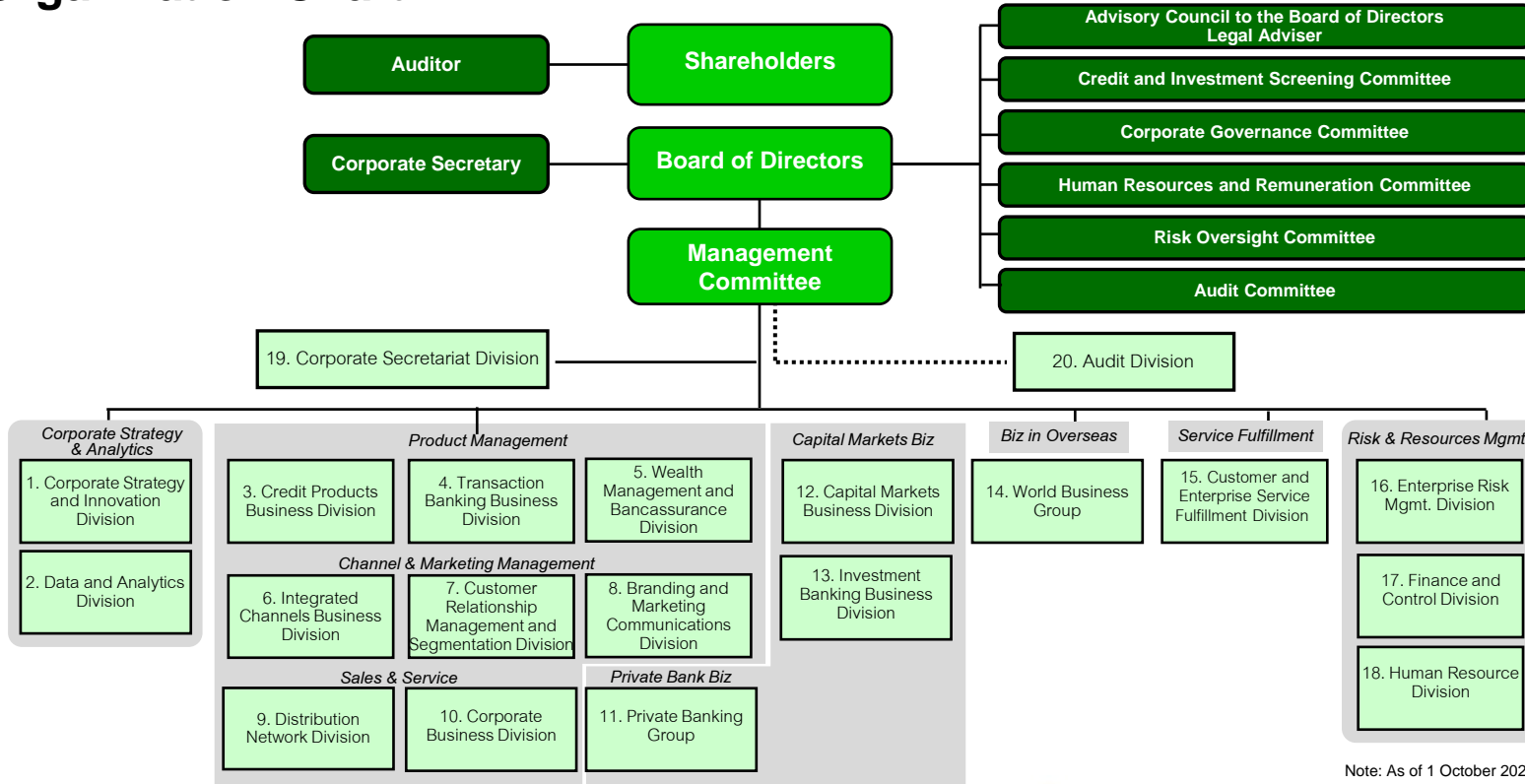
Note:

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

- 1) March 21, 2022: S&P's downgraded long-term credit ratings of 4 Thai banks, including KBank, as systemic risks have increased for banks operating in Thailand. S&P's downgraded long-term credit rating of KBank from BBB+ to BBB. However, S&P's upgraded outlook of their credit ratings to stable from negative as it views their credit ratings would be stable in next 1-2 years
- 2) November 7, 2022: Moody's downgraded the Baseline Credit Assessments (BCAs) of two Thai banks, including KBank, to baa2 from baa1, reflecting the structural challenges to their asset quality and profitability that are exacerbated by the slow economic recovery in Thailand. Moody's also downgraded KBank's foreign-currency subordinate MTN program rating to Ba1 from Baa3 and its foreign-currency preferred stock non-cumulative MTN program rating to Ba2 from Ba1.



# Organization Chart

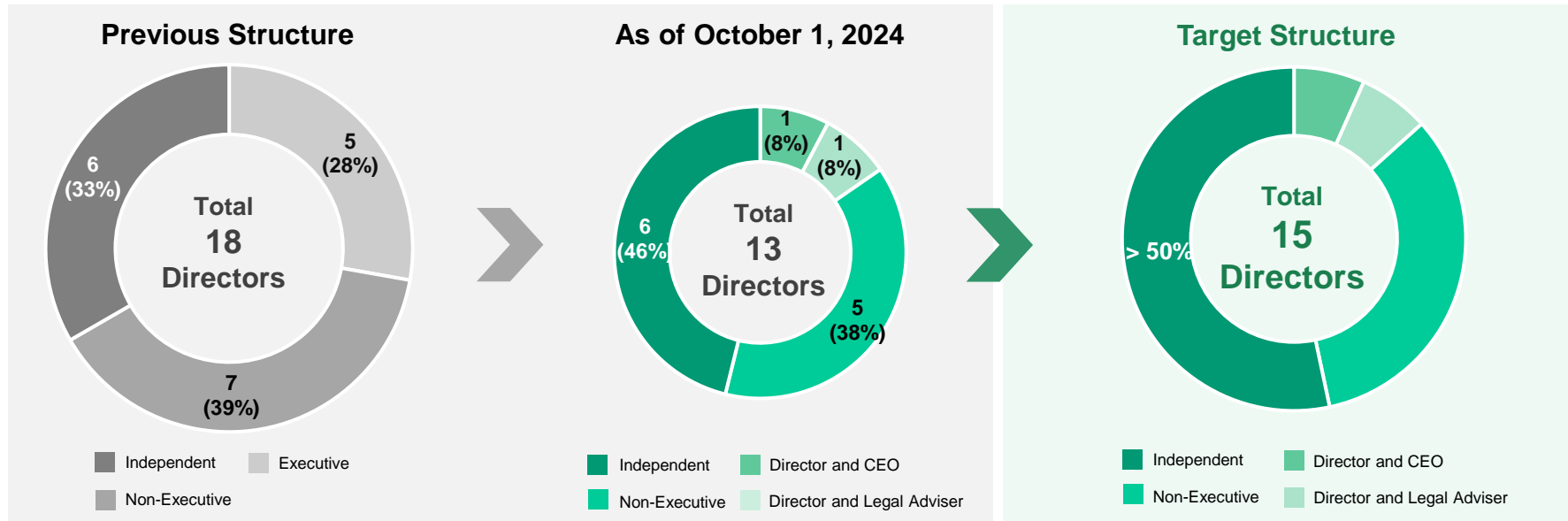


Note: As of 1 October 2024

บริการทุกระดับประทับใจ

## Board of Directors

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





# Board of Directors Structure

(As of October 1, 2024)

## 6 Independent Directors

**Ms. Kobkarn Wattanavrangkul**  
Chairperson of the Board

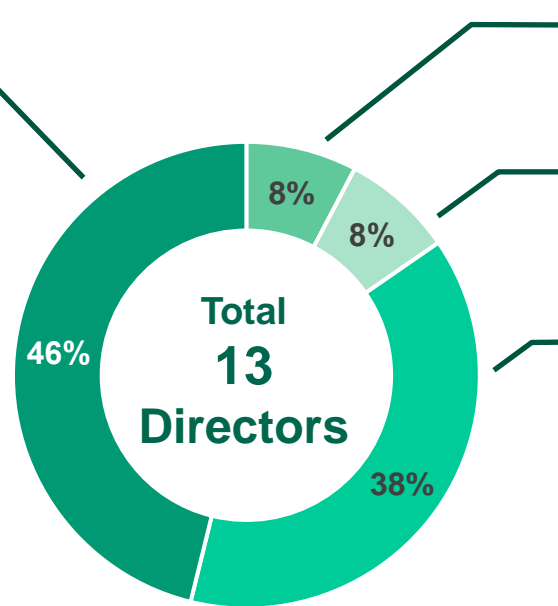
**Mr. Chanin Donavanik**  
Chairman of the Human Resources and  
Remuneration Committee

**Ms. Jainnisa Kuvnichkul Chakrabandhu  
Na Ayudhya**

**Ms. Kaisri Nuengsigkapan**  
Chairperson of the Audit Committee

**Ms. Piyaporn Phanachet**

**Mr. Auttapol Rerkpiboon**



## 1 Director and CEO

**Ms. Kattiya Indaravijaya**  
(Authorized Signature)

## 1 Director and Legal Adviser

**Ms. Chonchanum Soonthornsaratoon**  
(Authorized Signature)

## 5 Non-Executive Directors

**Ms. Sujitpan Lamsam**  
Vice Chairperson (Authorized Signature)

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

**Mr. Saravoot Yoovidhya**

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

**Ms. Suphajee Suthumpun**



# Sustainable Development Framework and Policy

## Bank of Sustainability

ASPIRATIONS

Be an ESG Leader among Banks in Southeast Asia

SD FRAMEWORK



Environment



Society



Governance / Economy

GOAL

Ensuring environmental stewardship towards a net zero-carbon society

Being a responsible corporate citizen to create a sustainable society

Being an accountable bank to create sustainable profitability

COMMITMENT

We are committed to preserving the environment and reducing the impact of climate change.

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

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

### STAKEHOLDER ENGAGEMENT

SD POLICY

1. Committing to becoming Net Zero in our own operations by 2030

5. Ensuring financial inclusion and promoting financial literacy

10. Ensuring business operations under good corporate governance practices and delivering services to customers with fairness

2. Committing to reducing greenhouse gas emissions in our financed portfolio in line with Thailand's aspirations; reducing greenhouse gas emissions in significantly impacted sectors, both in terms of greenhouse gas emission volume and the proportion of loans extended to each sector; and accelerating this journey where possible

6. Safeguarding customer data security and privacy

11. Adhering to customer centricity by initiating financial innovations that meet every aspect of customers' needs

3. Being the leader in innovative "Green Finance" in Thailand

8. Respecting for human rights and diversity

12. Ensuring efficient risk management focusing on environmental, social, and governance (ESG) issues

4. Providing services beyond financial solutions to support decarbonization in Thailand

9. Promoting the development of youth potential as well as the pursuit of environmental, public and social activities

MATERIAL AREA

- GREEN OPERATIONS
- SUSTAINABLE FINANCE

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

- CORPORATE GOVERNANCE & BUSINESS ETHICS
- ESG RISK MANAGEMENT



บริการทุกระดับประทับใจ

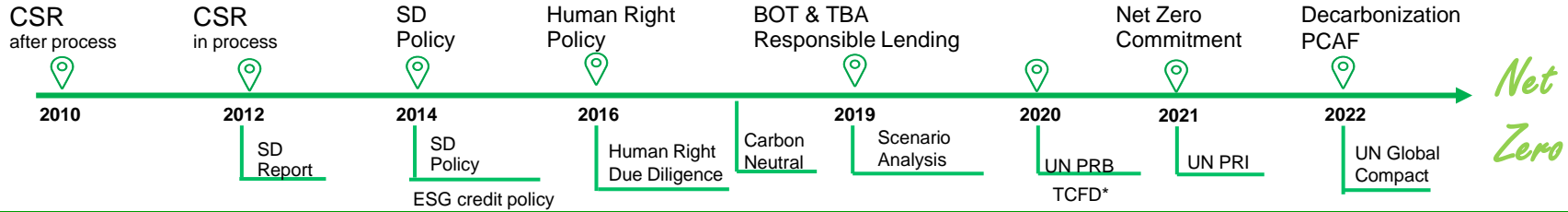


# KBank Sustainable Development Journey

## Bank of Sustainability

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

## KBank Sustainable Development Journey



## Pride of KBank

### INTERNATIONAL

The first **Bloomberg Gender-Equality Index (GEI)** member from Thailand. The Bloomberg Gender-Equality Index (GEI) distinguishes companies committed to transparency in gender reporting and advancing women's equality for five consecutive years (2019-present)

A member of the **FTSE4Good Emerging Index** for eight consecutive years (2016-present)

KBank's Leadership Level rating is at AA for its ESG performance among emerging market banking sector peers



The first Thai commercial bank with CDP A List (Leadership Level) in Climate Change, assessed by the **Carbon Disclosure Project (CDP)**

The first and only commercial bank in Thailand and ASEAN selected as a member of the **DJSI World Index** and **DJSI Emerging Markets Index** for eight consecutive years (2016-present)

KBank was ranked in the **top 5% of the S&P Global ESG Score 2022** for the banking industry with score of 84/100 in the S&P Corporate Sustainability Assessments 2023

### NATIONAL



Included in the Thailand Sustainable Investment (THSI) for seven years (2015, 2017 - 2022), and **SET ESG Ratings AAA Level (2023)**



**ESG 100** certificate 2023 (Certified by Thaipat Institute)



**Climate Action Leading Organisation (CALO) award** from the Thailand Greenhouse Gas Management Organisation (TGO) for 2023



**Sustainability Disclosure Award 2023** granted by Thaipat Institute



The first and only commercial bank in Thailand granted **Carbon Neutral Certification** for six consecutive years (2018-present)



**SET Sustainability Awards** granted by the Stock Exchange of Thailand – **Best Sustainability Awards** for two consecutive years (2022 - 2023), and awarded Highly Commended in Sustainability Awards for three years (2018 - 2019, 2021)

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



## KBank Net Zero Commitment

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

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



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

**NET**  
**Commitment**

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

▶ Supporting Customers  
In the Transition to  
**A Net Zero Economy**

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

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

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



## Environmental

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

### Green Operations

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

2023 Result: GHG emissions of KBank's operations reduced by 12.74% (Baseline year: 2020).



Scope

1

Green Mobility  
Conversion to EV fleets:

**250 vehicles**

Conversion to Hybrid fleets:

**409 vehicles**



(As of September 2024)



Scope

2

Clean Energy Management

Solar rooftop installation at

**100%** of Main Building

And at

**85** Branches

(As of September 2024)

### Sustainable Finance

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

5 glidepaths and/or sector strategies



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

-----Performance----- | -----Target-----



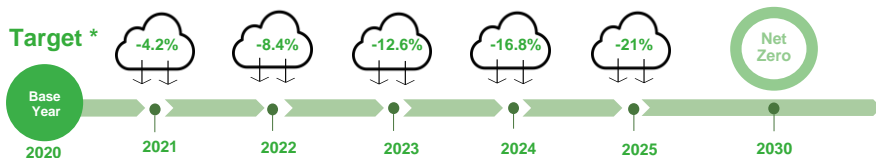
\*Unit: Million THB

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

# Green Operations

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

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



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

### Scope 1 Emission from fossil fuel burned from KBank own car fleet

- EV Fleet Conservation
- Adopt lower emission factor fuel (E85, E20)

### Scope 2 Emission incurred from electricity consumption

- Solar rooftop installation
- Energy Conservation Measures (Building Retrofit, BMIS)
- Space Optimization
- Renewable Energy Certificates (REC)



### Residual emission

- Carbon Removal



\* This target is considered to align with SBTi.

\*\* In 2022, KBank's GHG emissions (Scope 1) report provided information on refrigerant and extinguishing agent leakage only.

\*\*\* In 2023, GHG Scope 2 emission factor has been changed from 0.5719 to 0.4999 kg CO<sub>2</sub> e/kWh, resulting in the restatement of GHG Scope 2 emissions from 2023 towards the base year 2020. Moreover, the calculation of Total GHG (Scope 1 & 2) was conducted on the basis of GHG Scope 2 Market-Based, where purchases of Renewable Energy Certificate (5,720 units) in 2023 were taken into account.

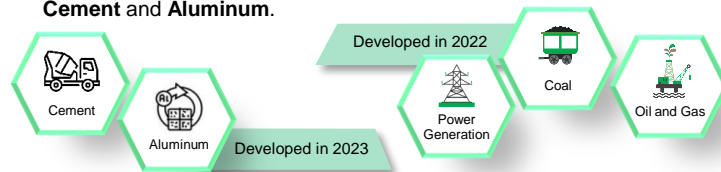
# Sustainable Finance

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

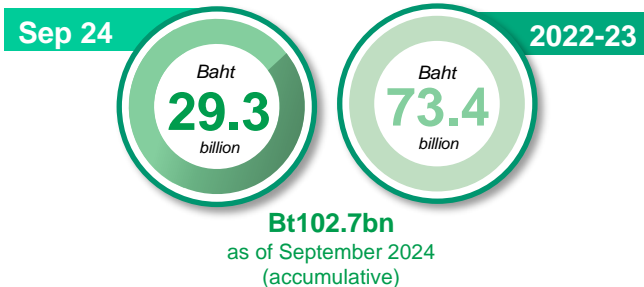


## Sector Prioritization for Industries of High GHG Emissions in Portfolio

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



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





## Social

- **GOAL** Being a responsible corporate citizen to create a sustainable society
- **Commitment** We are committed to developing strong relationships with employees and society to better livelihoods and increase prosperity.

### Financial Inclusion and Financial / Cyber Literacy



#### Y2023 Targets:



1. Financial Literacy for the underprivileged to reach:

**52,500** persons

- Y2023 Performance: Financial Literacy for the underprivileged reached 53,886 persons



2. Increase cyber literacy knowledge and awareness to reach

**15 million** persons

- Y2023 Performance: Cyber literacy campaign reached 28.2 million people



### Customer Data Security and Privacy

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

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

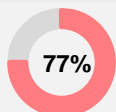


### Respect for Human Rights

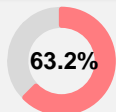
**100%**

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

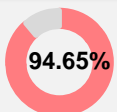
### 2023 Performance



Employee engagement score



Female in leadership position



Internal fill rate of employees



**152,101**

employee volunteer hours\*



**755,638**

persons beneficiaries from CSR activities

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

## Governance

- **GOAL** Being an accountable bank to create sustainable profitability
- **Commitment** We are committed to strong ESG principles to be a responsible and accountable bank.

### Corporate Governance and Anti-Corruption

#### Corporate Governance

- Reviewing KBank practices under Thai IOD, ASEAN CG Scorecard, and S&P Corporate Sustainability Assessment (CSA) criteria, also known as Dow Jones Sustainability Indices (DJSI)



- Implementing a strategic plan for CG activities to enhance compliance by directors, executives, and staff with CG principles, Code of Conduct, and Anti-Corruption Policy through
  - Organizing training courses and continually communicating via e-Learning system
  - Communicating with companies within KASIKORNBANK FINANCIAL CONGLOMERATE to ensure consistency of operations
- Reviewing the Statement of Business Conduct, the Code of Conduct, the Statement of CG Principles, CG Policy, and related Charters; keeping them up-to-date in accordance with
  - Ongoing business operations and Bank Sustainability
  - Compliance with laws, international practices, and best practices as prescribed by regulatory agencies and competent agencies
- Conducting phishing drill exercises internally on a continual basis to build awareness and stay ahead of cyber threats

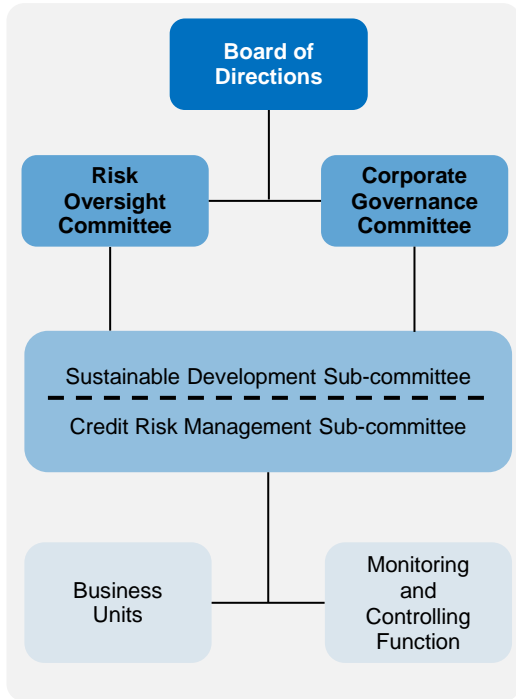
#### Anti-Corruption

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



## ESG Risk Management

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



- Board of Directors**

- Approving risk management policy, frameworks, risk limits and risk appetites

- Risk Oversight Committee**

- Overseeing and ensuring compliance with consolidated risk management policies and strategies and acceptable risk appetite
    - Assessing risk management policies and strategies to cover all risks including emerging risks

- Corporate Governance Committee**

- Overseeing and undertaking sustainable development

- Credit Risk Management Sub-committee**

- Determination of ESG credit policy and processes, and updating such policy and processes

- Sustainable Development Sub-committee**

- Considering and approving sustainable development frameworks and action plans
    - Considering and approving policies, goals, strategies and targets related to sustainable development performance
    - Overseeing and monitoring sustainable development operations
    - Considering sustainable development communications within and outside KBank, and information disclosure in compliance with domestic and global sustainability frameworks and standards

- Business units**

- Screening environmental and social risks of project financing and commercial credits to be supported
    - Ensuring and monitoring projects' compliance with regulations/ environmental and social management plans

- Monitoring and Controlling Functions**

- Determining environmental and social management as agreed
    - Reporting to the Corporate Governance Committee

บริการทุกระดับประทับใจ



# ESG Risk Management

## ESG Credit Policy

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

#### 1 ESG Credit Assessment

• 100% of project finance requests and medium enterprises (and above) must be processed through the ESG credit assessment:

• Check the industry type against the **Exclusion List**



• Check **Sector - Specific Guidelines**



Project Finance

Medium Enterprises and Above

#### 2 Classifying credit types for projects

- Type A: Projects create severe E and S impacts
- Type B: Projects create E and S impacts
- Type C: Projects do not create E and S impacts, or create minimal E and S impacts



Assessing ESG impacts via Initial ESG Risk Assessment Form

#### 2 Assessing ESG impacts via General ESG Screening Form

Project Finance

3 Requesting approval for detailed study of projects (without approval, the processes terminate)

4 Reporting to CG Committee for recommendations

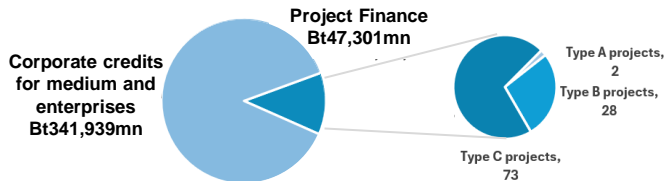
5 Studying details and negotiating about project feasibility on credit and environmental management

6 Approving or rejecting the applications in accordance with the approval authority, and determining environmental and social conditions

Medium Enterprises and Above

3 Approving or rejecting the applications in accordance with the approval authority, and determining environmental and social conditions

### Credit Approval Result in 2023



• **100%** of project finance requests and medium enterprises and above **must be processed through the ESG credit assessment**

• **Total commercial credits for medium enterprises and above and project finance approved in 2023** amounted to **Bt389,240mn**

• **Total project finance in 2023** was **103** projects; 2 type A projects, 28 type B projects, and 73 type C projects

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



# ESG Risk Management

## ESG Credit Policy

### Examples of the Exclusion List

 Offences relating to gambling  Offences relating to narcotics  Offences relating to human trafficking  Offences relating to exploitation of natural resources  Offences relating to embezzlement  Offences relating to terrorism	<p>Offences related to illegal activities or activities that risk violation of laws including domestic environmental laws and international agreements</p>  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	<p>Credits related to destroying or encroaching upon important ecosystems such as mangrove forests and conservation areas</p>  UNESCO World Heritage Sites  Conservation areas under the Ramsar Convention on Wetlands  Protected areas specified by the International Union for Conservation of Nature (IUCN Protected Area Category) and High Conservation Value (HCV) areas	<p>Credits for hydropower generation from dams that generate significant impacts on the E and S, without management measures and work plans in accordance with the Equator Principles and without support from international financial institutions for development or foreign financial institutions that have accepted the Equator Principles</p> <p>Stop financing project of new coal-fired power generation and thermal coal mining (100% discharge existing loans on coal-fired power plants and thermal coal mining by 2030)</p>
--	--	---	---

### Examples of Sector-Specific Guidelines

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



#### Agricultural Industry

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



#### Fishery

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



#### Electricity Generation

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



# Public Recognition Highlight: 2023 – 9M24

## 2023

### THE ASIAN BANKER

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

### RETAIL BANKER

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



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



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



- Listed in the DJSI 2023 by S&P Global



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



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

### FinanceAsia

- Best DCM House in Thailand

### BrandAge

- Thailand's Most Admired Brand: Mobile Banking

### REFINITIV

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

### HR Asia

- Best Companies to Work for in Asia-Thailand region

### GLOBAL FINANCE

- The World's Best Trade Finance Providers 2023

### Corporate Governance Asia

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

### mongoDB

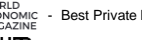
- 2023 MongoDB APAC Innovation Award - Customer Focused (MAKE by KBank)

### ASIAMONEY

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



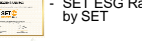
- Best Private Bank Thailand



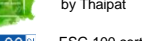
- Best Private Banking Thailand



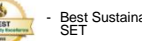
- Best Private Bank for Building Client Communities, Asia



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



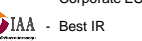
- SET ESG Rating 2023 "AAA" by SET



- Sustainability Disclosure Award 2023 by Thaiptat



- ESG 100 certificate 2023 Certified by Thaiptat



- Best Sustainability Awards (2023) by SET



- Future Enterprise of the Year



- Top Underwriter



- Best Bond House



- Deal of the Year



- Most Innovative Deal



- Corporate ESG Bond of the Year



- Best IR

## 9M24

### THE ASIAN BANKER

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

### RETAIL BANKER

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



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

### BrandAge

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



- Best Bond House in Thailand
- Best FX Bank for Corporates & Fis
- Best FX Bank for Hedging requirements (Corporate, Fis, Onshore Middle Market & SMEs) - CCS,IRS, Forward & Options
- Best Wealth Management Bank in Thailand



- Project Finance House of the Year
- Renewable Energy Deal of the Year (ASEAN), Loans
- Monsoon Wind Power Company

### ACCOMM

- NEWS Compass Global Award – Excellence in Coaching and Mentoring



- Leader of Technology
- Most Attractive Employer
- Corporate Transformation
- Most Innovative



- Best Private Banking Brand – Thailand



- Best Private Bank – Thailand



- Best Private Bank – Thailand



- Best Private Bank - Thailand



- Best Private Bank Thailand



- Best Private Bank - HNWI'S



- Best Domestic Private Bank in Thailand



- World's Best Trade Finance Providers 2024



- Best DCM House in Thailand



- Top Underwriter
- Best Bond House



- Bond House – Thailand
- Capital Markets Deal – Thailand



- Best Companies to Work for in Asia 2024



- Best for Digital Solutions – Thailand



- Best for Next-Gen – Thailand



- Best for Sustainability – Thailand

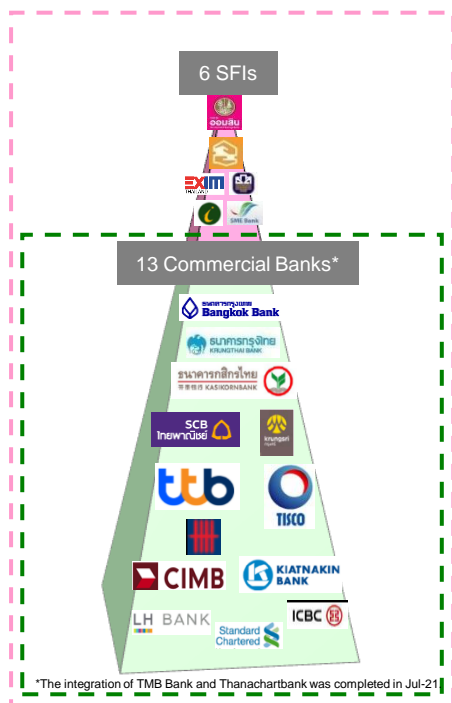
- Thailand's best bank

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

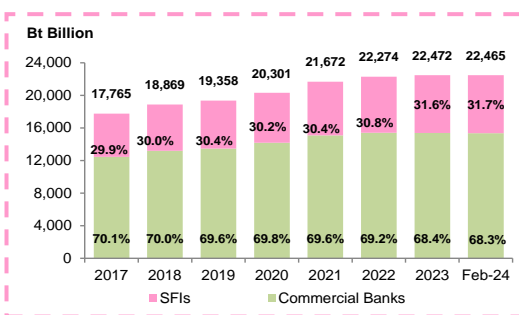


## Banking System and Regulatory Update

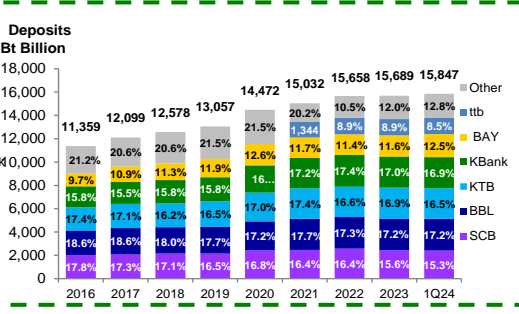
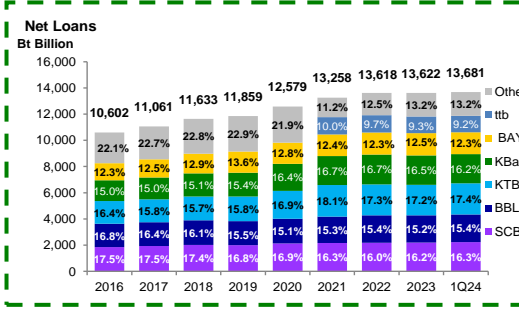
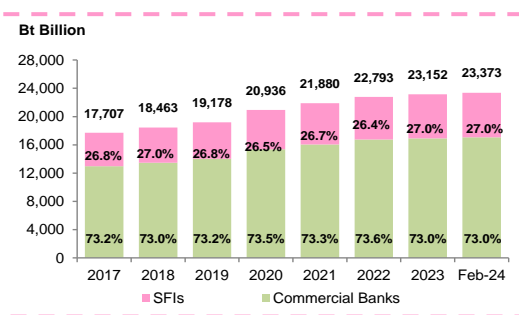
# Thai Commercial Banks and Specialized Financial Institutions (SFIs)



Market Share (% of Total Loans)



Market Share (% of Total Deposits)



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



## 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)



**191.5%**  
Penetration

**Mobile Internet <sup>1)</sup>**  
(Mobile internet numbers)



**44.5%**  
Penetration

**Broadband Internet <sup>1)</sup>**  
(No. of households using internet via broadband)



**79.9%**  
Penetration

**Social Media <sup>2)</sup>**  
(No. of Facebook users)



**Volume:**  
13.41 bn transactions, +24.4% YoY  
**Value:**  
183.4 trn baht, -0.001% YoY

**Thailand e-Payment <sup>3)</sup>**  
(Volume and Value)



**78.1**  
Million

**PromptPay <sup>4)</sup>**  
(Total registration)



**173.4%**  
Penetration

**Mobile Banking <sup>5)</sup>**  
(No. of accounts)



**48.5%**  
Penetration

**Internet Banking <sup>5)</sup>**  
(No. of accounts)



**189.3%**  
Penetration

**e-Money <sup>5)</sup>**  
(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 2022. Denominator for fixed internet penetration is number of household.

1) As of Mar-24, 2) As of Apr-24, 3) Jan-Apr 24, 4) As of Mar-24, 5) As of Apr-24



# Regulatory Update

## Thai and International Financial Reporting Standards (TFRSs / IFRSs)

- **Year 2022 onwards:** Timeframe was specified by Thailand Federation of Accounting Professions (TFAC); TFRS 17 (Insurance Contracts) will be effective for the financial statement's period starting from 1 January 2025 onward.
  - **Expected impacts on Thai banks:** TFRS 17 will delay revenue recognition over coverage period; previous revenue in retained earning will be reclassified to liability on transition.
  - **Expected impacts on KBank:** Management is currently considering the potential impact from this TFRS on the financial statements in the initial period adopted.

## BOT Directions: Repositioning Thailand's Financial Sector

- **3 Key Directions of the Thai Financial Landscape**
  1. **Digital:** Leveraging on technology and data to drive innovation and better financial services through Open Competition, Open Infrastructure and Open Data
  2. **Sustainable:** Managing Transition towards Sustainability; BOT is giving high priority to the issue of sustainable growth, especially that related to the environment and the issue of inequality which is a key structural weakness in Thailand, including household debt.
    - **Green taxonomy:** Reference tool for evaluating economic activities based on environmental objectives
      - **Phase 1:** Energy and transportation sectors (published June 2023) - effective September 2023
      - **Phase 2:** Manufacturing, Agricultural, Construction and Real estate, and Waste management sectors (first draft hearing in 4Q24)
    - **Financing the Transition Project:** Encourage financial institutions to support businesses, especially SMEs, shifting operations toward low-carbon business
    - **Responsible Lending:** ensure responsible retail lending practices that account for borrowers' repayment ability to prevent over-indebtedness
      - **Lending practices:** considering enough disposable income to cover household's basic spending needs
      - **Restructuring process:** designing repayment plans that are appropriate to borrowers' ability to service debt over the longer term
  3. **Resilient:** Shifting from Stability to Resiliency

## Capital (Basel III)

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

Note: CCR = Counterparty Credit Risk, CVA = Credit Valuation Adjustment, CCP = Central Counterparties

Source: The Bank of Thailand and KResearch



# Regulatory Update

## EU-CBAM (effective since 2023)

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

## Thailand Taxonomy (effective since 2023)

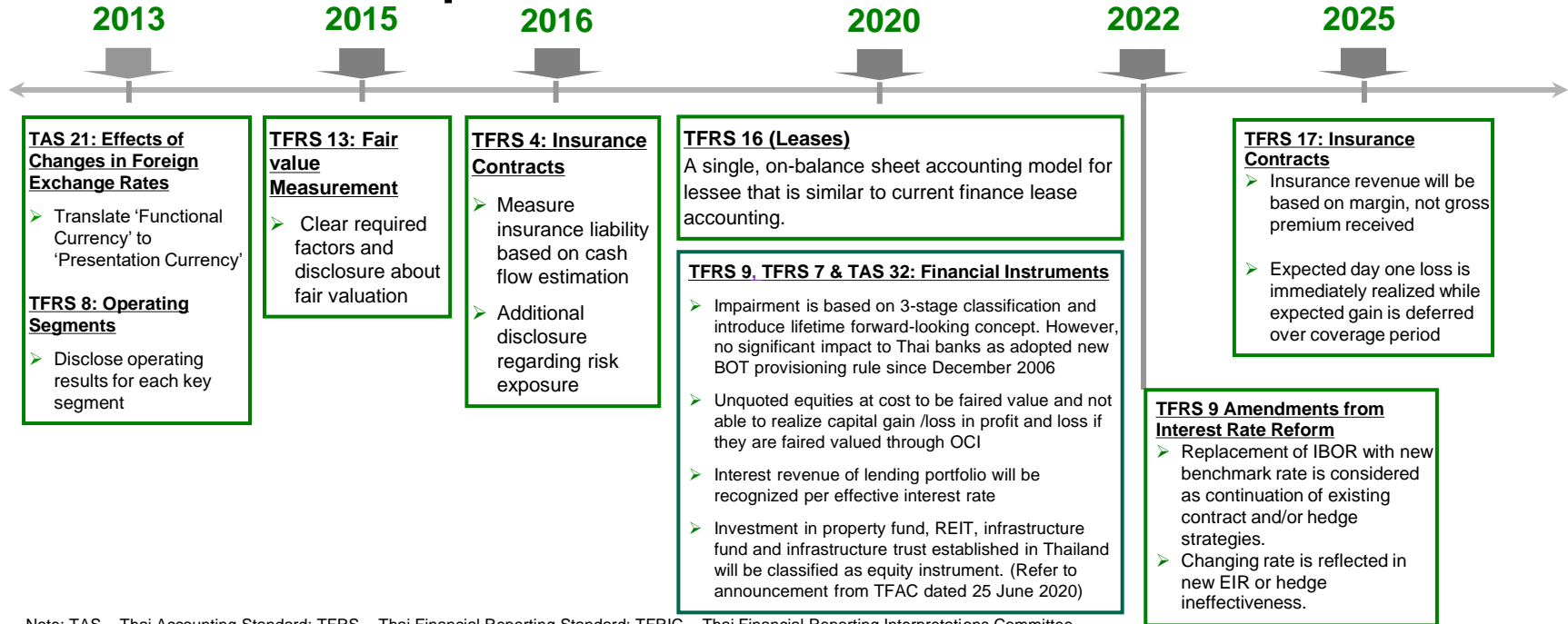
- **Thailand taxonomy:** Reference tool for evaluating economic activities based on environmental objectives
  - **Phase 1:** Energy and transportation sectors (published June 2023) – effective Sep 2023
  - **Phase 2:** Manufacturing, Agricultural, Construction and Real estate, and Waste management sectors (first hearing in 4Q24)
  - **Economic Activities are divided into Green, Amber, and Red**
    - **Green:** Activities that contribute to the goal of meeting net zero
    - **Amber:** Activities that have not yet reached net zero but can either be improved to decarbonize or be prescribed sunset dates
    - **Red:** Activities that are harmful to the goal of decarbonization

## Thailand's Climate Change Act (Public Hearing)

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



# TFRS and IFRS Implementation\*



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



# BOT Consultation Paper: Repositioning Thailand's Financial Sector

## Digital Technology

Leveraging on Technology and Data to Drive Innovation

- 3 Opens:
  - Open Competition
  - Open Infrastructure
  - Open Data\*\*
- ✓ Thai banks have been ready for more open competition, based on a level playing field approach.
- ✓ Many initiatives, including open infrastructure and open data, require amendments of laws and regulations, as well as cooperation from other authorities.
- ✓ More precise impact assessment is pending a clearer plan and details of the paper.
- ✓ As for virtual banking license, the BOT reported that 5 applications\* were submitted for the licenses on 23 September 2024. The successful applicants will be announced within 1H25.

## 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.

Notes: According to a report from The Nation \* 5 applications are 1) SCB X in collaboration with foreign virtual bank operators WeBank (China) and KakaoBank (South Korea), 2) A joint venture involving GULF, AIS and KTB, 3) Ascend Money, under CP Group, partnered with Ant Group, 4) A joint venture of Singapore-based Sea Group (operator of Shopee) with BBL, Thailand Post, Sahapat Group, and VGI (a BTS Group Holdings subsidiary), 5) Lightnet led by Chatchawan Chearavanont in collaboration with WeLab, a leading virtual bank operator in Asia-Pacific.

\*\* On October 3, 2024: The BOT launched an open data initiative called "Your Data Initiative", for the financial system, allowing Thais to share their personal data with financial institutions in order to improve their access to financial services.

Source: BOT Consultation Paper, KResearch



## BOT's Directional Papers on Sustainable Resolutions of Household Debts

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

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

### 2 Hard-to-solve/ persistent debts

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

### 3 Fast debt creation with high default risks

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

### 4 Other debts not yet being included in household debts

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

#### Effective date

1 Jan 2024

#### Responsible Lending

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

1 Apr 2024

#### Persistent Debt: PD (Opt-In basis)

- General PD borrowers are those indebted consecutively for 3 years, borrowers will be urged to make larger monthly payments.
- Severe PD borrowers are indebted consecutively for 5 years. Participant in the scheme could be able to exit debt cycle within 5 years with interest rates not exceeding 15% per year.

1 Jan 2025

#### Debt-service ratio (DSR), effective timeline depending on economic situation

- monthly income below Bt30,000: monthly payment for existing and new loans cannot exceed 60% of monthly income.
- monthly income above Bt30,000: monthly payment for existing and new loans cannot exceed 70% of monthly income.

2Q25 at the earliest

#### Risk-based pricing (RBP)

- Submit plans in 1Q24
- Be tested in sandbox in 2Q24
- Regulatory sandbox (1-2 years)

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



# BOT's Responsible Lending Framework and Timeline

## Responsible Lending Framework

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

Before/About to go into debt

During debt

Becoming troubled debt

Selling debt

**Responsible Lending guideline should be implemented under appropriate management.**

**Nudge:** Financial Literacy and discipline

Information

Commitment tools

Incentive

Advertisement

Product offering

Product development

Considering affordability

Resolving persistent debt

Debt restructuring and troubled debt restructuring

Litigation and debt transferring

## Timeline (Tentative)

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



# BOT Macro Prudential Policy

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

LTV Criteria for Mortgage Loans (Effective: January 1, 2023)					
Price and Type of Properties		New (Including Top-up loans)			
		1st Contract		2nd Contract	3rd Contract Onwards
		NEW	OLD (Apr-19)		
		LTV Limit	LTV Threshold	LTV Limit	LTV Limit
< Bt10mn	House	≤ 100%*	≤ 95%	80-90%	70%
	Condo.	≤ 100%*	≤ 90%	80-90%	70%
≥ Bt10mn	House & Condo.	≤ 90%	80% (LTV Limit)	80%	70%

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

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

Criteria for Credit Card / Personal Loans (Effective: September 1, 2017)						
Lending Criteria	Credit Cards		Personal Loans			
	New		Old	New		Old
	Income	Credit Line	Credit Line	Income	Credit Line	Credit Line
Min. Monthly Income	Bt15,000		Bt15,000	-	-	-
Credit Line (times of average monthly income)	< Bt30,000	≤ 1.5 times	≤ 5 times	< Bt30,000	≤ 1.5 times	≤ 5 times
	< Bt50,000	≤ 3 times		≤ 3 institutions		
	> Bt50,000	≤ 5 times		≥ Bt30,000	≤ 5 times	

Criteria for Car Loans			
	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.

# Basel III: BOT Minimum Capital Requirement

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

Note:

\* Conservation Buffer is to ensure adequate capital to absorb losses during periods of financial and economic stress.

\*\* D-SIBs (Domestic Systemically Important Banks) Buffer is to limit negative impact associated with the distress or failure of banks on domestic financial system and economy.

\*\*\* In periods of excess aggregate credit growth, BOT may require banks to set a Countercyclical Buffer up to 2.5% to achieve the broader macro-prudential goal of protecting the banking sector.

\*\*\*\* KBank's Average Liquidity Coverage Ratio (LCR) are 173%, 195%, and 182% as of June 2023, December 2023, and June 2024, respectively; more details can be found on Basel III – Pillar 3 Disclosures Report

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

Source: The Bank of Thailand



# Capital Definition Change (Consolidated)

	Basel II	Basel III
Tier 1 capital	<p><b>Tier 1</b></p> <ul style="list-style-type: none"> <li>Issued and paid-up share capital</li> <li>Premium on ordinary shares</li> <li>Legal reserve and Retained earnings</li> </ul>	<p><b>Common Equity Tier 1</b></p> <ul style="list-style-type: none"> <li>Issued and paid-up share capital*</li> <li>Premium on ordinary shares</li> <li>Legal reserve and Retained earnings</li> <li>Other comprehensive income (OCI) e.g. surplus on bond and equity FVTOCI (100%), surplus on land &amp; premises (100%)</li> </ul>
	<ul style="list-style-type: none"> <li>Hybrid Tier 1 (&lt;15% of total Tier 1)</li> <li>Minority interest, Preferred stock</li> </ul> <p><b>Deduction of Tier 1</b></p> <ul style="list-style-type: none"> <li>Goodwill, Treasury stock, Deferred tax asset</li> <li>Investment in insurance (50% Tier 1 and 50% Tier 2)</li> </ul>	<p><b>Additional Tier 1</b></p> <ul style="list-style-type: none"> <li>Hybrid Tier 1 with loss absorbency feature</li> <li>Minority interest, Preferred stock</li> </ul> <p><b>Deduction of Common Equity Tier 1</b></p> <ul style="list-style-type: none"> <li>Goodwill, Deferred tax asset</li> <li>Intangible assets</li> <li>Investment in insurance (Threshold Deduction) <ul style="list-style-type: none"> <li>Amount ≤ 10% of CET1, %RW = 250% (KBank's Case)</li> <li>Amount &gt; 10% of CET1, deduct CET1</li> </ul> </li> <li>Digital Asset Exposure</li> </ul>
Tier 2 capital	<ul style="list-style-type: none"> <li>Long-term subordinated debt</li> <li>Hybrid Tier 1 (exceeds from Tier 1 limit)</li> <li>General Provision</li> <li>Surplus on AFS equity (45%)</li> <li>Surplus on land &amp; premises (70% and 50%)</li> </ul>	<ul style="list-style-type: none"> <li>Long-term sub-debt with loss absorbency feature</li> <li>General Provision</li> </ul>

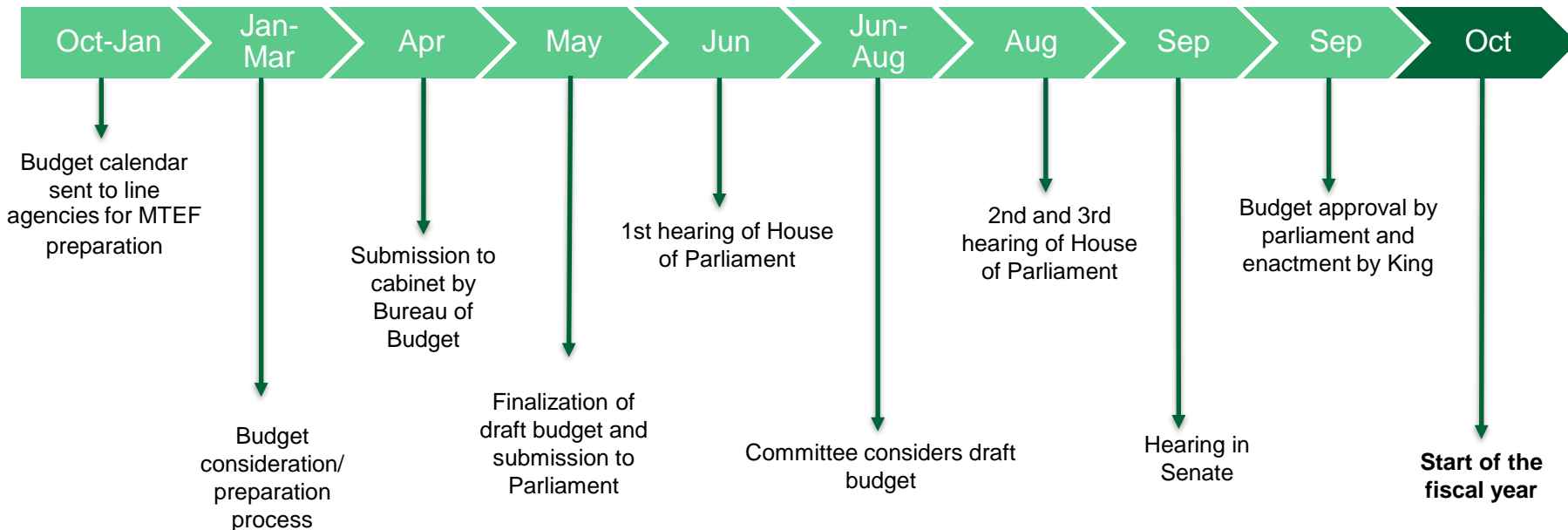
\* Net Treasury Stock



## Government Policy



# Government Fiscal Budget Timeline



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



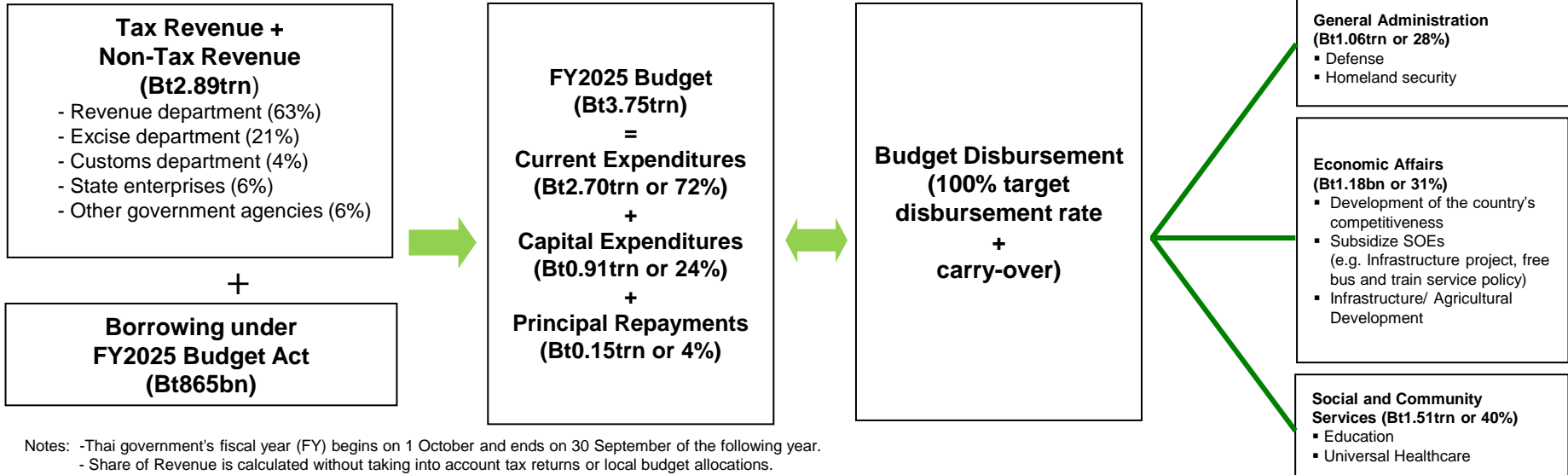
# Sources and Uses of Public Funds

## FY2025 Budget

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

### Budget Planning

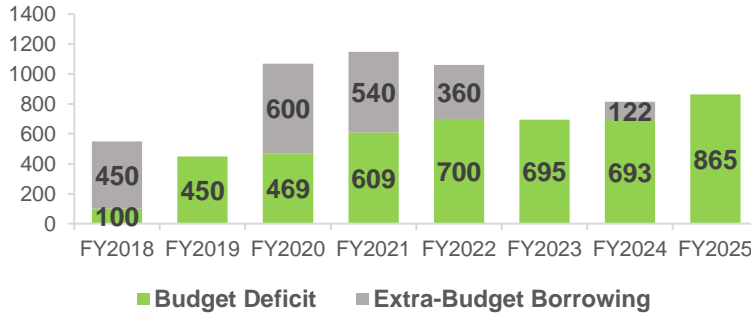
### Budget Execution



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



# Government Fiscal Budget



- Additional budget for FY2024 of Bt122bn effective August 2024
- Bt3.75trn budget bill for 2025 fiscal year effective October 1, 2024, with a budget deficit of Bt865bn

Economic Policies	Key Points	Implementation Process
<ul style="list-style-type: none"> <li>■ 2024 Budget Act</li> <li>■ Additional budget for FY2024 of Bt122bn</li> </ul>	<ul style="list-style-type: none"> <li>■ FY2024 budget at Bt3.48trn with a deficit of Bt693bn</li> </ul>	<p><u>FY2024</u></p> <ul style="list-style-type: none"> <li>■ Effective date: April 2024</li> <li>■ Effective date: August 2024</li> </ul>
<ul style="list-style-type: none"> <li>■ 2025 Budget Act</li> </ul>	<ul style="list-style-type: none"> <li>■ FY2025 budget at Bt3.75trn with a deficit of Bt865bn</li> </ul>	<p><u>FY2025</u></p> <ul style="list-style-type: none"> <li>■ Effective date: October 1, 2024</li> </ul>

Government budget disciplines:(i.e.)

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

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

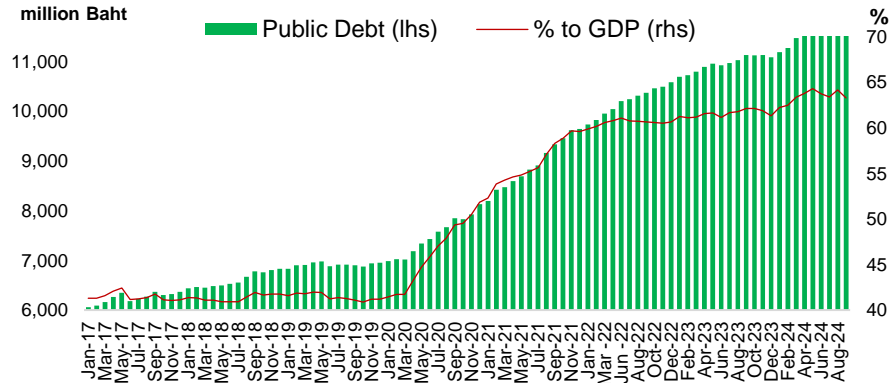
Sources: The Ministry of Finance and KResearch (as of November 4, 2024)



# Public Debt to GDP and Fiscal Budget

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

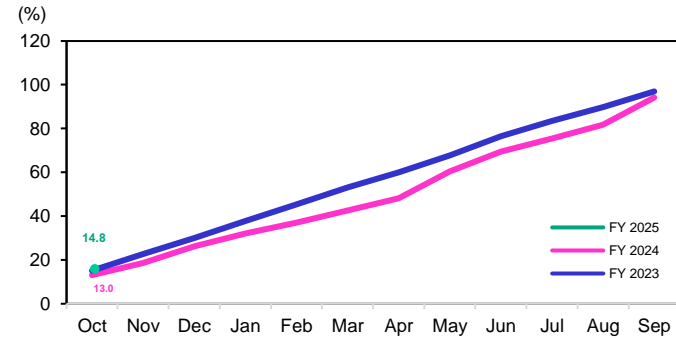
## Public Debt



- Public debt to GDP ratio rose to **63.28% in September 2024**. However, it is still under the 70% limit set under the fiscal sustainability framework.
- Thai government raised the ceiling of the public debt-to-GDP ratio from 60% to 70%. The public debt to GDP is expected to rise to 67.9% in FY2025.

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

## Budget Disbursement Rate



FY25 Budget	FY25 target	1M FY25 actual	Unused FY25 Budget
Total Budget* Bt3.75trn	Bt3.75trn (100%)	Bt0.55trn (15%)	Bt3.22trn (85%)
- General Budget Bt2.79trn	Bt2.79trn (100%)	Bt0.47trn (17%)	Bt1.33trn (83%)
- Capital Budget Bt0.96trn	Bt0.96trn (100%)	Bt0.08trn (8%)	Bt0.89trn (92%)

- Government budget disbursement rate for 1MFY2025 is 14.8, increase 1.8% from 13.0% in 1MFY2024.



# Short-term Government Policies

## ■ Government Budget:

- Fiscal budget deficit in FY2024: Plan is for Bt693bn deficit to provide additional supports to stimulate Thai economic recovery

## ■ Short-term Stimuli:

- Debt moratoriums for farmers and SMEs: (effective)
  - Farmers: debt suspension for 2.7 million farmers financed by the Bank for Agriculture and Agricultural Cooperatives (BAAC) starting October 1, 2023 (government to support interest burden of Bt11bn annually)
- Soft loans Scheme: Bt100bn (effective)
  - Government is preparing additional stimulus measures, including a Bt100bn soft loan to be operated by the Government Savings Bank.
- Co-payment fertiliser scheme (worth around Bt30bn): (effective)
  - Subsidise fertiliser costs for farmers at a rate of Bt500 per rai, up to a maximum of 20 rai per person, for the 2024/25 planting season
- Debt relief for groups, including teachers, police officers, and others: (planning)
- Raising daily minimum wage to Bt600 by 2027
  - Thai minimum wage increased to average Bt345 (2.4%) effective January 1, 2024
  - Government aims to increase daily minimum wage to Bt400 by 2024 for selected businesses.
  - Government expected to hike daily minimum wage to Bt600 by 2027
- Increase civil servant salary 10% in 2 years and new employees with bachelor's degree to start at Bt18,000 up from Bt15,000
- Increase salary for workers with a bachelor's degree to Bt25,000 (planning)

Sources: Newspaper and KResearch (as of November 4, 2024)

## ■ Short-term Stimuli (continued):

- Projects to boost domestic consumption:  
**Bt10,000 digital wallet** planned for 50 million Thais, worth Bt450bn or 2.6% of GDP:
  - Source of fund schemes:
    - 1) Additional budget deficit and re-allocation of budget (FY 2024): Bt165,000bn
    - 2) Additional budget deficit and re-allocation of budget (FY 2025): Bt285,000bn
- Actual implementation:  
In September 2024: The government provided Bt10,000 cash handout to 14.5 million welfare cardholders and disabled people.
- E-Refund:** Thai people can get a maximum Bt50,000 tax deduction for spending on goods and services between 1 January – 15 February 2024.
- Measures for helping people and businesses affected by the flood (Sep - Oct 2024):
  - Cabinet has approved a package to help flood victims, both individuals and businesses, in 50 provinces. The package includes tax exemptions, soft loans, debt moratoria, interest rate cuts, and loan guarantees.
  - The rehabilitation package is on top of the Bt9,000 one-time financial help provided by the government to about 67,000 households impacted by flooding in 2024.
- Projects to boost travel: Supporting travel sector:  
**Thailand has implemented a 60-day visa-free stay for citizens of 93 countries and territories. This policy took effect on July 15, 2024.**  
**Europe:** UK, France, Germany, Italy, Spain etc.  
**North America:** US, Canada  
**South America:** Brazil, Argentina, Chile, Peru  
**Asia:** Japan, South Korea, Singapore, Malaysia etc.  
**Middle East:** Israel, United Arab Emirates, Qatar, Oman, Kuwait, Saudi Arabia  
**Africa:** South Africa



## Long-term Government Policies

### ■ Transport Infrastructure Development Plan:

- Investing in the country's transportation infrastructure, including roads, water, rail, and air, to expand Thailand's trade and opportunities

### ■ Eastern Economic Corridor (EEC):

Area for facilitating and attracting investment in 12 innovative target industries, such as automation and robotics, to transform Thailand into Thailand 4.0

### ■ Economy:

- Employing the principle of "Market-driven, innovation-supported, and income-enhancing" to support the agricultural sector's efficiency and productivity

### ■ BOI Measures for Supporting Private Investment:

- Promoting new economies such as the digital economy and advanced technology industries to enhance the country's competitive advantage
- Extending special economic zones and the economy in all four regions to decentralize economic activities to various provinces

### ■ 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

### ■ 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 operationalized through sectoral work plans and implementation and monitored through the AEC 2025 Monitoring and Evaluation Framework

### ■ Free Trade Area (FTA): 15 FTAs (19 countries) have signed

with ASEAN+3 (China, Japan, and Korea), India, Australia, New Zealand, Peru, Chile and the Regional Comprehensive Economic Partnership (RCEP), Sri Lanka; **In progress** with European Union (27 countries), United Arab Emirates (UAE), Canada, Turkey, South Korea, and **in study** with Comprehensive and Progressive Agreement of Trans-Pacific Partnership (CPTPP), Gulf Cooperation Council (GCC), African Continental Free Trade Agreement (AfCFTA)

### ■ Aging Society:

- Monthly pension payments for the elderly
- Mandatory retirement age for government and state enterprise officials might be extended from 60 to 63, effective in 2024.

### ■ Constitution:

Thai government committee plans referendum on constitutional amendments.

Sources: Newspaper and KResearch (as of May 2024)



# Ongoing Government Measures to Assist Cost of Living

## Household Assistance

**Train/ Bus/ Skytrain and Subway Fares:** Bt750 monthly allowance for welfare card holders to use for public transportation

**Necessity Goods:** A Bt300 grant per month in welfare card to purchase necessity goods, products intended for education and farming materials from all Blue Flag shops

**Cooking Gas:** A Bt80 discount per 3 months in welfare card to purchasing cooking gas

**Allowances (e-Money):** Depending on measure, which can be withdrawn from an ATM, such as Elderly welfare allowance (Bt50-100) and Disable allowance (Bt200)

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

## Energy Prices

### Diesel Fuel:

- Maintain retail diesel price cap at Bt33.0 per liter until the end of 2024
- No extension of excise tax cut for diesel

### Benzene Fuel:

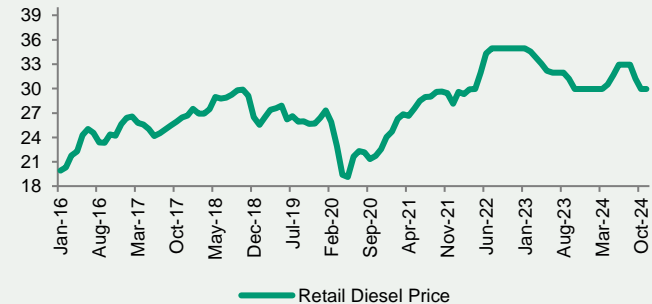
- No subsidy measure

### NGV and LPG Price:

- Household sector: Extend LPG price cap at Bt423 /per 15-kilo canister (October - December 2024)

**FT Rate:** Fuel Adjustment Tariff (FT) Rate for electricity is set to increase to Bt0.3972 or average Bt4.18/unit or 39.72 satang/unit (during January to April 2024) and unchanged the rate (during May to December 2024).

- Decreased FT rate for household using electricity less than 300 units/month to 19.05 satang/unit (September - December 2024)

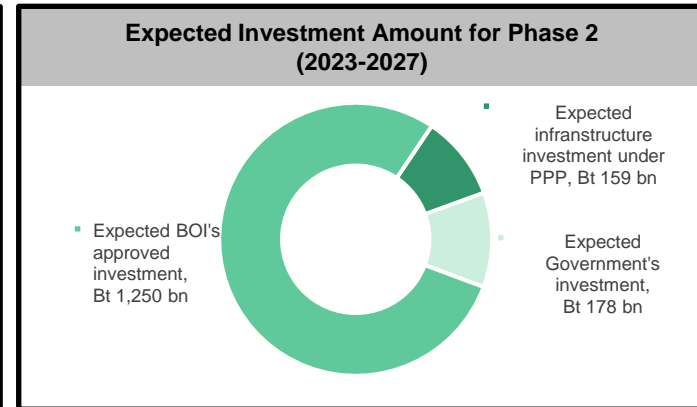
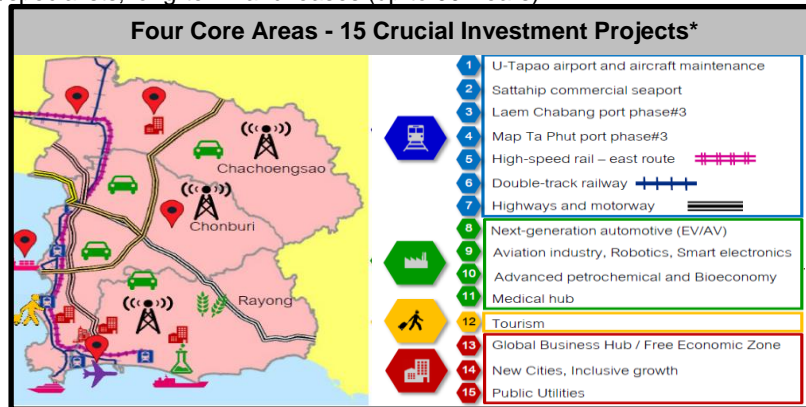


## Value-added-tax (VAT) Rate

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

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

- Objectives:** To facilitate and attract investment in innovative target industries aimed at achieving “Thailand 4.0”, an innovation driven society (the 12 industries are Next-Generation Automotive, Smart Electronics, Medical and Wellness Tourism, Food for the Future, Robotics, Aviation, Agriculture & Biotechnology, Biofuels & Bio Chemicals, Digital, Medical, Defense, and Education & Human Resource Development)
- Key Development Plan:** An expansion of existing transportation facilities, plus new investment in logistics systems to transform the EEC area (13,266 square kilometer) into a regional center for trade, investment, and tourism
- Approved Investment:**
  - Phase 1 (2018-2022)** total Bt2.0 trn from (1) BOI’s approved projects (private sector investment) Bt1,250 bn (2) infrastructure investment under Public Private Partnership (PPP) Bt661 bn and (3) government investment from integrated budgeting Bt95 bn
  - Phase 2 (2023-2027)** (1) Expected BOI’s approved projects (private sector investment) Bt1,250 bn (As of Sep 2023, BOI approved projects Bt251 bn ) (2) Expected infrastructure investment under Public Private Partnership (PPP) Bt159 bn and (3) Expected government investment Bt178 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 January 2024)

## 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	<b>Asia Era One Co., Ltd</b> (CP led consortium consisting of CP, Italian Thai, CH. Karnchang, China Railway Construction Corp)	1H24	2030
U-Tapao Airport and Aviation City	Bt290bn	Royal Thai Navy	Jun 2020	<b>U Tapao International Aviation Co., LTD</b> (Bangkok Airways led Consortium consisting of Bangkok Airways, BTS, Sino-Thai)	1H24	2027
U-Tapao MRO (Maintenance, Repair Overhaul)	Bt8.4bn	Royal Thai Navy	TBC	<i>To Launch Term of References (TOR) for bidding in June 2022</i>	-	-
Laem Chabang seaport (3 <sup>rd</sup> Phase)	Bt114bn	Port Authority of Thailand	Nov 2021 and Aug 2020	<b>GPC</b> (Gulf Energy Development Pcl + PTT Tank Terminal + China Harbour) <i>for F Dock Development</i> <b>C NNC</b> (NTL Marine + Nathalin + Zhonggang Construction) <i>for Land reclamation project</i>	4Q23 (F Dock)  2Q21 (Land reclamation)	2027 (for F1 Dock)  2029 (for F2 Dock)
Map Ta Phut seaport (3 <sup>rd</sup> 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 <i>for Land reclamation and Natural gas harbor</i>  <i>for Liquid cargo harbor and warehouse</i>	3Q21  2025	2025  2026

Source: Newspaper, Eastern Economic Corridor Office of Thailand and KResearch as of January 2024

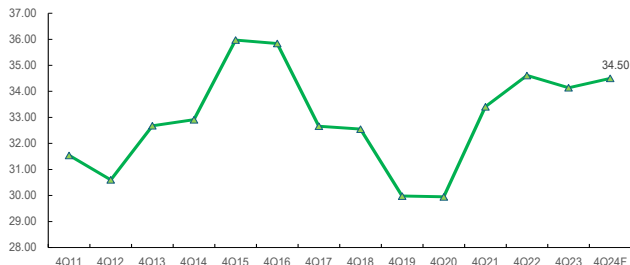


## Thailand Economic Figures



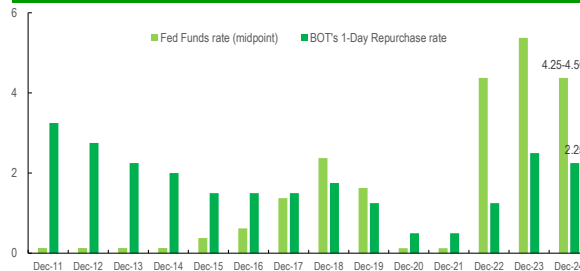
# Currency and Interest Rate Outlook (as of 17 October 2024)

## USD/THB: End Period



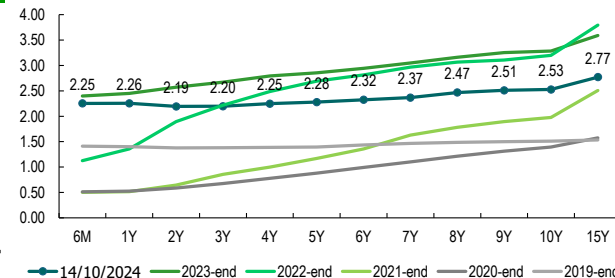
- THB is now expected to reach 34.50 against the USD by year-end, revised from the previous forecast of 36.00 per USD, as market positioning shifts have flipped the FX markets. With upcoming Fed rate cuts, gold prices continue to hit new record highs, while the USD is facing significant sell-offs.
- Additionally, hawkish signals from the BOJ are providing further support for the THB. However, the current appreciation appears to be an overreaction, and a correction may occur closer to year-end, particularly after the US Presidential Election.

## Interest Rate Trend



- Two rate cuts from the Fed are anticipated in November and December, following its first-rate reduction in four years, as the US economy continues to slow down. Inflation has edged closer to the Fed's 2% target, confirming a pivot, while the labour market has significantly weakened in recent months.
- After the BOT cut its rate by 25bps for the first time in 4 years, looking forward, the BOT is expected to maintain its rate at 2.25% this year. However, there is a growing likelihood of a further rate cut in the first quarter of 2025, driven by external pressure from global easing trends, particularly from the Fed, flood risks and the recent strengthening of the Baht.

## Bond Yields



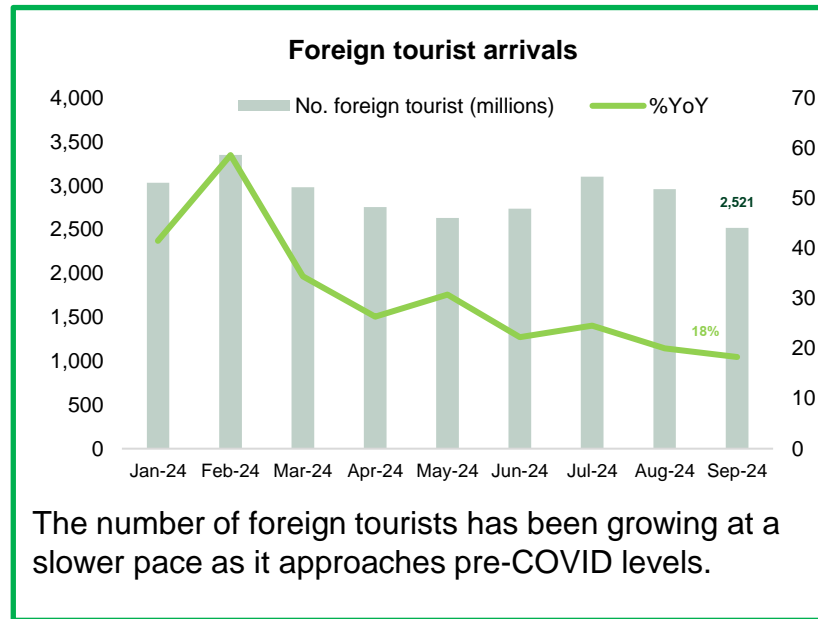
- Yields have rebounded, as the 50bps cut in September appears to be a one-off, rather than a new norm for the Fed. The 2-year yield could decline to 3.75% by year-end, as a Fed rate cut becomes increasingly likely. However, the longer end, such as the 10-year yield, may reach 3.90%, driven by increased spending following the U.S. Presidential Election.
- Thai bond yields could also decrease, as the likelihood of a BOT rate cut rises amid the global downward trend. The 2-year Thai government bond yield is expected to settle at 2.15%, and the 10-year at 2.50%, as economic growth slows not only in Thailand but globally.



**Monthly Economic Conditions:** Tourism, exports, and government spending are main drivers of Thai economy for the remainder of this year.

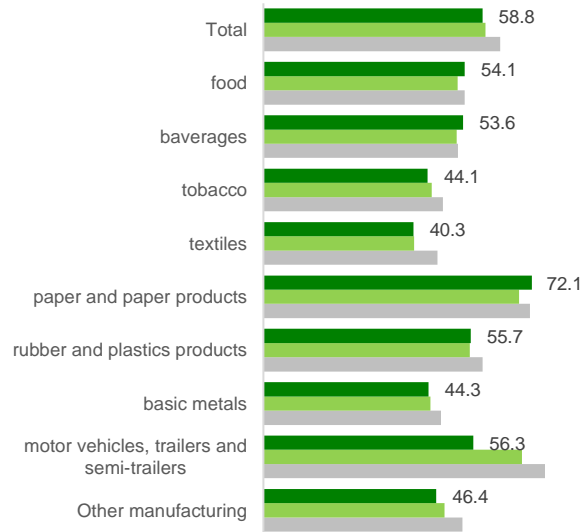


Sources: Ministry of Commerce (MOC), and Office of Agricultural Economics (OAE)



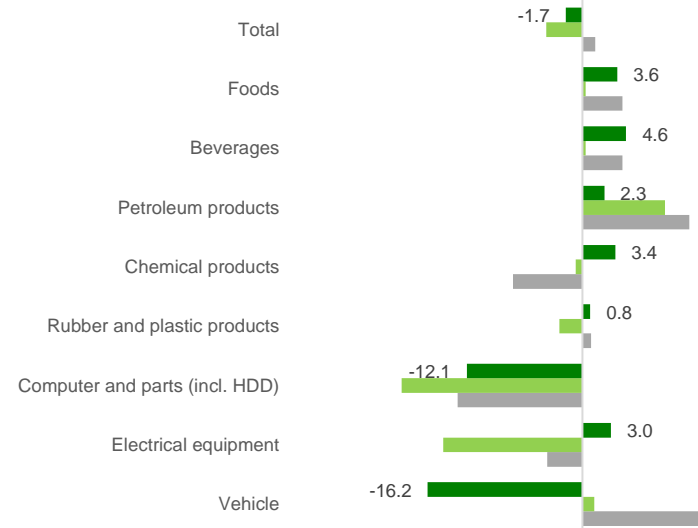
**Supply Side:** The Thai manufacturing sector remains subdued due to higher influx of Chinese goods and deteriorated competitiveness of Thai products.

Capacity Utilization by Key Industries



■ 9M24 ■ 2023 ■ 2022

Manufacturing production index



■ 9M24 ■ 2023 ■ 2022

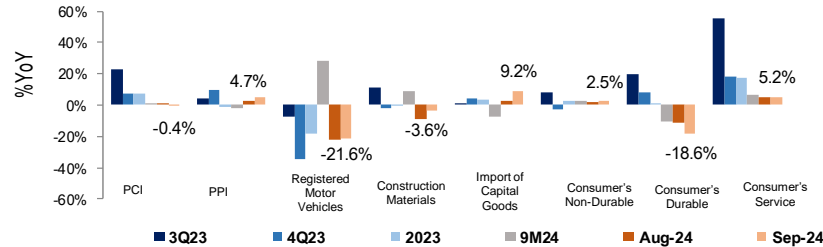
Note: - FDI refers to equity investment, lending to affiliates, and reinvested earnings; investment in equity is treated as a direct investment when the direct investors own 10% or more of ordinary shares.  
 - FDI position by countries is an investment outstanding that nonresident investors have with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

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

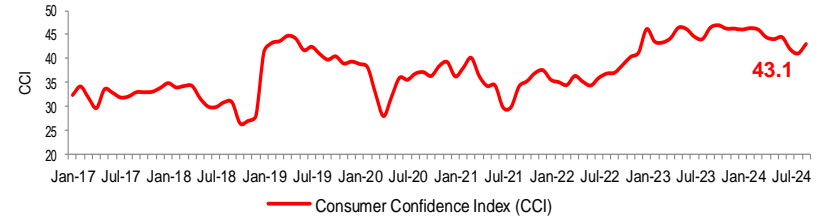


## Demand Side: Domestic demand has slowed, mainly dragged by durable goods consumption.

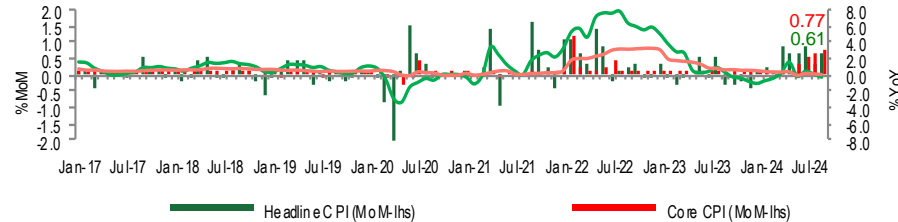
Private consumption has been dragged by a decline in durable goods spending amid tightening financial condition.



Consumers are more optimistic about the economic outlook, supported by government stimulus and seasonal effect in Q4.



Thailand's headline inflation accelerated in Sep 24, primarily driven by higher prices caused by floods in farming areas.

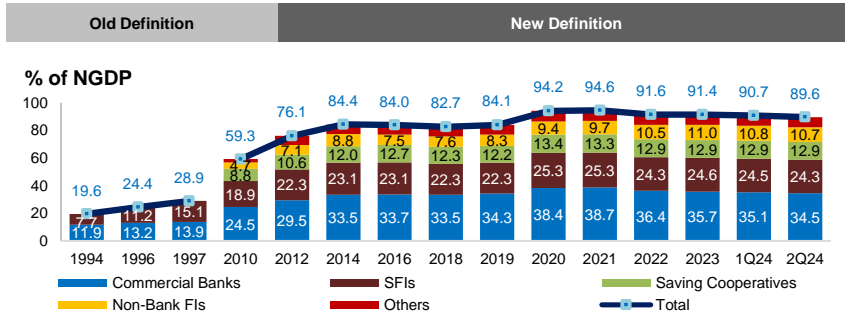


Source: Bank of Thailand (BOT), Ministry of Commerce (MOC), University of the Thai Chamber of Commerce (UTCC), and Office of Industrial Economics (OIE)



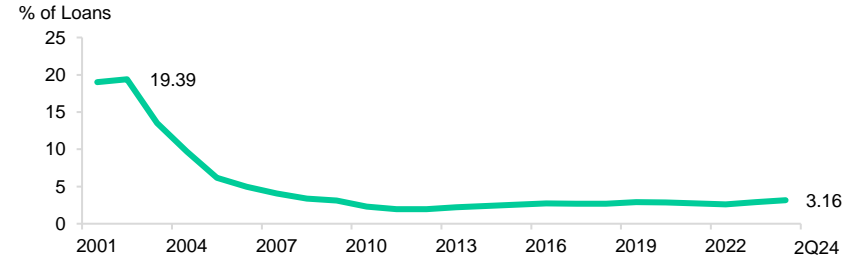
# Household Borrowing

## Household Borrowing to GDP



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

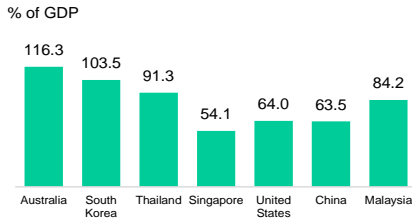
## % NPL for Consumption Loans of Thai Commercial Banks



- Household debt to GDP stayed at 89.6% in 2Q24, and is expected to remain high in 2024.
- Household borrowing to GDP is higher than pre-crisis level, due to factors such as changes in consumer behavior, intense competition among banks, and a more accessible credit market.
- Thailand's household debt to GDP is comparable to other countries; debt service ratio of Thai households is still well below 40%, indicating the household debt situation is unlikely to trigger any problems in the foreseeable future.
- NPL ratio for consumption loans of commercial banks rose to 3.16% in 2Q24 from 2.88% in 4Q23.

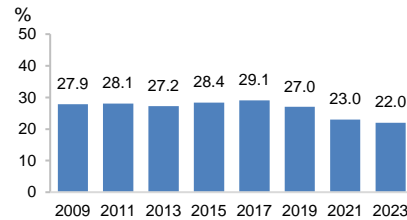
Source: BOT, Bank for International Settlements (BIS), National Statistical Office (NSO), CEIC and KRResearch

## Cross-Country Comparison of Household Debt (as of 2023)



Source: CEIC and KRResearch

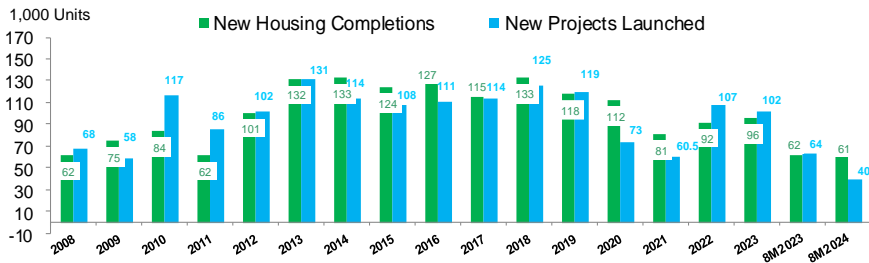
## Debt Service Ratio of Thai Households



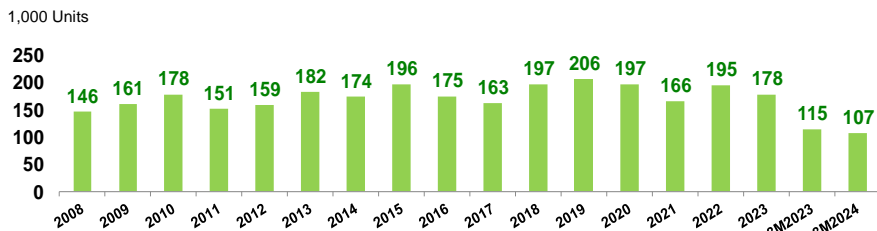
Source: NSO and KRResearch

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

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



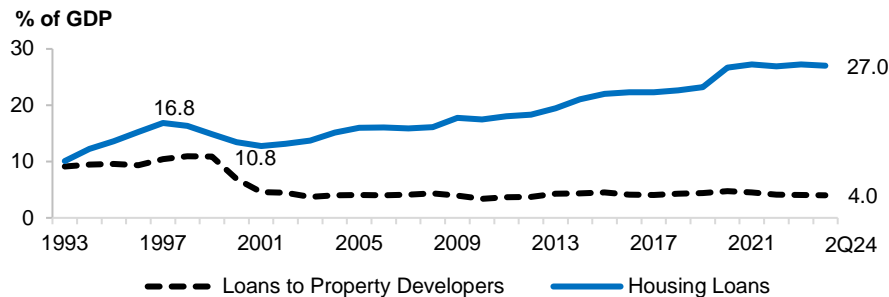
**Demand Side: Transferred Properties in BMR\***



Source: National Economic and Social Development Council (NESDC), BOT, Real Estate Information Center (REIC), Agency for Real Estate Affairs (AREA), and KRResearch

Note: \* Including Condominium, Single House, and Townhouse; BMR = Bangkok and Metropolitan Area

**Outstanding Mortgage Loans to Individuals and Property Developers to GDP**



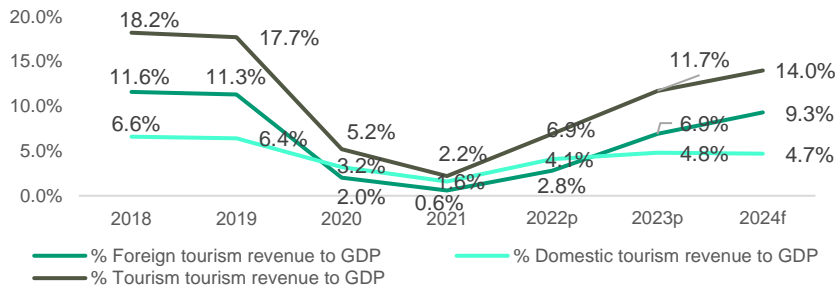
- Mortgage loans to GDP are higher than pre-crisis level, due to factors such as changes in consumer behavior, intense competition among banks, and a more accessible credit market.
- Outstanding loans granted to property developers to GDP was 4.0% in 2Q24, lower than pre-crisis level.
- Supply Side: The number of new housing projects launched in 8M24 dropped sharply by 38% YoY. Developers carefully start new projects in 2024 since the quantity of unsold housing units is still substantial and the delayed recovery of consumers' purchasing power.
- Demand Side: Property sales during 8M24 decreased by 6.4%. Home sales are still predicted to decrease in 2024 due to a weakness in consumer purchasing power, particularly low-to-middle-income earners.
- Mortgage NPLs among Thai commercial banks was at 3.71% in 2Q24, compared to 3.34% in 4Q23.



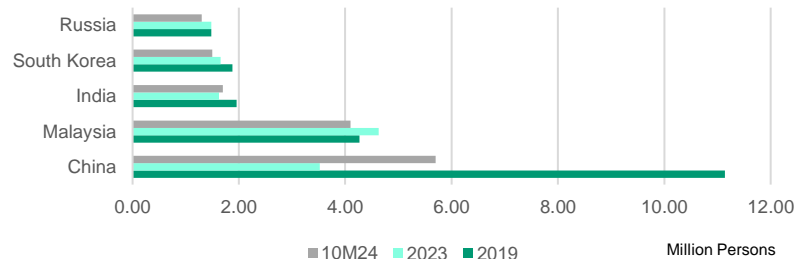
# Tourism

Total tourism receipts (both domestic and foreign) will progressively increase in 2024, reaching 87% of the 2019 level.

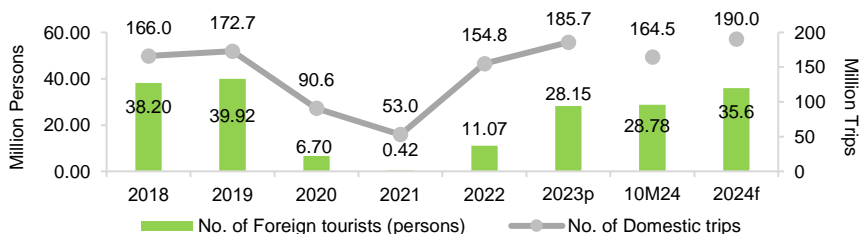
**%Tourism Revenue to GDP**



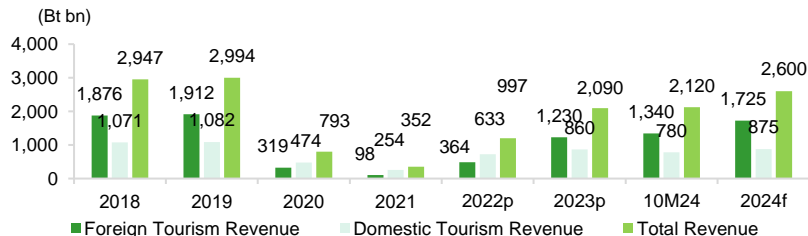
**Top 5 Foreign Tourists by Country**



**No. of Foreign Tourists and Domestic Trips**



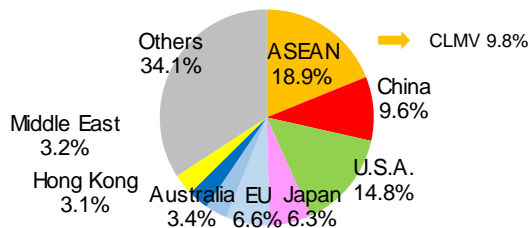
**Tourism Revenue**



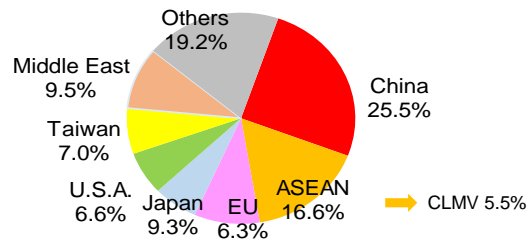
Source: MOTS and Forecast by Kasikorn Research Center  
Note: As of October 2024

# Exports and Imports: 9M24

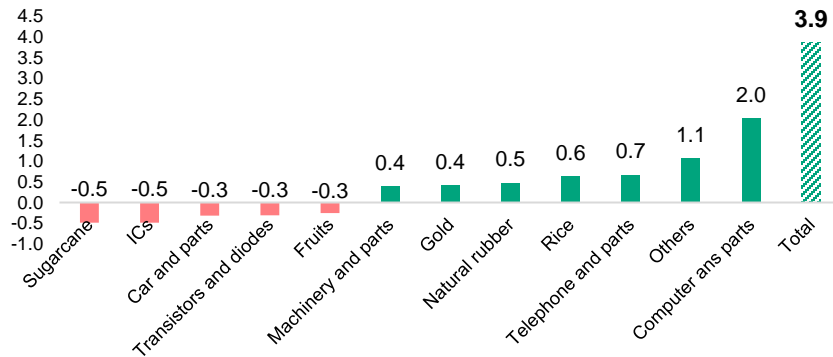
## Exports by Country



## Imports by Country

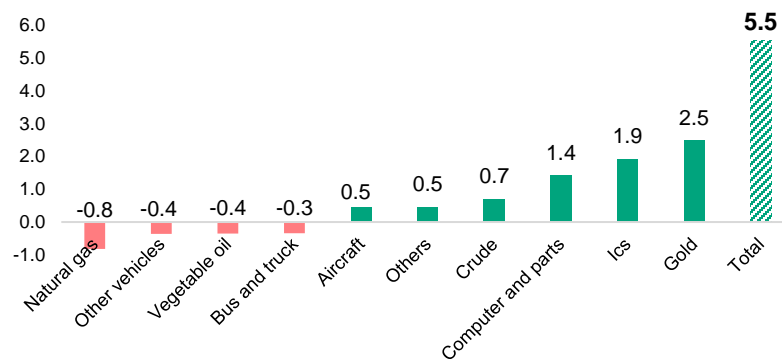


## Contribution to export growth in 9M24 (%)



Source: Ministry of Commerce

## Contribution to import growth in 9M24 (%)





## Exports and Imports: Thai exports for 9M24 expanded 3.9%YoY, driven by the uptick in electronic exports.

### Thai Exports (%YoY) 2023 – Sep 24

Units: %YoY

	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24
<b>Total exports</b>	-2.9	-4.0	-3.0	-7.4	-3.9	-6.2	-5.5	3.3	3.0	8.8	5.7	4.6	9.9	3.6	-10.9	6.8	6.9	-0.3	15.2	7.0	1.1
Excluding gold	-2.8	-1.7	0.9	-9.1	-3.9	-4.9	-4.5	4.4	1.6	7.6	5.5	2.9	8.5	1.2	-7.1	9.5	5.6	-1.7	11.0	6.2	1.7
Excluding oil related product	-1.5	-2.1	-1.8	-5.0	-0.9	-4.3	-2.3	3.8	3.2	7.8	5.1	3.8	10.8	4.9	-10.9	8.5	7.8	0.0	14.2	7.5	2.6
<b>Agricultural/ Agro-industrial products</b>	-2.9	3.7	3.9	8.8	-16.3	-8.5	-8.9	-1.3	12.1	9.4	4.8	-3.2	9.2	-1.1	-5.1	2.0	19.3	-3.3	8.7	17.4	3.5
Rice	70.8	7.7	7.1	5.8	84.7	-15.0	19.1	11.3	51.4	37.7	67.9	27.4	45.9	53.6	30.6	91.5	-4.5	96.6	15.6	46.6	15.2
Rubber	-37.6	-34.0	-41.1	-40.2	-37.2	-43.0	-37.8	-32.9	-30.3	-5.4	14.5	13.2	5.5	31.7	36.9	36.2	46.6	28.8	55.4	64.8	47.4
Cassava	-7.5	5.3	5.7	-40.2	-41.2	-16.7	-6.8	-12.8	4.6	4.8	-12.8	-51.2	-27.1	-20.5	-16.7	-9.7	-17.0	-3.8	-6.5	-11.5	-29.2
Sugar	-2.5	22.2	69.1	-1.8	44.2	33.1	-23.8	-22.0	18.4	-22.8	-9.8	43.2	-16.1	-34.9	-45.6	-9.1	-46.1	-51.9	-39.1	-14.2	-10.4
<b>Manufacturing products</b>	-3.3	-5.1	-4.4	-10.9	2.4	-4.3	-2.5	3.5	0.8	6.4	4.5	5.0	10.2	5.2	-12.3	9.2	4.2	0.3	15.6	5.2	2.0
Car and parts	27.6	11.2	13.6	6.6	15.8	10.7	31.9	14.7	11.9	15.4	-2.1	4.5	-5.3	-5.6	-12.4	19.8	-4.8	13.5	-12.8	0.4	-9.8
Computer and parts	-21.2	-22.9	-6.1	-19.0	-4.8	-20.1	-24.2	-26.9	-24.3	-4.4	10.3	2.3	32.2	24.9	-11.8	62.0	44.5	22.0	82.6	74.7	25.5
Electrical appliance	-2.1	-3.1	4.8	-3.3	3.3	3.2	-4.9	-3.0	-7.0	-5.2	-7.6	-5.9	-1.2	-3.8	-8.8	4.1	-4.6	-8.6	9.7	4.7	7.3
Jewelry excl. gold	-6.4	-5.7	-33.1	16.8	2.8	-17.3	-25.3	-27.1	40.1	30.7	10.2	71.1	59.1	50.8	-52.5	-37.8	35.1	34.6	114.3	40.8	-6.5
Gold	-14.8	-75.3	-41.2	79.2	-3.8	-65.9	-53.7	-50.3	64.8	59.8	38.0	787.5	194.1	309.5	-75.0	-64.6	135.4	184.1	434.1	99.0	-15.0
IC	-3.3	4.1	-1.3	-1.6	4.5	5.3	3.2	39.8	5.1	-2.5	-6.6	3.1	-1.9	-13.2	-18.2	-9.2	-11.9	-21.4	-8.7	-33.2	1.2
Mechinery and components	-2.1	-1.0	-13.1	-11.6	-7.6	0.2	6.1	6.4	4.9	7.8	15.3	2.9	7.6	-2.5	1.3	58.9	12.4	7.2	10.0	23.0	8.7
Plastic pallets	-30.7	-29.2	-20.7	-24.3	-21.4	-22.3	-15.7	-9.9	-5.3	3.1	-10.7	0.0	-0.3	-2.7	-13.7	0.5	-0.4	-6.3	6.9	-3.3	-5.2
Chemical	-17.8	-19.9	-19.6	-30.4	-4.9	-14.3	-30.5	-11.1	-18.1	-10.7	-0.6	-6.2	-1.6	-14.2	-10.9	-3.9	-3.2	-5.5	38.2	12.5	4.4
<b>Mining and fuel</b>	6.1	-11.1	0.0	-14.6	-39.1	-27.0	-36.0	21.4	13.8	61.3	41.4	31.6	7.1	-8.5	-5.0	-9.3	2.6	1.3	39.5	0.5	-24.7
Refined fuel	15.1	-3.8	1.2	-18.3	-41.8	-25.9	-38.4	20.6	27.3	65.0	54.3	42.0	5.3	-9.6	-6.1	-21.2	-0.5	2.8	35.5	1.0	-29.8

Units: %YoY

	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24
<b>Key export markets</b>																					
US	-4.1	-9.5	1.7	-9.4	4.2	-4.6	1.3	22.0	-9.6	14.1	17.7	0.2	13.8	15.5	2.5	26.1	9.1	5.4	26.3	3.0	18.1
EU (27) excl. UK	3.6	0.7	-6.4	-8.0	10.4	-8.9	-5.0	-11.2	-7.5	-0.8	-3.2	-5.3	4.5	3.3	-0.1	20.2	-5.4	7.9	17.1	26.4	4.1
Japan	-9.3	-2.4	10.0	-8.6	-1.8	2.6	-2.6	13.2	-4.9	-1.4	4.3	-3.7	1.0	-5.8	-19.3	-4.0	-1.0	-12.3	-2.5	-11.3	-5.5
China	-11.5	-7.8	-3.4	23.7	-23.4	3.7	-3.1	1.9	14.5	3.4	-3.9	2.0	2.1	-5.7	-9.7	-7.8	31.1	-12.3	9.9	6.7	-7.8
ASEAN (5)	4.6	-5.7	-1.1	-17.9	1.1	-17.6	-16.7	-0.9	5.8	17.6	13.3	18.2	17.9	-1.2	-26.1	3.7	-0.9	-2.0	17.8	4.5	-6.7
CLMV	-10.6	-4.2	-2.7	-16.8	-17.6	-22.9	-26.7	-21.1	-17.8	-9.6	-7.2	-9.6	16.4	4.5	0.5	5.2	9.6	7.5	19.8	13.7	8.3
Middle East (15)	30.5	27.9	7.0	-14.6	15.2	-5.9	10.8	-9.5	-2.6	2.3	1.0	-5.5	2.5	-9.9	-7.3	16.5	-10.1	16.1	-3.7	34.6	3.5



## Exports and Imports: Thai imports in 9M24 expanded 5.5%YoY, with capital and consumer goods imports from China.

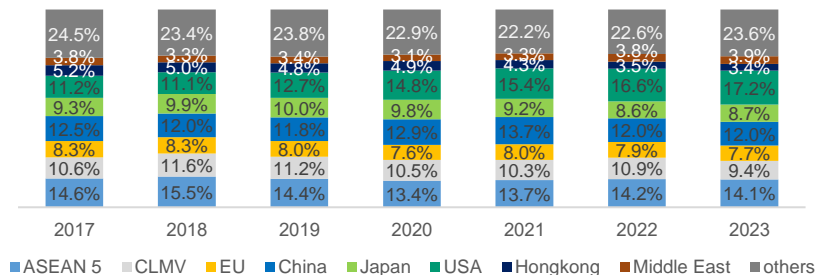
### Thai Imports (%YoY) 2023 – Sep 24

Units: %YoY	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24
Total imports	6.9	-0.2	-7.8	-8.1	-4.0	-11.2	-11.7	-13.2	-8.6	9.2	9.0	-4.2	2.6	3.2	5.7	8.4	-1.6	0.3	13.1	8.9	9.9
Fuel lubricants	77.6	9.2	-40.7	-12.4	-16.1	-22.3	-28.3	-37.5	-16.9	-1.8	6.9	-7.6	-15.5	-22.7	38.9	-17.8	2.1	-3.8	22.9	13.4	-11.3
Capital goods	-7.9	0.4	-0.9	-9.5	17.6	-1.7	5.8	-0.6	4.8	21.3	23.9	1.0	10.2	25.6	11.4	17.8	-7.5	-2.0	15.1	7.2	13.8
Machinery and parts	-2.3	-12.1	4.3	6.0	10.8	4.2	10.3	2.1	1.6	11.6	7.8	-11.8	-3.1	19.3	-21.4	6.2	-8.3	-15.1	12.4	-0.2	9.6
Electronical machinery and parts	2.8	4.1	6.5	1.0	9.7	-5.7	-0.1	-6.5	-4.5	16.0	15.8	8.7	20.7	25.8	28.7	18.7	38.9	21.4	29.1	5.5	23.2
Computer and parts	-28.6	6.8	-8.3	-11.3	30.3	-2.3	16.2	-5.3	16.4	-0.8	72.9	88.2	57.1	84.7	177.0	53.3	-14.1	6.7	4.1	25.0	47.3
Raw materials and intermediate	-6.4	-10.5	1.5	-10.7	-12.0	-14.6	-24.3	-14.4	-15.6	3.4	0.1	-5.9	10.4	6.5	-1.9	19.8	2.4	6.3	17.8	16.2	25.7
IC	3.8	2.7	4.3	0.1	10.9	-1.4	-1.7	-12.4	-8.1	14.1	14.6	12.1	22.8	32.8	39.7	24.1	46.0	21.0	31.7	9.1	29.6
Chemicals	-3.3	-10.2	-11.4	-15.7	-16.8	-19.1	-30.6	-24.2	-18.1	-3.2	-10.6	-14.5	-15.9	-1.5	-8.4	3.4	-5.4	-4.2	23.4	10.9	2.6
Consumer goods	6.0	2.5	1.6	-2.0	-3.2	-2.5	6.9	1.9	-4.2	10.2	9.6	-7.3	-0.2	11.9	-7.0	7.9	2.0	1.3	18.1	-0.8	9.7
Vehicles and transportation accessory	34.4	40.0	16.9	37.6	33.4	10.3	93.1	9.0	26.3	33.4	21.6	5.8	-16.7	-17.1	-19.4	-15.1	-27.7	-22.2	-45.1	-23.8	-36.6

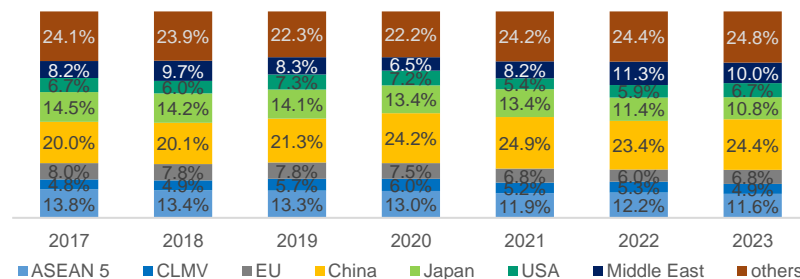
Units: %YoY	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24
<b>Key import markets</b>																					
US	28.0	9.8	3.9	-4.1	32.5	-2.5	19.6	-3.9	4.5	-4.1	8.9	17.7	-10.3	-10.4	19.1	4.3	2.7	-2.0	-4.2	20.2	16.0
EU (27) excl. UK	15.7	-1.8	3.3	-0.4	11.9	33.9	10.6	7.5	12.4	9.3	9.1	-9.9	-26.0	34.8	-9.2	21.7	-15.1	-27.8	13.1	-5.1	-10.0
Japan	28.0	9.8	3.9	-4.1	32.5	-2.5	19.6	-3.9	4.5	-4.1	8.9	17.7	-10.3	-10.4	19.1	4.3	2.7	-2.0	-4.2	20.2	16.0
China	-6.5	-1.3	10.1	3.0	0.5	-15.2	-8.4	-6.3	2.6	15.1	13.4	-0.2	8.5	14.0	-7.9	10.2	5.0	15.4	24.4	15.8	16.9
ASEAN (5)	6.1	4.4	-4.7	-26.0	-6.8	-24.4	-20.1	-11.0	-15.1	7.6	-5.9	-10.4	-3.1	-13.8	-9.8	5.2	-0.8	12.1	24.1	1.8	9.4
CLMV	9.1	7.9	-8.5	0.0	-2.3	-10.5	-4.2	-8.6	-11.7	-1.3	2.9	-13.4	-0.5	-0.7	8.0	1.9	-0.1	6.8	17.6	15.8	19.7
Middle East (15)	78.9	41.1	-51.4	-26.1	-8.3	-34.8	-34.0	-46.9	-16.0	1.6	12.2	-8.0	-23.6	-26.9	51.4	-8.0	-8.3	4.9	32.5	32.6	-8.6

## Export and Import Data: 2017 - 2023

### Exports by Country



### Imports by Country



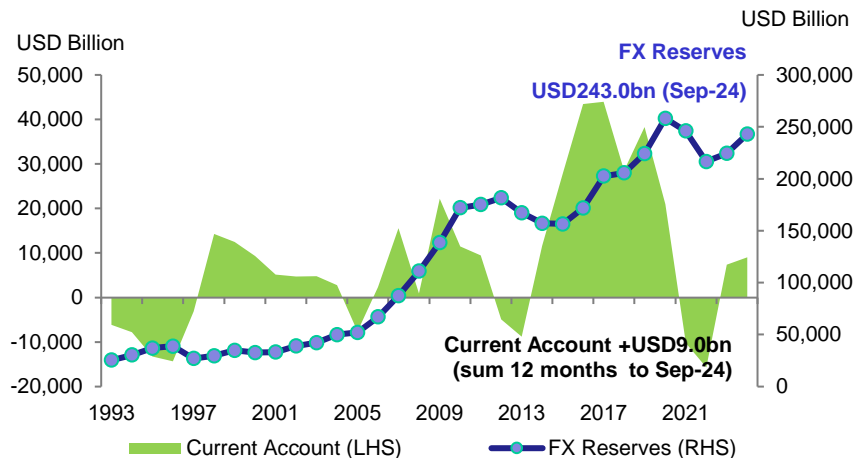
Total Exports, Custom Basis	2023		
	USD Millions	Weight	%YoY
<b>Total Exports,</b>	<b>284,562</b>	<b>100.0%</b>	<b>-1.0%</b>
Motor cars, parts and accessories	31,024	10.9%	9.0%
Automatic data processing machines and parts thereof	17,825	6.3%	-13.9%
Precious stones and jewelry	14,787	5.2%	-2.2%
Rubber products	13,248	4.7%	-4.4%
Refine fuels	10,213	3.6%	0.8%
Electronic integrated circuits	9,685	3.4%	4.1%
Polymers of ethylene, propylene, etc in primary	8,877	3.1%	-16.9%
Machinery and parts thereof	8,783	3.1%	0.3%
Chemical products	8,055	2.8%	-16.0%
Iron and steel and their products	6,955	2.4%	26.6%

Import, Custom Basis	2023		
	USD Millions	Weight	%YoY
<b>Total Imports,</b>	<b>289,754</b>	<b>100.0%</b>	<b>-3.8%</b>
Crude oil	33,180	11.5%	-7.8%
Electrical machinery and parts	21,564	7.4%	7.0%
Machinery and parts	21,214	7.3%	2.5%
Electronic integrated circuits	19,593	6.8%	2.9%
Chemicals	17,833	6.2%	-15.1%
Iron, steel and products	13,152	4.5%	-15.4%
Jewellery including silver bars and gold	11,923	4.1%	-23.4%
Natural gas	11,561	4.0%	-9.0%
Other metal ores, metal waste scrap, and product	11,230	3.9%	-16.8%
Computers, parts and accessories	9,977	3.4%	10.5%

Source: Ministry of Commerce

# Current Account and FX Reserve

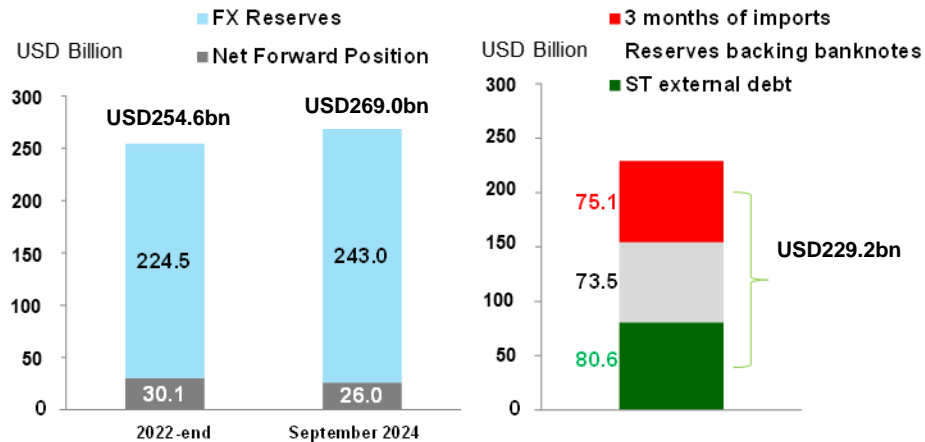
## Current Account and FX Reserve



Source: BOT and KResearch

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

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

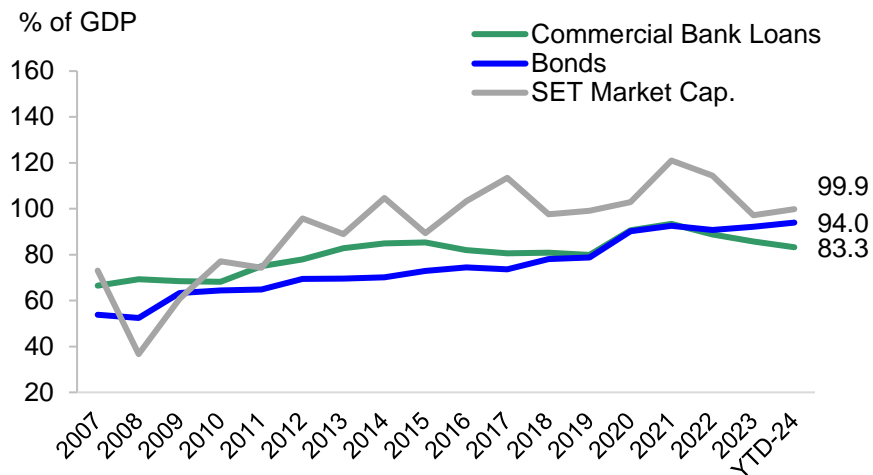


Source: BOT and KResearch Last Update: November 5, 2024

- Thailand's gross reserves (at USD269.0bn as of September 2024) are sufficient to cover short-term foreign debt obligations, sustain three months of imports, and fully support the printing of banknotes.

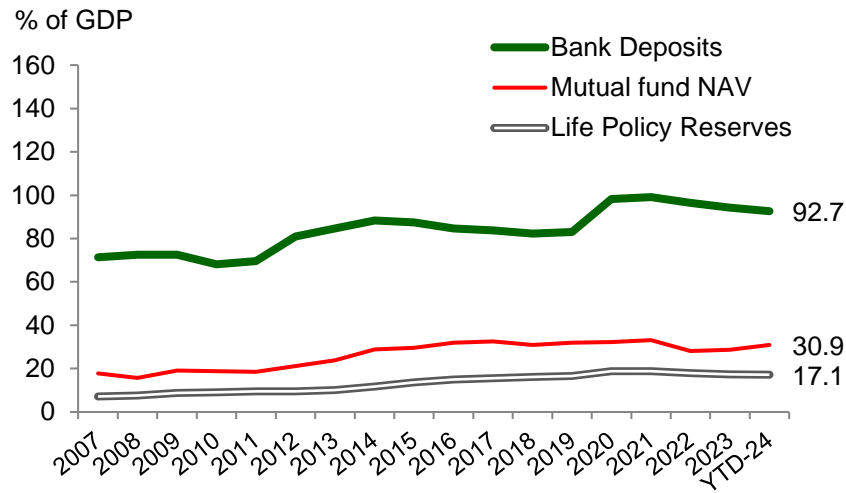
**Financial Market Structure:** Bank loans and deposits continue to play a dominant role in Thailand's funding and savings markets, respectively.

### Funding



Source: BOT, ThaiBMA, SET, NESDC and KResearch

### Savings

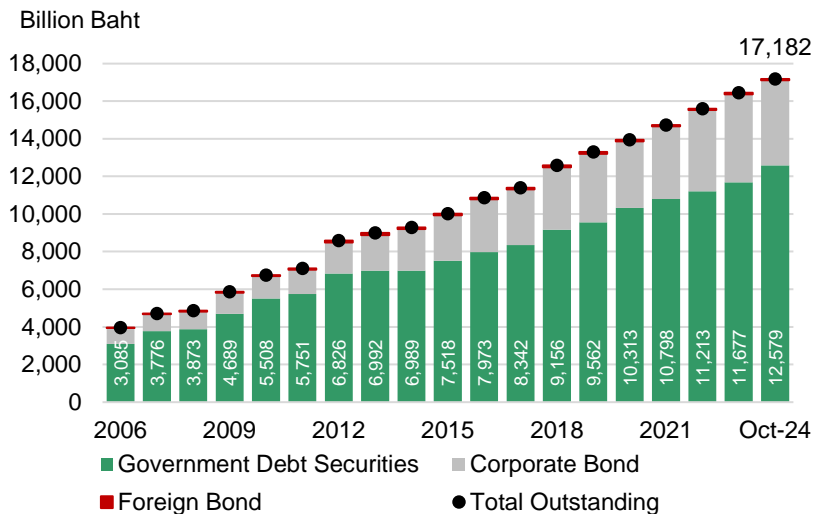


Source: BOT, AIMC NESDC and KResearch



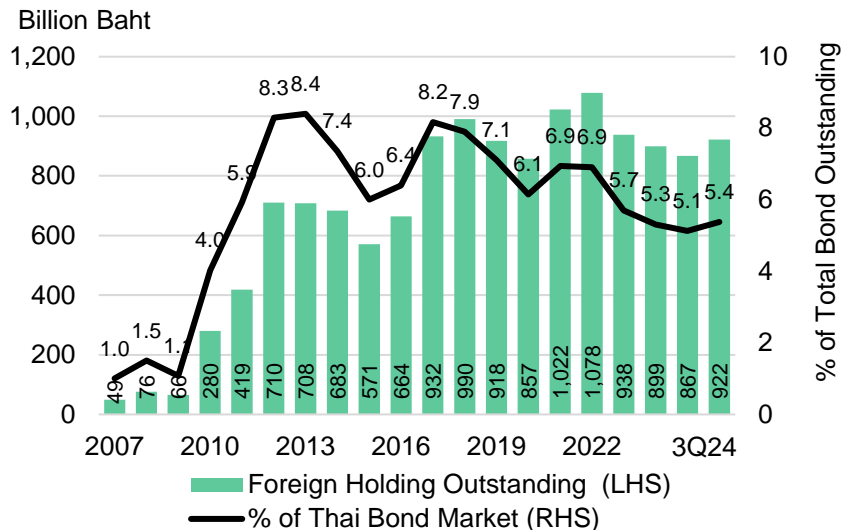
# Thai Bond Market

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



Source: ThaiBMA and KResearch

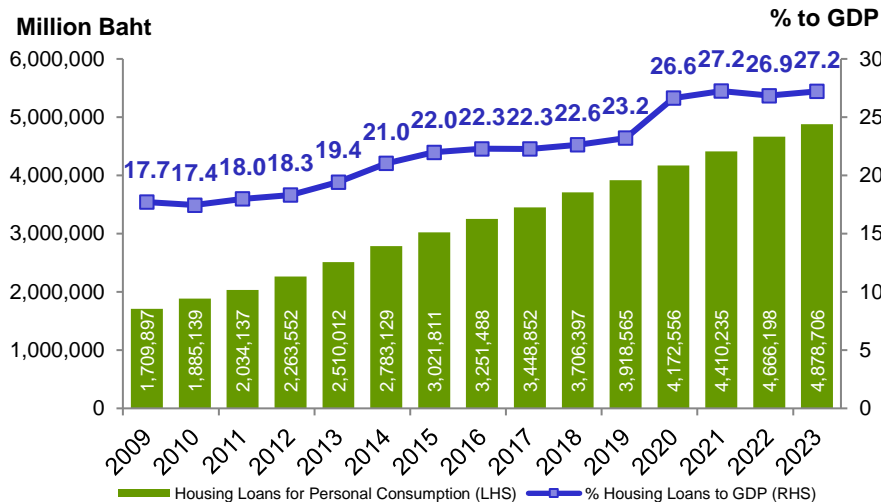
## Foreign Holdings of Thai Bonds



Source: ThaiBMA and KResearch

## Other Figures

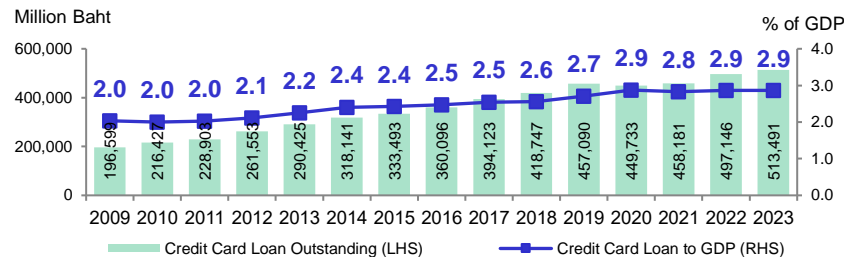
### Housing Loans / GDP



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

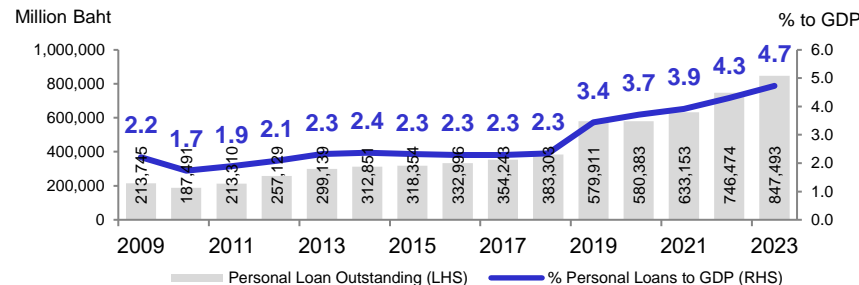
Source: BOT, NESDC

### Credit Card Loans / GDP



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

### Personal Loans / GDP

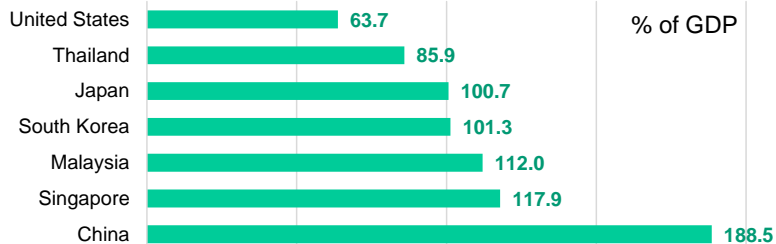


Note: 1) Personal Loans represent outstanding personal loans under supervision (including commercial banks and non-banks, excluding SFIs, saving cooperatives and others financial Institution).



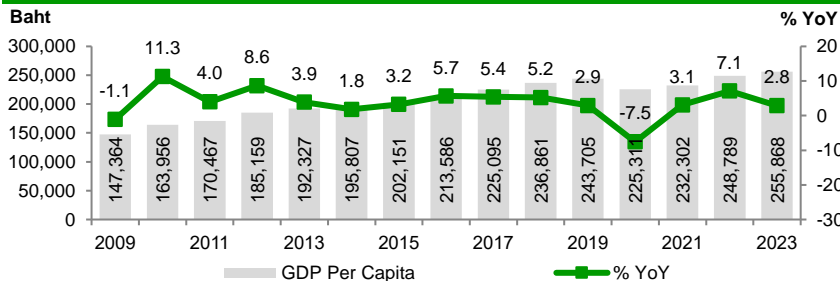
## Other Figures

### Loans to GDP as of 2023



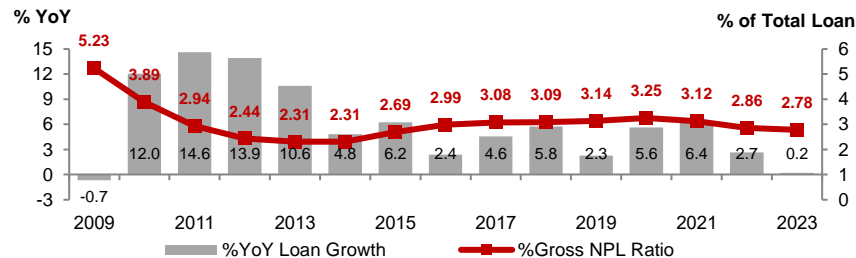
Note: Data on China, Korea and Japan include loans from commercial banks as well as financial institutions, the rest include loans only from commercial banks.

### GDP Per Capita



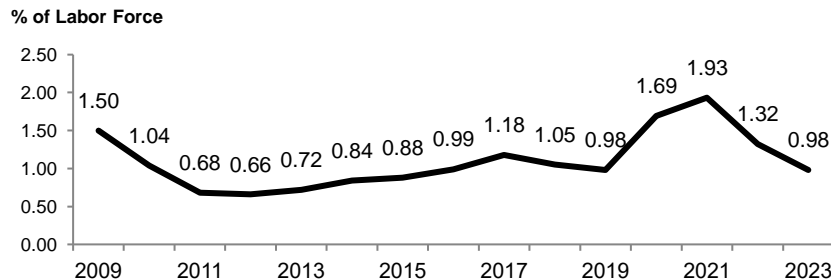
Note: The credit card statistics number includes foreign bank and non-bank credit cards.  
Source: BOT, NESDC, NSO, CEIC Data, and KResearch

### Thai Banks' Loan Growth and NPL Ratio



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

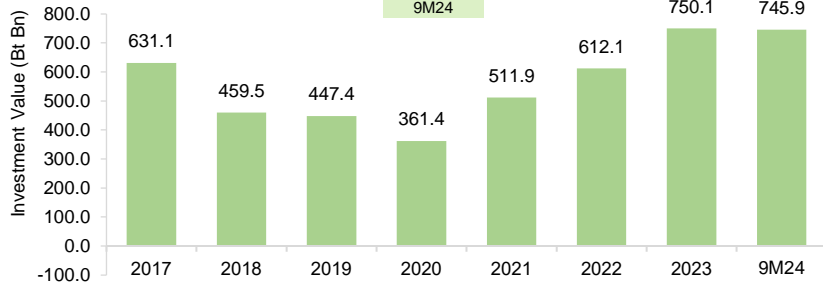
### Unemployment Rate



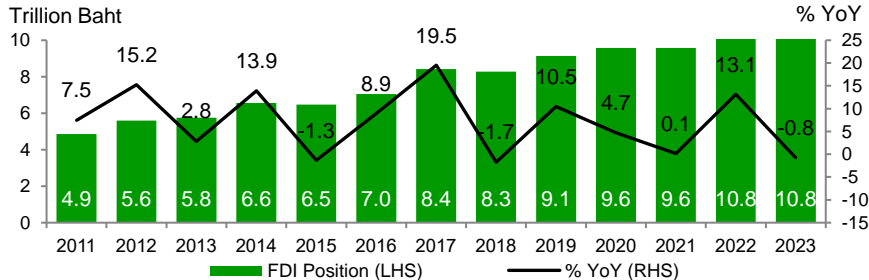


## Other Figures

Investment value of BOI-approved applications (Total)\*

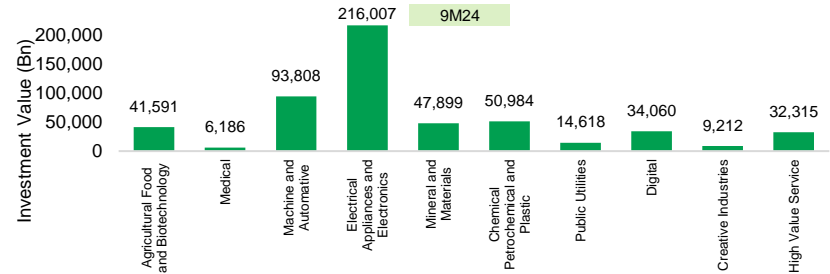


Foreign Direct Investment



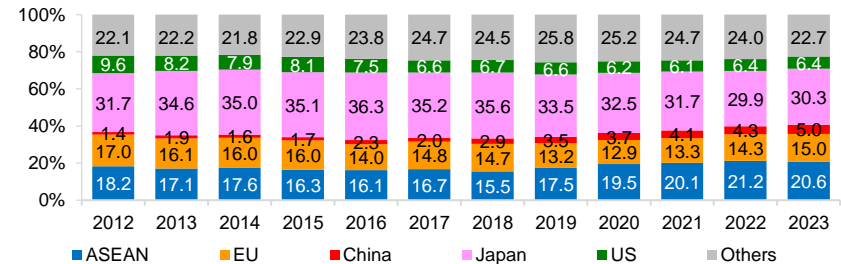
Note: - FDI refers to equity investment, lending to affiliates, and reinvested earnings; investment in equity is treated as a direct investment when the direct investors own 10% or more of ordinary shares.  
 - FDI position by countries is an investment outstanding that nonresident investors have with 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 KRResearch

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



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

Foreign Direct Investment Position by Countries





## For Further Enquiries, Contact KASIKORNBANK Investor Relations:

Investor Relations Team

Tel (66) 2470 6900 to 1

Tel (66) 2470 2660 to 1

Email: [IR@kasikornbank.com](mailto:IR@kasikornbank.com)

IR Website

[www.kasikornbank.com](http://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

## DISCLAIMER:

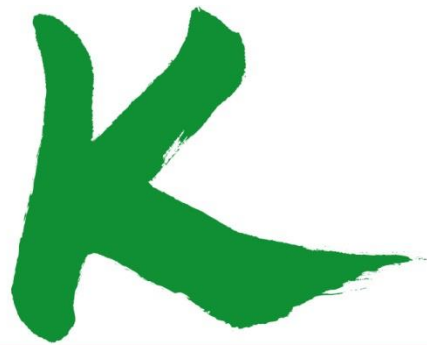


This document is intended to provide material information relating to investments or products in discussion and as a reference during the discussion, presentation, or seminar only. It does not represent or constitute any advice, offer, contract, recommendation, or solicitation and should not be relied upon as such. In preparation of this document, KASIKORNBANK PUBLIC COMPANY LIMITED ("KBank") has made several crucial assumptions and relied on financial and other information available from public sources as of the date of this document. Therefore, KBank assumes no responsibility or liability and makes no representations or warrants with respect to the accuracy and/or completeness of the information described herein. Before making their own independent decision to make any investment or enter into any transaction, the recipient of this information ("Recipient") shall carefully review information relating to services or products of KBank, including but not limited to economic and market situations and other factors pertaining to the transaction as posted on KBank's website at URL [www.kasikornbank.com](http://www.kasikornbank.com) and in other sources, and make their own investigation on all other information, documents prepared by other institutions, as well as consult with Recipients' financial, legal, or tax advisors on each decision.

The Recipient understands and acknowledges that the investment or execution of the transaction may be a transaction with low liquidity and KBank shall assume no liability for any loss, damage, or expense of any nature incurred by the Recipient arising out of such investment or execution of the transaction. The Recipient also understands and acknowledges that the information so provided by KBank does not represent the expected yield or consideration to be received by the Recipient arising out of the investment or the execution of the transaction. Further, the Recipient should be aware that the transaction can be highly risky as markets are unpredictable and uncertain, and there may be inadequate regulations and safeguards available to the Recipient.

KBank reserves the right to amend, either in whole or in part, the information so provided herein at any time as it deems fit, and the Recipient acknowledges and agrees with such amendments, accordingly. For any inquiry, or in the case of making a complaint, the Recipient may seek further information from KBank at IR@kasikornbank.com, +(662) 470 6900 to 01, +(662) 470 2660 to 61, or +(662) 470 2673 to 74.

\* 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.

A large, bold, green letter 'K' with a brushstroke texture, positioned centrally at the top of the logo.

**KASIKORNTHAI**

บริการทุกระดับประทับใจ