ธนาคารกสิกรไทย 开泰银行 KASIKORNBANK

KASIKORNBANK

Investor Presentation as of 4Q20

(Updated Economic Data)

March 2021

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

บริการทุกระดับประทับใจ

ธนาคารกสิกรไทย 开泰银行 KASIKORNBANK

KASIKORNBANK at a Glance

- Established on June 8, 1945 with registered capital of Bt5mn (USD0.17mn)
- Listed on the Stock Exchange of Thailand (SET) since 1976

Consolidated (as of December 2020)		
Assets	Bt3,659bn (USD121.8bn)	Ranked #4 with 15.5% market share**
Loans*	Bt2,245bn (USD74.7bn)	Ranked #3 with 16.4% market share**
Deposits	Bt2,345bn (USD78.1bn)	Ranked #4 with 16.2% market share**
CAR	18.80% ***	
ROE	7.10% ****	
ROA	0.85%	
Number of Branches	860	
Number of E-Machine (ATM/RCM)	10,981	
Number of K PLUS Users	14.4mn	
Number of Employees	19,862	

Share Information		
SET Symbol	KBANK, KBANK-F	
Share Capital:		
Authorized	Bt30.2bn (USD1.0bn)	
Issued and Paid-up	Bt23.7bn (USD0.8bn)	
Number of Shares	2.4bn shares	
Market Capitalization	Bt268n (USD8.9bn)	Ranked #2 in Thai banking sector
4Q20 Avg. Share Price:		
KBANK	Bt94.89 (USD3.16)	
KBANK-F	Bt95.10 (USD3.17)	
EPS	Bt5.60 (USD0.19)	
BVPS	Bt179.00 (USD5.96)	

Notes:
* Loans = Loans to customers less deferred revenue
** Assets, loans and deposits market share is based on C.B.1.1 (Monthly statement of assets and liabilities) of 14 Thai commercial banks as of December 2020
*** Capital Adequacy Ratio (CAR) has been reported in accordance with Basel III Capital Requirement from 1 January 2013 onwards. CAR is based on KASIKORNBANK FINANCIAL CONGLOMERATE. KASIKORNBANK FINANCIAL CONGLOMERATE means the company under the Notification of the Bank of Thailand re: Consolidated Supervision, consisted of KBank, K Companies and subsidiaries operating in supporting KBank, Phethai Asset Management Co., Ltd. and other subsidiaries within the permitted scope from the BOT's to be financial conglomerate
**** 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

Exchange rate at the end of December 2020 (Mid Rate) was Bt30.04 per USD (Source: Bank of Thailand)

Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA

Sustainability Award Silver Class 2021 S&P Global

FTSE4Good

บริการทุกระดับประทับใจ

KASIKORNTHAI

ธนาคารกสิกรไทย
开泰银行 KASIKORNBANK

Table of Contents

บริการทุกระดับประทับใจ

KASIKORNTHAI

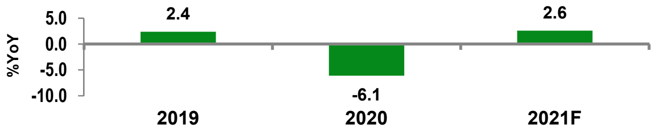
ธนาคารกสิกรไทย
开泰银行 KASIKORNBANK

Appendix

บริการทุกระดับประทับใจ

Operating Environment: Economic Outlook for 2021

Key GDP Forecasts and Assumptions



% YoY	2019	2020	2021F* (Previous) Base Case	2021F* (Previous) Range	2021F* Base Case	2021F* Range
GDP	2.4	-6.1	2.6	0.0-4.5	2.6	0.8-3.0
Private Consumption	4.5	-1.0	1.8	0.8-2.3	3.4 ▲	2.5-3.8
Government Consumption	1.4	0.8	4.0	3.0-5.0	3.0 ▼	2.5-3.5
Total Investment	2.2	-4.8	3.2	2.2-4.2	1.9 ▼	1.4-3.0
- Private investment	2.8	-8.4	2.5	1.4-3.0	0.8 ▼	0.5-1.5
- Public investment	0.2	5.7	6.1	5.1-8.4	6.1	5.1-8.4
Gov't Budget Deficit (% of GDP)	-2.9	-5.1	-5.3	(-5.0)-(-5.4)	-5.3	(-5.0)-(-5.4)
Exports (Customs Basis)	-2.7	-6.0	3.0	1.5-4.5	4.5 ▲	3.5-5.5
Imports (Customs Basis)	-4.7	-12.4	3.6	2.0-5.5	6.0 ▲	5.0-7.0
Current Account (USD bn)	38.2	16.5	17.8	14.0-22.0	15.8 ▼	12.0-19.0
Headline Inflation	0.7	-0.9	0.8	0.5-1.0	1.1 ▲	0.8-1.5
Policy Interest Rate***	1.25	0.50	0.50		0.50	

Key Points:

- The projected base case for 2021 GDP growth ranges from 0.8 to 3.0%, on condition that re-opening country for international tourist could take place during 4Q21
- Improving export outlook and continued government stimulus measures will support the economic recovery
- It may take at least 2 years until 2023 for Thai GDP to return to its pre-COVID-19 level

Risk Factors:

- New COVID-19 outbreak
- Domestic distribution on COVID-19 vaccine
- Thai Baht appreciation
- Trade tensions and geopolitical risks
- Household and business balance sheet deterioration if outbreak lasts longer than expected

Notes: MPC's policy rate is at 0.50% (as of February 3, 2021)
▲ represents a higher base case assumption, comparing with the previous forecast, ▼ represents a lower base case assumption, comparing with the previous forecast
Source: * KResearch (as of March 8, 2021 vs forecast on December 8, 2020)
** KBank Capital Markets Research (as of January 19, 2021)

Operating Environment: Economic Outlook for 2021

	Outlook	Possible Impacts to Thai Economy
Global Economy	▪ Global economy: Global economy projected to slowly recover in 2021, given escalating downside risks ▪ US: US economy facing a raging second wave of COVID-19; US economy will continue to be under great pressure and full economic recovery remains distant ▪ Eurozone:. Recent resurgence of COVID-19 in Eurozone will take a heavy toll on economic activity. Thus, full recovery is still a long way off ▪ China: With COVID-19 hitting global demand and continued outbreaks of the virus not ruled out, economic rebound may prove hard to sustain ▪ ASEAN economies: Risks to ASEAN economies are increasingly tilted to the downside, given the global economic slowdown and rising trade tensions	▪ Thai economy still highly vulnerable to pandemic situation abroad and at home ▪ Despite progress on a COVID-19 vaccine, tourism sector will take years to return to pre-COVID level ▪ Slow global recovery, combined with appreciation of the Baht, will continue to pressure Thai exports
Government Stimulus Plan	▪ Government may roll out additional short-term stimulus packages at a large scale to offset economic impact caused by COVID-19 outbreak ▪ Government investment projects may be delayed due to potential shortage of capital goods amid disrupted global supply chain	▪ Supportive fiscal measures may help sustain domestic activities to some extent
Inflation	▪ Inflation is expected to increase to 0.8%, supported by rising oil prices, while domestic and external demand remain subdued	▪ Monetary policy expected to remain accommodative to economic growth throughout 2021
Exports and Tourism	▪ Thai exports will rebound in a positive direction but still under pressure from Baht upward trend and slow global economic recovery ▪ Tourist arrivals in 2021 expected to return in 4Q21, on condition that almost half of Thai population is vaccinated	▪ Thai economy will grow at a slow rate
Fed Policy Normalization	▪ Fed would keep its ultra-monetary easing with Fed Funds rate of 0.00-0.25% and its quantitative easing throughout the year, as COVID-19 outbreak is expected to continue to weigh on US economy	▪ BOT expected to maintain policy rate at 0.50% in 2021, due to new fiscal relief measure and extension of debt moratorium amid new COVID-19 outbreak
Baht	▪ USD/THB expected to be highly volatile due to uncertainty over COVID-19 situation on Thai economy ▪ Baht likely to continue to appreciate with weakening of US dollar due to rising global risk appetite. Also, Baht will be supported by strong Thai current account surplus	▪ Appreciation of Baht likely to affect export revenue. However, BOT is likely to take additional measures, but is expected to have limited impact in curbing Thai Baht strength

Source: KResearch and KBank Capital Markets Research (as of January 19, 2020)

ธนาคารกสิกรไทย
开泰银行 KASIKORNBANK

KASIKORNTHAI

Y2020 Key Financial Ratios

Consolidated	2019 Actual	2020 Actual* (TFRS9 Compliance)	Notes
NIM	3.31%	3.27%	Y2020 NIM inline with target guidance, NIM decreased YoY due to lower yield on loans from interest rate cut, deterioration of asset quality, and loans in relief measures despite positive impact from EIR(TFRS 9), lower cost of deposits from FIDF costs, and savings rate cut
Loan Growth	4.59% YTD	12.13% YTD	Y2020 YTD loans grew mainly from COVID-19 relief measures (mainly from SME segment), corporate business, and secured retail lending using data analytics capability
Non-Interest Income Growth** *(Net Fee Income Growth)*	1.51% YoY *(-3.61% YoY)*	*-20.65% YoY* *(-10.17% YoY)*	Y2020 Non-Interest Income decreased YoY, mainly from gains on selling investments in Y2019 and net fee income from loan-related fee recognition according to TFRS 9; card business pressured by economic recession from COVID-19, although brokerage business still grew
Cost to Income Ratio***	45.32%	45.19%	Y2020 Cost to income ratio maintained in mid-40s under pressure of lower income and new investment as a result of cost management and productivity improvement
Credit Cost per year (bps)	174 bps	205 bps	Y2020 credit cost increased due to higher expected credit loss (ECL) set asides made to be prudent amid COVID-19-related economic uncertainties. While COVID-19 negatively affected asset quality, relief measures lessened the degree of impact in the short-term; overall NPL situation remains manageable
NPL Ratio (Gross)****	3.65%	3.93%	
ROE*****	9.90%	7.10%	
ROA	1.20%	0.85%	

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, which were based on the prior accounting standards (non-TFRS9).; ** 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

ธนาคารกสิกรไทย
开泰银行 KASIKORNBANK

KASIKORNTHAI

Y2021 Financial Targets

Consolidated	2020 Actual	Y2021 Targets	Note (Y2021)
NIM	3.27%	3.1-3.3%	In line with interest rate trend
Loan Growth	12.13%	4-6%	Sensible loan growth in line with economic growth; strong retail lending growth by using data analytics capability
Net Fee Income Growth*	-10.17%	Low single digit growth rate	Net Fee Income will grow from credit card business, loan related, and fund management business
Cost to Income Ratio**	45.19%	Mid-40s	Slow revenue growth due to slow economic recovery; Focus on cost management and productivity improvement, with new investments for future growth
Credit Cost per year (bps)	205 bps	Up to 160 bps	Credit Cost: Maintain conservative assumptions and prudent financial policy amid high uncertainties related to COVID-19
NPL Ratio (Gross)***	3.93%	4.0-4.5%	NPL: COVID-19 significantly impacts asset quality after relief measure period ends. Asset quality is closely monitored and constantly reviewed.
ROE****	7.10%	N/A	
ROA	0.85%	N/A	

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

ธนาคารกสิกรไทย
开泰银行 KASIKORNBANK

KASIKORNBANK Vision, Purpose and Culture

Vision

BANK OF SUSTAINABILITY

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

Purpose

To Empower Every Customer's Life and Business

Customer Promise

Total Solution	Attentive & Inclusive	Any Time & Any Where	Trustworthy

K-Culture

A PIONEER FOR THE BETTER, A STEP AHEAD FOREVER

Customer at Heart | Agility | Collaboration | Innovativeness

ธนาคารกสิกรไทย
开泰银行 KASIKORNBANK

The K-Strategy

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

Purpose

To Empower Every Customer's Life and Business

Strong Brand

STRONG TRUSTWORTHY BRAND

Growth Strategy

Dominate Digital Payment	Reimagine Commercial & Consumer Lending	Democratize Investment & Insurance	Penetrate Regional Market

Strengthen Harmonized Sales and Service Experience

Improve Value-Based Productivity

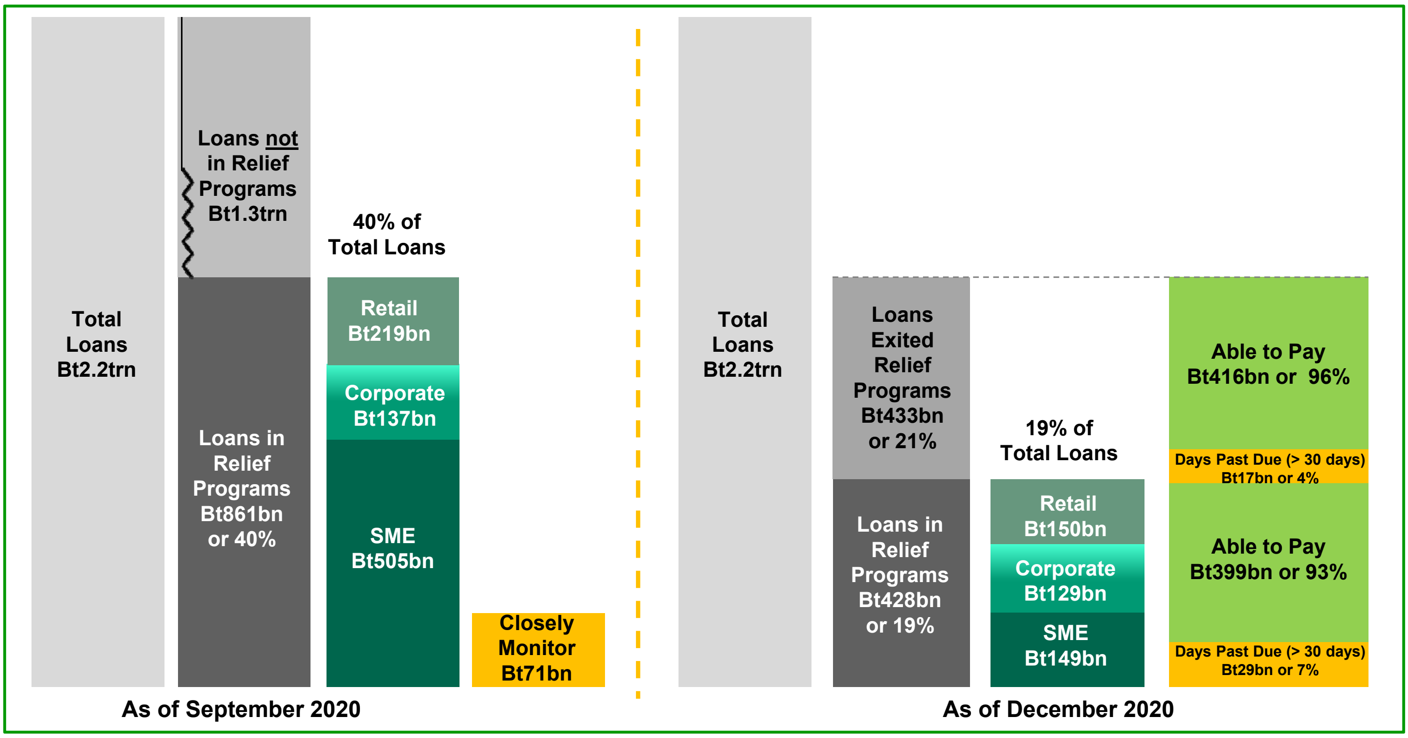
Key Capabilities

8 TRANSFORMATION JOURNEYS

1. Ecosystem Partnership & Harmonized Channel	2. Intelligent Lending	3. Proactive Risk & Compliance Management	4. Regional Payment & Settlement
5. Data Analytics	6. Cyber Security	7. Performing Talent and Agile Organization	8. Modern World Class Technology Capability

Relief Measures to Lessen COVID-19 Impact (Not Comparable to Loans by Business on Page 12)

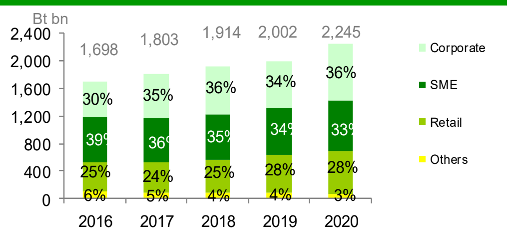
- Relief measures (the government, the BOT, and KBank) have been offered to help customers through the COVID-19 pandemic.
- Relief measures help limit short-term impact on asset quality; while, asset quality is closely monitored and constantly reviewed.



Composition of Growth: Loans by Business

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

Loan Portfolio Structure



Loan Portfolio

Consolidated	Amount (Bt bn) Dec 19	Amount (Bt bn) Dec 20	Y2020 Loan Growth (%)	Y2020 Yield Range (%)	Y2021 Loan Growth Target (%)
Corporate Loans	691	814	17.7%	3-5%	1-3%
SME Loans	672	733	9.1%	5-7%	2-4%
Retail Loans	556	638	14.8%	5-7%	11-13%
Other Loans	83	60	(27.8%)	-	
Total Loans	2,002	2,245	12.1%	4.8%	4-6%

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.

	2020	2021 Outlook
Corporate Loans	▪ Loan growth grew mainly from both short- and long-term loans in Commerce Consumer sector	▪ KBank continuously assists clients affected by COVID-19 outbreak, especially those in tourism-related sector ▪ Business growth in some sectors, such as health and telecommunication
SME Loans	▪ Amid slow pace of global and local economy, the bank prudently supported customers' liquidity needs, where appropriate ▪ Major loan contribution to Construction and Commerce Consumer industry	▪ Global trade and geopolitical situation remain uncertain; local government spending and public investment remain major drivers. Lending growing organically and prudently while still meeting customers' funding needs and aligning with government measures ▪ Apply data analytics to enhance predictive model and credit process in order to lend intelligently with acceptable risk, via blended traditional and digital channels
Retail Loans	▪ Retail loans grew mainly from home loans, expanding into high potential customers with product offerings matched to customers' needs ▪ Launched co-brand credit card "KBank-Shopee," to further penetrate online shopping market and increase spending volume ▪ Added "Smart PAY & Smart CASH via K PLUS" to better provide accessibility and convenience to customers ▪ Offered new feature "Swipe, Press, Pay by Installments in one card" for Xpress Cash. Customer enables QR code, scans option for cardless cash withdrawal at K-ATMs nationwide, and completes money transfer free of charge 24/7 via KPLUS	▪ Continuous growth supporting consumer market and local demand ▪ Focus on lending thru data analytics and supporting financial solutions for all life stages via assisted and unassisted channels where most relevant to customers' lifestyles and needs ▪ Maintain lead market position in key strength products ▪ Focus on new potential target customers with acceptable risk; predictive monitoring and strict control on loan portfolio quality

Loan Definition

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

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

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

Other Loans: Loans in Enterprise Risk Management Division (NPL + Performing Restructured Loans) and other loan types

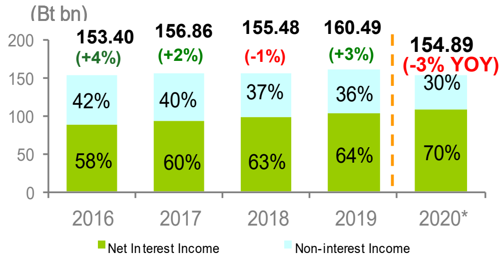
KASIKORNTHAI

ธนาคารกสิกรไทย 开泰银行 KASIKORNBANK

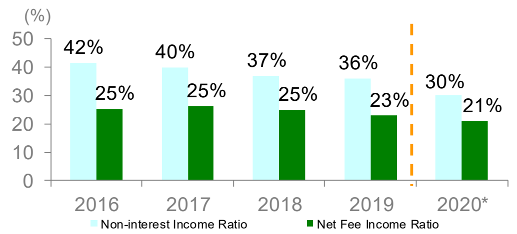
Composition of Growth: Net Fees and Non-interest Income

December 2020 (Consolidated)

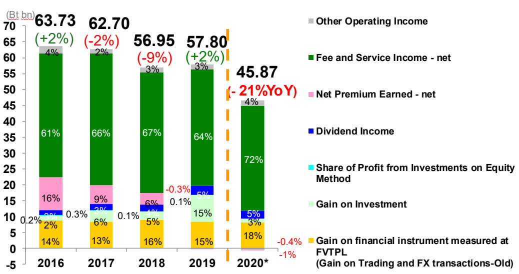
Total Operating Income - net



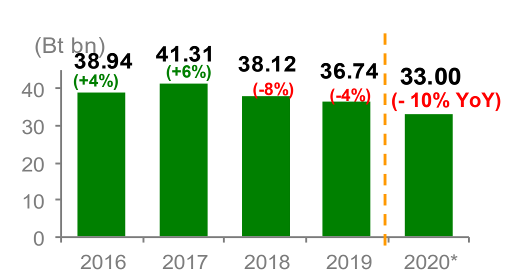
Non-interest Income Ratio and Net Fee Income Ratio



Non-interest Income



Net Fee Income



- Y2020 non-interest income accounted for 30% of total net operating income and net fee income accounted for 21%; non-interest income decreased 21% YoY, mainly from gains on selling investments and net fee income
- Net fee income dropped 10% YoY, mainly due to loan-related fee recognition according to TFRS 9 and fee income from card business pressured by economic recession from COVID-19 although brokerage business still grew

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, which were based on the prior accounting standards (non-TFRS9).

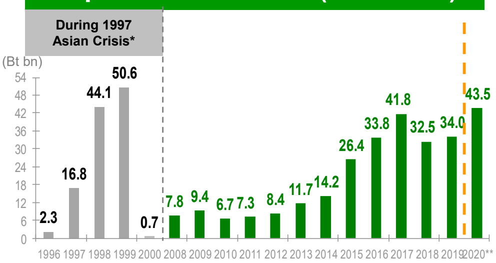
KASIKORNTHAI

ธนาคารกสิกรไทย 开泰银行 KASIKORNBANK

Asset Quality and Expected credit loss (Provision)

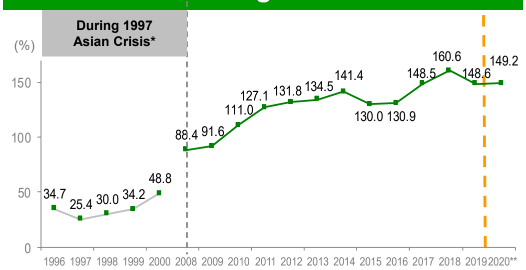
December 2020 (Consolidated)

Expected credit loss (Provision)

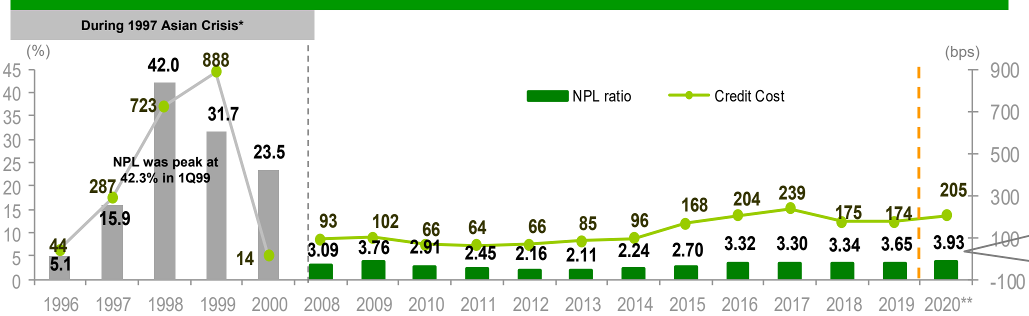


Note: Provision referred to Impairment Loss on Loans and Debt Securities; from January 1, 2020 onwards based on TFRS9, provision refers to Expected Credit Loss

Coverage Ratio



NPL Ratio and Credit Cost



- Asset quality remains manageable
- NPL ratio in 2020 was at 3.93%, with coverage ratio of 149.19%
- Y2020 credit cost was 205bps; 4Q20 credit cost dropped QoQ to 12bps
- Adhering to a prudent financial policy; economic downturn from COVID-19 outbreak
- Y2020 credit cost increased due to prudent higher expected credit loss (ECL) set asides amid COVID-19-related economic uncertainties. While COVID-19 negatively affected asset quality, relief measures lessened impact in the short-term; overall NPL situation remains manageable

NPL Ratio by Business	2015	2016	2017	2018	2019	2020
Corporate Business	<2%	<2%	<2%	<2%	<2%	<2%
SME Business	~3%	~5%	~5%	~5%	~6%	<7%
Retail Business***	~2%	~4%	~4%	~4%	~4%	<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, 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

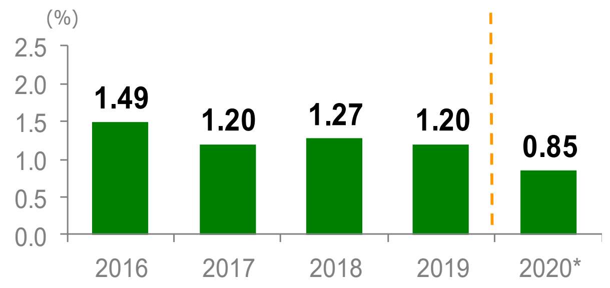
KASIKORNTHAI

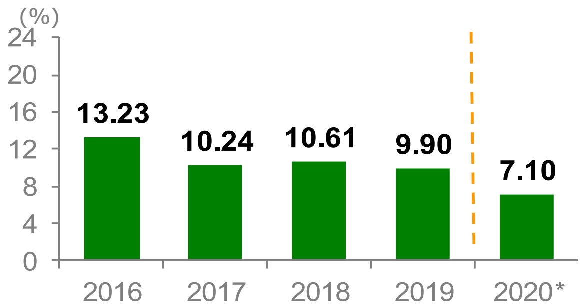
ธนาคารกสิกรไทย 开泰银行 KASIKORNBANK

ROA and ROE

December 2020 (Consolidated)

ROA	ROE***





	2016	2017	2018	2019	2020	1Q20**	2Q20	3Q20	4Q20
ROA (%)	1.49	1.20	1.27	1.20	0.85	0.87	0.25	0.75	1.47
ROE (%)	13.23	10.24	10.61	9.90	7.10	7.26	2.15	6.59	12.74

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, which were based on the prior accounting standards (non-TFRS9).
** The Bank restated the 1Q20 financial statements, due to reclassification of investment in trust fund to FVOCI.
*** ROE = Net profit (attributable to equity holders of the Bank) deduct dividend from other equity instruments after income tax divided by average equity of equity excluded other equity instruments

บริการทุกระดับประทับใจ

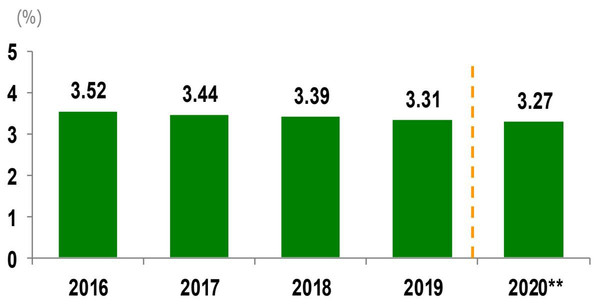
KASIKORNTHAI

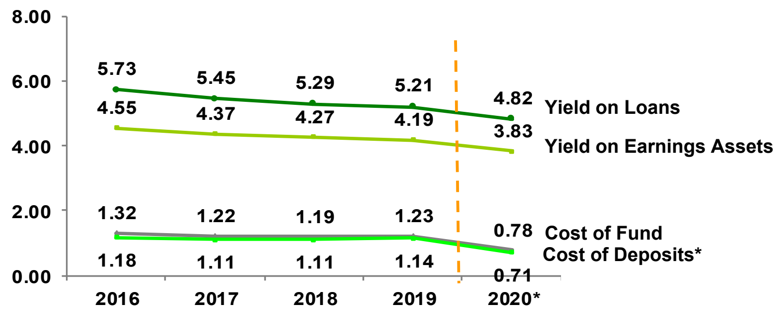
ธนาคารกสิกรไทย 开泰银行 KASIKORNBANK

Net Interest Margin

December 2020 (Consolidated)

NIM	Yield on Earnings Assets and Cost of Fund





- NIM was 3.27% in 2020, decreasing YoY, due to lower yield on loans from interest rate cut, deterioration of asset quality and loans in relief measures despite positive impact from EIR (TFRS9), lower cost of deposit from FIDF cost and savings rate cut
- High portion of CASA (80%) also helped support low cost of fund

	2016	2017	2018	2019	2020	1Q20	2Q20	3Q20	4Q20
NIM (%)	3.52	3.44	3.39	3.31	3.27	3.49	3.22	3.17	3.08
Yield on Earnings Assets (%)	4.55	4.37	4.27	4.19	3.83	4.20	3.80	3.65	3.52
Yield on Loans (%)	5.73	5.45	5.29	5.21	4.82	5.37	4.91	4.72	4.42
Cost of Fund (%)	1.32	1.22	1.19	1.23	0.78	0.98	0.79	0.66	0.62
Cost of Deposit (%), incl DPA	1.18	1.11	1.11	1.14	0.71	0.87	0.74	0.61	0.57

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 2 years, according to the BOT announcement in the Royal Gazette, during January 2020 to December 2021.
** 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, which were based on the prior accounting standards (non-TFRS9).

บริการทุกระดับประทับใจ

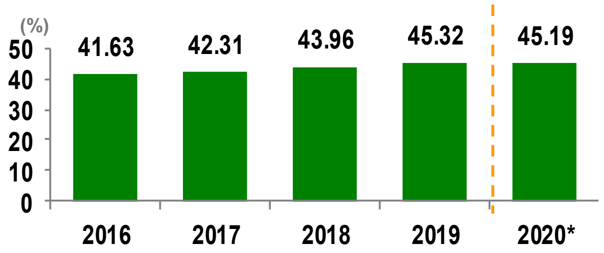
KASIKORNTHAI

ธนาคารกสิกรไทย
开泰银行 KASIKORNBANK

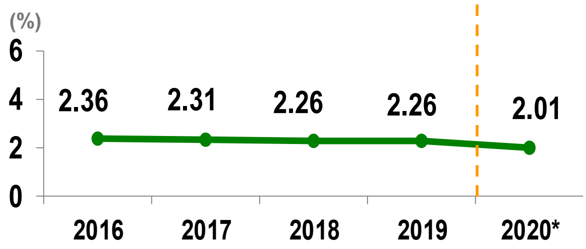
Cost to Income Ratio

December 2020 (Consolidated)

Cost to Income Ratio



Cost to Average Assets Ratio



- Y2020 cost to income ratio was 45.19%; maintained at Mid-40s under pressure of lower income and new investment; as a result of cost management and productivity improvement

	2016	2017	2018	2019	2020	1Q20**	2Q20	3Q20	4Q20
Cost to Income Ratio (%)	41.63	42.31	43.96	45.32	45.19	45.94	38.36	44.75	52.10
Cost to Average Assets Ratio (%)	2.36	2.31	2.26	2.26	2.01	2.06	1.79	1.85	2.25

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, which were based on the prior accounting standards (non-TFRS9).
** The Bank restated the 1Q20 financial statements, due to reclassification of investment in trust fund to FVOCI.

บริการทุกระดับประทับใจ

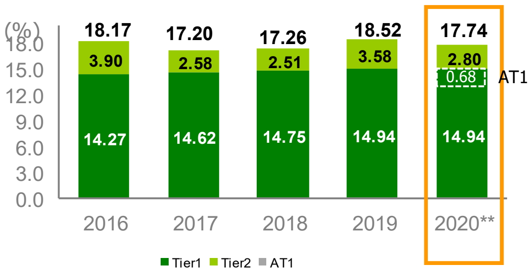
KASIKORNTHAI

ธนาคารกสิกรไทย
开泰银行 KASIKORNBANK

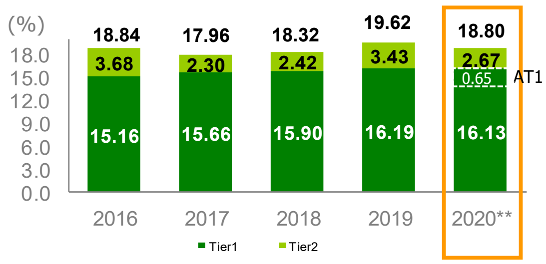
Capital (Reported Number: Excluding Net Profit of Each Period)

December 2020 (Consolidated)

Bank only
Basel III



KASIKORNBANK FINANCIAL CONGLOMERATE*
Basel III



- Capital adequacy remains sufficient to support business growth; maintained adequate Tier 1 ratio, as required under the Basel III and new requirements
- Additional Tier 1 instrument issuance is intended to optimize and further strengthen capital base in long run

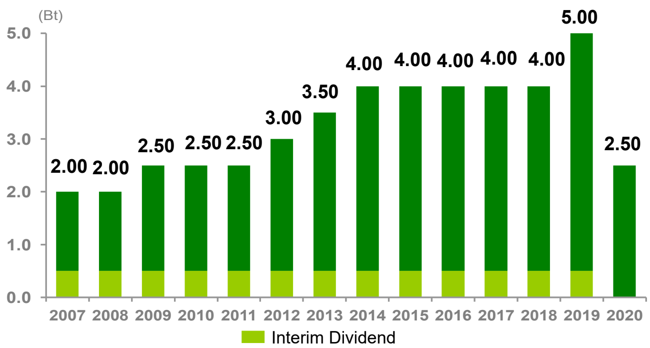
	2016	2017	2018	2019	2020	1Q20	2Q20	3Q20	4Q20
Bank only									
CAR (%), excluding net profit of each period	18.17	17.20	17.26	18.52	17.74	17.57	16.98	17.29	17.74
Tier 1 (%), excluding net profit of each period	14.27	14.62	14.75	14.94	14.94	14.08	14.15	14.47	14.94
KASIKORNBANK FINANCIAL CONGLOMERATE*									
CAR (%), excluding net profit of each period	18.84	17.96	18.32	19.62	18.80	18.53	18.09	18.45	18.80
Tier 1 (%), excluding net profit of each period	15.16	15.66	15.90	16.19	16.13	15.17	15.38	15.74	16.13

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, which were based on the prior accounting standards (non-TFRS9).

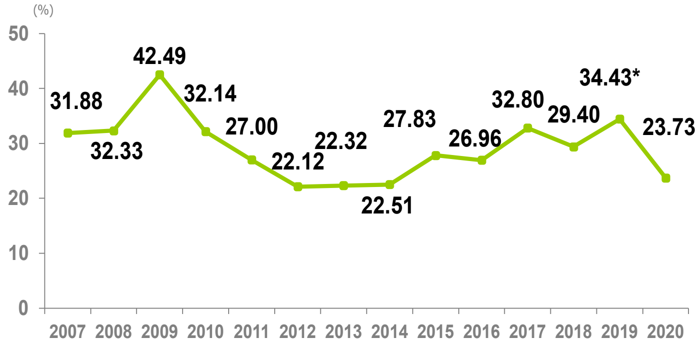
บริการทุกระดับประทับใจ

Dividend

Dividend Per Share



Dividend Payout Ratio



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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Dividend Per Share (Bt)	2.00	2.00	2.50	2.50	2.50	3.00	3.50	4.00	4.00	4.00	4.00	4.00	5.00	2.50
Dividend Payout Ratio (%)	31.88	32.33	42.49	32.14	27.00	22.12	22.32	22.51	27.83	26.96	32.80	29.40	34.43	23.73

Note: * The Board of Directors' Meeting of KASIKORNBANK PCL. No. 1/2020, held on January 30, 2020 has approved the share repurchase project for financial management purposes with the number of shares to be repurchased not exceeding 23,932,601 shares or equal to the amount of not exceeding 1% of the total paid-up capital of the Bank and the maximum amount not exceeding Bt4,600mn. The share repurchase was conducted through the Stock Exchange of Thailand during February 14, 2020 to February 27, 2020.
**Due to the high uncertainty in the near future, the BOT supports the preventive measures by allowing financial institutions to pay dividends for the year 2020 not exceeding last year payout ratio and 50% of this year's net profit. 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

- **The K-Strategy:** Customer Centricity remains our core philosophy with purpose to "Empower Every Customer's Life and Business"
- **Balanced Growth:** loans to grow carefully in line with economic conditions and loans relief measures; appropriate liquidity maintained; manageable asset quality supported by strong risk management capabilities; appropriate loan loss reserves; manageable cost to income ratio; appropriate ROE maintained
- **Adequate Capital:** maintains adequate Tier 1 ratio, as required under Basel III amid COVID-19 especially after debt moratorium and remain sufficient for new requirements. Additional Tier 1 instrument issuance is intended to optimize and further strengthen capital base in long run
- **Sustainable Development:** conducts business with the principles of a Bank of Sustainability, and appropriate risk management and good corporate governance principles; striving to balance economic, social, and environmental dimensions to achieve goals and create sustainable long-term returns

Appendix

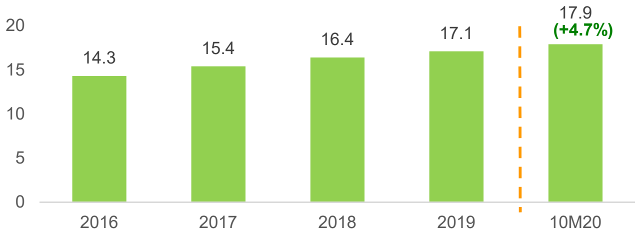
KBank: Strategy

ธนาคารกสิกรไทย
开泰银行 KASIKORNBANK

Performance

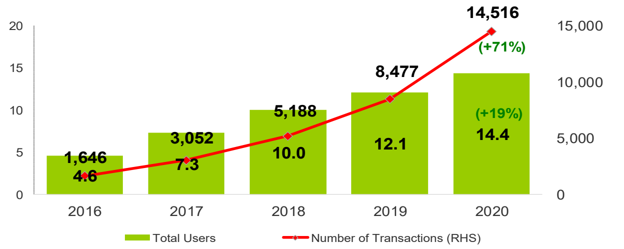
- Success is driven by continuous growth in number of customers and K PLUS users; highest Net Promoter Score among banks in Thailand

Number of Customers* (mn)



* Customers in Retail Business account for 93%, SME Business 7%, and Corporate Business less than 1% of customer portfolio

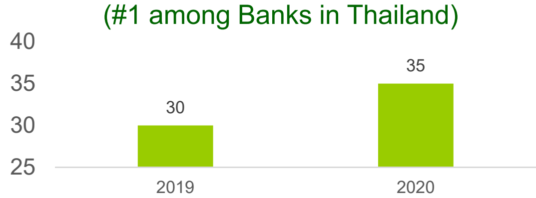
K PLUS Users and Transactions (mn)**



** Active users defined as minimum of 1 usage per month; 75% active users as of Y2020

Net Promoter Score (NPS)***

(#1 among Banks in Thailand)



*** NPS Study 2020 surveyed by The Nielsen Company during August to September 2020, measuring the willingness of customers to recommend a company's products or services to others

บริการทุกระดับประทับใจ

ธนาคารกสิกรไทย
开泰银行 KASIKORNBANK

The K-Strategy

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

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

Strong Brand — **STRONG TRUSTWORTHY BRAND**

Growth Strategy




Dominate Digital Payment	Reimagine Commercial & Consumer Lending	Democratize Investment & Insurance	Penetrate Regional Market

Strengthen Harmonized Sales and Service Experience

Improve Value-Based Productivity

Key Capabilities — **8 TRANSFORMATION JOURNEYS**

1. Ecosystem Partnership & Harmonized Channel	2. Intelligent Lending	3. Proactive Risk & Compliance Management	4. Regional Payment & Settlement
5. Data Analytics	6. Cyber Security	7. Performing Talent and Agile Organization	8. Modern World Class Technology Capability

บริการทุกระดับประทับใจ

Growth Strategy: Strengthen Leadership Position

Dominate Digital Payment

- **K PLUS as Open Banking Platform:** Gain online payment share via K PLUS open-platform and ecosystem partnership collaboration
- **Omni-Channel Merchant Platform:** Accept all sources of funds and support Online to Offline (O2O) experience; providing smart information and Customer Relationship Management (CRM)
- **Regional Payment and Settlement:** Facilitate payment and settlement to provide regional business connectivity

Reimagine Commercial & Consumer Lending

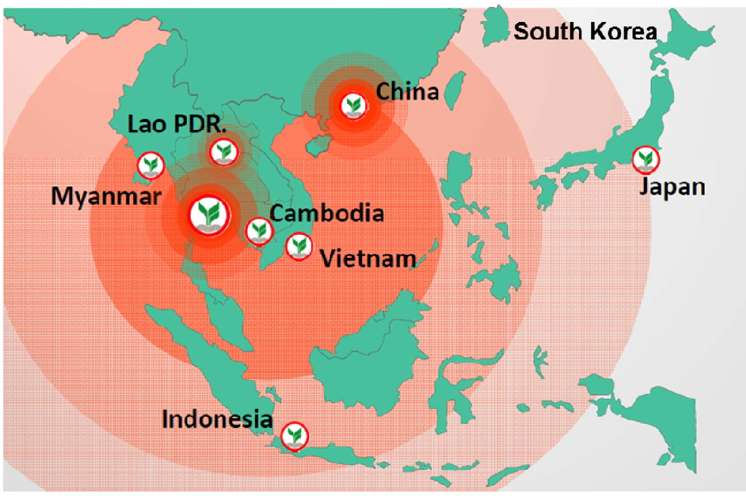
- **Penetrating Consumer Credit:** Add secured loan for self-employed and expand into unsecured loans
- **SME Business Recovery:** Use data to improve customer survival rate
- **Leveraging Corporate Relationship:** Service large corporates & monetize relationship through shared platforms with capital markets fee bundling

Democratize Investment & Insurance

- **Master Relationship Manager (RM) x Completed Offering:** Penetrate wealth-potential customers via Master RM by completed offerings and better experience
- **Digital & New Investment Platform:** Provide personal-based advice to offer products thru Open Architecture platform
- **Competitive Product Offerings:** Improve return to customers by better sourcing and optimized risk; develop products for small customers

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

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



Physical Footprint

Lao PDR. | Cambodia | Myanmar | Vietnam | Indonesia | Japan | China

Digital Platform

- X-Border Multi-Currency Settlement
- X-Border THB Direct Settlement
- X-Border Retail Payment

Partnership

AEC

C B BANK, VietinBank, AYA Bank, A bank, BCA, BANK MASPION, Maybank

Hana Bank, 八十二銀行, 静岡銀行, 中国民生银行, CHUGOKU BANK, 百十四銀行

...and others

Note:
- Two subsidiary banks: KASIKORNTHAI BANK (Lao PDR) with two branches in Ponesinuan and Lane Xang, KASIKORNBANK (CHINA) with three branches in Shenzhen, Chengdu, Shanghai and one sub-branch in Long Gang
- Three international branches: Cayman Islands, Hong Kong, and Phnom Penh
- Seven representative offices: Beijing, Kunming, Tokyo, Yangon, Ho Chi Minh, Hanoi, and Jakarta
- Two strategic partners: Maspion Bank in Indonesia and Ayeyawaddy Farmers Development Bank (A Bank) in Myanmar
- Global partners with 84 banks in 17 countries: 52 Japanese partner banks; 10 Chinese partner banks; 1 Hong Kong bank; 3 Korean partner banks; 13 ASEAN partner banks (in Vietnam, Indonesia, Lao PDR, Cambodia, Philippines, Brunei, Malaysia, Singapore and Myanmar); 4 European regional banks (in Germany, Italy and Russia) and 1 Indian Bank

KASIKORNTHAI

ธนาคารกสิกรไทย
开泰银行 KASIKORNBANK

Penetrate Regional Market: KBank's Regional Digital Expansion via 3 Strategic Plays

- To achieve rapid regional digital expansion in AEC+3, KBank will use 3 strategic plays, each supporting the others, to build growth momentum and accelerate customer base development & financial return

	Strategic Plays	2021 Strategic Actions
Disruptive Play	**DIGITAL LENDING & BANKING-AS-A-SERVICE** *End-to-end online high-yield credit capabilities with expansion to lending platform (BaaS: Bank as a Service)* *CREDIT TECH*: Origination, Underwriting, Credit Scoring, Loan Booking, Monitoring, Guarantee, Collection, Operation → KBank & FI Partners	**Pilot digital lending with local partners**
Mass Acquisition Play	**MASS ACQUISITION WITH TRANSACTIONAL BANKING** *Customer acquisition through local platforms with engagement via transactional banking* *Business*: K-Cyber Banking, EDC & PGW Ecosystem Partners *Retail*: K+, ATM / Agent	**Build 4 transactional banking channels with low-risk, stage-gate execution**
Aggressive Play	**AGGRESSIVE CORPORATE LENDING** *Aggressive lending by capturing four main customer groups* *Customer Group*: Locally Listed Companies, Local Large Corporates, TDI, AEC+3	**Grow corporate lending portfolio aggressively with competitive pricing**

Note: TDI = Thai Direct Investment; EDC = Electronic Data Capture; PGW = Payment Gateway

KASIKORNTHAI

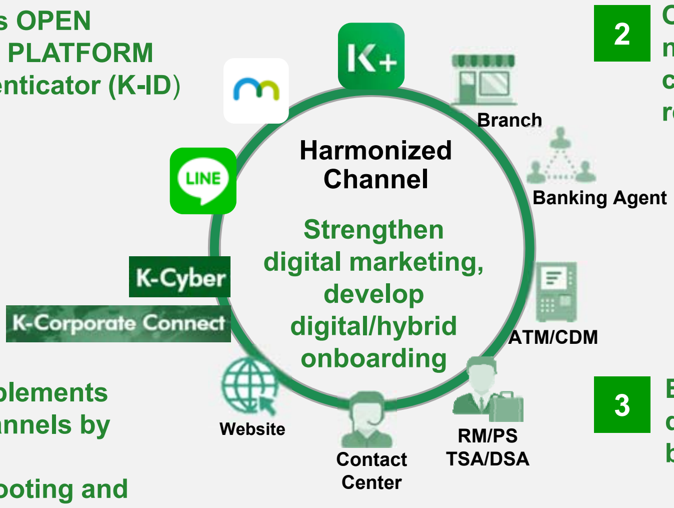
ธนาคารกสิกรไทย
开泰银行 KASIKORNBANK

Strengthen Harmonized Sales and Service Experience

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

1 K PLUS as OPEN PAYMENT PLATFORM and Authenticator (K-ID)

2 Optimize physical channel network by maintaining coverage, resizing, and remodeling



4 KCC complements digital channels by providing troubleshooting and educational digital service

3 Enhance sales model to deliver total solution with best customer fit

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

Improve Value-Based Productivity

- Dynamic and flexible resource allocation aligned with strategic direction and support to new businesses, e.g. digital payment, credit reimagined, investment and insurance democratization, and regional market penetration
- Spending effectiveness aligned with business priorities and desired value of product proposition
- Productivity improvement focused on Integrated End-to-End Customer Journey and Organization-wide Support Excellence using lean management toward data driven in the areas of:

Channel optimization

- Optimize branch & ATM network, including account planning, area planning and relocation
- Enhance digital on-boarding and migration

IT investment and procurement effectiveness

- Improve asset utilization; optimize maintenance service /license costs and contract negotiations
- Design IT architecture and infrastructure together with adopting new technology for cost optimization

Human resources optimization

- Focus on lean organization with organizational design, workforce management through staff redeploying, upskilling, and reskilling
- Create organizational infrastructure to drive agile working environment and workplace redesigned

Operational process improvement

- Drive customer migration to chat bot and self-service on K PLUS
- Enhance cash handling optimization and centralization model
- Streamline and digitize back office process

New Capabilities to Enable K-Strategy

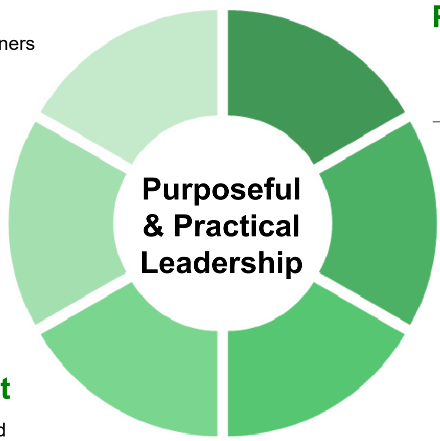
- 8 Transformation Journeys are new capabilities to help “Empower Every Customer’s Life and Business”

To Empower Every Customer’s Life and Business

1 Ecosystem Partnership & Harmonized Channel
- Orchestrating an ecosystems with partners and providing excellent experiences throughout the customer journey

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

3 Proactive Risk & Compliance Management
- Proactively identifying potential risk and establishing loss prevention and detection



4 Regional Payment & Settlement
- Building and connecting cross-border payment capability

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

6 Cyber Security
- Enhancing comprehensive cyber security

7 Performing Talent and Agile Organization

8 Modern World Class Technology Capability

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

Mobile Payment Platform

Joint Venture for Co-Lending through LINE Platform

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

Investment Platform

E-Wallet

Digital Workplace

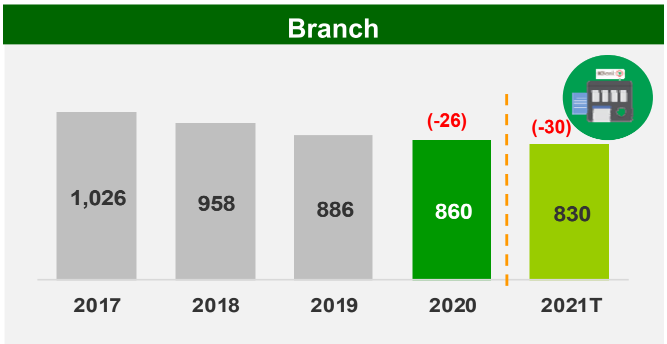
University App / Hospital Solution

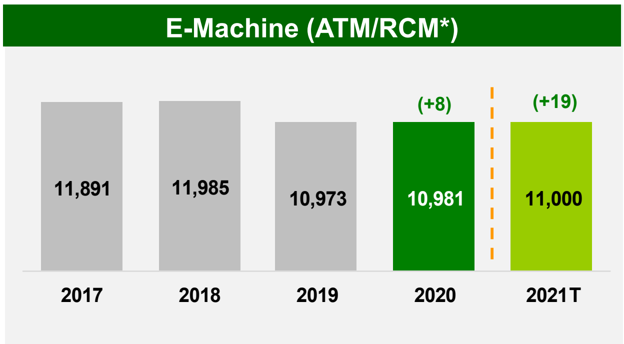
Blockchain Technology

Venture Capital*

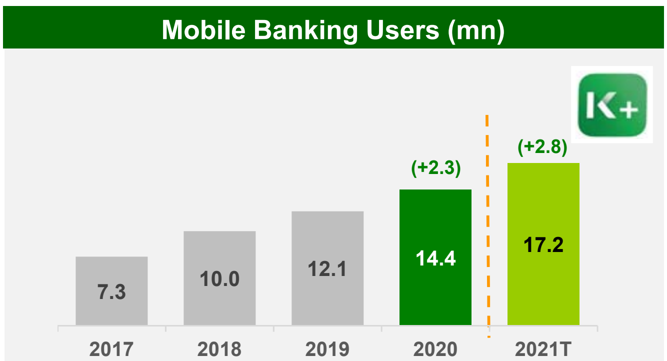
Note: * Direct investments via Beacon Venture Capital, a wholly-owned venture capital fund of KBank (total fund size of USD135mn to invest in early to growth-stage technology startups covering not only FinTech but also consumer internet and enterprise technology), aiming to leverage new technology from startups to support KBank's businesses; Beacon Venture Capital also has indirect investment through VC Funds to enable KBank to leapfrog into the world arena and stay abreast of innovative technologies and business models in other regions (e.g. Partnered as an LP with VC funds managed by Integra Partners (known as Dymon Asia Capital), Vertex Ventures, Nyca, Jerusalem Venture Partners and China Renaissance)

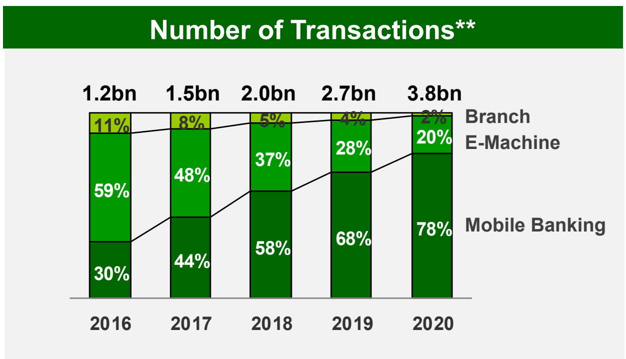
Harmonized Channels: Domestic Channels and No. of Transactions





* Recycle Cash Machine





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

Sample of Domestic Channels

New KBank Branch (Hybrid Branch)

Hybrid Branch
This new branch design focuses on increasing flexibility and efficiency of branch banking services. In this new branch format, the service area and all furniture in the waiting area are specially designed to assist branch staff to smoothly facilitate customer adoption of self-service machines and digital channels (K PLUS). The modular counter allows branch staff to serve customers with flexibility in adjusting counter height (High/Low) to accommodate different flow-in throughout the day.

Community Branch (K Park)

K Park @ PTT Station
The community bank where local people able to spend their life comfortably all day! Focusing on the outskirts of the city is response to the expansion of more villages and schools. K Park provides financial zones for transactions and co-working spaces with the Kids Zone and parcel service from KBank partner in the same place.

THE WISDOM Lounge

THE WISDOM @ ICON SIAM
An exclusive center providing a full range of services and facilities to High Net Worth Individuals and Affluent segments

E-Machine

Apart from being an ordinary cash-focused servicing machine, we enhance our self-service machine to be an authentication touch point for all digital onboarding such as e-Savings and e-Wallet account opening. The e-machines will provide massive additional convenience apart from normal branch coverage.

Digital Banking

Digital Banking : includes:
- K PLUS (Mobile Banking Application)
- K PLUS SME
- K PLUS SHOP
- K-Cyber Service (K-Cyber, K-Cyber Trade and K-Cyber Invest)
- K-Payment Gateway
- K-PowerP@y (mPOS)
- LINE BK
- Khunthong

Intelligent Lending

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

End to End Credit Journey

Target Port → Lead Generation → Reach → Marketing & Offering → Credit Assessment → Monitoring & Collection

Expected Outcome

- Wider Customer Reach
- Higher Conversion
- Optimized Risk Return
- Faster Time to Market

ธนาคารกสิกรไทย
开泰银行 KASIKORNBANK

Proactive Risk & Compliance Management

Value Enabler

Partner with business and provide effective integrated risk solutions

- Predictive and integrated customer segment-based credit analytics
- Data-led asset quality management to provide persona-based relief packages/collection treatment to Covid-19 affected customers
- Intelligent fraud management in all key business processes
- Effective risk management execution for business partners and 3rd parties

Key Capabilities

- Credit risk analytics & integrated credit portfolio planning & monitoring
- Enhanced fraud analytics & incident management
- Customer data protection

Value Protector

Strengthen & secure our business to be resilient and sustainable

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

- Organization-wide prudent risk culture
- Agile way of working and delivering integrated risk solutions
- Continuity & Resilient Operation under COVID-19

ธนาคารกสิกรไทย
开泰银行 KASIKORNBANK

Regional Payment & Settlement

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

KBank

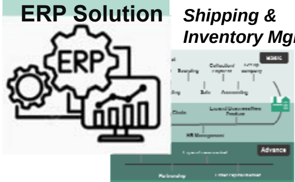
Become AEC's Settlement Bank

- Execute money transfer transactions
- Support multiple settlement currencies
- Ensure funds availability and a smooth experience

Flow of Data

"Exploring"

ERP Solution



Shipping & Inventory Mgmt

Flow of Goods

Become Main Facilitator Bank

- Facilitate payment transactions
- Support multiple sources of funds
- Ensure seamless experience throughout journey

Transactional Lending

Flow of Money

Engage customers with Total ERP solution

- Enhance facilitating business with ERP solution
- Provide transactional lending with value added service

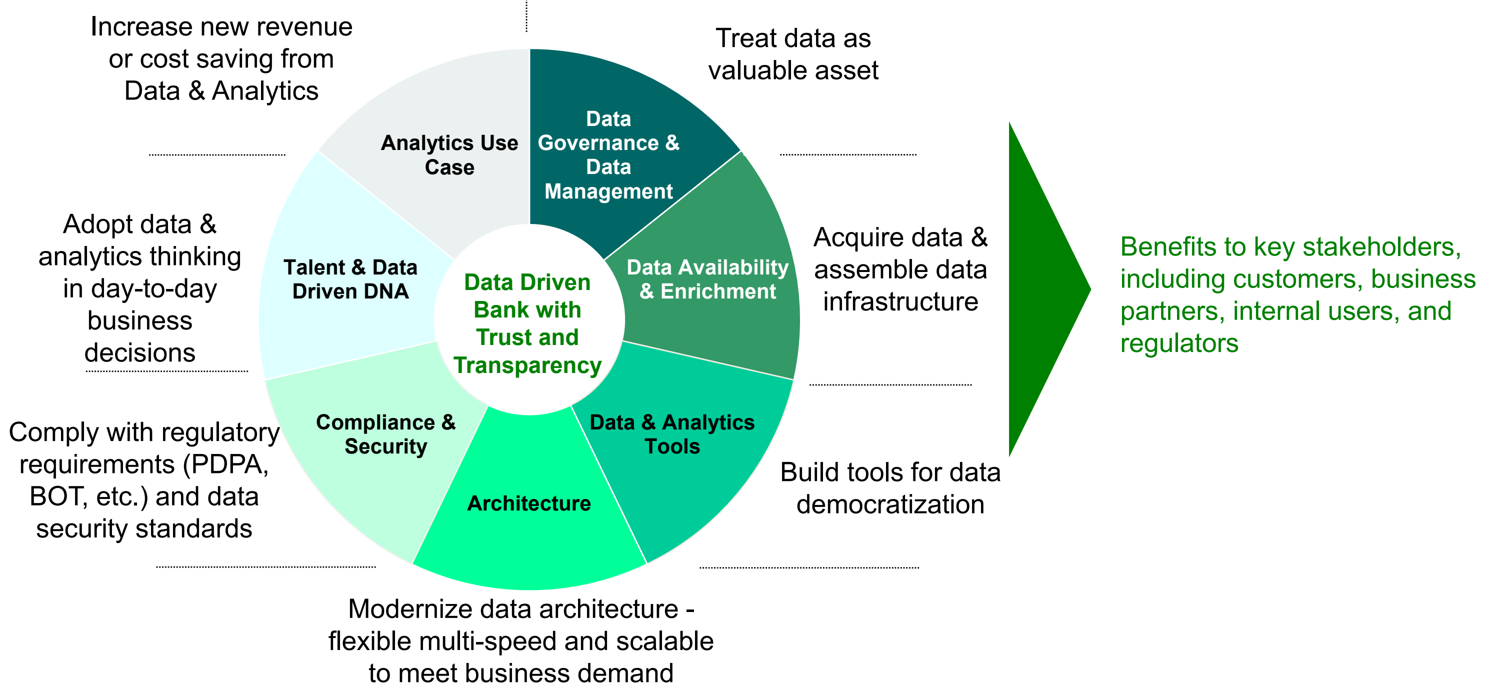
Note: ERP = Enterprise Resource Planning

KASIKORNTHAI

ธนาคารกสิกรไทย 开泰银行 KASIKORNBANK

Data Analytics

- To create trust and transparency and deliver value to customers as a data-driven bank with data & analytics capabilities



Note: PDPA = Thailand's Personal Data Protection Act; BOT = Bank of Thailand

KASIKORNTHAI

ธนาคารกสิกรไทย 开泰银行 KASIKORNBANK

Cyber Security

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

Vision Statement	**Protect KBank's Cyber Assets & Reputation and Deliver Security, Resilience, & Trustworthiness**		
Customer Promise	**Protect Customer Assets with KBank**	**Provide secured services**	**Ensure care & timely response for any cyber incidents**
Strategy	**INTEGRATED PREVENTION** Align and integrate business, IT, and governance functions for prevention programs including people, processes, and technology	**PROACTIVE DETECTION** Real-time data analytics on cyber events with threat intelligence integration to deliver situation awareness & early warning capabilities	**CARE & TIMELY RESPONSE** Ensure readiness, completeness, timely response and recovery to all stakeholders
Strategic Capabilities	1 Effective Risk Identification 2 Advanced Threat Prevention	3 Situation Awareness & Threat Detection	4 Effective Incident Response & Recovery
	5 Cyber Hygiene Culture		

KASIKORNTHAI

ธนาคารกสิกรไทย 开泰银行 KASIKORNBANK

Performing Talent and Agile Organization

- People-focused strategy promotes "Performing Talent" and "Agile Organization"

"PERFORMING TALENT"

Build sufficient performing talent and purposeful & practical leadership to achieve organization's core purpose

Innovativeness | Agility

TALENT MANAGEMENT

Select **only the best talent** who **fit with our culture** and business aspirations to continue growing with us

CAPABILITY DEVELOPMENT

Everyone is able to **develop based on** his/her individual needs and **business needs**

LEADERSHIP

Create purposeful and practical leadership in all levels of leaders to be a key role model of culture shift

PERFORMANCE & REWARD

Be in **top tier in the market to pay "A Players"** at the top point with well-structured performance management system

PURPOSEFUL & PRACTICAL LEADERSHIP

ORGANIZATION DESIGN

Promote team structure to **work across lines of command** with clear rules of engagement among tribes towards **agile organization**

WORKFORCE PLANNING

Plan to enhance **sufficient workforce to value creating roles** and eliminating waste in their jobs

PEOPLE EMPOWERMENT

Empower people to **manage their lives with accountability, speed, and transparency**

COMMU-NICATION

Embed mindset and behavior that lead us to achieve organizational purpose

Customer at Heart | Collaboration

"AGILE ORGANIZATION"

Transform organization towards agility by empowering our people to over-exceed expectations

KASIKORNTHAI

ธนาคารกสิกรไทย 开泰银行 KASIKORNBANK

KASIKORN BUSINESS – TECHNOLOGY GROUP (KBTG)

Aiming to build modern world-class technology, allowing KBank to be the Top Regional Financial Provider

KBTG KASIKORN BUSINESS-TECHNOLOGY GROUP

BEST TECH ORGANIZATION in Southeast Asia BY 2022

Breakthrough Innovation

- Innovation Runway & Growth Hacking
- AI Factory
- Co-Innovation Partnerships
- Deep Tech Research
- Human Centered Design

Technology Modernization

- Architecture Modernization
- Infrastructure Modernization
- Target Regional KBTG Architecture
- Expedite Tech Trends

KBTG Transformation

- Scaling Agile
- DevSecOps
- CICD
- Test Automation

Operational Excellence

- Brilliant Basics (Incident, Service Availability, Capacity)
- Uncompromised Security
- Project Delivery

Regional Expansion

- KTECH set up
- Regional AEC Strategy

One KBTG & TopTech Talent

- Best Employer of Choice in Southeast Asia
- Acquire, motivate, retain employees
- Build middle management & people management

Note: DevSecOps = Development, Security, and Operation; CICD = Continuous Integration and Continuous Delivery

KASIKORNTHAI

ธนาคารกสิกรไทย 开泰银行 KASIKORNBANK

KBTG Technology

Towards a Sustainable Society: Paperless, Cashless and Contactless

Set Up World-Class UX Design Company "Beacon Interface" to develop innovative mobile banking platform for everyone

Eatable: launch a novel food ordering platform to maximize flexibility for restaurants and their customers in the 4.0 era

Employ machine learning to improve credit decisioning and create personalized lending product offerings

Launch AI-based contactless face recognition technology service for payment applications and partners

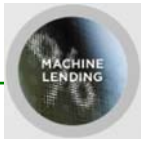
Open connection to create extensive innovative services for customers, e.g. launching API linkage to FlowAccount on K PLUS SME mobile application

UX DESIGN

PLATFORM BUSINESS

MOBILE PAYMENT

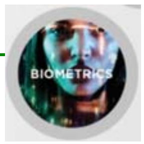
MACHINE COMMERCE



MACHINE LENDING

KBTG KASIKORN BUSINESS-TECHNOLOGY GROUP

Thai NLP



BIOMETRICS

BLOCKCHAIN

OPEN API

K PLUS Mobile Banking: platform for easy financial transactions, mobile payments, and lifestyle banking.
MAKE by KBank: mobile banking application for a new generation, to be launched in 1Q21.
KhunThong: social chatbot with seamless payment experience

K+ Market: leverage customer data understanding and machine learning techniques to tailor personalized product offerings/recommendations to target groups via K PLUS

Leverage machine learning to enable computer understanding in human natural language, e.g. chatbot and social listening

Blockchain L/G on Hyperledger Platform by KBTG OriginCert: trusted platform to ensure integrity of paperless documents; initially to certify documents on Letters of Guarantee (L/G)

Note: UX = User Experience; API = Application Programming Interface
NLP = Natural Language Programming

บริการทุกระดับประทับใจ

KASIKORNTHAI

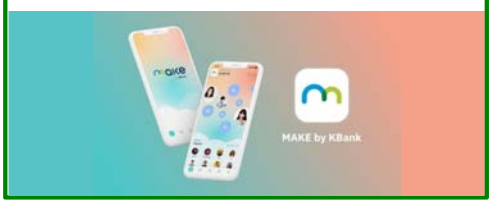
ธนาคารกสิกรไทย 开泰银行 KASIKORNBANK

KBTG Technology – Examples of Notable Innovations in 2020

Towards a Sustainable Society: Paperless, Cashless, and Contactless

MAKE by KBank*

A mobile banking application designed specifically for a new generation increasingly reliant on mobile banking for the freedom it gives to personalize financial management.



LINE BK

Customers can open an account, make funds transfers, and receive real-time notifications on transactions; includes integration of risk-assessment for instant loan service approval via LINE application.

ReKeep

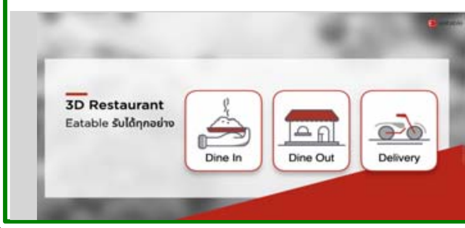
Applying contactless technology to purchasing paperless movie tickets via automated kiosks for Major Cineplex. First pilot at Siam Paragon branch in December 2020.

KhunThong

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

Eatable

Platform responding to both restaurants and diners, providing options for takeout and food delivery.



Digital Asset Platform

Developed with Stock Exchange of Thailand, offering services ranging from Initial Coin Offering (ICO) portal for investment products to digital asset wallets.

Note: * MAKE by KBank application trial launched on July 23, 2020; full version will be available to public in 1Q21.

บริการทุกระดับประทับใจ

KBTG Regional Digital Expansion

KASIKORN VISION Information Technology Co.,Ltd (KTECH)

- A fintech company wholly owned by KASIKORN VISION Co., Ltd. (KVision) registered in Shenzhen, People's Republic of China, with registered capital of Bt1,300mn
- Primarily involved in the design and creation of IT systems, research of new technologies, and search for new business models conducive to digital banking and economic systems
- Promoting the expansion of financial science and technology to ASEAN countries and making Shenzhen an important node in the Belt and Road Initiative
- Successfully completed the first project, a personal car rental loan service in November 2020

KTECH Office in Shenzhen, China

Financial Service Expansion in AEC

- K-ATM machines installed in Lao People's Democratic Republic to provide greater convenience to customers in conducting transactions via other banks' cards and QR codes
- Support other businesses of KBank Laos through new products and services e.g., payroll service via QR KBank, cash-in & cash-out channel for QR KBank
- Enhanced KBank brand and product awareness

K-ATM in Lao PDR

KBTG: K-Stadium, Innovation Center and K+ Building

K-Stadium at KBTG Main Building

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

Innovation Center at KBTG Main Building

Creative Box for small meeting at KBTG Main Building

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

KBTG Structure

กสิกร เทคโนโลยี กรุ๊ป เซเครเทเรียต 开泰技术集团管理 KASIKORN TECHNOLOGY GROUP SECRETARIAT

- A Bridge between KBank and KASIKORN BUSINESS – TECHNOLOGY GROUP
- Group's Control Structure

Enable Seamless Integration

กสิกร แล็บส์ 开泰研发 KASIKORN LABS	กสิกร ซอฟต์ 开泰软件 KASIKORN SOFT	กสิกร โปร KASIKORN PRO	กสิกร เซิร์ฟ KASIKORN SERVE	กสิกร เอกซ์ KASIKORN X
▪ Technology Research and Innovation Labs	▪ Software Development to Support Innovation and Business Requirements	▪ Control Infrastructure Resources for the Change, the Run, and the Gone	▪ Center of Excellence for Technical Resource Pool and Service*	▪ Venture Builder
Pioneer new possibilities	**Generate Business Value**	**Ensure Service Continuity**	**Deliver Service Excellence**	**New S-Curve Factory**

Note:
- KASIKORN BUSINESS – TECHNOLOGY GROUP established with 5 companies, as a wholly-owned subsidiary of KASIKORNBANK; included in the KASIKORNBANK FINANICIAL CONGLOMERATE, as approved by the BOT in October 2015
- Registered capital in each company at Bt5mn, except for KASIKORN SERVE at Bt10mn
- KASIKORN SERVE changed names from PROGRESS SOFTWARE COMPANY LIMITED; established in March 1993

KBank: Business Highlights

KASIKORNTHAI

ธนาคารกสิกรไทย
开泰银行 KASIKORNBANK

Customer Segments

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

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

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

บริการทุกระดับประทับใจ

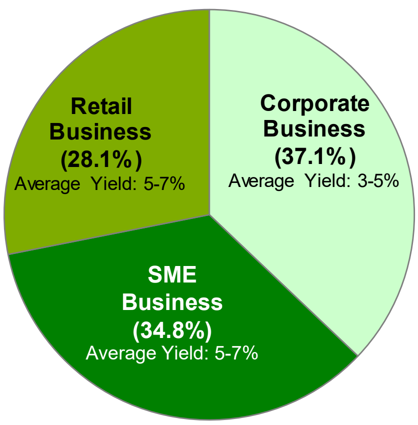
KASIKORNTHAI

ธนาคารกสิกรไทย
开泰银行 KASIKORNBANK

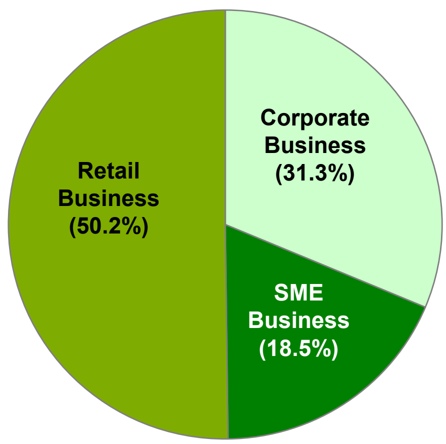
Revenue by Business

September 2020 (Consolidated)

Loans Portfolio structure



Non-interest Income *



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

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

* 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, which were based on the prior accounting standards (non-TFRS9).

บริการทุกระดับประทับใจ

Business Direction

- **Growth Strategy**
  - Dominate Digital Payments
  - Reimagine Commercial & Consumer Lending
  - Democratize Investment & Insurance
  - Penetrate Regional Markets
  - Strengthen Harmonized Sales and Service Experience
  - Improve Value-Based Productivity

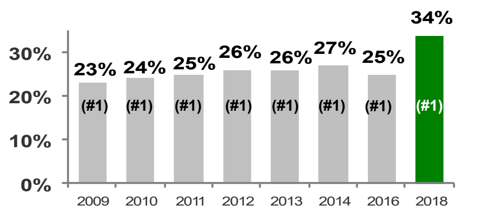
Corporate Business	SME Business	Retail Business
Trusted partner to enrich customer's businesses with best in class financial services and solutions ▪ Best funding solutions ▪ Best transaction banking and breakthrough initiator	**Bank for SME Customers** ▪ Integrated business solutions, both financial and non-financial ▪ Digital banking for SME ▪ Data Analytic Lending	**Best Customer-Centric Bank** ▪ Ecosystem orchestrator and harmonized channel to deliver anytime, anywhere experience ▪ Data-driven offerings, especially consumer finance

World Business	Private Banking Group
Regional digital expansion through 3 strategic plays ▪ Aggressive Play: Grow corporate lending portfolio aggressively with competitive pricing ▪ Mass Acquisition Play: Build 4 transactional banking channels to acquire customers through local platforms with low-risk and stage-gate execution ▪ Disruptive Play: Pilot digital lending with local partners and build end-to-end online high-yield credit capabilities with expansion to lending platforms (BaaS: Bank as a Service)	**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

Corporate Business: Performance and Market Position

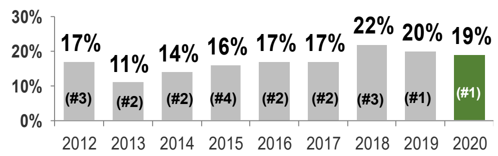
Multi-Corporate Business	Large Corporate Business	Medium Business	Small and Micro Business	High Net Worth Individual	Affluent	Middle Income	Mass

Main Bank Status*



Source: KBank Customer Survey

Corporate Bond Underwriting



Source: The Thai Bond Market Association (ThaiBMA)

Performance and Market Position

- **Main Bank Status:** maintained #1 ranking in 2018
- **Corporate Bond Underwriting**: ranked #1 with 19% market share in 2020
- **Transaction Services:** top player in transactional banking services
  - **Cash Management Services:** MB** 24% market share in 2018 (#1) / CB** 24% market share in 2018 (#2)
  - **Trade Finance:** MB** 27% market share in 2018 (#1) / CB** 32% market share in 2018 (#1)
- **Industrial Expertise:** leverage capability in Utility, Real Estate, Transportation, Communication, and Commerce

Note: * Since 2014, Corporate and SME Business main bank status is reported every two years
Main Bank Status = % of customers in the market who use KBank and its wholly-owned subsidiaries as their main operating bank and/or main savings and investment bank and/or main borrowing bank
** MB = Multi-Corporate Business, CB = Large Corporate Business

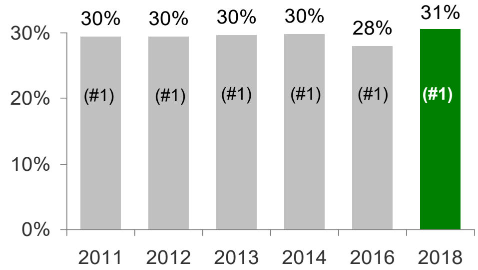
KASIKORNTHAI

ธนาคารกสิกรไทย 开泰银行 KASIKORNBANK

SME Business: Performance and Market Position

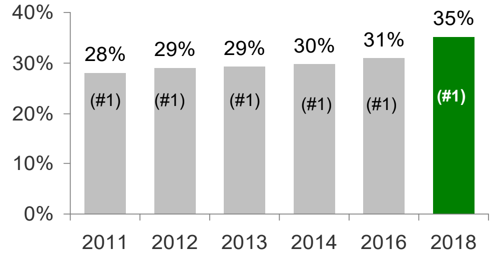
Multi-Corporate Business	Large Corporate Business	Medium Business	Small and Micro Business	High Net Worth Individual	Affluent	Middle Income	Mass

#1 in Market Share by Value*



Source: KBank Customer Survey

#1 in Main Bank Status*



Source: KBank Customer Survey

Performance and Market Position

- **Main Bank Status:** improved main bank status and strengthened #1 position
- **Market Share:** 31% market share; maintained #1 position
- **Market Position:** strengthened #1 position in SME market – "Bank for SMEs"; targeted to be SME market leader in all areas
  - KBank offered comprehensive solutions to SMEs through K SME CARE program launched in 2006, with a total of 25 classes and about 14,509 participants so far. In 2020, during the COVID-19 pandemic, KBank introduced How2Think - an online seminar with 24 topics Live on the "K SME" Facebook Page with over 300,000 views.

Note: - SME Business in Thailand accounts for 43.0% of Thailand's GDP, or Bt7.01trn (as of December 2018); supported by the government to become a key factor in economic and social growth (Source: The Office of Small and Medium Enterprises Promotion or OSMEP)
- Market Share by Value = share of revenue (derived from both credit and non-credit products) that each bank gains from the market
- Main Bank Status = % of customers in the market who use KBank and its wholly-owned subsidiaries as their main operating bank and/or main savings and investment bank and/or main borrowing bank

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

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

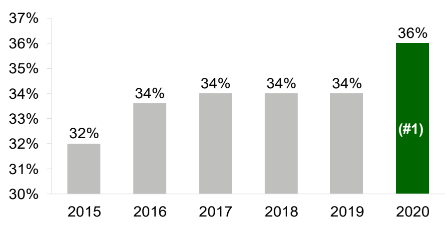
KASIKORNTHAI

ธนาคารกสิกรไทย 开泰银行 KASIKORNBANK

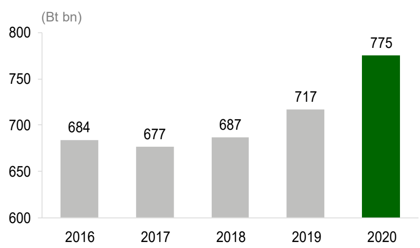
Private Banking Group: Performance and Market Position

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

Market Share (Market Penetration)



Assets Under Management (AUM)



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

Performance and Market Position

- **Market Penetration**: ranked #1 with 36% market share (12,298 customers) and Bt775bn AUM in 2020
- **AUM Breakdown:** Investment 64% and Deposit 36%
- **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 CIO 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

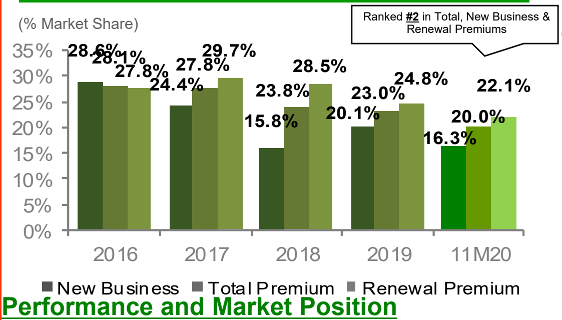
KASIKORNTHAI

ธนาคารกสิกรไทย 开泰银行 KASIKORNBANK

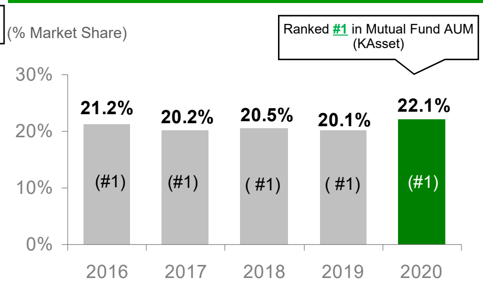
Retail Business: Performance and Market Position

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

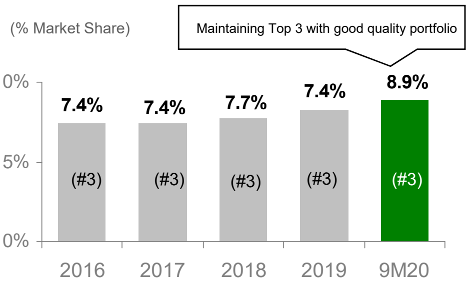
Bancassurance*
(New Business, Total and Renewal Premium)



#1 in Mutual Fund (KAsset)



Mortgage Loan



Performance and Market Position

- **Strong Growth in Retail Segment:** Higher growth than market size in retail customers. KBank's retail customers grew 6%YoY in 11M20 against zero market growth.
- **Bancassurance:** MTL ranked **#2** in new business, total and renewal premiums with 16.3%, 20.0% and 22.1% market share in 11M20. A variety of life and non-life products were offered to customers, such as Delight Health and Sick but Safe Dengue Fever Insurance, together with an alternative digital channel via K PLUS.
- **Fund Management Services**
  - **Mutual Funds:** KAsset maintaining **#1** position since 2010, with highest market share at 22.1% in 2020; recognized with two awards from Money & Banking Magazine: Best Fund of the Year 2020 in the category of RMF Equity for K Equity RMF (KEQRMF) and Best Fund of the Year 2020 in the category of Fixed Income General for KA Corporate Bond Fund.
- **Mortgage Loans:** ranked in top 3, with 8.9% market share in 9M20, expanding into high potential customers with conservative growth together with strengthening partner relationships and maintaining good portfolio quality.
- **Credit Cards:**
  - **Purchase spending:** ranked **#1**, with 19.7% market share in 11M20.
  - **Number of cards:** ranked **#2**, with 12.9% market share in 11M20.
  - **Card-accepting merchant services** (online & offline platforms): ranked **#1**, with more than 32% market share by sales volume in 10M20.
- **Debit Cards:**
  - **#1** in total debit card spending with 47% market share in 10M20; maintaining top position by providing functions, features, security, and benefits to match customer lifestyles
  - Variety of cards and campaigns offered to promote greater card spending in several categories, such as travelling, online shopping, and food delivery, including attractive cards with privileges for specific groups; i.e. K-Provincial Debit Card (Nakhon Nayok), MADCARD for Kerry Express, JOURNEY Card, and KBank x BLACKPINK (Black Edition) Card.

Note: * Total Premium = New Business Premium (NBP) + Renewal Premium;
New Business Premium = First Year Premium (FYP) + Single Premium (SP)

KASIKORNTHAI

ธนาคารกสิกรไทย 开泰银行 KASIKORNBANK

KBank: Risk and Credit Management

KBank Risk Management Structure

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

Board of Directors

Risk Oversight Committee | **Audit Committee**

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

Operating Committee

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

- Ensure effectiveness of overall risk management of the financial conglomerate
- Establish risk management policies and risk appetites. Set risk limits for significant aspects of the various risks
- Formulate strategy for the organization and resources to be used for the risk management operation, in line with the risk management policy. This strategy must enable the effective analysis, assessment, evaluation, and monitoring of the risk management system
- Credit Risk Management Sub-committee and Corporate Governance Committee oversee project financing requests that could have adverse impacts on the environment and society

Business Units
CBS/DNW/PBG/ CMB/ IBB/ WBG/ ICB/MMT/TWG/ CPD/TS/KBTG/CSF

Risk Management and Control Function
ERM

Internal Audit
ADD

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

CBS = Corporate Business Division, DNW = Distribution Network Division, PBG = Private Banking Group, CMB = Capital Markets Business Division, IBB= Investment Banking Business Division, WBG = World Business Group, ICB = Integrated Channels and Business Solutions Division, MMT = Marketing Management Division, TWG = Marketing Management Division, CPD= Credit Products Division, TS = Central Treasury Department, CSF=Customer Service Fulfillment Division, KTBG = KASIKORN BUSINESS - TECHNOLOGY GROUP, ERM = Enterprise Risk Management Division, ADD=Audit Division

KBank Credit Risk Management Process

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

Portfolio Management

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

Origination

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

Monitoring

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

Collection & Recovery

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

KBank Credit Approval Process

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

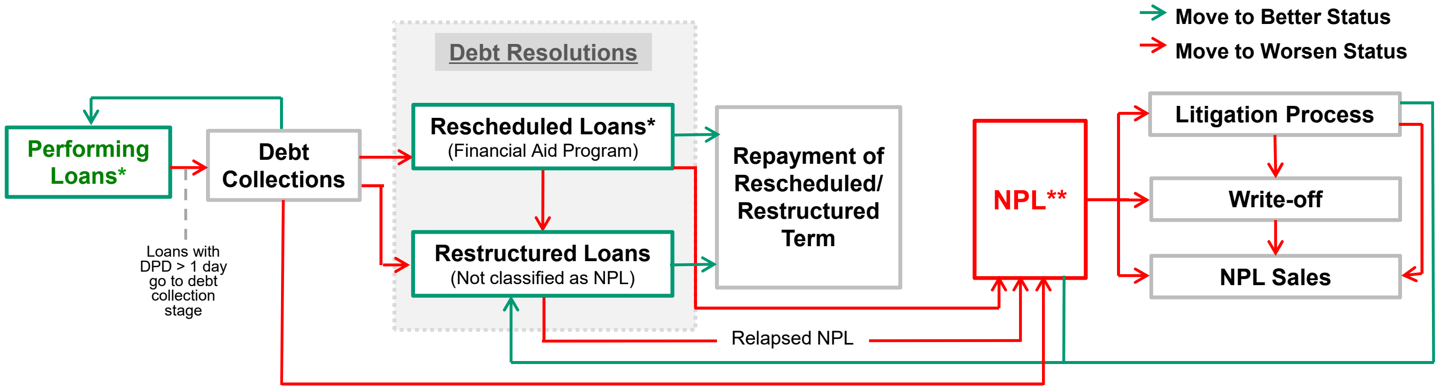
Note: FICO = Fair Isaac Corporation

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

KASIKORNTHAI

ธนาคารกสิกรไทย
开泰银行 KASIKORNBANK

Litigation Process

- Litigation process in Thailand takes about 2-3 years

Litigation Process		Period
Under Negotiation	Negotiate, await approval, document preparation & lawyer process	Approximately 2 months
Pre-court (Notice)	Issue notice & court filing	Approximately 2 months
In Court	Trial / wait for court ruling	Approximately 9-18 months
Execution	Collect payment ruled by court or foreclose	Approximately 3 months
Public Auction	Liquidation process	Approximately 6-9 months

KASIKORNTHAI

ธนาคารกสิกรไทย
开泰银行 KASIKORNBANK

TFRS9: Asset Class and Expected Credit Loss

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

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

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

Probability of Default (PD)

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

Incorporate forward looking over lifetime

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

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

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

Loss Given Default (LGD)

Incorporate recovery from both collateral and cash payment

Exposure at Default (EAD)

Combination of drawn and undrawn as credit exposure

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

"Drawn"
Principal
\+ Accrued Interest
± EIR adjustment

\+

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

Notional x CCF

CCF could be regulatory CCF or behavioral CCF

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

KASIKORNTHAI

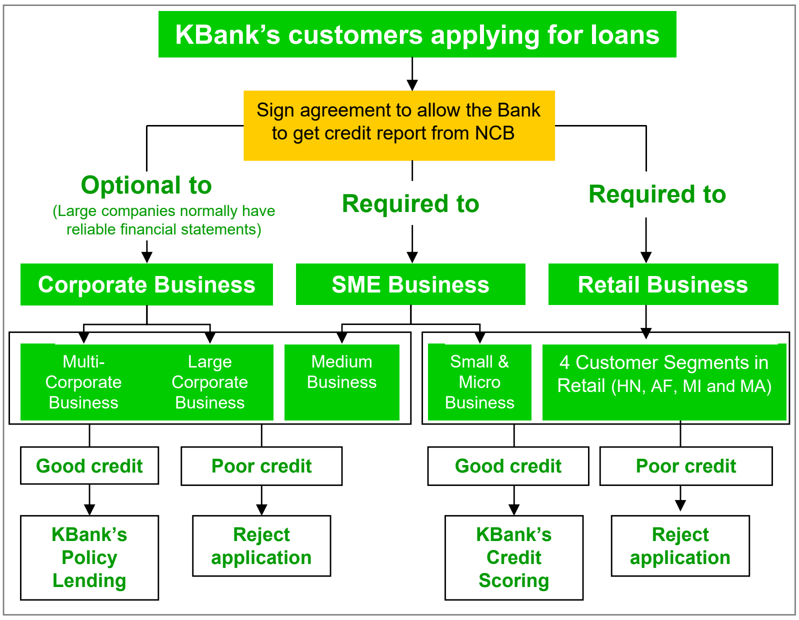
ธนาคารกสิกรไทย 开泰银行 KASIKORNBANK

Credit Bureau Summary

National Credit Bureau (NCB)*

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

KBank Practice



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

KASIKORNTHAI

ธนาคารกสิกรไทย 开泰银行 KASIKORNBANK

KBank: Continuity and Resiliency during COVID-19 Situation

- KBank takes holistic measures to ensure business continuity and resiliency during COVID-19 situation. Therefore, no COVID-19 spread or any key business disruption.

COVID-19 Incident Management

- **Incident Response Team (IRT)** to manage overall situation/incidents
- **Report/Escalate to Executives** e.g. key situation, action, criteria

PROTECT

- **Provide Protective Equipment** *e.g. mask, gel, face shield*
- **Launch Staff Measures & K-Tips** *e.g. protective measures*
- **Increase Cleaning Cycle** at frequently touched areas *e.g. lifts, doors*
- **Install Thermo Scan at Key Buildings**
- **Maintain Social Distance** *e.g. workspace, work from home*
- **Restrict or Screen Vendors/ Visitors**

MONITOR

- **Internal** — **Provide Contact Channels for Staff** *to inform suspected cases*
- **External** — **Closely monitor situation, impacts, and key actions; daily reports to executives**

RESPONSE

Set up dedicated team to cope with COVID-19 infection incidents
e.g. **Building** - *deep cleaning* **Communication** - *internal and external via related channels*
People - *provide medical support for infected staff; self quarantine for staff at risk with health report*

Business Continuity Plan (BCP)

Define key criteria with actions
- Workmode (Lean, Critical, Barebone)
- Key Scenarios and Actions for COVID-19

- Update Barebone & Key Activities with key staff
- Split Site and Provide VPN for key staff
- Secure Accommodation /Transportation for key staff

Note: VPN = Virtual Private Network

KBank Financial Aid Programs during the COVID-19 Pandemic, and thereafter

- Proactive financial relief measures to lesson COVID-19 impact while maintaining prudent asset quality management to encounter economic uncertainties along with continuing enhancement of new lending capability

Phase 1: Relief

- **Proactive relief measures to customers with adverse impact from COVID-19 outbreak**

Financial Relief Measures: Phase 1

- **For Business**
  - 6-month payment period (Payment Holiday or known locally as Debt Holiday)
  - Financial aids programs i.e. payment deferral of principal and/or interest
  - Liquidity injection programs such as BOT soft loans, etc.
- **For Individual**
  - Reduce minimum payment for unsecured products
  - Payment deferral of principal and/or interest

Phase 2: On-going

- **Data-driven risk-based customer segmentation to better provide appropriate on-going financial relief measures**

After Phase 1 Financial Relief Measures

Data-driven risk-based customer segmentation

Can pay

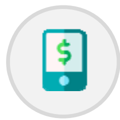
Can't pay

Provide appropriate relief measures / restructuring / NPL

Phase 3: Expansion

- **Loan portfolio rebalancing with new lending capability using data analytics**

New Lending Capability



Lend successfully using data analytics

Proactive risk management to counter economic slowdown and high household debt

- Continue to deploy proactive credit portfolio/ risk management/ asset quality management to mitigate an adverse impact from prolonged economic recovery and high household debt

Corporate Business

- **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**

SME Business

- **Selective on quality of customers**
- **Proactive risk management by visiting customers; raise productivity of sales teams and relationship managers**
- **Efficient collection process**

Retail Business

- **Selective on high-value customers regarding prevailing BOT regulations and the Bank's policy**
- **Proactive and efficient collection process based on the Bank's models**
- **Analyze behavior regularly to identify weak spots**

KASIKORNTHAI

ธนาคารกสิกรไทย 开泰银行 KASIKORNBANK

KBank: Financial Aid Programs during COVID-19 for Businesses

- Offer financial aid programs to help SME and retail customers during the COVID-19 pandemic

	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21

Credit Adjustment (Payment deferral and/or interest rate reduction)

- **May – Oct 20 Debt Holiday***
  6-month grace period on principal and interest payments for SMEs with credit lines below Bt100mn (Automatic adjustment)
- **Feb 20 – Jun 21 Up to 12-month grace period on principal payments for SMEs**
  (Registration has been ended on June 30, 2020)
- **Apr – Dec 20 "Generous (Business) Owners-Empathetic Creditor" program**: a cooperative effort between KBank and business operators to reduce interest rates for 6 months

Loans for SMEs

- **GSB Soft Loans (5-year)**: Bt20mn loan limit for each SME, at 2% for 2 years
- **BOT Soft Loans***: For SMEs with credit limit below Bt500mn, at 2% for 2 years and 6 months interest free (started in April 2020).
- **Loans guaranteed by Thai Credit Guarantee Corporation (TCG):** with up to 7-year terms
- **"Zero Interest-rate Loan to Retain SME Staff" program:** 0% interest rate with 10-year terms and 1-year grace period on principal and interest payments for the first year
- **Loans against mutual funds:** Short-term loans for mutual fund holders; mutual fund units can be used as collateral, with a limit from Bt30,000 to 80% - 95% of the funds' NAV, at 2% to 5.5% interest for 6-month to 1-year period

Note: * According to the Emergency Decree on Financial Assistance to Enterprises affected by COVID-19 (B.E. 2563), dated April 18, 2020.

บริการทุกระดับประทับใจ

KASIKORNTHAI

ธนาคารกสิกรไทย 开泰银行 KASIKORNBANK

KBank: Financial Aid Programs during COVID-19 for Individuals

- Offer financial aid programs to help SME and retail customers during the COVID-19 pandemic

	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21

The First Phase
- Payment deferral
- Payment reduction
- Interest rate reduction

- **Credit card****: Reduce minimum installment payment to 5% in 2020-21 and 8% in 2022, returning to 10% in 2023
- **Xpress Loan and KLeasing: 3-month g***race period* on principal and interest payments
- **Credit card and Xpress Cash:** *Grace period* on principal payments
- **Housing Loan:** Up to 12-month grace period on principal payments or 50% reduction in installment payments for up to 12 months

The Second Phase for Individual*
- Payment deferral
- Payment reduction
- Interest rate reduction
- Term loan extension

* Customers can choose only one option depending on their debt service capability

- **Lower interest rate ceiling****: Credit Card (from 18% to 16%); Xpress Cash and Xpress Loan (from 28% to 25%); KLeasing (from 28% to 24%)
- **Credit card, Xpress Cash, and Xpress Loan**: 6-billing cycle *grace period* on principal (Option 1)
  Xpress Loan: 30% reduction in installment payments for 6 billing cycles, at special interest rate of 22% (Option 2)
  KLeasing Hire Purchase and Financial Lease: 50% reduction in installment payments for 6 months and extension of term loan for another 3 months (Option 2)
- **Xpress Loan (Long-Term Loan) and Housing Loans:**
  - *Grace period* on principal for 3 months (Option 1); with 0.1% reduction in interest rate for 3 months for HL
  - *Reduction in installment payments* for 3 months (Option 2): 30% for XPL and 50% for HL
  - *Grace period* on principal and interest payments for 3 months (Option 3)

  KLeasing Hire Purchase and Financial Lease: *Grace period* on principal and interest payments for 3 months
- **Credit card and Xpress Cash**: Change to 48-month term loan, at special interest rate of 12% for credit card and 22% for Xpress Cash (card will be closed) (Option 2) (to Jul25)
- **KLeasing** Car to cash (Car registration Loan): 30% reduction in installment payments with maximum interest rate < 22%

Debt Consolidation

- **Debt Consolidation:** Consolidate KBank's loans, with Credit Cards, Xpress Cash and Xpress Loan, by utilizing existing Home Loan's collateral for new loan from debt consolidation's collateral

Note: * According to BOT's announcement on January 12, 2021, BOT allows banks to help SME and retail borrowers by extending current measures from December 30, 2020 to June 30, 2021, such as second phase of COVID-19 relief measures for retail and assistance guidelines after debt holiday for SMEs. BOT also urges banks to provide financial assistance to all customers by taking into account the risk of customer.
** Automatic adjustment for all customers

บริการทุกระดับประทับใจ

KBank: Financial Performance

ธนาคารกสิกรไทย
开泰银行 KASIKORNBANK

Y2020 Performance Highlights

Consolidated	2019	1Q20*'**	2Q20*	3Q20*	4Q20*	2020*
Net Profit (Bt bn)	**38.73**	**7.38**	**2.18**	**6.68**	**13.26**	**29.49**
Profitability						
- NIM	3.31%	3.49%	3.22%	3.17%	3.08%	3.27%
- ROE* **	9.90%	7.26%	2.15%	6.59%	12.74%	7.10%
- ROA	1.20%	0.87%	0.25%	0.75%	1.47%	0.85%
- YTD Loan growth	4.59%	2.05%	6.23%	7.73%	12.13%	12.13%
- YoY Loan growth	4.59%	6.70%	10.01%	10.68%	12.13%	12.13%
- YoY Net fee income growth	(3.61%)	1.38%	(12.02%)	(17.46%)	(11.75%)	(10.17%)
- YoY Non-interest income growth	1.51%	(18.55%)	3.36%	(39.78%)	(23.82%)	(20.65%)
Cost control						
- Cost to income	45.32%	45.94%	38.36%	44.75%	52.10%	45.19%
Asset quality						
- NPL ratio	3.65%	3.86%	3.92%	3.95%	3.93%	3.93%
- Credit Cost	1.74%	2.35%	3.87%	2.02%	0.12%	2.05%
- Coverage ratio	148.60%	138.66%	155.68%	161.12%	149.19%	149.19%
Loans to Deposits	96.62%	92.78%	92.15%	94.85%	95.73%	95.73%
Tier 1 Ratio	16.19%	15.17%	15.38%	15.74%	16.13%	16.13%
CAR	19.62%	18.53%	18.09%	18.45%	18.80%	18.80%

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

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

* 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, which were based on the prior accounting standards (non-TFRS9)

** The Bank restated the 1Q20 financial statements from the reclassification of investment in fund/ REIT to investments in FVOCI to comply with the Federation of Accounting Professions' announcement on 25 June 2020 and reclassification some items which did not impact to total assets, total liabilities and total equity.

*** 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

- Y2020 net profit decreased 23.86%, mainly due to continuing prudent approach to set aside expected credit loss during economic recession from COVID-19 and lower non-interest income from gains on selling investments and net fee income; net interest income increased from EIR (TFRS 9) and lower FIDF costs
- Y2020 loans grew 12.13%, mainly from COVID-19 relief measures (mainly from SME), corporate business, and secured retail lending using data analytics capability
- Y2020 NIM was 3.27%, decreasing YoY due to lower yield on loans from interest rate cut, deterioration of asset quality, and loans in relief measures despite positive impact from EIR (TFRS 9), lower cost of deposits from FIDF costs, and savings rate cut
- Y2020 net fee income dropped 10.17%, mainly due to loan-related fee recognition according to TFRS 9 and card business pressured by economic recession from COVID-19, although brokerage business still grew
- Y2020 cost to income ratio was at 45.19%; continued focus on cost and productivity improvements under pressure on slower growth in income and new investments
- Y2020 NPL ratio at 3.93%, with 149.19% coverage ratio
- Y2020 capital base remained adequate

ธนาคารกสิกรไทย
开泰银行 KASIKORNBANK

Consolidated Financial Statements

	2018	2019	4Q19	1Q20*,**	2Q20*	3Q20*	4Q20*	2020*
Interest income	123,922	130,178	32,566	33,779	31,954	31,386	30,473	127,592
Interest expenses	25,384	27,490	6,996	5,697	4,872	4,131	3,870	18,570
Interest income - net	**98,538**	**102,688**	**25,570**	**28,082**	**27,082**	**27,255**	**26,603**	**109,022**
Fee and service income	51,187	50,580	13,026	12,335	10,930	10,854	11,580	45,699
Fee and service expenses	13,070	13,840	3,619	3,485	2,883	3,048	3,278	12,695
Fee and service income - net	**38,117**	**36,740**	**9,407**	**8,850**	**8,047**	**7,805**	**8,302**	**33,004**
Gain (Loss) on financial instrument measured at FVTPL	-	-	-	(300)	4,723	518	3,178	8,119
Gain (Loss) on trading and foreign exchange transactions	9,003	8,362	1,979	-	-	-	-	-
Gain (Loss) on investments	2,652	8,412	4,753	144	205	364	595	1,308
Total operating income	**243,380**	**241,144**	**63,401**	**53,650**	**59,306**	**54,677**	**59,823**	**227,456**
Underwriting expenses	87,897	80,653	21,674	15,597	18,132	17,923	20,912	72,565
Total operating income - net	**155,483**	**160,491**	**41,727**	**38,053**	**41,174**	**36,754**	**38,911**	**154,891**
Total other operating expenses	**68,348**	**72,729**	**21,176**	**17,481**	**15,796**	**16,447**	**20,272**	**69,997**
Expected Credit Loss	-	-	-	11,872	20,192	10,815	669	43,548
Impairment loss of loans and debt securities	32,532	34,012	8,825	-	-	-	-	-
Operating profit before income tax expenses	54,603	53,750	11,726	8,699	5,186	9,491	17,970	41,347
Income tax expenses	10,395	10,309	2,304	1,349	901	2,048	3,358	7,656
Net profit attributable:								
Equity holders of the Bank	**38,459**	**38,727**	**8,802**	**7,375**	**2,175**	**6,679**	**13,258**	**29,487**
Non-controlling interest	5,749	4,714	620	(25)	2,110	765	1,353	4,203
Statements of Financial Position (Bt mn)								
	2018	**2019**	**4Q19**	**1Q20*,****	**2Q20***	**3Q20***	**4Q20***	**2020***
Loans to customers (less deferred revenue)	1,914,072	2,001,956	2,001,956	2,043,093	2,126,753	2,156,650	2,244,821	2,244,821
Total Assets	3,155,091	3,293,889	3,293,889	3,483,527	3,585,800	3,545,648	3,658,798	3,658,798
Deposits	1,995,001	2,072,049	2,072,049	2,202,112	2,307,997	2,273,850	2,344,998	2,344,998
Total Liabilities	2,737,269	2,840,174	2,840,174	3,033,814	3,135,108	3,089,066	3,167,512	3,167,512
Total Equity attributable to equity holders of the Bank	376,298	406,358	406,358	406,789	402,386	408,716	439,670	439,670

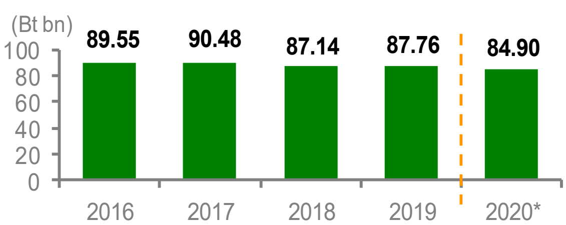
Note: ~ KBank acquired additional ordinary shares in MTGH, to hold a 51% stake valued at Bt7,329mn; the MTGH Acquisition was completed on November 30, 2009. As the MTGH acquisition was completed on November 30, 2009, the Bank's consolidated financial statements from 2010 include the performance of companies in the MTGH Group for the whole year.
* 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, which were based on the prior accounting standards (non-TFRS9).
** The Bank restated the 1Q20 financial statements from the reclassification of investment in fund/ REIT to investments in FVOCI to comply with the Federation of Accounting Professions' announcement on 25 June 2020 and reclassification some items which did not impact to total assets, total liabilities and total equity.

ธนาคารกสิกรไทย
开泰银行 KASIKORNBANK

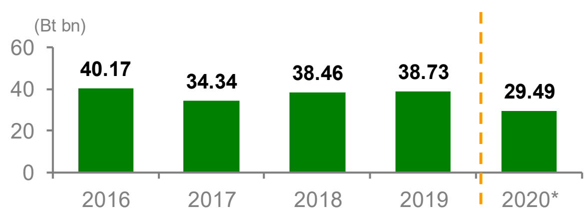
Earnings Before Provision and Tax (EBPT) and Net Profit

December 2020 (Consolidated)

EBPT



Net Profit



- Y2020 EBPT dropped 3.27% and net profit decreased 23.86%, mainly from a continuing prudent approach to set aside expected credit loss to support uncertainties from economic recession resulting from COVID-19 and lower non-interest income, while net interest income increased

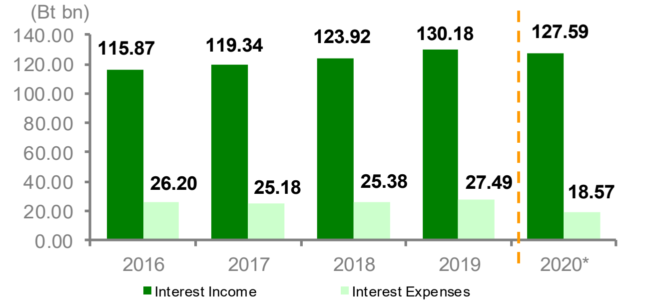
	2016	2017	2018	2019	2020	1Q20**	2Q20	3Q20	4Q20
EBPT (Bt bn)	89.55	90.48	87.14	87.76	84.90	20.57	25.38	20.31	18.64
EBPT Growth (% YoY)	10.75%	1.05%	(3.70%)	0.72%	(3.27%)	(4.24%)	17.15%	(15.62%)	(9.31%)
Net Profit (Bt bn)	40.17	34.34	38.46	38.73	29.49	7.38	2.18	6.68	13.26
Net Profit Growth (% YoY)	1.77%	(14.53%)	12.00%	0.70%	(23.86%)	(26.58%)	(78.09%)	(32.89%)	50.63%

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, which were based on the prior accounting standards (non-TFRS9).
** The Bank restated the 1Q20 financial statements from the reclassification of investment in fund/ REIT to investments in FVOCI to comply with the Federation of Accounting Professions' announcement on 25 June 2020 and reclassification some items which did not impact to total assets, total liabilities and total equity.

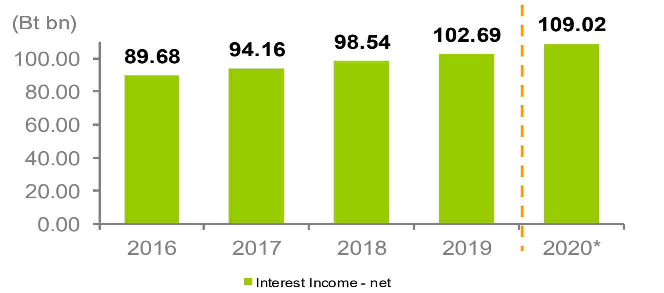
Interest Income - net

December 2020 (Consolidated)

Interest Income and Interest Expenses



Interest Income - net



- Y2020 net interest income grew 6.17%, mainly from EIR (TRFS 9), lower cost of deposits from FIDF costs, and savings rate cut despite lower yield on loans from interest rate cut.

	2016	2017	2018	2019	2020	1Q20	2Q20	3Q20	4Q20
Interest Income (Bt bn)	115.87	119.34	123.92	130.18	127.59	33.78	31.95	31.39	30.47
Interest Expenses (Bt bn)	26.20	25.18	25.38	27.49	18.57	5.70	4.87	4.13	3.87
Interest Income - net (Bt bn)	89.68	94.16	98.54	102.69	109.02	28.08	27.08	27.26	26.60
Interest Income - net (% Growth YoY)	5.49%	5.00%	4.65%	4.21%	6.17%	11.21%	5.09%	4.44%	4.04%

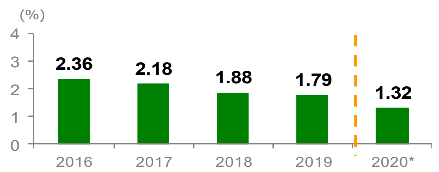
Note: **Contributions from MTL's insurance business to KBank include non-interest income (e.g. net-premium earned-net), and interest income (e.g. interest income from investment portfolio); however, all income sources from MTL will be netted with non-controlling interests.**

* 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, which were based on the prior accounting standards (non-TFRS9).

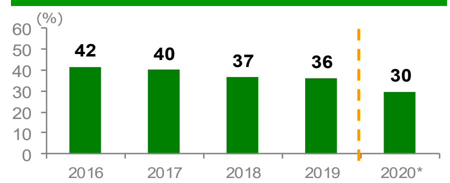
Non-interest Income and Structure

December 2020 (Consolidated)

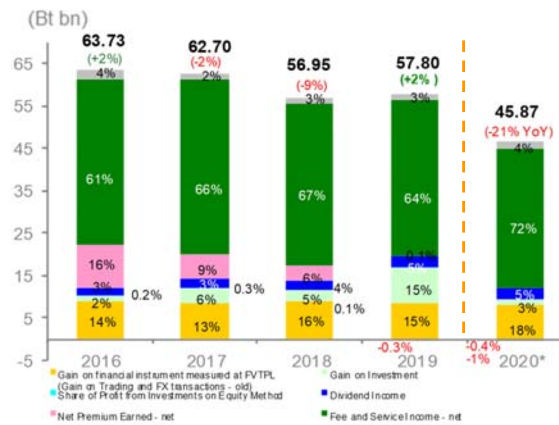
Non-interest Income to Average Assets



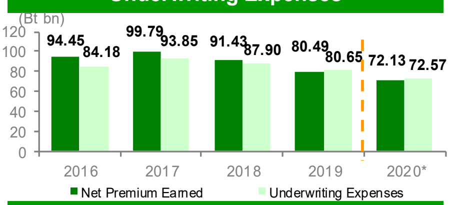
Non-interest Income Ratio



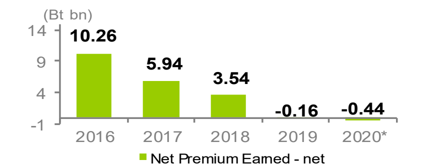
Non-interest Income Structure



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.

	2016	2017	2018	2019	2020	1Q20**	2Q20	3Q20	4Q20
Non-interest Income (Bt bn)	63.73	62.70	56.95	57.80	45.87	9.97	14.09	9.50	12.31
Non-interest Income Growth (%YoY)	1.96%	(1.62%)	(9.17%)	1.51%	(20.65%)	(18.55%)	3.36%	(39.78%)	(23.82%)
Non-interest Income Ratio (%)	41.54	39.97	36.62	36.02	29.61	26.20	34.23	25.84	31.63

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

* 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, which were based on the prior accounting standards (non-TFRS9).

** The Bank restated the 1Q20 financial statements from the reclassification of investment in fund/ REIT to investments in FVOCI to comply with the Federation of Accounting Professions' announcement on 25 June 2020 and reclassification some items which did not impact to total assets, total liabilities and total equity.

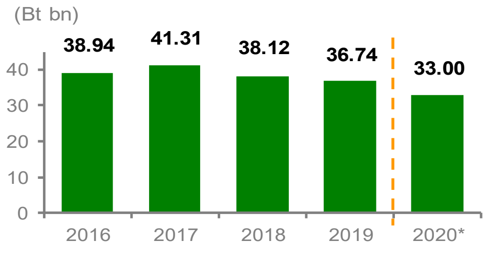
ธนาคารกสิกรไทย
开泰银行 KASIKORNBANK

KASIKORNTHAI

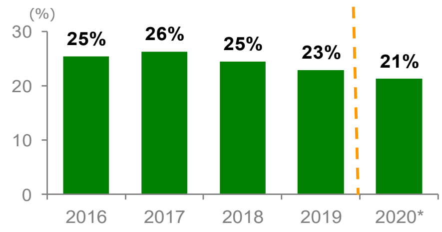
Net Fee Income

December 2020 (Consolidated)

Net Fee Income



Net Fee Income to Net Total Operating Income



- Y2020 net fee income dropped 10.17%, mainly from loan-related fee recognition according to TFRS 9 and card business pressured by economic recession from COVID-19, although brokerage business still grew.

	2016	2017	2018	2019	2020	1Q20	2Q20	3Q20	4Q20
Fee Income (Bt bn)	48.63	51.76	51.19	50.58	45.70	12.34	10.93	10.85	11.58
Fee Income-net (Bt bn)	38.94	41.31	38.12	36.74	33.00	8.85	8.05	7.81	8.30
Fee Income Growth (%YoY)	4.78%	6.43%	(1.10%)	(1.19%)	(9.65%)	1.53%	(12.08%)	(16.34%)	(11.10%)
Net Fee Income Growth (%YoY)	3.78%	6.07%	(7.72%)	(3.61%)	(10.17%)	1.38%	(12.02%)	(17.46%)	(11.75%)
Net Fee Income to Net Operating Income Ratio (%)	25.39	26.33	24.52	22.89	21.31	23.26	19.54	21.24	21.34

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)

* 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, which were based on the prior accounting standards (non-TFRS9).

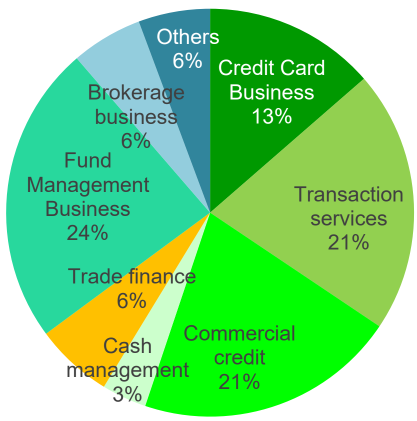
ธนาคารกสิกรไทย
开泰银行 KASIKORNBANK

KASIKORNTHAI

Net Fee Income Structure

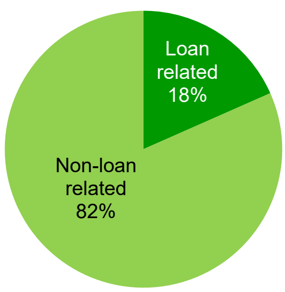
December 2020 (Consolidated)

Net Fee Income by Product



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

Loan Related and Non-loan Related Fees - net



Note:
- On the consolidated basis, Bancassurance fees are not included, due to the elimination of inter-company transactions (the accounting treatment from the Muang Thai Group Holding consolidation)
- On the consolidated basis, Net Premium Earned - net (Net Premium Earned Less Underwriting Expenses) from Muang Thai Life Assurance (MTL) is reported as a part of non-Interest Income; KBank has a 38.25% economic interest in MTL
- 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, which were based on the prior accounting standards (non-TFRS9)

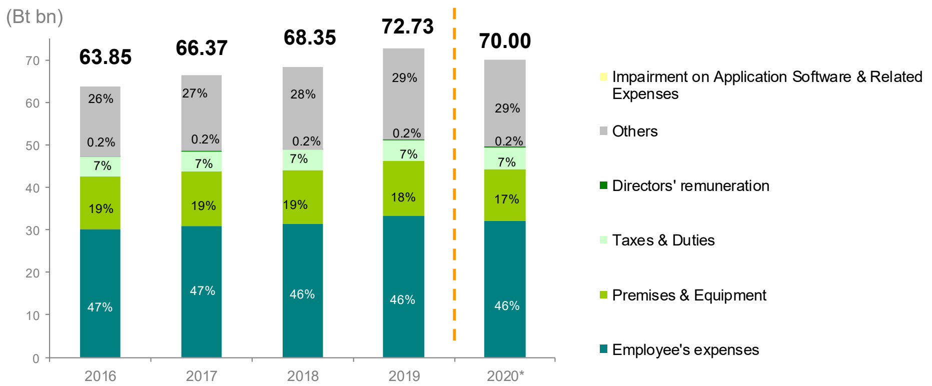
KASIKORNTHAI

ธนาคารกสิกรไทย
开泰银行 KASIKORNBANK

Other Operating Expenses

December 2020 (Consolidated)

Other Operating Expenses Structure



- Y2020 other operating expenses decreased 3.76% YoY, resulting mainly from employee's expenses, premises and equipment, and marketing activities expenses, while expenses from debt management increased; focus on cost management and productivity improvement

	2016	2017	2018	2019	2020	1Q20	2Q20	3Q20	4Q20
Other Operating Expenses (Bt bn)	63.85	66.37	68.35	72.73	70.00	17.48	15.80	16.45	20.27
Other Operating Expenses Growth (%YoY)	(4.20%)	3.94%	2.98%	6.41%	(3.76%)	9.19%	(10.97%)	(7.61%)	(4.27%)

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, which were based on the prior accounting standards (non-TFRS9).

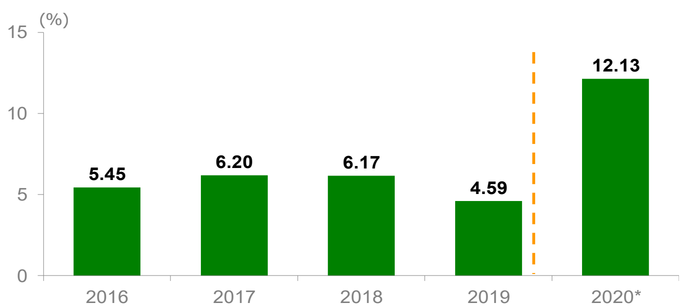
KASIKORNTHAI

ธนาคารกสิกรไทย
开泰银行 KASIKORNBANK

Loan Growth

December 2020 (Consolidated)

Loan Growth (% YoY)



- Y2020 loans grew 12.13%, mainly from COVID-19 relief measures (mainly from SME segment), corporate business, and secured retail lending using data analytics capability

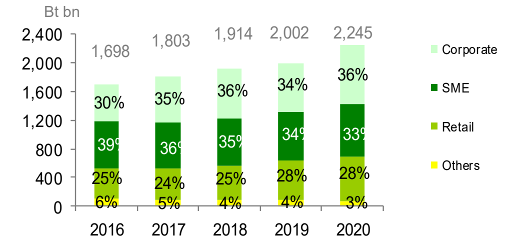
	2016	2017	2018	2019	2020	1Q20	2Q20	3Q20	4Q20
Loans (Bt bn)	1,698	1,803	1,914	2,002	2,245	2,043	2,127	2,157	2,245
Loan Growth (% YoY)	5.45%	6.20%	6.17%	4.59%	12.13%	6.70%	10.01%	10.68%	12.13%
Loan Growth (% YTD)	5.45%	6.20%	6.17%	4.59%	12.13%	2.05%	6.23%	7.73%	12.13%

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

Loan Structure and Loan Growth Targets

December 2020 (Consolidated, TFRS 8: Operating Segments*)

Loan Portfolio Structure



Loan Portfolio

Consolidated	Amount (Bt bn) Dec 19	Amount (Bt bn) Dec 20	Y2019 Loan Growth (%)	Y2020 Loan Growth (%)	Y2020 Yield Range (%)	Y2021 Loan Growth Target (%)
Corporate Loans	691	814	1.2%	17.7%	3-5%	1-3%
SME Loans	672	733	1.7%	9.1%	5-7%	2-4%
Retail Loans	556	638	13.9%	14.8%	5-7%	11-13%
Other Loans	83	60	1.5%	(27.8%)	-	
Total Loans	2,002	2,245	4.6%	12.1%	4.8%	4-6%

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.

Loan Definition (TFRS 8: Operating Segments)
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: Loans in Enterprise Risk Management Division (NPL + Performing Restructured Loans), and other loan types

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
Y2019 Loan Growth Target (%): Corporate 3-5%; SME 2-4%; Retail 9-12%; Total Loans: 5-7%
Y2018 Loan Growth Target (%): Corporate 6-8%; SME 4-6%; Retail 5-7%; Total Loans: 5-7%
Y2017 Loan Growth Target (%): Corporate 4-6%; SME 4-6%; Retail 5-7%; Total Loans: 4-6%
Y2016 Loan Growth Target (%): Corporate 4-6%; SME 5-7%; Retail 5-7%; Total Loans: 6-7%
Y2015 Loan Growth Target (%): Corporate 3-5%; SME 6-8%; Retail 5-7%; Total Loans: around 6%

** 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, which were based on the prior accounting standards (non-TFRS9).

Loan by Retail Products (All Segments)

December 2020 (Consolidated, TFRS 8: Operating Segments*)

Loan by Retail Products

(Amount in Bt bn)	Dec19	Dec 20	Y2019 Loan Growth (%)	Y2020 Loan Growth (%YTD)	% Portion to Total Loan
Housing Loans	326	390	14.4	19.9	17.4
Credit Cards	86	91	8.7	5.8	4.1
Consumer Loans	78	91	24.9	17.1	4.0
KLeasing	115	115	6.2	0.1	5.1

Loan Definition (TFRS 8: Operating Segments)
Housing Loans: KBank's housing loans to retail customer segments
Credit Cards: KBank's credit card loans to all eight customer segments
Consumer Loans: KBank's consumer loans to retail customer segments
KLeasing: KLeasing's loans to all eight customer segments

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

** 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, which were based on the prior accounting standards (non-TFRS9).

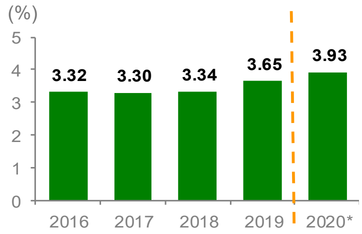
KASIKORNTHAI

ธนาคารกสิกรไทย 开泰银行 KASIKORNBANK

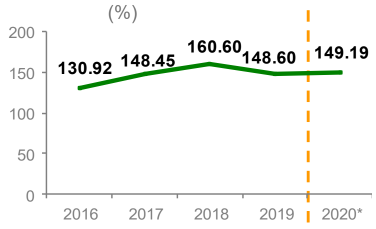
Asset Quality

December 2020 (Consolidated)

NPL Ratio



Coverage Ratio



Classified Loans**

(Bt bn)	1Q20	2Q20	3Q20	4Q20
Stage 1 Performing	1,734	1,808	1,837	1,951
Stage 2 Under-performing	220	230	234	201
Stage 3 Non-performing	93	96	99	103
Total	2,047	2,135	2,170	2,256

- NPL ratio in Y2020 was at 3.93%, with a coverage ratio of 149.19%.
- COVID-19 negatively affected asset quality; relief measures lessened the degree of impact in the short-term; overall NPL situation remains manageable.

	2016	2017	2018	2019	2020	1Q20	2Q20	3Q20	4Q20
NPL Ratio (%)	3.32	3.30	3.34	3.65	3.93	3.86	3.92	3.95	3.93
Coverage Ratio (%)	130.92	148.45	160.60	148.60	149.19	138.66	155.68	161.12	149.19
SML to Total Loans Ratio (%)*	2.55	2.59	1.90	2.80	-	-	-	-	-
Loans with significant increase in credit risk (%)	-	-	-	-	7.80	9.32	9.43	9.52	7.80

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, which were based on the prior accounting standards (non-TFRS9).

** 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.

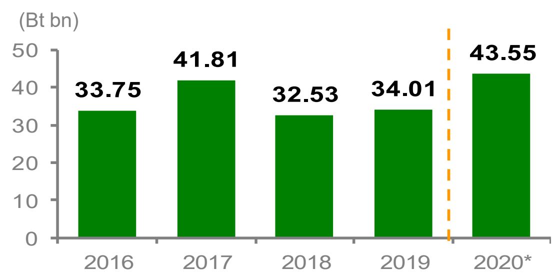
KASIKORNTHAI

ธนาคารกสิกรไทย 开泰银行 KASIKORNBANK

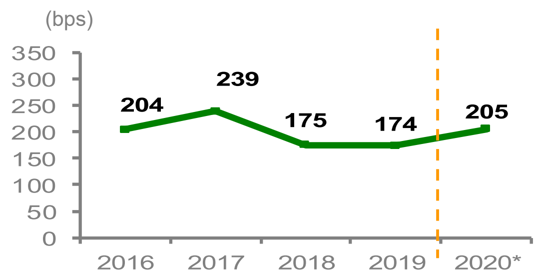
Expected Credit Loss and Credit Cost

December 2020 (Consolidated)

Impairment Loss of Loans and Debt Securities | Expected Credit Loss



Credit Cost



- Y2020 credit cost was 205bps; due to higher expected credit loss (ECL) set asides made to be prudent amid COVID-19 related economic uncertainties.

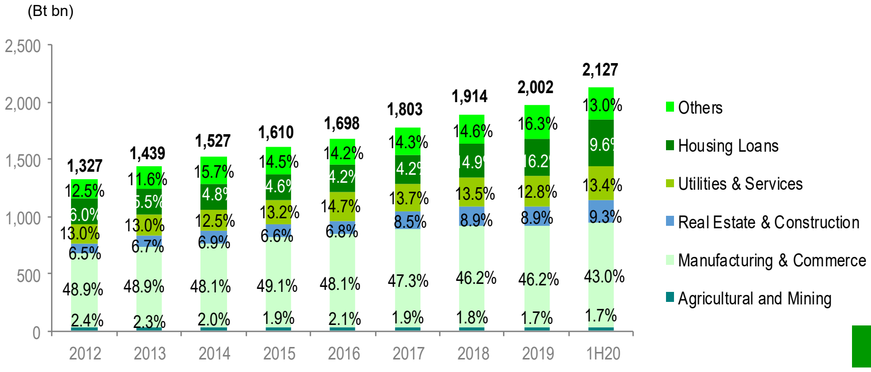
	2016	2017	2018	2019	2020	1Q20	2Q20	3Q20	4Q20
Expected Credit Loss (Impairment Loss of Loans and Debt Securities) (Bt bn)	33.75	41.81	32.53	34.01	43.55	11.87	20.19	10.81	0.67
Credit Cost (bps)	204	239	175	174	205	235	387	202	12

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, which were based on the prior accounting standards (non-TFRS9).

Loan Portfolio Breakdown by Industry, Currencies, and Interest Rate

June 2020 (Consolidated)

Loan Portfolio by Industry



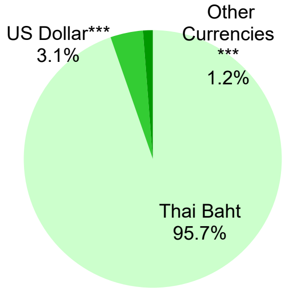
Definition of Loans

1) by industry = Gross loans = Loans to customers less deferred revenue

2) by currency = Loans to customers and AIR - net

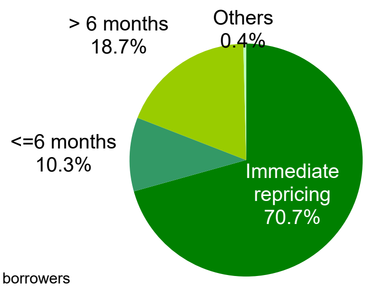
3) by maturity of interest repricing = Loans to customers less deferred revenue

By Currencies (December 2019)**



*** Mainly trade finance products

By Maturity of Interest Repricing (June 2020)*



Loans by Bangkok and Metropolitan vs. Upcountry

Proportion of KBank's Outstanding Loans	2014	2015	2016	2017	2018	2019	1H20
Bangkok and Metropolitan	64%	64%	63%	64%	62%	59%	60%
Upcountry	36%	36%	37%	36%	38%	41%	40%

Note: * The information on loans breakdown by maturity of interest repricing are disclosed on half year basis

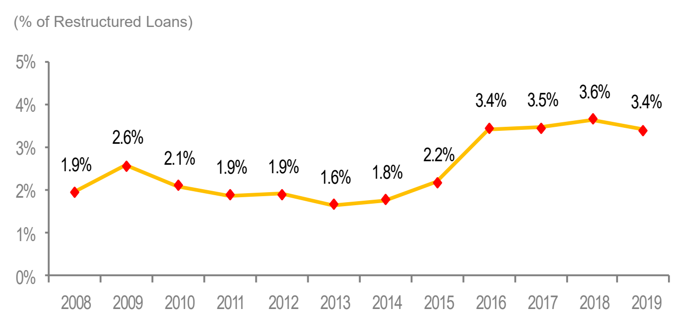
** As of June 2020, the information on loans breakdown by currencies has been changed to loans breakdown by residency of borrowers

Restructured Loans Incurred Losses (As of December 2019)

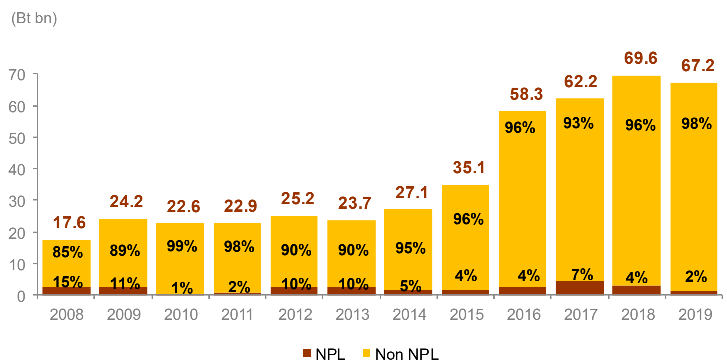
December 2019 (Consolidated)

- Restructured loans that incurred losses determine from the loan that present value of expected future cash flow to be received is less than the outstanding balance, where the present value is discounted by market rates; debt restructuring includes various forms i.e. reduction of principal and interest, transfer of assets, and change of repayment conditions

% of Restructured Loans that Incurred Losses to Total Loans



Restructured Loans that Incurred Losses Breakdown by NPL and Non-NPL



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, which were based on the prior accounting standards (non-TFRS9).

** The Bank and its subsidiaries engage in modification contracts which were classified as NPL and non-NPL that incurred losses, but not included customers under the Bank of Thailand's relief measures. In 2020, there were loans before modification amounting to Bt14,162mn and incurred losses amounting to Bt2,059mn.

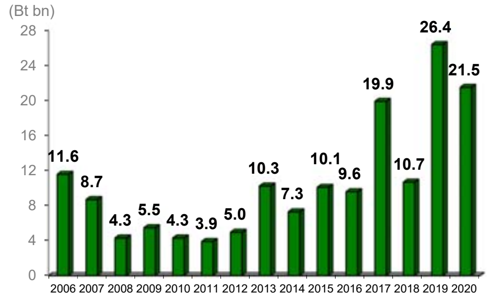
KASIKORNTHAI

ธนาคารกสิกรไทย
开泰银行 KASIKORNBANK

Bad Assets Resolution

December 2020 (Consolidated)

Write-offs

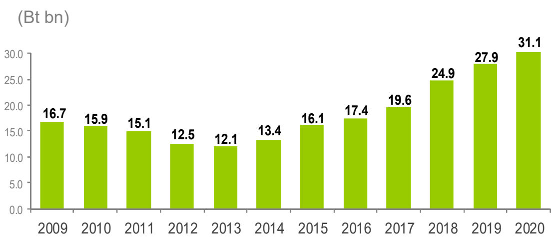


NPL Portfolio Sales

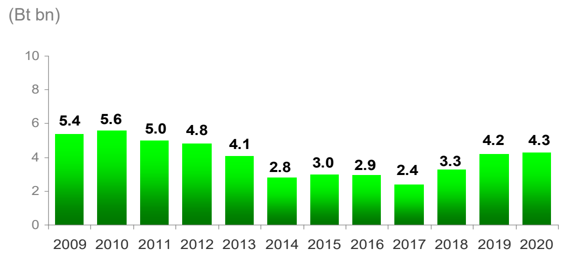
- 2007: KBank and Phethai AMC sold NPLs totaling Bt11.4bn to Standard Bank Asia Limited and Morgan Stanley Emerging Markets Inc. at Bt7.6bn and Bt3.8bn, respectively
- 2008-1Q16: NPLs continued to decline without bulk NPL sales
- 2016: KBank sold NPLs worth Bt6.4bn (Bt4.9bn in 2Q16 and Bt1.5bn in 4Q16) to JMT Network Services PCL
- 2017: KBank sold NPLs worth Bt8.4bn in 4Q17 to asset management companies
- 2018: KBank sold NPLs worth Bt15.4bn (Bt7.3bn in 1Q18, Bt5.4bn in 3Q18, and Bt2.7bn in 4Q18) to asset management companies
- 2019: KBank sold NPLs worth Bt7.1bn (Bt4.3bn in 1Q19 and Bt2.8bn in 3Q19) to asset management companies
- 2020: KBank sold NPLs worth Bt6.8bn (Bt4.9bn in 1Q20 and Bt1.9bn in 4Q20) to asset management companies

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

Outstanding Foreclosed Properties



Sales of Foreclosed Properties



บริการทุกระดับประทับใจ

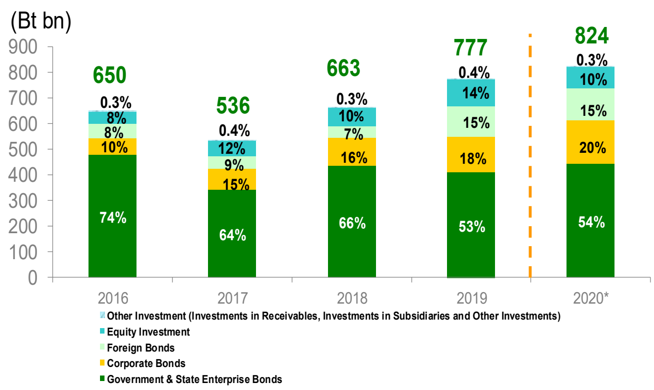
KASIKORNTHAI

ธนาคารกสิกรไทย
开泰银行 KASIKORNBANK

TFRS 9: Investment in Securities Portfolio and Structure

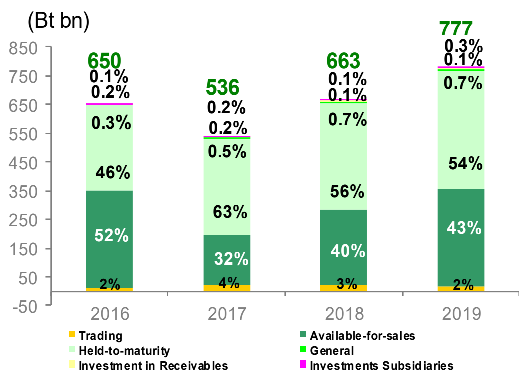
December 2020 (Consolidated)

Instrument Type

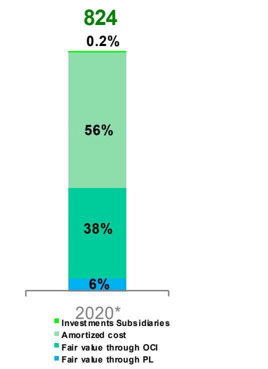


Financial Assets Classification

Holding Type (OLD)



Asset Type*



- 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.

	2016	2017	2018	2019	2020	1Q20	2Q20	3Q20	4Q20
Investment Portfolio (Bt bn)	650	536	663	777	824	788	867	872	824
Investment Portfolio (% Growth YoY)	36.10%	(17.52%)	23.51%	17.22%	6.15%	11.50%	11.43%	13.11%	6.15%

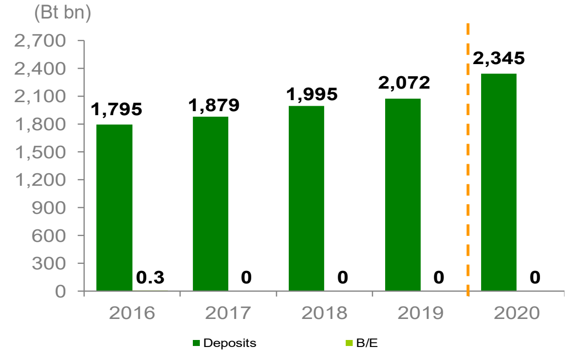
Note * The Bank and its subsidiaries have adopted new accounting standards (TFRS 9: Financial Instruments) since January 1, 2020 onwards, some financial statements and financial ratios are not comparable with previous years' financial figures, which were based on the prior accounting standards (non-TFRS9).

บริการทุกระดับประทับใจ

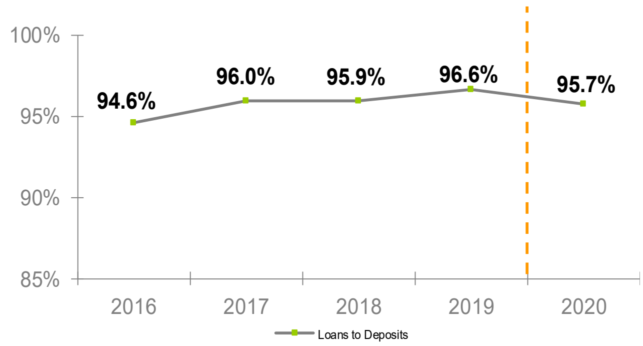
Deposits Growth and Loans to Deposits Ratio

December 2020 (Consolidated)

Deposits & B/E



Loans to Deposits Ratio



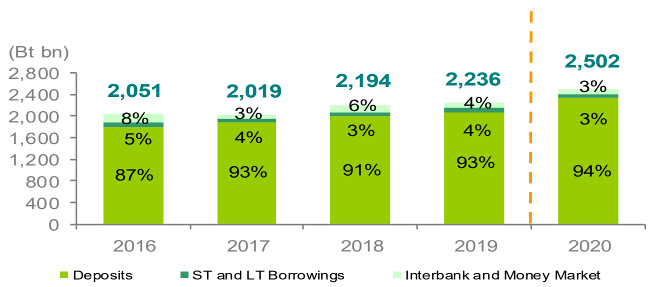
- Deposits and Loans to Deposits Ratio is in line with peers.

	2016	2017	2018	2019	2020	1Q20	2Q20	3Q20	4Q20
Deposits (Bt bn)	1,795	1,879	1,995	2,072	2,345	2,202	2,308	2,274	2,345
Deposits (% YoY)	5.2%	4.7%	6.2%	3.9%	13.2%	11.3%	15.1%	13.8%	13.2%
Deposits (% YTD)	5.2%	4.7%	6.2%	3.9%	13.2%	6.3%	11.4%	9.7%	13.2%
Loans to Deposits Ratio (%)	94.6%	96.0%	95.9%	96.6%	95.7%	92.8%	92.2%	94.9%	95.7%

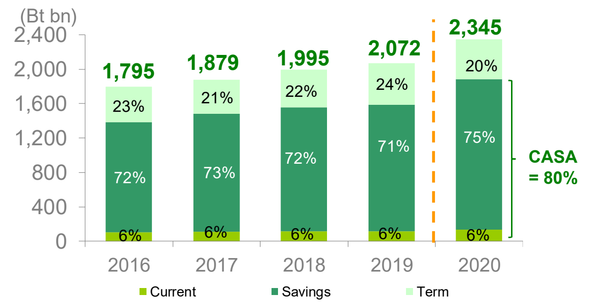
Funding Structure and Interest Rate Movement

December 2020 (Consolidated)

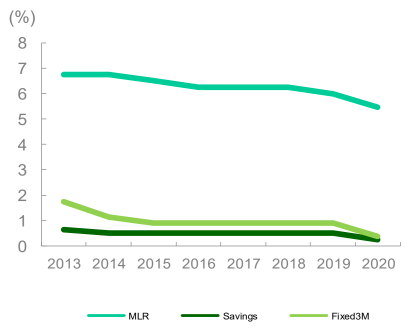
Funding Structure



Deposit Structure



KBank Interest Rate Movement (Retail customers)



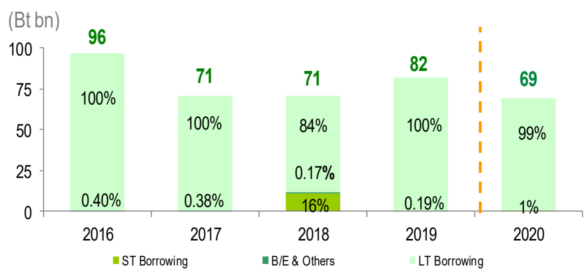
Deposit rates (%) (May 26, 2020)

Savings	0.25
Fixed 3M-12M	0.37-0.45
Fixed 24M-36M	0.50-0.70

Lending rates (%) (May 22, 2020)

MLR	5.47
MOR	5.84
MRR	5.97

ST and LT Borrowings



ธนาคารกสิกรไทย 开泰银行 KASIKORNBANK

Long-term Senior/Subordinated Debentures

Issue Date	Name	Type	Feature	Amount	Maturity Years	Interest Rate (Per annum)	Interest Payment period	Credit Rating
Long-term Subordinated Debentures								
14/10/2020	Additional Tier 1 Subordinated Notes*	Unsecured	Perpetual NC5Y	USD500mn	-	5.275%	Semi-annually	Ba1 by Moody's
02/10/2019	Tier II Subordinated Notes due 2031*	Unsecured	12NC7	USD800mn	12 years (02/10/2031)	3.343%	Semi-annually	Baa3 by Moody's BB+ by Fitch Ratings
14/07/2016	Subordinated Instruments intended to qualify as Tier 2 Capital of KASIKORNBANK PCL No.1/2016 due 2027	Unsecured	10.5NC5.5	Bt7,500mn	10.5 years (14/01/2027)	3.50%	Quarterly	AA- (tha) by Fitch Ratings
09/10/2015	Subordinated Instruments intended to qualify as Tier 2 Capital of KASIKORNBANK PCL No.1/2015 due 2026	Unsecured	10.5NC5.5	Bt6,500mn	10.5 years (09/04/2026)	3.95%	Quarterly	AA- (tha) by Fitch Ratings
Long-term Senior Debentures								
07/12/2018	Floating Rate Notes due 2023*	Unsecured	-	USD15mn	5 Years (07/12/2023)	3m Libor+0.95%	Quarterly	-
30/10/2018	Floating Rate Notes due 2023* (Sustainability Bond)	Unsecured	-	USD100mn	5 Years (30/10/2023)	3m Libor+0.95%	Quarterly	-
12/01/2018	Senior Unsecured Notes due 2023*	Unsecured	-	USD400mn	5.5 Years (12/07/2023)	3.256%	Semi-annually	Baa1 by Moody's BBB+ by S&P BBB by Fitch Ratings
06/10/2016	Senior Unsecured Notes due 2022*	Unsecured	-	USD400mn	5.5 Years (06/04/2022)	2.375%	Semi-annually	Baa1 by Moody's BBB+ by S&P BBB by Fitch Ratings
26/08/2015	Floating Rate Notes due 2021*	Unsecured	-	USD10mn	5.5 Years (26/02/2021)	3m Libor+1.00%	Quarterly	-

Note: *The issued notes are drawn from the Bank's USD2.5bn Euro Medium Term Note Programme (EMTN)

ธนาคารกสิกรไทย 开泰银行 KASIKORNBANK

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

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

December 2020

	KAsset* EST. 1992	KResearch EST. 1995	KSecurities EST. Jul 2005	KLeasing EST. Aug 2005	KF&E EST.1990
Company Name	KASIKORN ASSET MANAGEMENT CO., LTD.	KASIKORN RESEARCH CENTER CO., LTD.	KASIKORN SECURITIES PCL	KASIKORN LEASING CO., LTD.	KASIKORN FACTORY AND EQUIPMENT CO., LTD.
Company Profile	A leader in fund management business (i.e. mutual funds, provident funds, and private funds)	– Professional in providing knowledge in economics, business, money, and banking – Only research house which is an affiliate of a bank	Professional in providing a complete range of excellent financial solutions and services, including investment banking, securities underwriting, and securities brokerage	Professional in providing three core products: hire purchase, financial lease, and floor plan	Professional in providing a complete range of machinery and equipment leasing services
Asset Size	Bt3.14bn	Bt0.15bn	Bt32.22bn	Bt115.37bn	Bt24.95bn
Market Share	18%	N/A	4% (#10)	7%**	17%
2021 Targets	Maintain top tier position	Top of mind research house for media and for the clients of KBank and its wholly-owned subsidiaries	Maintain leading position in securities business under local bank parent	Maintain a good asset quality portfolio	Maintain top tier position and focus on good asset quality
3-year Aspiration	Maintain top tier position	Top of mind research house	Top of mind securities firm	Provide complete range of financial solutions and maintain good asset quality	Maintain leading position in equipment leasing industry

* KAsset: mutual fund data as of December 2020; private fund and provident fund data as of November 2020

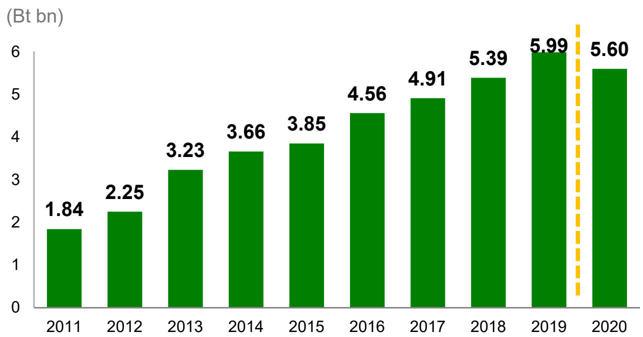
** KLeasing's Market Share as of 9M20

The wholly-owned subsidiaries of KBank: 2020 Key Operating Performance

December 2020

	KAsset* EST. 1992	KResearch EST. 1995	KSecurities EST. Jul 2005	KLeasing EST. Aug 2005	KF&E EST.1990
2020 Key Operating Performance	Assets Under Management (AUM): Bt1.47trn (+3.73% YoY)	Most quoted research house in the media	- Trading volume: Bt1,119bn - Number of customers grew 25% YoY	Outstanding loans: Bt114.90bn (+0.11% YoY)	Outstanding loans: Bt25.11bn (+9.75% YoY)

The wholly-owned subsidiaries of KBank: Net Profit



- Due to the COVID-19 pandemic, net profit slightly dropped from the same period of 2019.

* KAsset: mutual fund data as of December 2020; private fund and provident fund data as of November 2020

KASIKORNTHAI

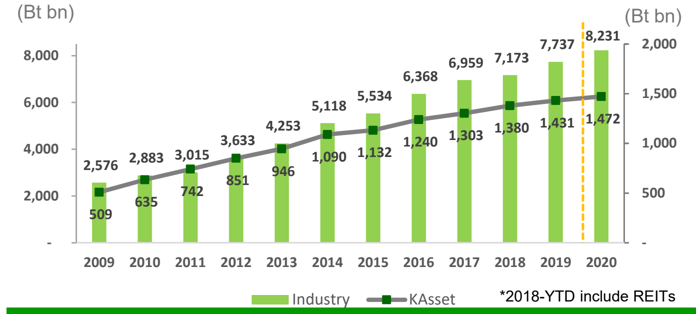
ธนาคารกสิกรไทย
开泰银行 KASIKORNBANK

KAsset Highlights in 2020

December 2020

หลักทรัพย์จัดการกองทุนกสิกรไทย
开泰基金管理 KASIKORN ASSET MANAGEMENT

AUM (KAsset vs. Industry)



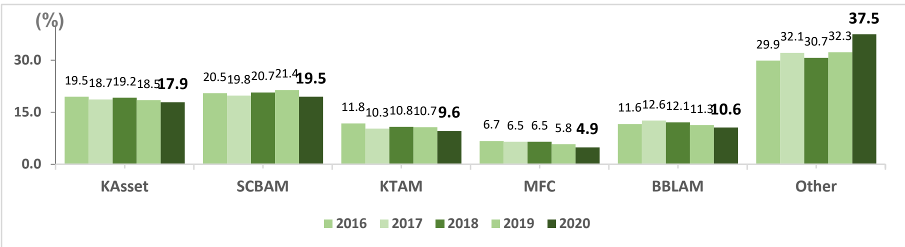
Industry Outlook:

- 2020 industry AUM at Bt8.23trn, increasing 7.85% YoY
- KAsset AUM at Bt1.47trn, increasing 3.73% YoY

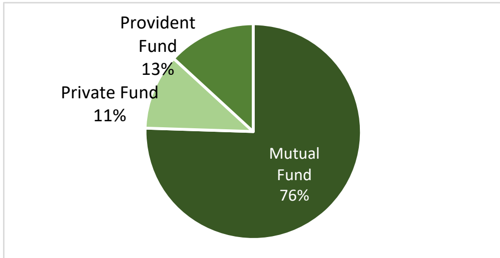
KAsset Highlights:

- Ranked **#1 in Mutual Fund and #2 in Provident Fund** with market share of 22.1% and 15.7%, respectively
- Ranked **#2** in total AUM with market share of 17.9%
- Mutual fund accounts for 76% of KAsset AUM

Market Share by AUM



KAsset AUM Breakdown by Type



* KAsset: mutual fund data as of December 2020; private fund and provident fund data as of November 2020

KASIKORNTHAI

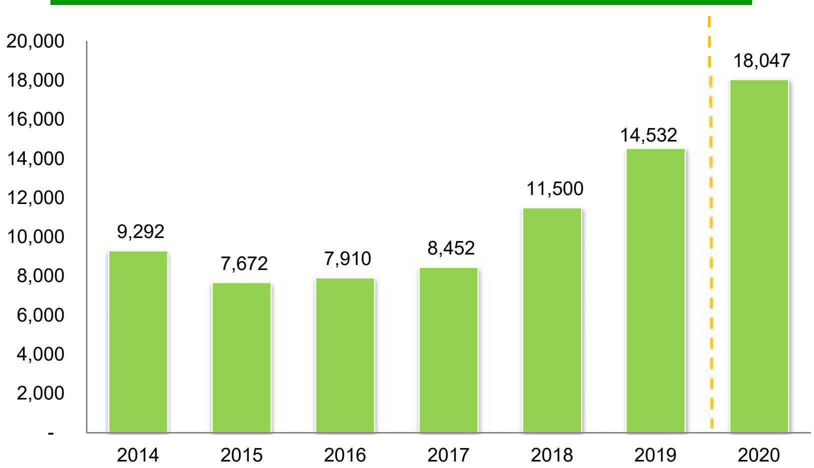
ธนาคารกสิกรไทย
开泰银行 KASIKORNBANK

KResearch Highlights in 2020

December 2020

ศูนย์วิจัยกสิกรไทย
开泰研究中心 KASIKORN RESEARCH CENTER

Number of News Quotes



KResearch Highlights:

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

Source : News Center, isentia, IQnewsClip, etc.
The number of quotes from the media newspapers online newspaper and other online news. (excluding magazines, TVs, and Radio)

KASIKORNTHAI

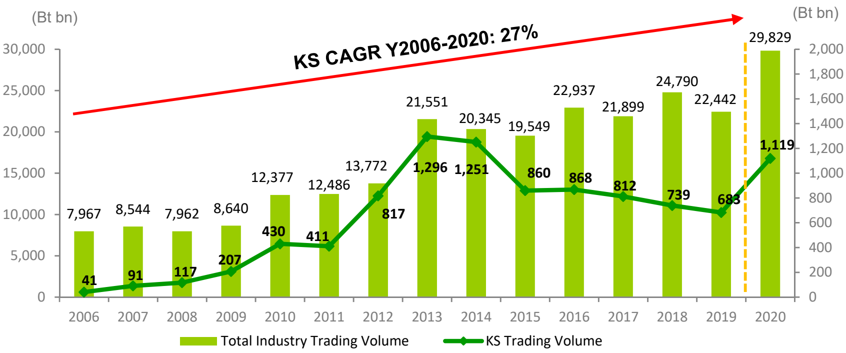
ธนาคารกสิกรไทย 开泰银行 KASIKORNBANK

KSecurities Highlights in 2020

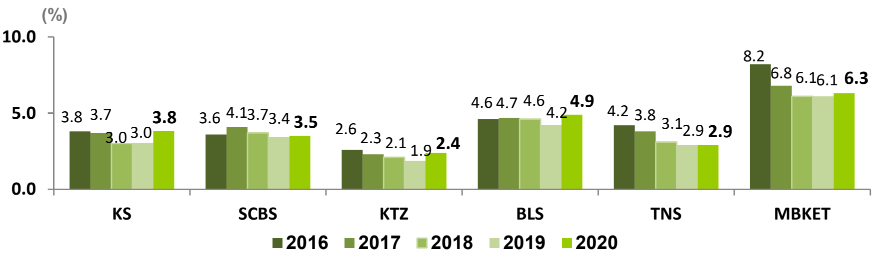
December 2020

หลักทรัพย์กสิกรไทย 开泰证券 KASIKORN SECURITIES

Trading Volume (KSecurities vs. Industry)*



Market Share by Trading Volume*



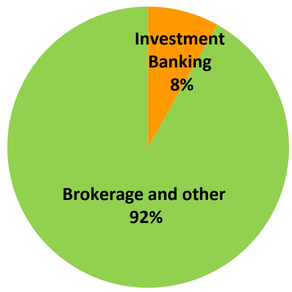
Industry Outlook:

- 2020 industry trading volume* was Bt29.83trn, increasing 33% YoY
- KS trading volume was Bt1,119bn

KSecurities Highlights:

- KS ranked #10, with 3.75% market share
- Majority of revenue came from brokerage
- Number of customers account grew 25% YoY to 200,621 customers in 2020

KSecurities Revenue by Business



Note: * Industry trading volume excluding proprietary trades

บริการทุกระดับประทับใจ

KASIKORNTHAI

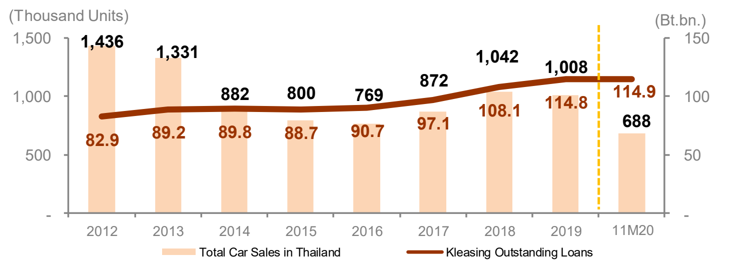
ธนาคารกสิกรไทย 开泰银行 KASIKORNBANK

KLeasing Highlights in 2020

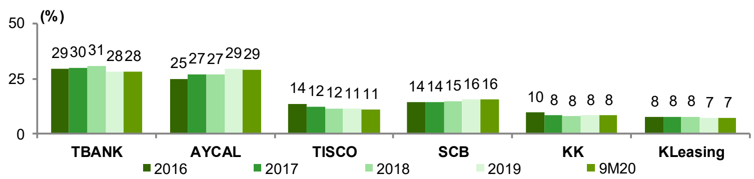
December 2020

ลีสซิ่งกสิกรไทย 开泰租赁 KASIKORN LEASING

KLeasing vs. Industry



Market Share by Total Outstanding Loans (%)*



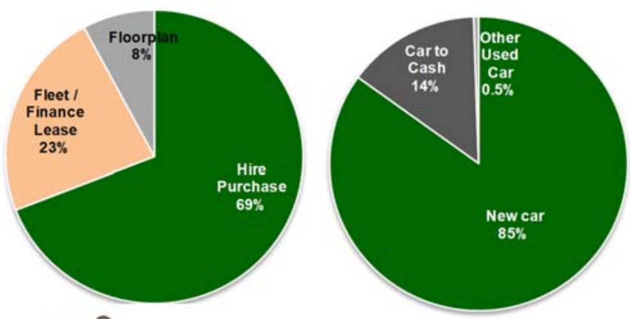
Industry Outlook:

- 11M20 industry car sales totaled 688,021 units, decreasing 25.07% YoY

KLeasing Highlights:

- 2020 KLeasing loans totaled Bt114.90bn, Increasing 0.11% YoY
- 2020 KLeasing NPL ratio was 1.32%, lower than the Thai commercial bank average ratio

KLeasing Outstanding Loans Breakdown**



Note: * Excluding captive and non-bank leasing; Lasted Data as of 1H20
** New car includes HP New car, Fleet finance, Finance lease (FL) and Floorplan
Used car includes Car to Cash (K-Car / Car registration loan) and other used cars

บริการทุกระดับประทับใจ

KASIKORNTHAI

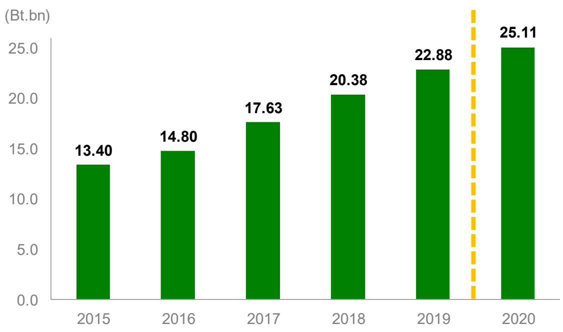
ธนาคารกสิกรไทย 开泰银行 KASIKORNBANK

KF&E Highlights in 2020

December 2020

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

KF&E Outstanding Loans



Industry Outlook:

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

KF&E Highlights:

- KF&E outstanding loans were Bt25.11bn, increasing 9.75% YoY
- KF&E currently ranked **#1**; maintaining lead position in equipment leasing industry

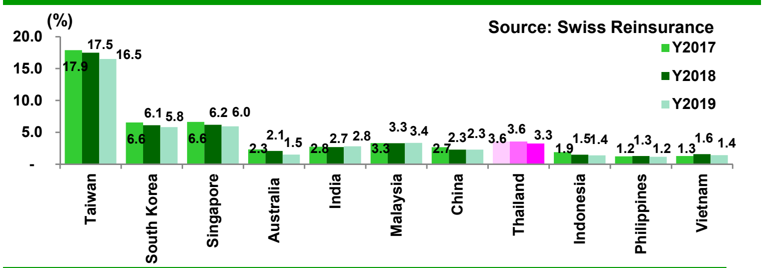
Note: In 2010, KASIKORN FACTORING (KFactoring) was renamed KASIKORN FACTORY AND EQUIPMENT (KF&E) to better reflect their business, focusing on offering leasing services for machinery and equipment; the factoring business operation of KFactoring was transferred to KBank

KASIKORNTHAI

ธนาคารกสิกรไทย 开泰银行 KASIKORNBANK

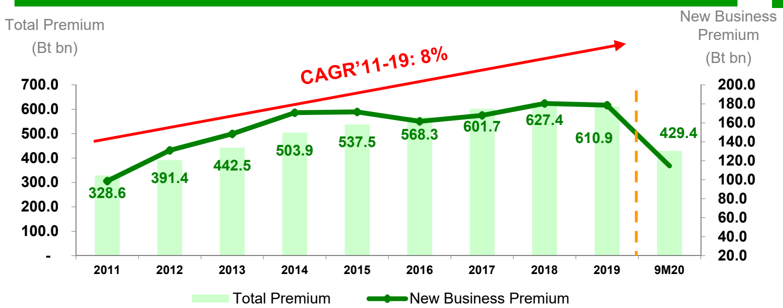
Life Insurance Industry in Thailand

Premium per % GDP by Country



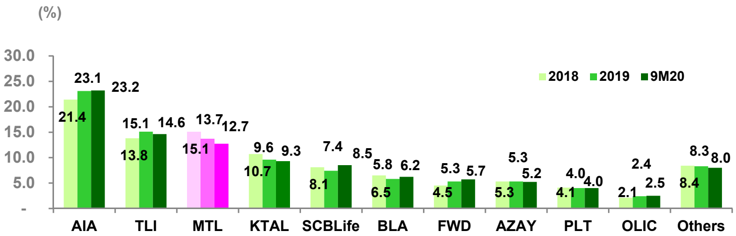
- **In 2019, low penetration rate of 3.3% in Thailand with a high opportunity for growth**
- **Muang Thai Life Assurance (MTL) ranked #3 in life insurance industry in Thailand, in 9M20**
  - **#3** in total premium with 12.7% market share

Size of Market by Premium(%)



* New Business Premium in 9M20 = Bt114.6bn

Market Share by Total Premium in Life Insurance (%)



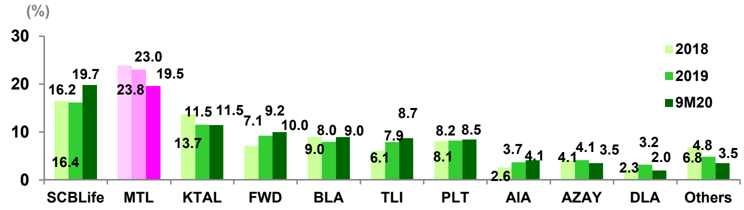
Source: The Thai Life Assurance Association

Source: The Thai Life Assurance Association

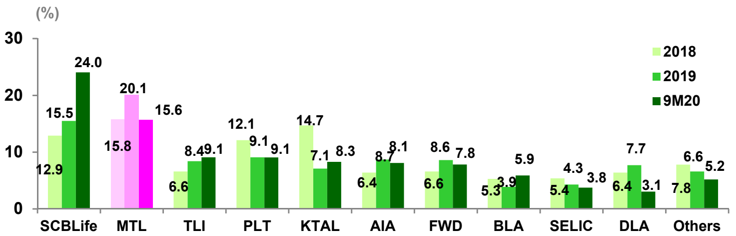
Note: Total Premium = New Business Premium + Renewal Premium; New Business Premium = First Year Premium + Single Premium

Bancassurance Highlights in 9M20

Bancassurance Market Share by Total Premium (%)



Bancassurance Market Share by New Business Premium (%)



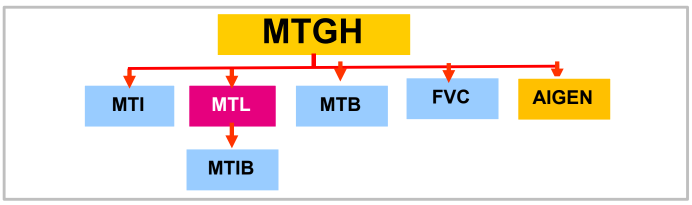
- MTL ranked **#2** in Bancassurance market
  - **#2** in Bancassurance total premium with 19.5% market share
  - **#2** in Bancassurance new business premium with 15.6% market share

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)	51.0%
Muang Thai Life Assurance PCL (MTL)	38.3%
Muang Thai Insurance PCL (MTI)	10.1%
Muang Thai Broker Co, Ltd (MTB)	50.98%
MT Insure Broker Co, Ltd (MTIB)	38.2%
Fuchsia Venture Capital Co, Ltd (FVC)	38.3%
AIGEN Co, Ltd (AIGEN)	51.0%

- 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- (Negative Outlook) / AAA(tha) (Negative Outlook)
- Life Insurance Company with Outstanding Management (1st Place Award) 2006 - 2019 (14 consecutive years) from Office of Insurance Commission (OIC)
- Life Insurance Company of the Year 2014, 2017 and 2018 from Asia Insurance Industry Awards
- Ageas holds 7.83% in MTGH and holds 24.99990% in MTL

KASIKORNTHAI

ธนาคารกสิกรไทย
开泰银行 KASIKORNBANK

Muang Thai Life Assurance (MTL) Information Summary

mtl MUANG THAI LIFE

- 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)

	2018	2019	9M20
Net premiums earned	91.4	80.5	51.8
Net investment income	19.0	20.5	15.4
Total revenues	**110.4**	**100.9**	**67.0**
Life policy reserve increase from the previous period	46.6	35.1	15.4
Net benefit payments and insurance claims	37.2	41.4	33.7
Commissions and brokerages	9.0	9.1	6.6
Other underwriting expenses	0.8	0.7	0.4
Operating expenses & Other	5.2	5.0	3.6
Total Expenses	**98.9**	**91.4**	**59.8**
Profit before income tax expense	11.5	9.5	7.2
Income tax expense	2.2	1.8	-1.3
Net profit (loss)	**9.3**	**7.7**	**5.8**

Statements of Financial Position (Bt bn)

	2018	2019	9M20
Total Assets	479.6	531.1	539.6
Total Liabilities	421.5	464.5	472.6
Total Equities	58.1	66.6	66.9

Strategy in 2020

To sustainably deliver happiness to customers, employees, and stakeholders, MTL will reinforce its “MTL Everyday Life Partner” strategic direction to offer excellent products, services, and customer experience. We will continue to enhance distribution capabilities to grow market share sustainably as well as exploring new growth in regional markets. MTL plans to enhance connectivity with ecosystem partners. We aim to become a data-driven company with the advanced data analytics capabilities to enhance business opportunities and efficiency. Human development remains our priority while also placing great emphasis on cost management and intelligent automation. MTL ensures effective risk management and is well-prepared for new regulatory standards.

2020 Key Financial Targets

Bt bn	2015	2016	2017	2018	2019	2020
Total Premium (after refund)	87.9	97.0	102.7	94.5	83.8	>=Industry growth
% Growth	17%	10%	6%	-8%	-11%	

	2018	2019	9M 2020
ROE (%)	16.6%	12.4%	10.2%
ROA (%)	2.1%	1.5%	1.3%
Risk-Based Capital (RBC)	323.7%	385.7%	308.7%

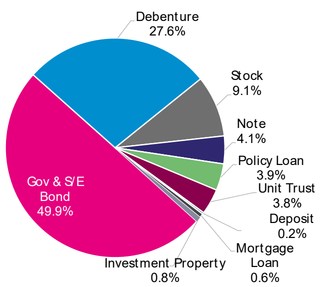
Source: Muang Thai Life Assurance, data based on book value except for RBC
Note: OIC = Office of Insurance Commission

KASIKORNTHAI

ธนาคารกสิกรไทย
开泰银行 KASIKORNBANK

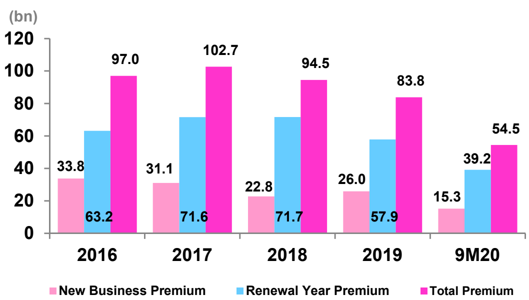
MTL Investment Portfolio and Insurance Premium

MTL Investment Portfolio: Fixed Income accounted for around 87%



Assets Under Management (AUM)* (Q3 20): Bt510.4 bn

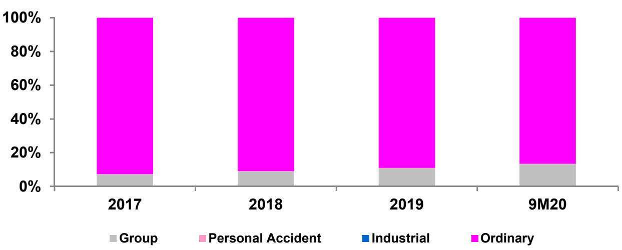
MTL Total Premium



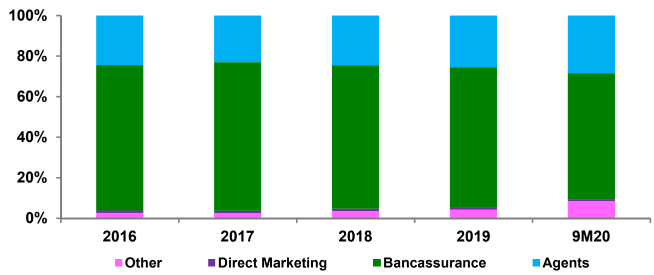
Total Premium Growth	MTL	Industry
(%YOY)		
Y2016	10%	6%
Y2017	6%	6%
Y2018	-8%	4%
Y2019	-11%	-3%
9M20	-13%	-3%

Source: The Thai Life Assurance Association

MTL Total Premium by Products: Ordinary product accounted for around 87%



MTL Total Premium by Channels: Bancassurance accounted for about 62% in 9M20



*Remark: Invested Assets + Investment Property

Source: The Thai Life Assurance Association (TLAA) / 9M 2020 data from TLAA monthly report (new format)

MTL International Business Expansion

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

MTL's Life Insurance Product Profile

Four Major Types of Life Insurance Product

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

KASIKORNTHAI

ธนาคารกสิกรไทย
开泰银行 KASIKORNBANK

Sample of K-Bancassurance and MTL Products

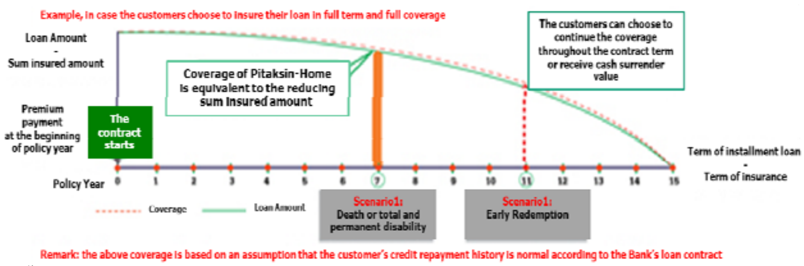
K-Bancassurance Products[1]

Endowment Life Insurance

Endowment 615 Participating (Global)
Pay premium for only 6 years, but the coverage continues for 15 years

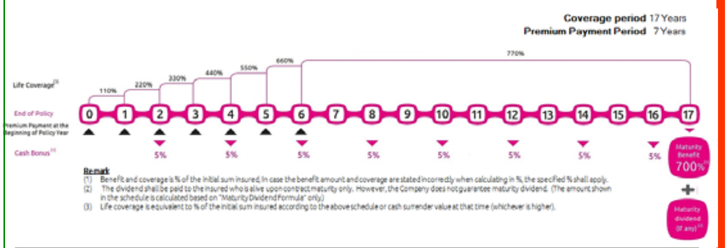
Term Life Insurance

MRTA-Home (Mortgage Reducing Term Assurance)



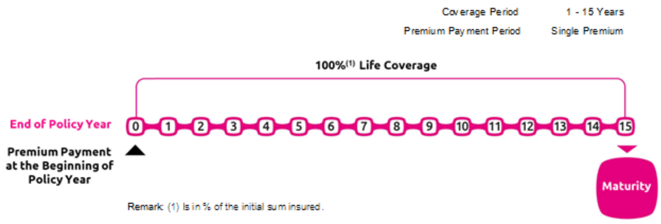
Muang Thai Life Assurance Products[2]

Muang Smart Linked 17/7
Pay premium for only 7 years, but the coverage continues for 17 years



Term Life Insurance

Khumkhrong Baep Khongthi Life-Bukkhon
Single Premium payment period, but the coverage can be chosen between 1 - 15 years



1) K-Bancassurance products are MTL's life insurance products selling through KBank
2) Muang Thai Life Assurance products are MTL's life insurance products selling through MTL sales agents, and/or other channels

บริการทุกระดับประทับใจ

KASIKORNTHAI

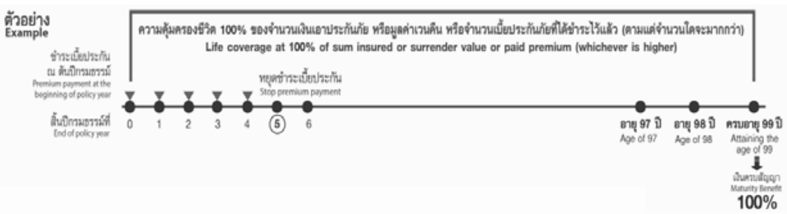
ธนาคารกสิกรไทย
开泰银行 KASIKORNBANK

Sample of K-Bancassurance and MTL Products

K-Bancassurance Products[1]

Whole Life Insurance

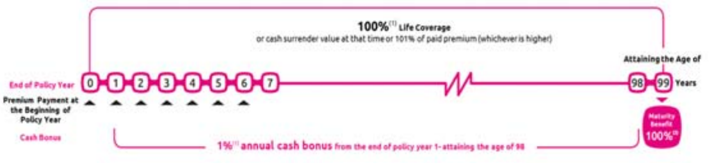
Khumkhrong Talot Chip 99/5
Life insurance with a premium payment of only 5 years, but the coverage continues to age 99 years



Muang Thai Life Assurance Products[2]

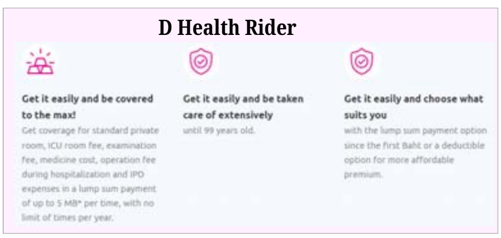
Whole Life Insurance

Muang Thai Happy Return 99/7
Saving plan with whole life coverage: pay premium for only 7 years and get coverage to the age of 99



Remark
(1) Is in % of the initial sum insured.
(2) In case of being alive until contract maturity, the benefit is 100% of the initial sum insured or 101% of paid premium (whichever is higher).
(3) Life coverage is 100% of the initial sum insured or cash surrender value at that time or 101% of paid premium (whichever is higher).

Rider



1) K-Bancassurance products are MTL's life insurance products selling through KBank
2) Muang Thai Life Assurance products are MTL's life insurance products selling through MTL sales agents, and/or other channels

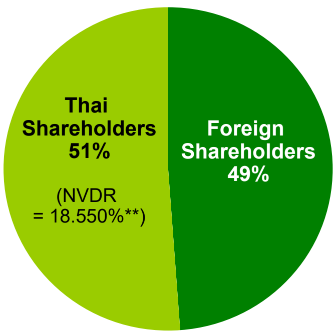
บริการทุกระดับประทับใจ

KBank: Other Information

Shareholder Structure

April 10, 2020 (Record Date)

Shareholder Structure



Note:

Thai Shareholding Limit	51%
Foreign Shareholding Limit	49%

Top 10 Shareholders*	%
1. THAI NVDR CO., LTD**	18.550
2. STATE STREET EUROPE LIMITED	8.510
3. SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	5.936
4. SOCIAL SECURITY OFFICE	3.589
5. BNY MELLON NOMINEES LIMITED	3.299
6. THE BANK OF NEW YORK MELLON	2.338
7. STATE STREET BANK AND TRUST COMPANY	2.132
8. SOUTH EAST ASIA UK (TYPE A) NOMINEES LIMITED	1.669
9. NORTRUST NOMINEES LIMITED-NTO SEC LENDING THAILAND CL AC	1.362
10. GIC PRIVATE LIMITED	1.310
Other Shareholders	51.305
Total	100.000

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

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

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

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

Credit Ratings

As of January 28, 2021

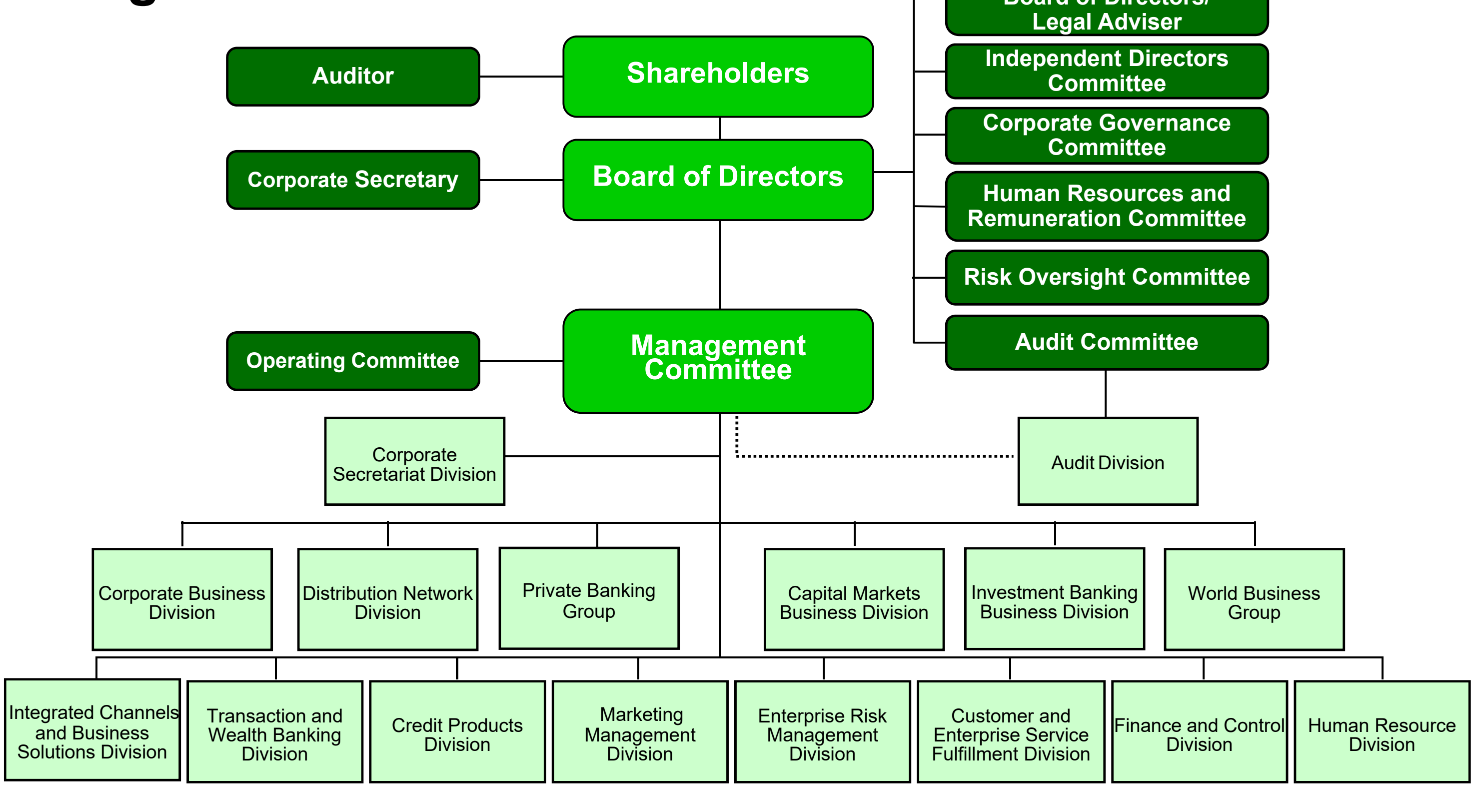
	KBank						Thailand		
	Foreign Currency			Local Currency/ National		Outlook	Government		Outlook
	Long-term *	Senior Unsecured Notes	Subordinated Debts	Long-term	Subordinated Debts		Foreign Currency	Local Currency	
S&P's	BBB+	BBB+	N/A	N/A	N/A	Watch Negative 1)	BBB+	A-	Stable 2)
Moody's	Baa1	Baa1	Baa3	Baa1	N/A	Stable 3)	Baa1	Baa1	Stable 4)
Fitch	BBB 5)	BBB 5)	BB+ 5)	AA+ (tha)	AA-(tha) 5)	Stable	BBB+	BBB+	Stable 6)

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) August 24, 2020: S&P's changed the outlook on the long-term ratings of two Thai banks, including KBank, to watch negative from stable, following the change in the outlook for the banking industry outlook to negative from stable on August 21, 2020
2) April 13, 2020: S&P's downgraded its outlook on Thailand's sovereign credit rating to 'Stable' from 'Positive'; reflecting its view that the COVID-19-induced economic uncertainty and the state of emergency declaration could delay political transitions expected under the civilian government over the next 12 months
3) April 22, 2020: Moody's changed the outlook on the long-term ratings of ten Thai banks, including KBank, to stable from positive, following the change in the outlook for the sovereign's rating to stable from positive on April 21, 2020
4) April 21, 2020: Moody's changed the outlook on the Government of Thailand's issuer ratings to stable from positive, as the drivers of the outlook change to positive July 2019 have become significantly less likely to materialize, such as delays in policy implementation, ongoing political tensions, and the deep economic shock caused by the COVID-19 outbreak
5) April 2-8, 2020: Fitch downgraded KBank's ratings, including SCB, BBL and BAY, due to the challenging operating environment and the large-scale economic disturbance caused by the COVID-19 pandemic
6) March 17, 2020: Fitch downgraded the outlook of Thailand to stable from positive, reflecting the evolving impact of the global COVID-19 outbreak on Thailand's economy through its tourism sector as well as lingering uncertainty in Thailand's political environment following the country's transition to civilian rule

Organization Chart



Note: Effective on 1 December 2020

KASIKORNTHAI

ธนาคารกสิกรไทย 开泰银行 KASIKORNBANK

Board of Directors Structure

- 18 board members: 9 Independent Directors, 5 Executive Directors, and 4 Non-Executive Directors
- Director age limit is 72 years old
- Term limit of directorship for Independent directors shall not exceed nine consecutive years
- Lead Independent Director and Independent Directors Committee were appointed in order to ensure proper checks and balances

Executive Directors (5)

- **Ms. Kattiya Indaravijaya** (Chief Executive Officer)
- **Mr. Pipit Aneaknithi** (President)
- **Mr. Patchara Samalapa** (President)
- **Mr. Krit Jitjang** (President)
- **Dr. Pipatpong Poshyanonda** (President)

Non-Executive Directors (4)

- **Ms. Sujitpan Lamsam** (Vice Chairperson)
- **Dr. Abhijai Chandrasen** (Legal Adviser)
- **Mr. Sara Lamsam**
- **Ms. Chonchanum Soonthornsaratoon**

Independent Directors (9)

- **Ms. Kobkarn Wattanavrangkul** (Chairperson of the Board and Lead Independent Director)
- **Sqn.Ldr. Nalinee Paiboon, M.D.** (Chairperson of the Corporate Governance Committee)
- **Mr. Saravoot Yoovidhya**
- **Dr. Piyasvasti Amranand** (Chairman of the Risk Oversight Committee)
- **Mr. Kalin Sarasin** (Chairman of the Audit Committee)
- **Mr. Wiboon Khusakul**
- **Ms. Suphajee Suthumpun** (Chairperson of the Human Resources and Remuneration Committee)
- **Mr. Chanin Donavanik**
- **Ms. Jainnisa Kuvinichkul Chakrabandhu Na Ayudhya**

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

KASIKORNTHAI

ธนาคารกสิกรไทย 开泰银行 KASIKORNBANK

Sustainable Development

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.

Be a Bank of Sustainability

SD Framework	ECONOMY	SOCIETY	ENVIRONMENT
GOAL	Being an accountable bank to create sustainable profitability	Being a responsible corporate citizen to create a sustainable society	Ensuring environmental stewardship towards a zero-carbon society
COMMITMENT	We are committed to strong ESG principles to be a responsible and accountable bank	We are committed to developing strong relationships with employees and society to better livelihoods and increase prosperity	We are committed to preserving and reducing the impact of climate change

STAKEHOLDER ENGAGEMENT

SD Policy	ECONOMY	SOCIETY	ENVIRONMENT
	1. Business operations defined by good corporate governance practices	5. Financial inclusion and financial literacy	9. Financial support to environmentally-friendly businesses
	2. Adherence to Customer Centricity by initiating financial innovations to meet every aspect of customers' needs	6. Fairness of labor relations management and development of employee skills, knowledge and welfare	10. Environmentally friendly and reducing the environmental impacts of our own operations
	3. Efficient risk management focusing on environmental, social, and governance (ESG) issues	7. Respect for human rights and diversity	
	4. Market Conduct and Customer data security and privacy	8. Development of youth potential as well as pursuit of environmental, public, and social activities	

Commitment-based Sustainable Finance Initiatives

Participating in commitment-based sustainable finance initiatives which are UN Principles for Responsible Banking, TCFD and memorandum of agreement on establishing responsible lending practices.

UNEP FINANCE INITIATIVE · PRINCIPLES FOR RESPONSIBLE BANKING · TCFD · ธนาคารแห่งประเทศไทย BANK OF THAILAND

PRIDE OF KBank

INTERNATIONAL

- Dow Jones Sustainability Indices: 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 five consecutive years (2016-present)
- Sustainability Award Silver Class 2021, S&P Global: KBank has been classified in the Silver Class of the banking industry from S&P Global Sustainability Awards (2021) (Bronze Class 2018-2020)
- FTSE4Good: A member of the FSTE4Good Emerging Index for the fifth consecutive years (2016-present)
- MSCI: KBank's Leadership Level rating is at AA for its ESG performance among emerging market banking sector peers
- Bloomberg: 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 two consecutive years (2019-present)
- CDP: The first Thai commercial bank with B Management Level rating, assessed by the Carbon Disclosure Program (CDP)

NATIONAL

- THSI: Included in **Thailand Sustainability Investment (THSI)** for five years (2015, 2017-present)
- **SET Sustainability Awards – Outstanding** granted by the Stock Exchange of Thailand for two consecutive years (2018-2019)
- ESG100 2020: **ESG 100** certificate 2020 (Certified by Thaipat)
- **Sustainability Report Award 2020** Sustainability Disclosure Award granted by Thaipat Institute
- carbon neutral: The first and only commercial bank in Thailand granted **Carbon Neutral Certification** (2018-2020)

Note: More information on our Sustainable Development can be found on our website and KBank's Sustainability Report 2019

Example of Economic Aspect: ESG Risk Management

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

At the management level

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

Board of Directors

Risk Oversight Committee

Corporate Governance Committee

Credit Risk Management Sub-committee

Business Units

Monitoring and Controlling Function

- 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, monitoring, and undertaking sustainable development

- Approving credit policy addressing environmental and social impact management in lending and investment activities
- Ensuring effective practice of environmental and social risk management

- Business units
  - Screening environmental and social risks of projects to be supported
  - Ensuring and monitoring projects' compliance with regulations/ environmental and social management plans
- Monitoring and Controlling Functions
  - Ensuring credit policy and procedure compliance
  - Reporting project finances and concerning environmental and social issues to the Corporate Governance Committee

At the transaction level

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

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

Environmental and Social Assessment

- Classify project finance type and conduct environmental and social impact assessment (ESIA)
- Request management approval to conduct project feasibility study (If not approved, projects are terminated)
- Consider all details and initiate negotiations on environmental and social issues as well as on credit possibility
- Approve/reject application within delegated lending authority along with designating environmental and social impact conditions

Examples of Economic Aspect: CG and Anti-Corruption

Corporate Governance

- **Reviewing KBank practices under Thai IOD, ASEAN CG Scorecard, and Dow Jones Sustainability Indices (DJSI) criteria, including**
  - Sustainable Development Policy in accordance with the Bank's business and Sustainable Development Goals
  - Human Rights Policy and KBank Tax Policy in compliance with the Bank's business and International Sustainability Standards
- **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
  - Continually communicating via e-Learning system
  - Communicating with companies within KASIKORNBANK FINANCIAL CONGLOMERATE to ensure consistency of operations
- **Reviewing Vision, Mission and Core Values, 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

Anti-Corruption

- **KBank, KAsset, and KSecurities co-signed a declaration of the "Private Sector Collective Action Coalition Against Corruption (CAC)" project and have been recognized as CAC certified companies since 2013**
- **BOD approval and annual reviews of Anti-Corruption Policy,** including issues such as bribes and inducements, gifts and benefits, charitable contributions and sponsorships, and political participation
- **Internal Communication on Anti-Corruption Policy to ensure proper practices within the organization by**
  - Organizing training courses for executives and employees
  - Communicating with all directors, executives and employees via KBank electronic networks and website
- **Communicating with suppliers on operational guidelines, including**
  - Guidelines for acknowledgement and compliance related to business ethics, human rights, labor, occupational health and safety, and the environment
  - Establishment of guidelines on KBank's Supplier Code of Conduct
  - Communication on business operations in compliance with anti-corruption policy and practices
  - Arrangement of supplier meetings on KBank's procurement procedures
  - Communication with customers and suppliers on No Gift Policy for all occasions and festive seasons

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

Examples of Social and Environmental Aspects

Social Aspect

1. Financial Inclusion and Financial Literacy
- Providing financial knowledge and adding new channels of financial access for all customer categories and underprivileged groups
- Supporting customers' financial discipline to alleviate household debts

2. Human Resource Management
- Embracing equitable treatment for employees regardless of differences
- Providing various channels for complaints and suggestions
- Developing employee skills and abilities in alignment with K-Strategy
- Providing a healthy and safe workplace

3. Human Rights Operations
- Operating business in line with the United Nations Guiding Principles on Business and Human Rights throughout the value chain
- Implementing human rights risk assessment covering all operations of KBank, K Companies, P Companies, suppliers, and joint ventures

4. Social Contributions
- Applying the social activity framework based on the London Benchmarking Group (LBG)* since 2015
- Supporting various projects by extending budgetary support and donating items to create positive impact for society and communities

GREEN DNA

349,108 Volunteer Hours

ZERO injury

Human Rights

Human Rights Policy and Due Diligence Process

Environmental Aspect

1. Management of Climate-related Risks and Opportunities
- Assessing climate scenario analysis quantitatively and qualitatively
- Reporting based on the Task Force on Climate-related Financial Disclosures (TCFD) recommendations

2. Financial Support To Environmentally Friendly Businesses
- Offering financial support to renewable energy power and environmental conservation projects
- Issuing sustainability bonds and investing in green bonds
- Introducing K Climate Transition, Thailand's first and only fund under the climate transition theme, which invests in LO Funds – Climate Transition, (USD), I Class A
- Introducing K-CHANGE, Thailand's first Impact Investing fund with the investment policy through the Master Fund Baillie Gifford Positive Change Fund - Class B accumulation (GBP).

3. Environmental Management in KBank
- Appointing CEO to act as Chief Environmental Officer to drive KBank's environmental operations
- Committing to transform to a low carbon society
- Targeting to reduce GHG emissions by 6.1% by 2023 (base year 2018)

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

The first Thai commercial bank to become a TCFD Supporter.

The first Thai and ASEAN bank to launch a Sustainability Bond

GHG Emissions (Scope 1 & 2)
97,785.73 tons CO_2
(21.34% decrease from base year 2012)

KBTG– LEED-Platinum

Note: * London Benchmarking Group (LBG) standard is used to evaluate the monetary value of corporate spending on social responsibility activities, including donations, hours of volunteer work an proportion of community investment.

Public Recognition Highlight: 2019 - 2020

2020

- An index component of the Dow Jones Sustainability Indices (DJSI) 2020, including the DJSI World Index and the DJSI Emerging Markets Index

Brandon Hall Group
- Gold Award: Best Advance in Competencies and Skill Development
- Silver Award: Best Advance in Leadership Development

HR Asia
- Best Companies to Work for in Asia
- Most Caring Companies

ASIAMONEY - Thailand - Best for ESG

FinanceAsia
- Best DCM House in Thailand
- Best Private Bank in Thailand

The Asset
- Innovation Leader of The Year
- Triple A Best Private Bank in Thailand
- Triple A Best Private Bank-HNWIS in Thailand
- Best Service Provider: Transaction Bank
- Best Service Provider: Cash Management
- Best Service Provider: E-Solutions Partner

Alpha Southeast Asia
- Best Wealth Management Bank in Thailand
- Best FX Bank for Structured Products
- Best Corporate Treasury Sales and Structuring Team
- Best FX Bank for Retail Clients
- Best ESG Green Financing in Southeast Asia: Thailand
- Best Local Currency Bond Deal of the Year, Thailand
- Best Bond Deal for Retail Investors in Southeast Asia

SAM
- The Bronze Class of the banking industry category by RobecoSAM

Bloomberg
- A member of the 2021 Bloomberg Gender-Equality Index

CDP
- B score from 2020 Carbon Disclosure Project (CDP)

RETAIL BANKER
- Best Staff Training and Development Programme

IFR Asia Awards 2019
- Thailand Bond House of The Year
- Thailand Capital Markets Deal of the Year

TAB
- Best Retail Bank in Thailand
- Best Home Loan Product

PWM
- Best Private Bank for Portfolio Management Technology - Asia

IDC
- 1 of 20 Asia/Pacific Best Bank for 2020

APP ANNIE
- K PLUS as #1 Top 10 of Finance Apps by MAU in Thailand iOS & Google Play

PRIVATE BANKER
- Highly Commended Achievement- Most Effective Investment Service Offering
- Winner- Most Innovative Digital Offering

- Granted Carbon Neutral Certification

The Digital Banker
- Winner: Loan Offering of the Year
- Winner: Best Customer Experience – Debit Card
- Winner: Best Private Bank- Digitally Empowering RMs
- Winner: Outstanding Customer Experience for Loans
- Winner: Best Digital Customer Experience in Wealth Management
- Highly Acclaimed: Best Digital Customer Experience in Private Banking
- Highly Acclaimed: Best Digital Customer Experience – Loan Application

BANK OF THAILAND
- Top Outright Primary Dealer

MORNINGSTAR
- Best Fund House - Domestic Equity
- Best Retirement Mutual Fund – Equity
- Best Long-Term Equity Fund

BrandAge
- 2020 Thailand's Most Admired Brand for K-Credit Card products and K PLUS

Business+
- Product Innovation Awards for lifestyle financial products in the categories of credit card and debit card

ThaiBMA
- Top Underwriting Bank Deal of the Year
- Best Outright Primary Dealer

WISESIGHT - Best Brand Performance on Social Media in Banking Category

2019

Dow Jones Sustainability Indices
- An index component of the Dow Jones Sustainability Indices (DJSI) 2019, including the DJSI World Index and the DJSI Emerging Markets Index

SAM
- The Bronze Class of the banking industry category by RobecoSAM

FTSE4Good
- A member of the FSTE4Good Emerging Index 2019

WWF
- Named the Leading Thai Bank in Sustainable Development

CDP
- A- score from 2019 Carbon Disclosure Project (CDP)

MSCI
- Rating is at AA, leadership Level in its ESG performance among emerging market banking sector peers.

Bloomberg
- A member of the 2020 Bloomberg Gender-Equality Index

Business Media International
- HR Asia Best Companies to Work for in Asia™ 2019 (Thailand Edition)

Brandon Hall Group
- Gold Award: Best Recruitment Marketing and Employer Branding Program
- Bronze Award: Best Learning Program Supporting a Change Transformation Business Strategy

Institutional Investor
- ASEAN Most Honored Companies
- ASEAN Overall Best ESG/SRI Reporting
- Best CFO-Thailand

Global Finance
- Best Trade Finance Providers

The Asset
- The Asset ESG Corporate Awards - Platinum Award
- Best Service Provider: Cash Management, Thailand
- Best Service Provider: E-Solutions Partner, Thailand

EUROMONEY
- Asset Management Award

APAC
- Gold Award: The Best Asia Pacific Contact Center Innovation

Alpha Southeast Asia
- Best Cash Management Bank in Thailand
- Best Bond House in Thailand
- Best FX Bank for Corporates and FIs in Thailand

BANKING & FINANCE
- Domestic Cash Management Bank of the Year
- Domestic Retail Bank of the Year-Thailand
- Advertising Campaign of the Year-Thailand

The Digital Banker
- Best Private Bank in ASEAN - Best Private Bank in Thailand
- Winner: Excellence in Next-Gen Customer Experience
- Highly Acclaimed: Best Product or Service Innovation
- Highly Acclaimed: Best Customer Insight & Feedback Initiative

ASIAN PRIVATE BANKER
- Best Private Bank - Thailand Domestic

BANK OF THAILAND
- Best Repo Primary Dealer

RETAIL BANKER
- Winner: Best Debit Card Initiative
- Highly Commended: Excellence in Service Innovation
- Highly Commended: Best Staff Training and Development Programme

PWM
- Best Private Bank for Digital Culture in Asia
- Best Private Bank for Digitally Empowering Relationship Managers in Asia

TAB
- Best Retail Bank in Thailand
- Best Digital Brand Initiative
- Private Banking Digitalisation

FinanceAsia
- Best DCM House in Thailand
- Best Private Bank in Thailand

MORNINGSTAR
- Asset management company champion

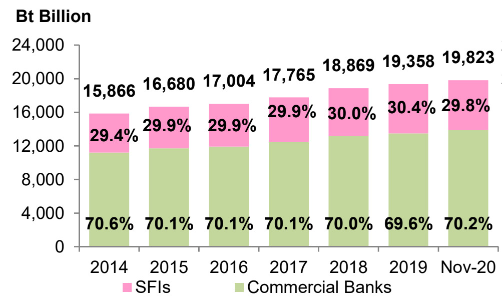
SET
- Highly Commended in Sustainability Awards
- Best Innovative Company Awards

- Granted Carbon Neutral Certification

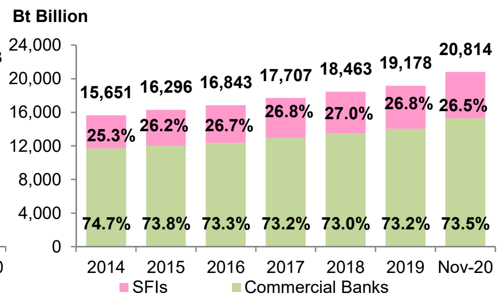
Banking System and Regulations Update

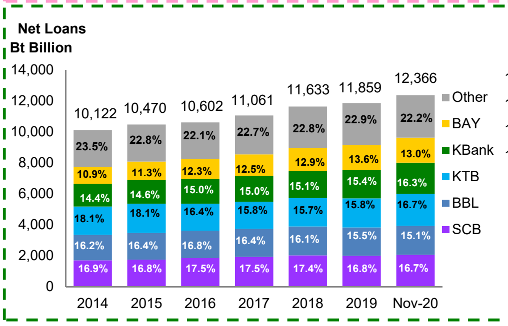
Thai Commercial Banks and Specialized Financial Institutions (SFIs)

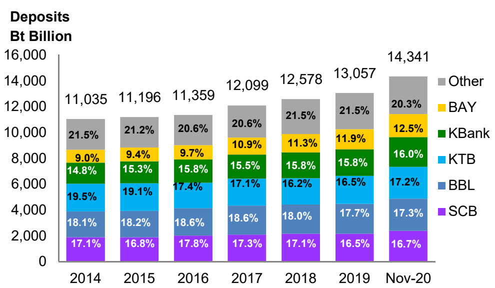
Market Share (% of Total Loans)



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)

FinTech and TechFin in Thailand

	Product Presentation	Data Management	Transaction Facilitation	Post-Sale Servicing
Business Tools	AI/Machine Learning: COMPUTERLOGY, ConvoLab; Fundraising: Albatoz, asiola, dreamaker, investree, MEEFUND, TALAD INVOICE	Cloud Accounting Platform: FLOWACCOUNT.COM, APEAK, plizz, TECLOUD	Employee Data Management: MONEYTABLE	Financial Simulation: bankerslab
Insurtech	AGENTMATE, direct asia, FairDee, frank.co.th, กล้วยๆ, gobear, Petinsure, masii, รู้ใจ, rabbit finance, SILKSPAN, truemoney	direct asia, Grab, SILKSPAN	AGENTMATE, direct asia, FairDee, กล้วยๆ, Petinsure, rabbit finance, savinsure, SILKSPAN, truemoney	Claim Di, direct asia, savinsure
Investment Management	coins.co.th, gobear, Finnista, iTAX, investorB, masii, OhMyGeorge, rabbit finance, Setscope, StockRadars, stock2morrow, TDAX, WEALTHCARE, truemoney	FINCAST, FINNOMENA, Finnista, investorB, iTAX, Jitta, OhMyGeorge, Setscope, SiamQuant, StockRadars, WEALTHCARE	BIDs, coins.co.th, iTAX, OhMyGeorge, rabbit finance, Setscope, StockRadars, TDAX, truemoney, WEALTHCARE	coins.co.th, FINCAST, Finnista, FINNOMENA, Jitta, Setscope, SiamQuant, stock2morrow, TDAX, WEALTHCARE
Lending	aBorrow.com, beehive, Refinn, SILKSPAN, truemoney, WEALTHI	Grab, investree, MONEYTABLE, SILKSPAN, truemoney, WEALTHI	beehive, Cit Cash, Grab, Finnista, PeerPower, Refinn, Satangdee.com, WEALTHI, SILKSPAN, truemoney, DeepSparks	beehive, Cit Cash, PeerPower, Refinn, Satangdee.com, WEALTHI, DeepSparks
Payments & Transactions	ChomCHOB, Grab, rabbit, LINE Pay, THAIEPAY	2C2P, ChomCHOB, coins.co.th, digio, omise, siampay, THAIEPAY	2C2P, AirPay, DeepSparks, ChomCHOB, coins.co.th, digio, Grab, EVEREX, omise, Pay Social, siampay, TDAX, THAIEPAY, truemoney, Dolfin	2C2P, coins.co.th, omise, TDAX, truemoney

Sources: Thai Fintech Association, PitchBook, Techsauce, and KResearch (as of October 2019)

Non-Banks in Thailand: Lending Products

Credit Card	Personal Loans	Micro/Nano/Pico Loan
AMERICAN EXPRESS, AEON, KTC, TESCO Lotus credit card, krungsri Credit Cards, First Choice, The1 Central The 1 Credit Card	AEON, AIRA & AIFUL, ascend nano, The1 Central The 1 Credit Card, citi advance, EASY BUY, fintech, First Choice, krungsri Auto, jmt, krungsri Credit Cards, KTB Leasing, OK Capital, พรอมิส PROMISE, Summit Capital Leasing, SINGER, TESCO Lotus credit card, TOYOTA Leasing Thailand, TURBO CASH, MIDA LEASING	ascend nano, AIRA & AIFUL, A.T.LEASING, Chayo, ASIA WEALTH PLUS, First Choice, HENG LEASING, MIDA LEASING, Capital, เมืองไทย แคปปิตอล, เงินติดล้อ, เงินต่อยอด, เงินเทอร์โบ, krungsri Consumer, SGF Capital, ไทยเอซ แคปปิตอล THAI ACE CAPITAL, ฐิติกร, TURBO CASH

Sources: The Bank of Thailand and KResearch (as of October 2019)

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)**

143.1% Penetration
Mobile Internet 1)
(Mobile internet numbers)

46.9% Penetration
Broadband Internet 2)
(No. of households using internet via broadband)

76.6% Penetration
Social Media 3)
(No. of Facebook users)

55.8 Million
PromptPay 4)
(Total registration)

106.4% Penetration
Mobile Banking 4)
(No. of accounts)

51.0% Penetration
Internet Banking 4)
(No. of accounts)

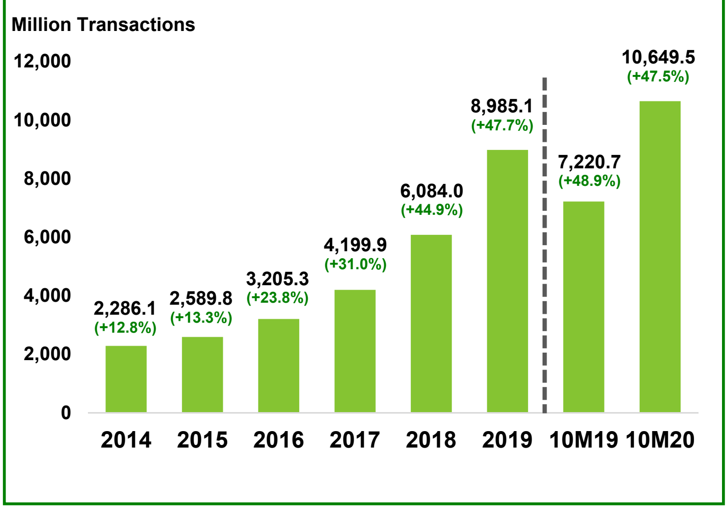
166.1% Penetration
e-Money 4)
(No. of accounts/ cards)

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

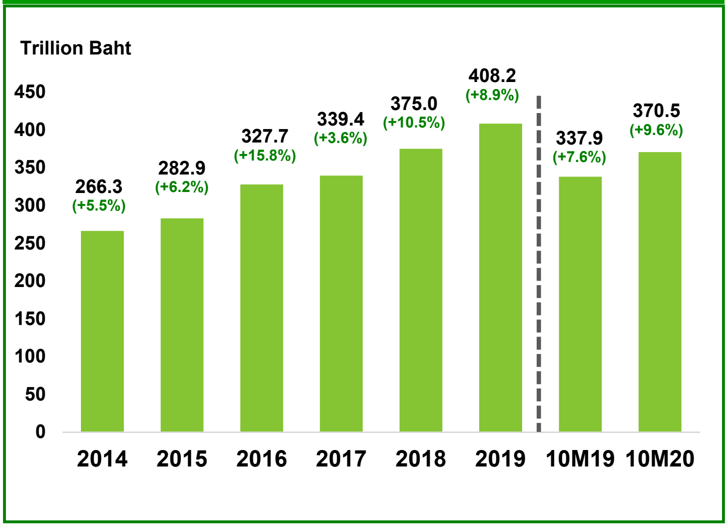
Notes: Denominator for all penetration ratio is number of population age six and above as of December 2019. Denominator for fixed internet penetration is number of household.
1) As of September 2020, 2) As of December 2019, 3) As of April 2020, 4) As of October 2020

Banking Institutions are main intermediaries for transactions in Thailand

E-payment Volume



E-payment Value



Notes: Volume and value of electronic payment transactions reported by e-Payment service providers, including banks and non-banks, under the Royal Decree Regulating on Electronic Payment Services B.E. 2551 (2008). Channels shown in graphs are;
1) BAHTNET
2) Bulk Payment including direct credit, direct credit, and ITMX Bulk Payment (SMART)
3) Interbank Funds Transfer (Online Retail Funds Transfer: ORFT) including ATM, internet/ mobile phone, and counter
4) Inhouse Funds Transfer including ATM and internet/ mobile/ telephone
5) Payment cards including debit card and credit card
6) e-Money

Sources: BOT

Regulations Update

Capital (Basel III)

- <u>D-SIBs* Buffer :</u> **Currently, D-SIBs are required to maintain a D-SIBs Buffer at 1%**
- **BCBS has finalized the new requirements on risk weighted asset (RWA) calculations including credit risk, operational risk, and CVA risk.** The main objectives of the revision are to reduce variability in RWA across banks and jurisdictions and to balance simplicity and risk sensitivity of capital requirements

Financial Sector Master Plan II (FSMP II)

- <u>Year 2010 - 2014:</u> **BOT's FSMP II consists of three key policies:** 1) Reducing system-wide operating costs; 2) Promoting competition and access to financial services; and 3) Strengthening financial infrastructure, including market liberalization, which will increase access by foreign financial institutions via granting licenses in some business areas as well as permission to increase number of branches and ATMs
- <u>Year 2014-2015:</u> **BOT established a licensing framework for new types of business operations for specific underserved markets, i.e. Nano-finance**

Financial Sector Master Plan III (FSMP III)

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

Thai and International Financial Reporting Standards (TFRSs / IFRSs)

- <u>Year 2020 onwards:</u> **Timeframe was specified by Thailand Federation of Accounting Professions (TFAC); TFRS 9 (Financial Instruments) and TFRS 16 (Leases) became effective in 2020; TFRS 4 (Insurance Contracts) will be changed to TFRS 17 and will be tentatively effective in 2024.**
  - <u>Expected impacts on Thai banks:</u> For TFRS 9, expected credit loss is a significant issue due to economic uncertainty from COVID-19 outbreak. For TFRS 17, it will be more transparent and easier to compare financial performance from insurance business.
  - <u>Expected impacts on KBank:</u> For TFRS 9, Bank's expected credit loss is still based on prudence basis following both TFRS 9 and BOT guidelines. Impacts resulted from TFRS 17 is still under investigation.

*Note: D-SIBs = Domestic Systemically Important Banks
Source: The Bank of Thailand and KResearch

Financial Sector Master Plan (FSMP) Implementation Stages

FSMP I (Y2004-2009)

- **Increase efficiency of the financial institutions system**
  - 'One Presence' policy
  - Expand scope of business: 'Universal Banking'
  - New licenses for retail banks and foreign bank subsidiaries
- **Promote financial inclusion**
  - Strengthen financial institutions (FIs) by promoting voluntary mergers
- **Protect customers**

Source: BOT and KResearch

FSMP II (Y2010-2014) Looking forward to liberalization

Reducing system-wide operating costs

- **Streamlining regulations**
- **Tackling remaining NPLs and NPAs**

Promoting competition and access to financial services

- **Promote competition**
- **Promote financial access**

Strengthening financial infrastructure

- **Promote development of financial products that help support risk management**
- **Enhance information systems for risk management**
- **Push for draft/review of necessary financial laws to support risk management and an expedited resolution to NPLs**
- **Promote information technology utilization**
- **Develop human resources in the financial sector**

FSMP III (Y2016-2020) competitive, inclusive, connected, and sustainable

1) Promote electronic financial and payment services, as well as enhance efficiency of the financial system

- **Promote the adoption of digital banking & electronic payment services in the government, business, and retail sectors**
- **Enhance operational efficiency of financial institutions and other service providers**
- **Evaluate future financial landscape to promote operational efficiency of financial institutions and other service providers**

2) Support regional trade and investment linkages

- **Facilitating and reducing obstacles for banks' international expansion, including**
  - The establishment of Qualified ASEAN Bank (QAB)
  - The development of cross-border financial infrastructures
  - The creation of suitable financial environments among neighboring countries to foster international trade and investment in the GMS

3) Promote financial access

- **<u>For households:</u>** encouraging development of financial products and services appropriate for changing customer demands
- **<u>For SMEs:</u>** improving necessary SME database within the financial institution system and supporting credit extension to SMEs
- **<u>For Corporate:</u>** promoting and facilitating suitable environment for private sector's raising of capital

4) Develop relevant infrastructure (Enablers)

- Developing key infrastructures in the financial system
- Strengthening regulations and supervision in line with international standards to ensure stability of the overall financial system

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

ธนาคารกสิกรไทย
开泰银行 KASIKORNBANK

Updates on the Deposit Protection Agency (DPA)

DPA Objectives and Missions

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

Amount of Insured Deposits

- Insured deposits include deposits and accrued interest denominated in Thai Baht accounts, excluding non-resident Thai Baht accounts
- Blanket guarantee will be gradually phased-out to a limited coverage of Bt1mn per depositor per institution. Until 2011, Thai banks paid 0.40% per year of the daily average deposit amount (paid in June and December), excluding deposits in foreign currencies and deposits from financial institutions not insured by the DPA
- Since January 27, 2012, the contribution rate has increased from 0.40% to 0.47%, with 0.46% being the contribution to the FIDF, and 0.01% being paid to the DPA. The FIDF fee will temporarily reduce to 0.23% for 2 years*
- Royal Decree on an extension of deposit protection coverage was announced in the Royal Gazette on September 24, 2012
- The Cabinet approved a one-year extension of deposit protection up to a maximum of Bt5mn. From August 11, 2021, the protection will cover deposits up to Bt1mn.

Insured Deposit Under the amending the Deposit Protection Agency Act

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

Deposit Accounts in Thailand (as of November 2020)

Deposits	# of Accounts	%	Amount (Bt mn)	%
Less than Bt1mn	103,693,444	98.36	3,182,642	21.82
More than Bt1mn, but less than Bt10mn	1,584,776	1.50	3,980,462	27.29
More than Bt10mn, but less than Bt25mn	93,241	0.09	1,379,733	9.46
More than Bt25mn, but less than Bt50mn	27,184	0.03	956,083	6.56
More than Bt50mn	22,637	0.02	5,085,297	34.87
Total	105,421,282	100	14,584,217	100

* According to the BOT announcement in the Royal Gazette, per the authority of the emergency decree dated April 7, 2020, financial institutions are required to pay 0.23% of the average deposit amount, B/Es, debt instrument (excluding the amount counted as capital), borrowings, and securities transactions under repurchase agreements, during January 2020 to December 2021

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

ธนาคารกสิกรไทย
开泰银行 KASIKORNBANK

Basel III: BOT minimum capital requirement

Transitional Arrangement for Capital Requirement

All dates are as of 1 January	2016	2017	2018	2019	2020	2021	2022	2023
Conservation Buffer*	0.625%	1.25%	1.875%	2.5%	2.5%	2.5%	2.5%	2.5%
D-SIBs Buffer**	-	-	-	0.5%	1.0%	1.0%	1.0%	1.0%
CET1: Min. Common Equity Tier 1 Ratio (after conservation buffer and D-SIBs buffer)	5.125% (4.5%+0.625%)	5.75% (4.5%+1.25%)	6.375% (4.5%+1.875%)	7.5% (4.5%+2.5%+0.5%)	8.0% (4.5%+2.5%+1%)	8.0% (4.5%+2.5%+1%)	8.0% (4.5%+2.5%+1%)	8.0% (4.5%+2.5%+1%)
Tier 1: Min. Tier 1 Ratio (after conservation buffer and D-SIBs buffer)	6.625% (6.0%+0.625%)	7.25% (6.0%+1.25%)	7.875% (6.0%+1.875%)	9.0% (6.0%+2.5%+0.5%)	9.5% (6.0%+2.5%+1%)	9.5% (6.0%+2.5%+1%)	9.5% (6.0%+2.5%+1%)	9.5% (6.0%+2.5%+1%)
CAR: Min. Total Capital Ratio (after conservation buffer and D-SIBs buffer)	9.125% (8.5%+0.625%)	9.75% (8.5%+1.25%)	10.375% (8.5%+1.875%)	11.5% (8.5%+2.5%+0.5%)	12.0% (8.5%+2.5%+1%)	12.0% (8.5%+2.5%+1%)	12.0% (8.5%+2.5%+1%)	12.0% (8.5%+2.5%+1%)
Countercyclical Buffer (Subject to the BOT consideration)***	-	-	-	-	-	0.0-2.5%	0.0-2.5%	0.0-2.5%
Leverage Ratio *(Tier 1 / Exposure) ≥ 3%*	Parallel run period							Effective in 2023 (Tentative)
Liquidity Coverage Ratio (LCR)**** *(Liquid Assets / Net Cash Outflows within 30 days) ≥ 100%*	LCR ≥ 60%	LCR ≥ 70%	Effective (Phase-in) LCR ≥ 80%	LCR ≥ 90%	LCR ≥100%	LCR ≥100%	LCR ≥ 100%	LCR ≥ 100%
Net Stable Funding Ratio (NSFR) *(Available Stable Funding / Required Stable Funding) ≥ 100%*			Effective in Jul-18 NSFR ≥ 100%	NSFR ≥ 100%	NSFR≥ 100%	NSFR ≥ 100%	NSFR ≥ 100%	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 169%, 189% and 194% as of Jun 2020, December 2019 and June 2019, 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

ธนาคารกสิกรไทย
开泰银行 KASIKORNBANK

Capital Definition Change (Consolidated)

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

* Net Treasury Stock

บริการทุกระดับประทับใจ

ธนาคารกสิกรไทย
开泰银行 KASIKORNBANK

TFRS and IFRS Implementation*

2013

TAS 21: Effects of Changes in Foreign Exchange Rates
- Translate 'Functional Currency' to 'Presentation Currency'

TFRS 8: Operating Segments
- Disclose operating results for each key segment

2014

TFRIC 13: Customer Loyalty Programmes
- Deferred portion of income for reward credit granted

2015

TFRS 13: Fair value Measurement
- Clear required factors and disclosure about fair valuation

2016

TFRS 4: Insurance Contracts
- Measure insurance liability based on cash flow estimation
- Additional disclosure regarding risk exposure

2020

TFRS 16 (Leases)
There is a single, on-balance sheet accounting model that is similar to current finance lease accounting.

TFRS 9 (IAS 39), TFRS 7 & TAS 32: Financial Instruments
- Thai banks have implemented a new provisioning rule under IAS 39, since December 2006
- Unquoted equities at cost to be faired value and not able to realize capital gain /loss in profit and loss if they are faired valued through OCI
- Interest revenue of lending portfolio will be recognized per effective interest rate
- Investment in property fund, REIT, infrastructure fund and infrastructure trust established in Thailand will be classified as equity instrument. (Refer to announcement from TFRC dated 25 June 2020)

2024**

TFRS 17: Insurance Contracts
- Insurance revenue will be based on margin, not gross premium received
- Expected day one loss is immediately realized while expected gain is deferred over coverage period

Note: TAS = Thai Accounting Standard; TFRS = Thai Financial Reporting Standard; TFRIC = Thai Financial Reporting Interpretations Committee
OCI : Other Comprehensive Income
*Only financial and disclosure impact to Thai Banks
**Tentatively effective

บริการทุกระดับประทับใจ

KASIKORNTHAI

ธนาคารกสิกรไทย 开泰银行 KASIKORNBANK

TFRS 9: Key Changes in Financial Statement Presentation of Thai Banks

Statements of Financial Position: Assets

As is	To be (TFRS 9)
Assets	**Assets**
Cash	Cash
Interbank and money market items - net	Interbank and money market items - net
Derivative assets	**Financial assets measured at fair value through profit or loss** (new)
Investments - net	Derivative assets
Investments in subsidiaries, associates and joint venture - net	**Investments - net**
Loans to customers and accrued interest receivables - net	Investments in subsidiaries, associates and joint venture - net
Loans to customers	**Loans to customers and accrued interest receivables - net**
Accrued interest receivables	Properties foreclosed - net
Total Loans to customers and accrued interest receivables	Premises and equipment - net
Less Deferred revenue	Goodwill and other intangible assets - net
Less Allowance for doubtful accounts	Deferred tax assets
Less Revaluation allowance for debt restructuring	Other assets - net
Total Loans to customers and accrued interest receivables - net	
Properties foreclosed - net	
Premises and equipment - net	
Goodwill and other intangible assets - net	
Deferred tax assets	
Other assets - net	

KASIKORNTHAI

ธนาคารกสิกรไทย 开泰银行 KASIKORNBANK

TFRS 9: Key Changes in Financial Statement Presentation of Thai Banks

Statements of Financial Position: Liabilities and Equity

As is	To be (TFRS 9)
Liabilities	**Liabilities**
Deposits	Deposits
Interbank and money market items	Interbank and money market items
Liabilities payable on demand	Liabilities payable on demand
Derivative liabilities	**Financial liabilities measured at fair value through profit or loss** (new)
Debts issued and borrowings	Derivative liabilities
Provisions	Debts issued and borrowings
Deferred tax liabilities	Provisions
Insurance contract liabilities	Deferred tax liabilities
Other liabilities	Insurance contract liabilities
	Other liabilities
Equity	**Equity**
No changes	**No changes***

Note: * KBank's USD500mn additional Tier 1 (AT1) subordinated notes, issued in October 2020, are recorded as other equity instruments.

KASIKORNTHAI

ธนาคารกสิกรไทย
开泰银行 KASIKORNBANK

TFRS 9: Key Changes in Financial Statement Presentation of Thai Banks

Statement of Profit or Loss and Other Comprehensive Income

As is

Interest income
Interest expenses
Interest income - net
Fees and service income
Fees and service expenses
Fees and service income – net
Gain (loss) on trading and foreign exchange transactions
Gain (loss) on investments
Share of profit (loss) from investments using equity method
Dividend income
Net premiums earned
Other operating income
Total operating income
Underwriting expenses
Total operating income - net
Other operating expenses
Employee expenses
Directors' remuneration
Premises and equipment expenses
Taxes and duties
Other
Total other operating expenses
Impairment loss on loans and debt securities
Operating profit before income tax expense
Income tax expense
Net profit

To be (TFRS 9)

Interest income
Interest expenses
Interest income - net
Fees and service income
Fees and service expenses
Fees and service income - net
Gain (loss) on financial instrument measured at fair value through profit or loss (new)
Gain (loss) on investments
Share of profit (loss) from investments using equity method
Dividend income
Net premiums earned
Other operating income
Total operating income
Underwriting expenses
Total operating income - net
Other operating expenses
Employee expenses
Directors' remuneration
Premises and equipment expenses
Taxes and duties
Other
Total other operating expenses
Expected credit loss (rename)
Operating profit before income tax expense
Income tax expense
Net profit

KASIKORNTHAI

ธนาคารกสิกรไทย
开泰银行 KASIKORNBANK

TFRS 9: Key Changes in Financial Statement Presentation of Thai Banks

Statement of Profit or Loss and Other Comprehensive Income

As is

Other comprehensive income
Items that will be reclassified subsequently to profit or loss
Gain (loss) on remeasurement of available-for-sale investments
Gain (loss) arising from translating the financial statements of a foreign operation
Income taxes relating to components of other comprehensive income
Items that will not be reclassified subsequently to profit or loss
Changes in revaluation surplus
Actuarial gain (loss) on defined benefit plans
Income taxes relating to components of other comprehensive income
Total other comprehensive income

To be (TFRS 9)

Other comprehensive income
Items that will be reclassified subsequently to profit or loss
Gains (losses) on investments in debt instruments at fair value through other comprehensive income (new)
Gains (losses) on cash flow hedges
Gains (losses) arising from translating the financial statements of a foreign operation
Share of other comprehensive income of associates and joint venture
Income taxes relating to components of other comprehensive income
Items that will not be reclassified subsequently to profit or loss
Changes in revaluation surplus
Gains (losses) on investment in equity instruments designated at fair value through other comprehensive income (new)
Gains (losses) on financial liabilities designated at fair value through profit or loss from credit risk (new)
Actuarial gains (losses) on defined benefit plans
Share of other comprehensive income of associates and joint venture
Income taxes relating to components of other comprehensive income
Total other comprehensive income

Government Policy

Sources and Uses of Public Funds

FY2021 Budget

FY2021 budget act was approved in September 2020 and was published in the Royal Gazette on October 7, 2020.

Budget Planning

Tax Revenue + Non-Tax Revenue (Bt2.68trn)

\+

Borrowing under FY2021 Budget Act (Bt609bn)

→

FY2021 Budget (Bt3.29trn) = General Budget (Bt2.54trn or 77%) + Investment Budget (Bt0.65trn or 20%) + Principal Repayments (Bt0.10trn or 3%)

↔

Budget Execution

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

General Administration (Bt1.40trn or 42%)
- Defense
- Homeland security

Economic Affairs (Bt521bn or 16%)
- Development of the country's competiveness
- Subsidize SOEs (e.g. Infrastructure project, free bus and train service policy)
- Infrastructure/Agricultural Development

Social and Community Services (Bt1.37rn or 42%)
- Education
- Universal Healthcare

Extra-Budget Borrowing

Extra-Budget Borrowing under Special Act/Decree

→

To relieve the impact of the COVID-19 outbreak, the government approved emergency decree that allows the Finance Ministry to borrow up to Bt1.0trn

Quasi-Fiscal Instrument

SFIs taking deposits, borrowing, as well as government subsidy

→

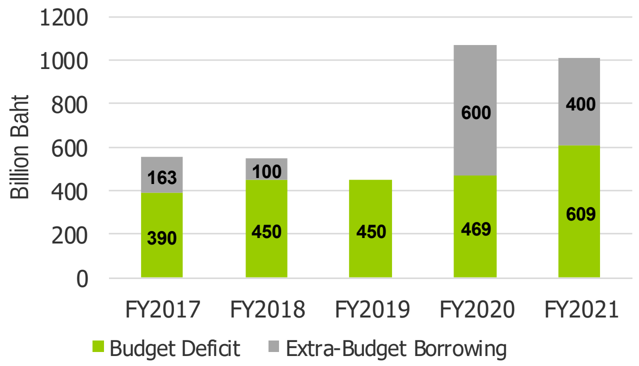
Quasi-fiscal activities (e.g Soft Loan Program)

Notes: Thai government's fiscal year (FY) begins on 1 October and ends on 30 September of the following year.
IFF = Infrastructure Fund, PPP = Public-Private Partnership, SFIs = Specialized Financial Institutions

KASIKORNTHAI

ธนาคารกสิกรไทย
开泰银行 KASIKORNBANK

Government Fiscal Budget



- **Thai parliament approved FY2021 budget worth Bt3.29trn, with a deficit of Bt609bn**
- **Implementation of FY2021 budget effective October 2020**
- **To relieve the impact of the COVID-19 outbreak, the government approved an emergency decree allowing the Finance Ministry to borrow up to Bt1trn (Bt600bn for FY2020 and Bt400bn for FY2021), of which Bt600bn will be used for relief measures and public health and Bt400bn will be spent on economic recovery measures**
- **In addition to growth in commercial bank loans, government funding activities may affect system liquidity**

Economic Policies	Key Points	Implementation Process	Possible Impacts/ Expected Budget
■ 2020 Budget Act	■ FY2020 budget at Bt3.2trn with a deficit of Bt469bn	FY2020 ■ Effective date: February 24, 2020	■ Government spending will help maintain economic momentum ■ Fiscal sustainability to remain manageable in near-term; however, continued debt creation, both from budget deficit and other borrowings, may impact long-term fiscal sustainability
■ 2021 Budget Act	■ FY2021 budget at Bt3.29trn with a deficit of Bt609bn	FY2021 ■ Effective date: October 7, 2020	

Note: - Thai government's fiscal year (FY) begins on October 1 and ends on September 30 of following year
- NLA = National Legislative Assembly; PPP = Public-Private Partnership

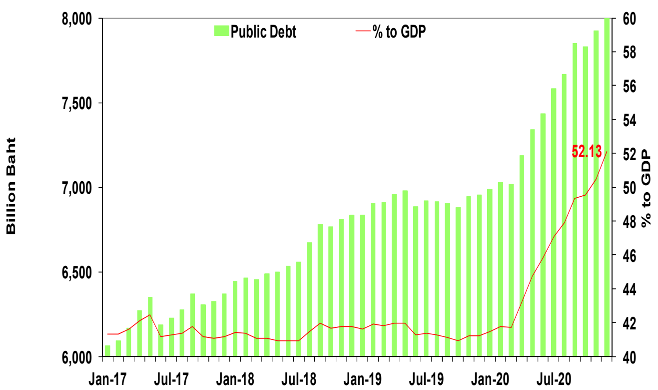
Sources: The Ministry of Finance and KResearch (as of October 2020)

KASIKORNTHAI

ธนาคารกสิกรไทย
开泰银行 KASIKORNBANK

Public Debt to GDP and Fiscal Budget

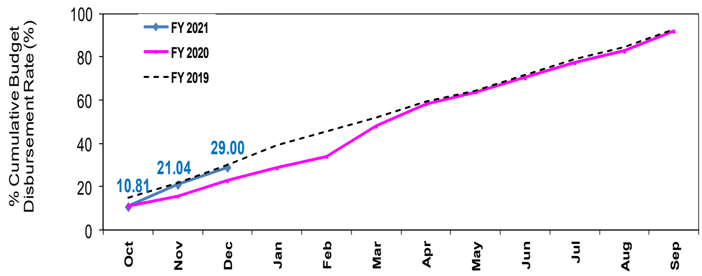
Public Debt



- Public debt to GDP ratio rose significantly to 52.13%, as of December 2020. However, it is still under the 60% limit set under the fiscal sustainability framework
- Thai government is committed to keep the ratio of public debt to GDP not exceed 60%. The public debt to GDP is expected to rise to 57.9% in 2021

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

Budget Disbursement Rate



FY21 Budget	FY21 target	3M FY2021 actual	Unused FY21 Budget
Total Budget Bt3.29trn	Bt3.29trn (100%)	Bt0.94trn (29%)	Bt2.35trn (71%)
- General Budget Bt2.64trn	Bt2.64trn (100%)	Bt0.87trn (33%)	Bt1.77rn (67%)
- Investment Budget Bt0.65trn	Bt0.65trn (100%)	Bt0.07trn (11%)	Bt0.58trn (89%)

- Government budget disbursement rate for 3M FY2021 is 29.0%, increased by 6.2% from the 22.8% in 3M FY2020

Relief Measures for COVID-19 Impacts

MOF

Measures	Package Size
Phase 1 - Soft loans worth Bt150 billion - Interest cuts and delayed debt payments (SFIs) - Reducing electricity and water bills	**Bt400 billion**
Phase 2 - Cash handouts - Emergency loans - Tax benefits	**Bt120 billion**
Phase 3 - Implementing health-related plans and giving financial aid to affected people - Economic and social rehabilitation	**Bt1.0 trillion**

Bt1.5 trillion or 9.8% of 2020 GDP

BOT

Measures	Package Size
Provide liquidity for bond mutual funds	**Bt1.0 triillion**
Soft loans	**Bt500 billion**
Corporate Bond Liquidity Stabilization Fund (BSF)	**Bt400 billion**

Bt1.9 trillion or 12.2% of 2020 GDP

Note: SFIs = Specialized Financial Institutions

Source: MOF, BOT and KResearch, as of January 2021

Relief Measures for COVID-19 Impacts

Measures from Government, BOT, and SEC for Businesses and Individuals

Market Stability and Liquidity
(Government, BOT, and SEC)

For Businesses

- **Financial Markets:** *BOT, MOF, & SEC*
  - o Bt1trn Fixed Income Fund: BOT set up a special facility to provide liquidity for mutual funds. Commercial banks purchasing investment units can use the eligible underlying unit trust as collateral for liquidity support from the facility
  - o Bond Markets: BOT will purchase bonds to provide liquidity and lessen volatility in the bond market
- **Corporate Bond Stabilization Fund (BSF):** *BOT*
  - o Bt400bn of bridge financing to high-quality firms with bonds maturing during 2020-2021 at higher-than-market 'penalty' rates. (Issuers must raise the majority of their funding needs through other means such as bank loans or capital increase)
- **Reduce FIDF Fee:** *BOT*
  - o FIDF fee cut from 0.46% of deposit base to 0.23% for 2 years, supporting lower reference lending rates
- **Tax Relief:** *Government*
  - o Deduct 1.5 times for interest expenses (Apr-Dec 2020) for SMEs receiving Bt150bn in soft loans
  - o Deduct 3 times for salary costs for SMEs that maintain their employees
  - o Reduce withholding tax for domestic businesses to 1.5% (Apr-Sep 2020)
  - o Speed up VAT refunds to exporters of domestic goods to 15 days (online) or 45 days (filing manually)
  - o Extend corporate income tax filing to Aug 2020

Soft Loans
(Government and BOT)

For Businesses (Bt680bn)

- **Soft Loans for SMEs:** *Government and BOT*
  - o Gov't: Bt150bn worth of soft loans for SMEs, via GSB, at 2% for 2 years
  - o BOT: Bt500bn worth of soft loans for SMEs with credit lines not over Bt500mn, at 2% for 2 years and 6-months interest free*
- **Soft Loans for Entrepreneurs Registered with the Social Security Office:** *Government*
  - o Bt30bn worth of soft loans at 3% for 3 years

For Individuals (Bt60bn)

- **Soft Loans for Individuals:** *Government*
  - o Bt40bn worth of soft loans at Bt10,000 per person at 0.1% (no collateral) via GSB & BAAC
  - o Bt20bn worth of soft loans at Bt50,000 per person at 0.35% (with collateral) via BAAC

Others
(Government)

For Individuals

- **Household:**
  - o Reduce water and electricity bills for March - May 2020, and February - March 2021, and refund meter fees
  - o Extend deadline for personal income tax filing to Aug 2020, and increase health insurance premium deductions
- **Work Force:**
  - o 3-month payment of 62% of wages for 2020, and 50% of wages for 2021 to people under the SSF, if their employer closed their business or if the government ordered business operations suspended
  - o Reduce SSF contribution to 1% for March - May 2020, 2% for September - November 2020, 3% for January 2021, and 0.5% for February - March 2021
  - o 3-month Bt5,000 monthly payments for 2020, and 2-month Bt3,500 monthly payments for 2021 to workers not covered by the SSF
- **Economy and Health:**
  - o Bt45bn for health-related plans
  - o Bt555bn for relief measures, including workforce
  - o Bt400bn for economic recovery plans
  - o Tax exemption on risk payments for medical workers
  - o Bt80-100bn from ministries to use as stimulus funds
- **Support Stock Markets:**
  - o Add Bt200,000 of tax-deductible Super Saving Funds bought in April - June 2020

Notes: BOT = Bank of Thailand; SSF=Social Security Fund; GSB = Government Saving Bank; BAAC = Bank for Agriculture and Agricultural Cooperatives; SFIs = Specialized Financial Institutions
The BOT provides soft loans at 0.01% to banks to lend to SMEs; amount to not be over 20% of each SME's outstanding loans; government pays for first 6-months interest; in case of NPLs, the government will support 60-70% of additional reserves for loans
- On October 16, 2020, the BOT extended the registration period for another six months, and also allowed banks to provide soft loans to the listed companies in the Market for Alternative Investment (MAI)

Source: MOF, BOT and KResearch

KASIKORNTHAI

ธนาคารกสิกรไทย 开泰银行 KASIKORNBANK

Overview of Relief Measures for COVID-19 Impacts

- BOT opted to switch from blanket measures to proactive and more targeted assistance

BOT	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21
	Blanket Measures			→	Targeted Measures			
Business	**Feb-20** Issued proactive measures to assist borrowers and relax pre-emptive debt restructuring rules	**Apr-20** Launched debt holiday for SMEs* for 6-month period	**Sep-20** Launched DR BIZ to help expedite debt restructuring for multi-creditor businesses	**Oct-20** Issued debt restructuring guidelines for SMEs after debt holiday has ended	**Jan-21** Extended current measures to help borrowers affected by new round of COVID-19**	**Apr-21** BOT will implement calculation of default interest and application of payment in relation to outstanding debt		
Individual	**Mar-20** Issued minimum guidelines covering various types of loan products (inc. the first phase of relief measures for retail)	**Jun-20** Implemented second phase of relief measures to assist retail borrowers	**Sep-20** Implemented debt consolidation					

Effective Period of BOT relief measures

Loan Classification Guidelines

The BOT temporarily allows banks to relax loan classification for two years for loans in suspension period of relief measures

After debt holiday ended, BOT allowing freeze of loan stages in 2 cases:

May – Oct 20
Debt holiday 6-month period,
Ended on Oct 22,2020

Oct 20 – Dec 20
1)SMEs who are in debt restructuring process

Oct 20 – Jun 21
2)SMEs who cannot forecast their cash flow clearly**

Note: * According to the Emergency Decree on Financial Assistance to Enterprises affected by Coronavirus 2019 (B.E. 2563), dated April 18, 2020.
** According to BOT's announcement on January 12, 2021, BOT allows banks to help SME and retail borrowers by extending current measures from December 30, 2020 to June 30, 2021, such as second phase of COVID-19 relief measures for retail and assistance guidelines after debt holiday for SMEs. BOT also urges banks to provide financial assistance to all customers by taking into account the risk of customer.

Source: Bank of Thailand (BOT)

KASIKORNTHAI

ธนาคารกสิกรไทย 开泰银行 KASIKORNBANK

Relief Measures for COVID-19 Impacts (Continued)

Measures from BOT

Credit Adjustment

For Businesses
- **Loan Payments for SMEs:**
  - o 6-month debt holiday on principal and interest payments for SMEs having credit lines not over Bt100mn (ended in October 2020)

For Individuals: First phase is minimum guideline for general public. Measure ended in June 2020
- **Credit Card and Revolving Loans:**
  - o Reduce minimum installment payment to 5% in 2020-21 and 8% in 2022, returning to 10% in 2023; refinancing into long-term loans with lower interest rates
- **Personal Loans with Installment Payments and Auto Title Loans:**
  - o (Banks and SFIs), 3-month grace period on principal and interest payments
  - o (Other lenders), 3-month grace period on principal and interest payments, or pay up to 70% of installments for 6 months
- **Hire Purchase:**
  - o 3-month grace period on principal and interest payments, or 6-month grace period on principal payments for motorcycles (<=Bt35,000), automobiles (<=250,000), and leasing (<=Bt3mn)
- **Housing Loans and Micro and Nano Finance:**
  - o 3-month grace period on principal payments and case-by-case interest rate cuts for housing (<=Bt3mn) and micro and nano finance (<=Bt20mn)
- **Ease Commercial Bank Loan Rules for Easier Access**

Phase 2: For Individuals: Second phase is to ease burdens of people affected; customer can opt-in to alternative measure suited to their debt service ability
- **Reduce the interest rate ceiling for credit cards and personal loans** by 2% to 4% p.a., effective from August 1,2020 onwards.
- **Increase credit limit from 1.5x to 2x of monthly income** for good debtors with a monthly income of less than Bt30,000, from August 2020 to December 2021
- **Provide alternative measures to help debtors hit by COVID-19** who do not have NPLs, such as suspension on principal and/or interest payment, extension of term loan, payment reduction, or postponement of debt repayment
- **Restructure debt:** FIs must focus on debtor's debt service ability in order to relieve their burden

Debt Consolidation Program for Individuals
- Consolidate unsecured loans, hire purchase and housing loan from same creditor to utilize the collateral. For the combined unsecured loan, interest rate is capped not higher than the Minimum Retail Rate (MRR), while loan repayment period can be extended according to the debt service ability of debtor

"DR BIZ" Project for Businesses who have multiple financial institution creditors with a total loan of Bt50–500mn
- Receive relief measures with all financial institutions in an integrated manner
- Have main creditors to take care debtors and coordinate with other creditors
- Around 8,400 debtors with a total loan of Bt1.2trn have qualifications to join the project

Loan Classification

- **Standstill:** For debt holiday, allow to maintain loan stages for SMEs who are in process of debt restructuring until December 31, 2020; and SMEs who cannot forecast their cash flow clearly until June 30, 2021
- **Non-NPL (Pre-Emptive):** 1) Can immediately classify Non-NPL debtors as stage 1 (stage 1 or stage 2 >> stage 1)
  2) Not to be deemed as TDR and not to be reported to National Credit Bureau
- **NPL:** Classify as stage 1, under a 3 consecutive-month payment period (from the previous 12 months)
- **Additional Working Capital:** Can be classified as stage 1, provided that the debtors have sufficient cash flow for repayment

Regulation Relaxation

- No additional provision for unused credit line
- Easing liquidity-related regulations, including NSFR and LCR
- Reducing the FIDF fee from 0.46% of deposit base to 0.23% per annum for a period of two years

Report to the BOT

- Financial institutions are required to submit reports to the BOT detailing target loans and outstanding debts of the debtors who are subject to these measures

Other measures

- Relaxing credit line for emergency cases

Source: BOT

KASIKORNTHAI

ธนาคารกสิกรไทย 开泰银行 KASIKORNBANK

20-Year National Strategy (2017-2036)

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

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

Key Strategies

The Goals

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

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

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

2017 | 2022 | 2027 | 2032 | 2036

Jun17: NLA passed the law
Aug17: Cabinet appointed committees
Jun18: Cabinet endorsed the plan
Jul18: NLA approved the plan

The National Economic and Social Development Plan (5-year plan) aligned with the 20-year National Strategy

The 12th National Economic and Social Development Plan (2017-2021)	**The 13th National Economic and Social Development Plan (2022-2026)**	**The 14th National Economic and Social Development Plan (2027-2031)**	**The 15th National Economic and Social Development Plan (2032-2036)**

KASIKORNTHAI

ธนาคารกสิกรไทย 开泰银行 KASIKORNBANK

Government Policies

Twelve Main Policies

- **National Security**
  - Protecting and upholding the monarchy
  - Maintaining security, safety and peace
  - Preserving religion and culture
- **Enhancing Economic Development**
  - Promoting Thailand’s role on the global stage
  - Boosting competitiveness
  - Developing economic areas and distributing wealth to all regions
- **Supporting Sustainable Social Development**
  - Building the country’s strength through a bottom-up approach
  - Reforming learning processes and helping Thais reach their potential
  - Improving the public health system and social security
  - Reforming management in the state sector
  - Prevention and suppression of corruption
- **Enviromental Issues**
  - Replenishing natural resources

Twelve Urgent Policies

- **Economic Issues**
  - Solving bread-and-butter concerns and reforming the tax system
  - Economic measures to cope with volatility in the global economy
  - Helping farmers develop innovations
  - Upgrading worker capabilities
  - Laying foundations for the country’s growth
  - Devising measures to deal with drought and floods
- **Social Issues**
  - Improving the welfare system and the people’s quality of life
  - Preparing Thais for the 21st century
  - Solving corruption among politicians and government officials
  - Tackling drug problems and restoring peace in the Deep South
  - Improving public services
- **Other Issues**
  - Supporting efforts to study constitutional amendments and gathering public opinion

Sources: Bangkok Post newspaper and KResearch (as of July 24, 2019)

Government Policy: Long-term and Short-term Policies

Long-term Policies	Short-term Policies

Long-term Policies

- **Transport Infrastructure Development Plan:**
  - Project will reduce logistical costs, increase transportation speed of goods and people, as well as connect Thailand to neighbors along the East-West and North-South Economic Corridors
  - Transport Action Plan Year 2016, worth Bt1.796trn, approved by Cabinet in November 2015; Transport Action Plan Year 2017, worth Bt1.318trn, approved by Cabinet in December 2016
- **Digital Economy:**
  - NBTC plans to award mobile licenses in various spectrums and launch 5G in near future
  - Government plans to adapt National Digital ID to speed up the process towards digital economy
- **BOI Measures for Supporting Private Investment:** Cabinet approved tax and non-tax incentive measures to support private investment, such as Special Economic Zones (SEZs) and ten targeted industries as new engines of growth
- **Eastern Economic Corridor (EEC):** Area for facilitating and attracting investment in 10 innovative target industries to transform Thailand into Thailand 4.0
- **Promote Establishment of International Headquarters (IHQ) and an International Trading Center (ITC) in Thailand:** Help Thailand become a key trading nation in the region
- **Join the Regional Comprehensive Economic Partnership (RCEP):** Deepen economic cooperation among sixteen countries and promote export sector
- **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

Short-term Policies

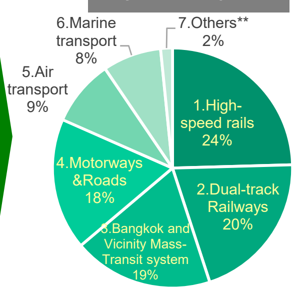
- **Government Budget:**
  - Fiscal budget deficit in FY2020: plans for Bt469bn deficit to provide additional supports to Thai economy amid global uncertainties
- **Short-term Stimuli:**
  - Mid-2019 stimulus plan (Bt21.8bn) : Give Bt13.2bn directly to people with disabilities, farmers, and other holders of welfare cards to help people with low incomes; tax measures worth Bt8.6bn, supporting property markets, tourism, education, etc
  - Thailand Plus Package: attract foreign investment, especially to expedite investments from companies seeking to relocate as a result of ongoing trade war '
  - Cash handout for workers not covered by the SSF: 3-month Bt5,000 monthly payments to informal workers affected by COVID-19
  - Measures to help farmers: 2019/2020 rice and palm oil price insurance scheme, drought-afflicted relief program, and easing production costs; 3-month Bt5,000 monthly payments to farmers (May-July 2020)
  - Supporting tourism: Subsidies for domestic tourists (Moral Support & We Travel Together campaigns); "Special Tourist Visa" for long-staying visitors (90 day stay in country, which can be extended twice, each for a further 90 days. The visa costs Bt2,000 per 90-day extension)
  - Property stimulus package: Offer Bt50,000 cash-back per buyer on down payment; reduce property transfer and mortgage fees
  - 2020 SME aid program: Offer credit guarantee facility, liquidity aids, soft loans, and assistance in debt restructuring processes for SMEs
  - Three projects to boost domestic consumption:
    1) "Half-Half" scheme - a co-payment of Bt3,000 to 15 million people for food and general products by subsidizing half of the cost of their purchases (Oct 2020 - Mar 2021)
    2) Additional Bt500 given each month to 14 million people holding state welfare cards (Oct 2020 - Mar 2021)
    3) Tax deduction of up to Bt30,000 on purchases of goods and services is expected to inject Bt120bn into the economy. About 4 million people are expected to take advantage of the program, which will cost the state about Bt12bn in missing tax revenue (Oct - Dec 2020)

Note: NBTC = National Broadcasting and Telecommunications Commission;
SOE = State Owned Enterprise; GSB = Gvernment Saving Bank
SSF = Super Saving Fund
Sources: Newspaper and KResearch (as of January 2021)

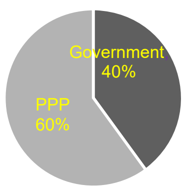
Public Transport Infrastructure Investment 2015 to 2022

Total projects of "Thailand strategic development of transport infrastructure 2015 to 2022" master plan

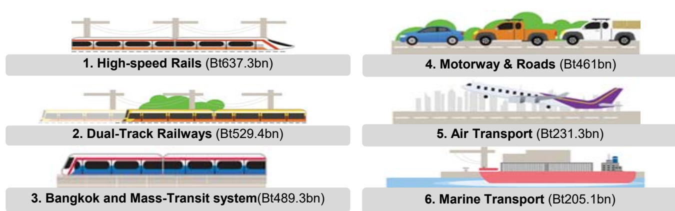
Type of Projects



Source of funds***



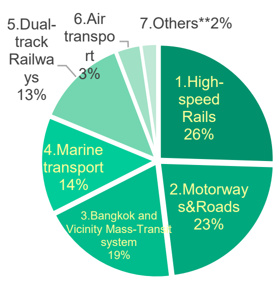
Project Detail (Total Budget)



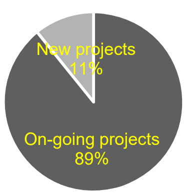
Total Budget	Number of projects	Total disbursement
Total projects	111	Bt2.59trn****

For 2021, public infrastructure investment is estimated to be B180bn or 28.2% higher than 2020*, or 1.1% of GDP in 2021

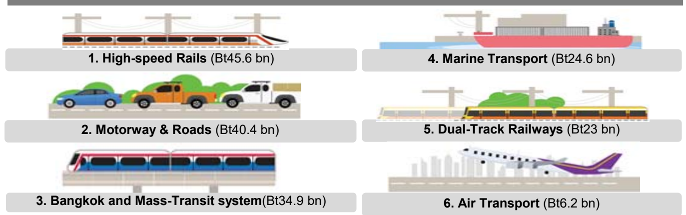
Type of Projects



New vs on-going projects



Project Detail (Expected disbursement in 2021)

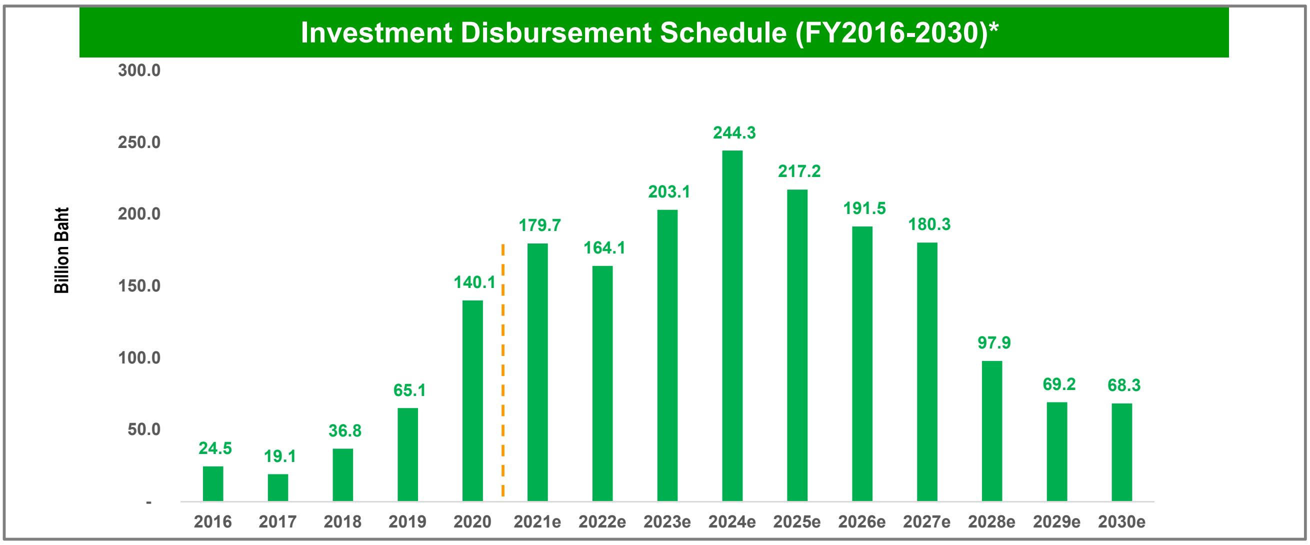


Expected in 2021	Number of projects	Total disbursement
Total projects	35	Bt179.22bn
On-going projects	31	Bt122.56bn
New projects	4	Bt56.66bn

Source : Office of Transport and Traffic Policy and Planning (Thailand strategic development of transport infrastructure 2015 to 2022 master plan) and KResearch (January 2021)
Notes : PPP = Public-Private Partnership, Total investment may be reduced due to cutting the scope of work, delay in construction, and allocation of state disbursement for COVID-19 relief measures
*Estimated public infrastructure in 2020 was Bt140.1bn, **Example of other projects are Level crossing barriers, Railways signaling control system, ***If exclude High speed rails, the ratio will change to government 53% and PPP 47%
**** The budget of Bt1.91trn referring "Thailand strategic development of transport infrastructure 2015 to 2022 master plan" are excluded High-speed train (Bt637.3bn) and Suvarnabhumi airport (Bt104.4bn).

Budget Disbursement of Public Transport Infrastructure Investment 2015 to 2022

- **In 2021-2024, the government is expected to accelerate disbursement budget as a mean to restore economic momentum after COVID-19**

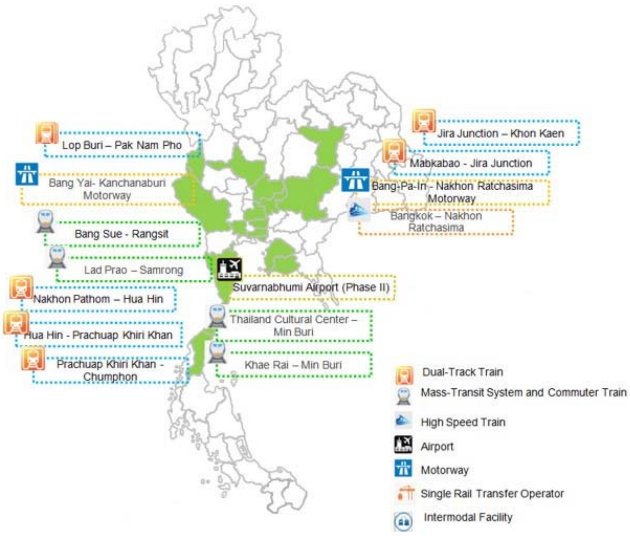


Notes:
- Thai government's fiscal year (FY) begins on 1 October and ends on 30 September of the following year
- High-speed railways are included
- Projects that were delayed or terminated by Cabinet are not included
- The budget of Bt1.91trn referring "Thailand strategic development of transport infrastructure 2015 to 2022 master plan" are excluded High-speed rails (Bt637.3bn) and Suvarnabhumi airport (Bt104.4bn)

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

Note: * KResearch Projected as of January 2021

On-going highlight projects under construction in 2021*



Projects under construction	Expected completion year	Note
Motorways:		
Bang Pa In-Nakhon Ratchasima (M6)	2021	85% in progress
Bang Yai-Kanchanaburi (M81)	2023	25% in progress
Projects under construction	**Expected completion year**	**Note**
High Speed Rails: Thailand-Chinese (Bangkok-Nakhon Ratchasima)	2026	Just finished contract 2.3 which worth Bt50,000mn (purchasing train and technology transfer) About to start construction contract lots 3-2 to 4-7** which is worth Bt40,275mn
Projects under construction	**Expected completion year**	**Note**
Mass-Transit System and Commuter Rail Lines:		
Pink line (Khae rai-Min Buri)	2021	56% in progress
Yellow line (Lad Prao-Sam Rong)	2021	58% in progress
Orange line (Thailand cultural center-Min Buri)	2023	64% in progress
Projects under construction	**Expected completion year**	**Note**
Dual-Track Railways:		
Nakhon Pathom-Hua Hin	2021	55% in progress
Hua Hin-Prachuap Khiri Khan	2021	80% in progress
Lop Buri-Pak Nam Pho	2021	70% in progress
MabKabao-Jira Junction	2021	60% in progress
Prachuap Khiri Khan-Choom Porn	2021	70% in progress

Projects under construction	Expected completion year	Note
Air Transport: Suvarnabhumi Airport Phase 2	2021	Most buildings are done, except for Automated people mover (APM) which is 71% in progress

Source : Ministry of Transport and KResearch (December 2020)
Notes : Projects that visibly have construction progress on-site or have been stated in official documents that it had been constructed
*There are currently 31 projects under construction. For the purpose of visualization, only highlight projects are shown in this presentation
**Contract lots are 3-2 , 3-3 , 3-4 , 3-5 , 4-7 which have construction disbursement of Bt40,275mn and 1080 construction days

KASIKORNTHAI

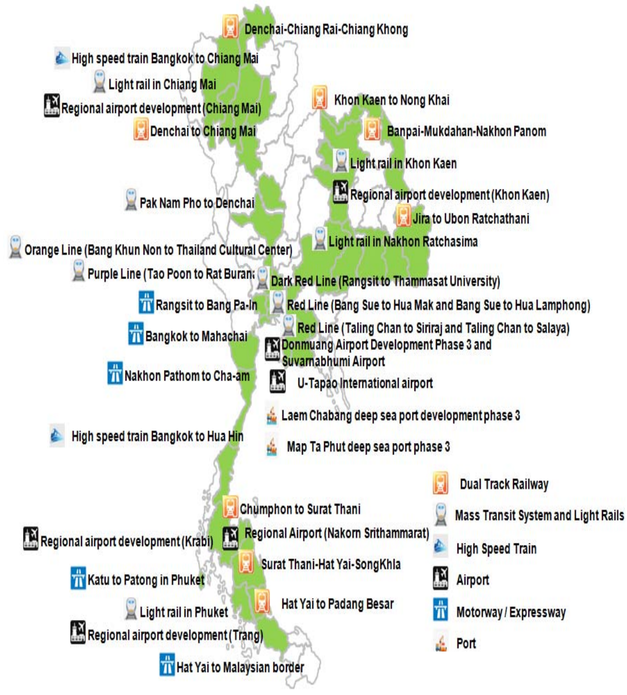
ธนาคารกสิกรไทย 开泰银行 KASIKORNBANK

Upcoming Infrastructure Projects

Upcoming Infrastructure Projects by Status

EHIA/TOR/Bidding Process	Status	Expected to start construction	Note
High-Speed Rails: Bangkok-Rayong (3 Airports)	Preparing for construction	2021	- As land reclamation problem, it may be delayed construction to Aug 20 from Feb 20
Marine Transport: Leam Cha Bang phase 3 Map Ta Phut phase 3	Land reclamation Land reclamation	2021 2021	
Air Transport: Suvarnabhumi Airport 3rd runway U-Tapao Airport	Bidding (passed EHIA) Preparing for construction	2022 2021	- To increase flight capacity from 68 to 90 flights per HR
Dual-Track Railways: Den Chai-Chiang Rai, Ban Pai-Nakorn Panom	Preparation for Bidding	2022	
Mass-Transit System and Commuter Rail Lines: Purple line (Tao Poon-Racha Burana) Orange line (Bang Khun non-Cultural center) Dark Red line (Rangsit)	Preparation for Bidding	2021 2022 2022	- Expect to delay due to a change in TOR -Expect to delay due to EIA process
Projects Preparation for approval by Cabinet/ PPP Process /EIA Process**			**Status**
High-Speed Rails: Thai-Japanese (Bangkok-Chiang Mai) Thailand-Chinese (Nakhon Ratchasima-Nong Khai) Bangkok to Hua Hin			- May be asked for approval by Cabinet in 4Q21 - EIA and PPP process
Air Transport: Suvarnabhumi Airport Phase 3 (North building expansion)			- Preparation for approval by Cabinet
Motorways: Hat Yai to Malaysia Border Samut Prakan to Bangkok to Samut Sakorn			- EIA and PPP process EIA process
Dual-tracks Railways: Pak Po-Den Chai, Jira-Ubonracha Thani, Khon Kean-Nhong Kai, Choom Porn- Surat Thani, Surat Thani-Song Khla, Had Yai-Padang Besar			- Preparation for approval by Cabinet

Upcoming Infrastructure Projects by Areas



Source : Ministry of Transport and KResearch (December 2020)
Notes : Some projects are expected to be delay due to COVID-19 situation

KASIKORNTHAI

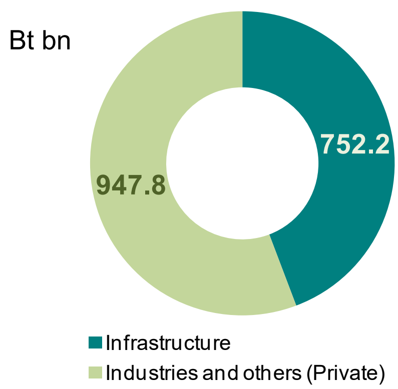
ธนาคารกสิกรไทย 开泰银行 KASIKORNBANK

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

- **Objectives:** To facilitate and attract investment in 10 innovative target industries aimed at achieving "Thailand 4.0", an innovation driven society (the 10 industries are Next-Generation Automotive, Smart Electronics, Medical and Wellness Tourism, Food for the Future, Robotics, Aviation, Agriculture & Biotechnology, Biofuels & Bio Chemicals, Digital, and Medical Hub)
- **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
- **Investment Amount:** Bt1.7trn in the first five years (starting from 2019 onwards) from the government and private businesses (around 2/3 from private sector); high-priority projects to start in 2019 are U-Tapao Airport, high speed railways from Bangkok to Rayong, the third phase of Laem Chabang Port and Map Ta Phut Port, and the maintenance repair and overhaul (MRO) campus.
- **Investment Incentives:** EEC privileges corporate income tax (CIT) exemption of up to 13 years and additional 50% CIT reduction for up to five years for some projects; 15-year CIT exemption for qualified projects under Thailand Competitive Fund (R&D investment); a flat tax rate of 17% personal income tax (PIT) for experts/specialists; long-term land leases (up to 99 Years)

Four Core Areas - 15 Crucial Investment Projects*

Investment Amount as Planned by EECO (Bt1.7trn in the first five years)



Source: The Board of Investment of Thailand (BOI), and The Eastern Economic Corridor Office of Thailand (EECO) presentation and KResearch projected (as of October 2019)

ธนาคารกสิกรไทย 开泰银行 KASIKORNBANK

KASIKORNTHAI

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	**Charoen Pokphand Group (CP) led Consortium** (CP, Italian Thai, CH. Karnchang, China Railway Construction Corp)	1H21	2025
U-Tapao Airport and Aviation City	Bt290bn	Royal Thai Navy	Jun 2020	**Bangkok Airways led Consortium** (Bangkok Airways, BTS, Sino-Thai)	4Q21	2025
Laem Chabang seaport (3rd Phase)	Bt114bn	Port Authority of Thailand	Aug 2020	**GPC** (Gulf Energy Development Pcl + PTT Tank Terminal + China Habour) *for F Dock Development* **C NNC** (NTL Marine + Nathalin + Zhonggang Construction) *for Land reclamation project*	1Q21 (Land reclamation)	2025
Map Ta Phut seaport (3rd Phase)	Bt55.4bn	Industrial Estate Authority of Thailand	Oct 2019	PTT Tank Terminal + Gulf Energy Development Pcl	1Q21 (Land reclamation)	2026

Note As Thai Airways is restructuring and no longer as a state enterprise, Maintenance, repair and overhaul (MRO) centre is now pending and no longer considered as a Public Private Partnership (PPP) project
Source: Newspaper, and KResearch as of January 2021

ธนาคารกสิกรไทย 开泰银行 KASIKORNBANK

KASIKORNTHAI

BOI Measures for Supporting Private Investment

■ **Cabinet approved measures for supporting private investment**

Special economic zones (SEZs) (January 19, 2015)	
Targeted provinces	▪ Launched a pilot project to set up 6 special economic zones in 5 provinces, namely Tak, Mukdahan, Sa Kaeo, Songkhla, and Trat ▪ Second phase of special economic zones to be established in 5 additional provinces – Chiang Rai, Kanchanaburi, Nong Khai, Nakhon Phanom, and Narathiwat
Incentives	▪ Projects in special economic zones: tax exemption for first 8 years and 50% tax reduction in following 5 years

10 targeted industries for new engines of growth (November 17, 2015)	
10 targeted industries	▪ First S-Curve (to enhance efficiency of existing production, boosting short and medium-term economic growth) consists of Next Generation Automotive, Smart Electronics, Affluent Medical and Wellness Tourism, Agriculture and Biotechnology, and Food for the Future ▪ New S-Curve (for new growth) consists of Robotics, Aviation and Logistics, Biofuels and Biochemicals, Digital, and Medical Hub
Incentives	▪ Up to 15 years for tax exemption; personal income tax exemption for international qualified expertise ▪ Tax deduction will be granted up to 3 times for expenses relating to technology R&D from 2015-2019

Additional Incentives under Revised Investment Promotion Act (February 14, 2017)	
Competitiveness Enhancement Act	▪ Promote investment in line with Thailand 4.0, especially new technology and high-impact investment ▪ Targeted Core Technologies consist of Biotechnology, Nanotechnology, Advanced Materials Technology, and Digital Technology
Incentives	▪ Corporate income tax exemption for up to 13 years for businesses using advanced technology and R&D ▪ 50% corporate income tax reduction for up to 10 years ▪ Import duty exemption for machinery and raw materials for exports ▪ Non-tax incentives such as up to 99 years ownership of land and imports of skilled-labor and foreigner specialists ▪ Bt10bn grants for investment projects engaged in R&D, innovation, or human resource development in specific areas

Source: Newspaper, KResearch (as of August 2017)

KASIKORNTHAI

ธนาคารกสิกรไทย 开泰银行 KASIKORNBANK

BOI Measures for Supporting Private Investment

Special incentives to attract relocating industries (September 6, 2019)	
Thailand Plus Package	▪ To attract foreign investment, especially to expedite investments from companies seeking to relocate as a result of the ongoing trade war
Incentives	▪ Additional 5 years of 50% reduction of corporate income tax when at least Bt1bn of actual investment is put in place by December 2021 and the application is submitted by December 2020 ▪ Special deduction of training expenses related to advanced technology ▪ Investments in automation systems will be entitled to double deduction ▪ Set up an investment steering committee (One-Stop Service) to coordinate the consideration and facilitation of the investment projects, especially those involving large investments

Broad Investment Measures to Boost Economy (February 6, 2020)	
Thailand Plus Package	▪ To attract foreign investment, especially to expedite investments from companies seeking to relocate as a result of the ongoing trade war
Incentives	▪ Extension and improvement of promotional measures allowing companies to enjoy tax benefits when they invest in projects supporting grassroots economies by enhancing the competitiveness of co-operatives and village enterprises. Special deduction of training expenses related to advanced technology endorsed by the Ministry of Higher Education, Science, Research, and Innovation

Steps to Ease COVID-19 Impact, Accelerate Investment in Medical Sector (13 April 2020)	
Thailand Plus Package	▪ To mitigate the impact of the COVID-19 outbreak on business ▪ To encourage rapid investment in the manufacturing of medical equipment
Incentives	**Accelerate investments in the medical sector** ▪ A 50% reduction in corporate income tax for an additional 3 years to qualified investments in the medical sector ▪ Applications to be submitted between January - June 2020, with production begun and income generated by December 2020 **Temporary relaxation of investment conditions** ▪ Deadlines relaxed in cases such as duty-free importation of machinery and full operation start-up, as well as waivers for applications for temporary cessation of operations for a period of more than two months

Source: Newspaper, KResearch (as of August 2020)

KASIKORNTHAI

ธนาคารกสิกรไทย 开泰银行 KASIKORNBANK

Short-term Stimuli

▪ **Cabinet approved economic packages to stimulate economy: village / district levels, SMEs, and property**

Measures to support economy (August 2018, January 2019 and August 2019)	
Welfare Card (Phase 1, 2)	▪ Individuals earning less than Bt30,000 annually will receive government transfers of Bt200-300 a month to each welfare smart card (Bt100 for purchase of necessary goods and up to Bt200 for E-money) until January 2020 ▪ Welfare cardholders will also receive a monthly subsidy for transportation expenses for inter-provincial public buses, third-class trains, and local public buses and electric trains
Add-ons under Welfare Card (Phase 3)	▪ Up to Bt500 per month e-wallet top-up allowance until January 2020 ▪ Bt500 per month elderly allowance until January 2020 ▪ Bt300 per month allowance for taking care of children aged up to six until September 2019

Measures to support domestic tourism and spending in upcountry area (August 2019)	
Tourism	▪ Extension of fee-waiver for tourist visas until September 2020
Cash handouts for domestic tourists : Eat Shop Travel (Bt19bn)	▪ Offer a Bt1,000 freebie to Thai travelers, up to 10 million persons, visiting tourism destinations outside their home province ▪ 15% cash rebate, up to Bt30,000, on tourism spending for food and beverages, local products, and accommodation expenses

Measures to support domestic tourism (June 2020 and December 2020)	
Tourism	▪ 10-month tourism campaigns (July 2020 to April 2021)
Subsidies for domestic tourists Moral Support & We Travel Together (Bt22.4bn)	▪ **Moral Support**: support domestic trips for more than 1 million healthcare workers and volunteers from sub-district hospitals (Bt2,000 subsidy per person for two days, one night trips) ▪ **We Travel together**: - Subsidize 40% of normal room rates, capped at Bt3,000 per night (up to five nights) - Subsidize 40% of other services such as food, capped at Bt600 per room per night - Subsidize 40% of airline ticket price

Source: Newspaper, KResearch (as of January 2021)

KASIKORNTHAI

ธนาคารกสิกรไทย
开泰银行 KASIKORNBANK

Short-term Stimuli (Con't)

- Cabinet approved economic packages to stimulate economy: village / district levels, SMEs, and property

Measures to help Farmers (August 20,2019, and August 27, 2019)	
Drought-afflicted relief program	▪ Low-interest loans will be offered to support farmers affected by the drought ▪ An extension of debt repayment for BAAC borrowers ▪ Emergency loans capped at 50,000 Baht, with no interest charged in the first year ▪ Drought rehabilitation loans up to 500,000 Baht, each with a special interest rate of MRR-2%
Easing production cost	▪ Bt500 per rai grant for easing crop expenses during 2019/2020 crop cycle (capped at 20 rai per farmer household)
2019/20 Rice and Palm Oil Price Insurance Scheme (Bt34bn)	▪ Price guarantee of Bt4 per kilogram for palm oil, up to 25 rai per farmer household ▪ Up to Bt15,000 per tonne risch price guarantee, up to 40 rai per farmer household

Measures to help SMEs (September 8, 2015, July 25, 2017, August 1, 2017, and August 20, 2019, January 7,2020)	
2020 Loans guaranteed by Thai Credit Guarantee (TCG)	▪ TCG will offer Bt60bn credit guarantee facility to the first group of up to 50,000 SMEs and enlarge credit guarantee coverage to 40% from 30%
2020 Debt restructuring program	▪ TCG will delay bankruptcy process for SMEs and help SME debt restructuring process
Loans guaranteed by TCG *(Bt100bn)*	▪ TCG will absorb first 30% of NPLs as loss ▪ Guarantee fee will drop to 0% in 1st year, 0.5% in 2nd year, 1.5% in 3rd, and 1.75% in remaining years
Venture capital fund for SMEs	▪ GSB, KTB, and SME banks will provide Bt6bn in venture capital funding for start-up SMEs with insufficient capital

SME Transformation Loan programme by Government Saving Bank and Krung Thai Bank (January 7, 2020)	
2020 Liquidity aid (Bt60bn)	▪ GSB and KTB will offer Bt60bn loans to boost SMEs' liquidity

Source: Newspaper, KResearch (as of January 2020)

KASIKORNTHAI

ธนาคารกสิกรไทย
开泰银行 KASIKORNBANK

Short-term Stimuli (Con't)

- Cabinet approved economic packages to stimulate economy: village / district levels, SMEs, and property

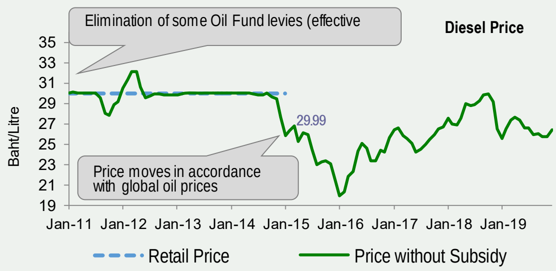
Measures to support small SMEs (August 20,2019, January 7,2020)	
Special Credit Program to support small SMEs (Bt5bn)	▪ Grant soft loans, up to Bt1mn per entrepreneur, with interest rate of only 1% per annum and seven-year grace period

Measures to support property market (October 29, 2019, November 26, 2019)	
Property transfer fee reduction	▪ Property transfer fees reduced from 2 percent to 0.01 percent ▪ Mortgage fees reduced from 1.0 percent to 0.01 percent for buying condominium units priced at not over Bt3mn
Baan Dee Mee Down Program (Cash Rebate on down payment)	▪ Bt50,000 cash-back per buyer on down payment for buyers earning less than Bt100,000 per month (Nov 19 - Mar 20)

Measures to boost domestic consumption (October 2020, December 2020)	
"Half-Half" scheme	▪ Grant a maximum Bt3,000 per person to 15 million consumers over three months, with the government subsidizing half the cost of their household purchases, excluding alcohol, tobacco, and the government's bi-monthly lottery (maximum daily co-payment of Bt150, and Bt3,000 per person in total) (Oct 2020 - Mar 2021)
Increasing allowances for welfare card holders	▪ Grant Bt500 monthly allowance for six months to 14 million state welfare card holders (Oct 2020 - Mar 2021)
"Shop and Payback" scheme (Shop Dee Mee Kuen)	▪ Tax deductions of up to Bt30,000 on purchases of goods and services during the period from October 23 to December 31, 2020

Source: Newspaper, KResearch (as of January 2021)

Ongoing Government Measures to Assist Cost of Living

Measures	Details
Household Assistance	**Train and Bus Fares**: Bt500 monthly allowance for welfare card holders to use for bus and train service **Necessity Goods**: A Bt100* 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 Bt45 discount each quarter in welfare card for purchasing cooking gas **Allowances (e-Money)** : Up to Bt 200** for e-Money in welfare card, which can be withdrawed from an ATM **Water and electricity price:** Reduce water and electricity bills and refund meter fees
Energy Prices 	**Diesel Fuel**: Government intends to restructure diesel fuel prices to reflect global prices **NGV and LPG Price**: Government lowered the NGV and LPG subsidy, allowing retail selling prices to reflect global market prices ■ NGV price rose to Bt15.31/kg since April 2019, align with global price ■ LPG prices are as follows: ➢ Household sector: Current household LPG prices are Bt18.87/kg and Bt16.37/kg for low income household. ➢ Transport sector: adjusted to market price at Bt18.87/kg ➢ Industrial sector: adjusted in line with relevant production costs, currently at Bt18.87/kg **FT Rate**: Fuel Adjustment Tariff (FT) Rate for electricity is set to increase by less than the actual cost (from September-December 2020, FT rate at Bt-0.1243/unit)
Value-added-tax (VAT) Rate	On August 25, 2020, the Government announced the following VAT Rates: ■ Maintain the 7% value-added-tax (VAT) rate until September 30, 2021

Note : * Effective period July– October 2019

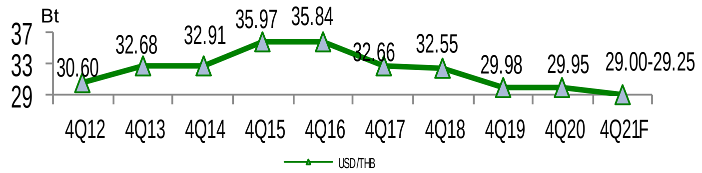
** Household income exceed Bt30,000 per annum will get Bt 100 for e-Money

Source: KResearch

Thailand Economic Figures

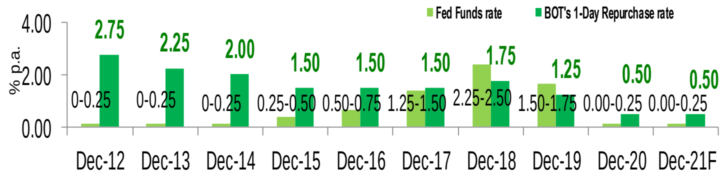
Currency and Interest Rate Outlook

USD/THB: End Period



- USD/THB expected to be highly volatile due to uncertain impact of COVID-19 situation on Thai economy
- Baht likely to continue to appreciate with weakening of US dollar due to rising global risk appetite. Also, Baht will be supported by strong Thai current account surplus

Interest Rate Trend



- Fed would keep its ultra-monetary easing with Fed Funds rate of 0.00-0.25% and its quantitative easing throughout the year, as COVID-19 outbreak continues to impact US economy
- BOT expected to maintain policy rate at 0.50% in 2021, due to new fiscal relief measure and extension of debt moratorium amid new COVID-19 outbreak

Note: F is estimated by KBank Capital Markets Research (as of January 19, 2021)

Monthly Economic Conditions: December 2020

Units: YoY %, or indicated otherwise	2018	2019	3Q-20	4Q-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	YTD 2020
Private Consumption Index (PCI)	4.6	2.2	-0.1	1.6	-0.2	-0.3	0.3	-0.3	2.2	2.7	-2.0
· Non-durables Index	1.5	2.3	0.2	-2.4	-0.3	-1.3	2.3	-3.6	-2.6	-1.1	-1.9
· Durables Index	8.0	-1.7	-10.0	1.1	-15.7	-9.6	-4.8	-4.5	0.2	6.9	-12.2
· Service Index	5.3	2.9	-23.9	-23.6	-24.4	-25.2	-22.0	-22.7	-20.1	-28.3	-21.4
· Passenger Car Sales	19.1	-1.7	-26.3	1.4	-37.9	-25.5	-15.9	-11.1	5.0	11.3	-27.5
· Motorcycle Sales	-2.9	-3.3	-3.7	-4.2	-7.9	-2.8	0.2	-11.5	-9.8	10.8	-10.3
Private Investment Index (PII)	3.5	-2.6	-5.7	0.7	-10.0	-5.0	-2.1	-3.5	1.1	4.5	-5.9
· Construction Material Sales Index	4.4	-0.7	0.7	1.0	1.5	1.0	-0.5	-2.9	1.8	4.2	1.2
· Domestic Machinery Sales at constant prices	6.1	-5.4	-5.6	5.3	-12.7	-5.0	1.0	5.0	5.3	5.4	-5.3
· Imports of Capital Goods at constant prices	3.6	-0.9	-13.7	-3.8	-20.5	-12.1	-8.0	-15.4	-1.0	5.4	-11.4
· Newly Registered Motor Vehicles for	5.7	-3.0	-9.4	5.8	-16.7	-8.9	-1.6	-5.0	1.8	27.7	-10.9
Manufacturing Production Index	3.7	-3.6	-8.3	-0.9	-12.9	-9.1	-2.1	-0.4	0.2	-2.4	-8.8
· Capacity Utilization	69.2	66.0	61.5	64.8	58.9	61.5	64.0	64.2	65.2	64.9	61.2
Agriculture Production Index	7.4	-0.4	-1.2	1.3	-2.5	-1.0	-0.3	-1.8	3.0	0.9	-4.4
· Agriculture Price Index	-5.4	1.8	6.3	11.0	1.9	7.6	9.4	12.3	9.6	11.2	6.0
Tourist arrival growth	7.3	4.2	-100.0	-99.9	-100.0	-100.0	-100.0	-100.0	-99.9	-99.8	-83.2
Exports (Custom basis)	6.9	-2.6	-7.8	-2.0	-11.4	-7.9	-9.1	-6.7	-3.6	4.7	-6.0
Price	3.4	0.3	-0.7	0.1	-1.0	-0.4	-0.6	-0.1	0.2	0.1	-0.8
Volume	3.9	-3.7	-7.6	-1.6	-11.1	-7.8	-3.7	-5.5	-3.3	4.5	-5.9
Imports (Custom basis)	12	-4.8	-18.6	-4.2	-26.4	-19.7	-9.1	-14.3	-1.0	3.6	-12.4
Price	5.6	0.2	-1.5	-0.5	-2.3	-0.9	-1.4	-1.3	-1.0	0.9	-2.0
Volume	7.7	-5.7	-16.5	-5.5	-25.0	-20.0	-8.6	-12.8	-2.4	-1.0	-11.8
Trade Balance ($ millions) (Custom basis)	4,756	10,009	9,923	3,063	3,343	4,349	2,230	2,047	53	964	24,477
Current Account ($ millions)	28,457	38,206	6,570	-1,168	1,867	3,122	1,314	985	-1,476	-693	16,539
Headline CPI	1.06	0.71	-0.73	-0.40	-0.98	-0.50	-0.70	-0.50	-0.41	-0.27	-0.85
Core CPI	0.71	0.52	0.31	0.18	0.39	0.30	0.25	0.19	0.18	0.19	0.29

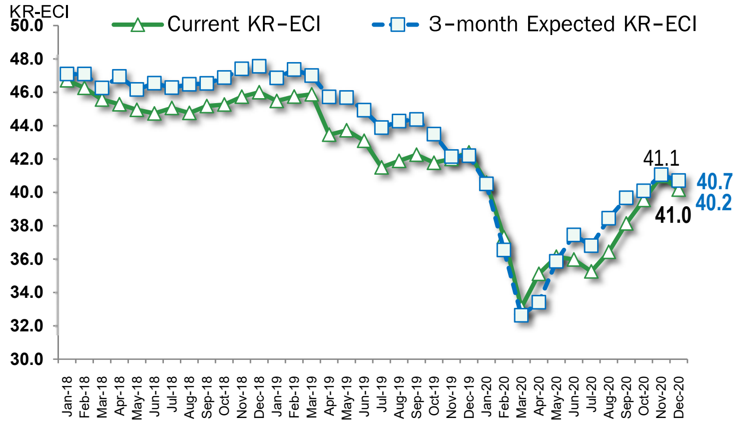
- December indicators saw a slight improvement, but new wave of COVID-19 has been starting to affect some economic activities
- Private consumption index still in positive zone, due mainly to the spending on durable goods and low base effect last year
- Exports returned to positive zone for the first time in 8 months, after contracting 3.6% in the previous month
- Current account registered slight deficit, partly due to lower trade balance
- December headline inflation remained in negative territory, while core inflation came in flat

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

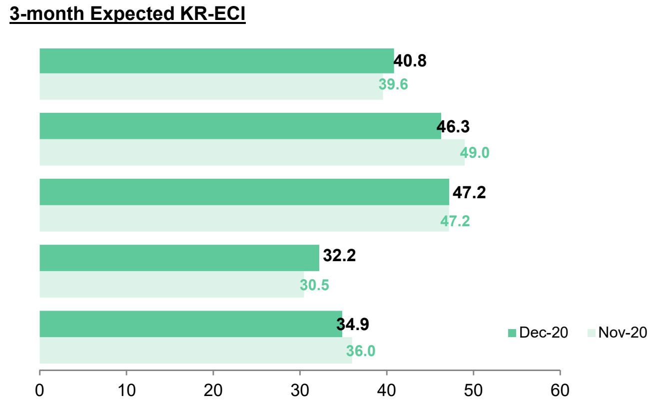
KR Household Economic Condition Index (KR-ECI)

- The KR-ECI and 3-month Expected KR-ECI fell to 40.2 and 40.7, respectively, in December 2020. All components of the KR-ECI also dropped. Households were more concerned about employment and income because of the resurgence of COVID-19 around mid-December 2020 (according to the survey conducted during the final week of December 2020).

KR Household Economic Condition Index (KR-ECI)



Components of 3-month Expected KR-ECI

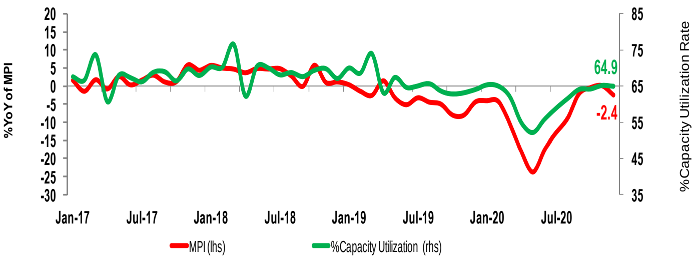


Source: KResearch

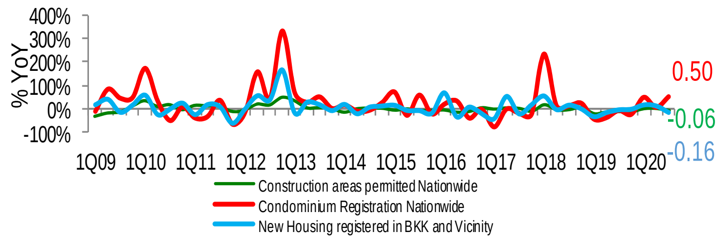
Notes: - The KR Household Economic Condition Index (KR-ECI) has been devised by KResearch to monitor household sentiment towards economic conditions at the current level and over the next three months. Any reading above 50 reflects positive sentiment and below 50 negative sentiment.
- Research sample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

Economic Condition Highlights: December 2020

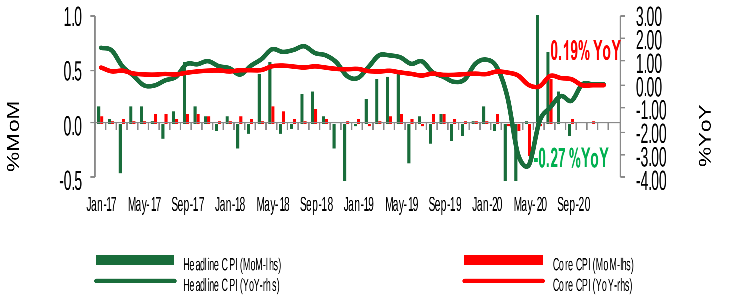
Dec-20 MPI and CapU returned to decline from the previous month, due to partial lockdown measures



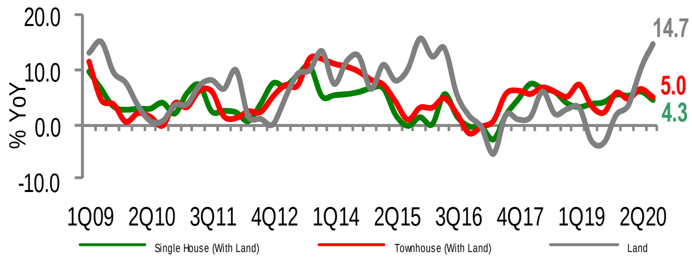
Activities in real estate markets, except condominium registration, were lower in 3Q20



Dec20 Headline and core inflation improved to -0.27% YoY and 0.19%, respectively

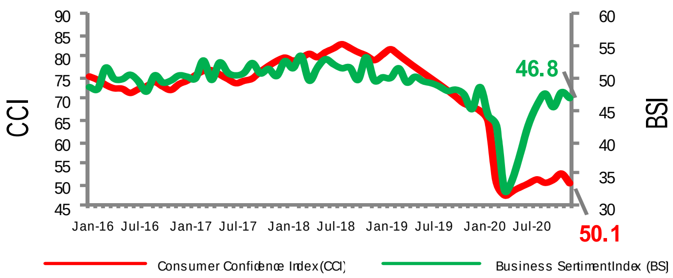


Land prices continued to improve in 3Q20, while single house and townhouse prices increased at a lower rate

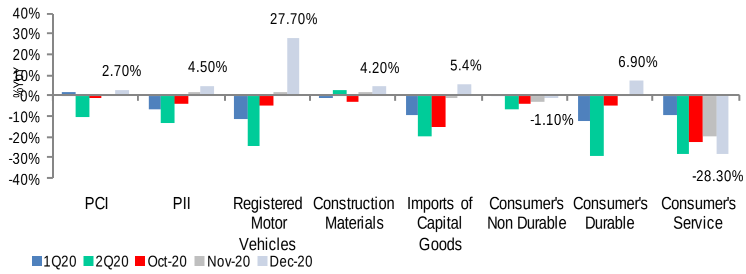


Economic Condition Highlights: December 2020

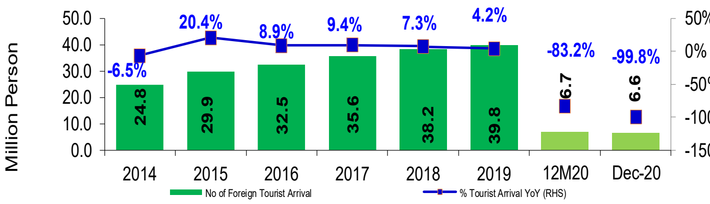
Dec20 CCI and BSI declined, due to concern on resurgence of COVID-19



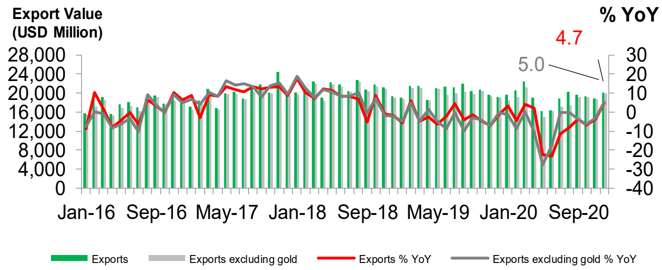
Dec20 PCI improved, as a pick up in durable goods spending, while spending on services declined affected by COVID-19



Dec20 Foreign tourist arrivals still contract at -99.8% despite the Special Tourists Visa (STV) measure was in place



Dec20 Exports registered a positive growth for the first time in eight months, despite lockdown measures in many countries

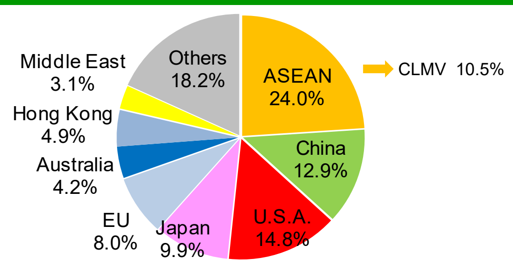


Sources: Bank of Thailand (BOT), Ministry of Commerce (MOC), University of the Thai Chamber of Commerce (UTCC), and Office of Industrial Economics (OIE)

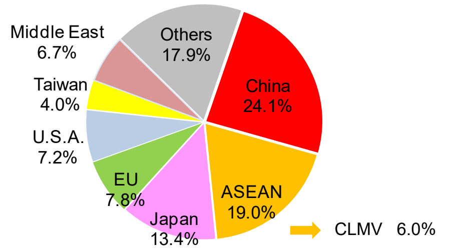
บริการทุกระดับประทับใจ

Exports and Imports: 2020

Exports by Country



Imports by Country



Top 10 Exports by Product (Customs Basis)

Total Exports, Custom Basis	2020		
	USD Millions	Weight	%YoY
Total Exports,	**231,468**	**100.0%**	**-6.0%**
Electronic machines	36,514	15.8%	2.6%
Electrical equipment	23,561	10.2%	-2.7%
Motor cars, motor vehicles, parts and accessories	21,267	9.2%	-22.2%
Precious stones and jewellery	18,207	7.9%	16.0%
Polymers of ethylene in primary forms	7,972	3.4%	-13.1%
Chemical products	6,736	2.9%	-11.2%
Machinery and parts thereof	6,528	2.8%	-11.0%
Textiles	5,749	2.5%	-16.8%
Refine fuels	5,355	2.3%	-26.9%
Iron and steel and their products	4,859	2.1%	-12.5%

Source: Ministry of Commerce

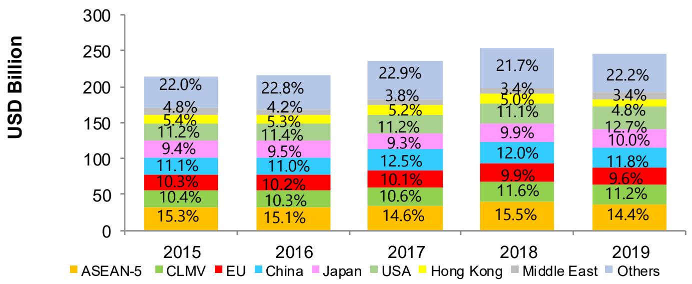
Top 10 Imports by Product (Customs Basis)

Import, Custom Basis	2020		
	USD Millions	Weight	%YoY
Total Imports,	**206,992**	**100.0%**	**-12.4%**
Machinery and parts	18,118	8.8%	-13.4%
Crude oil	16,955	8.2%	-20.0%
Electrical machinery and parts	16,789	8.1%	-4.4%
Electrical, electronic equipment and parts thereof	16,027	7.7%	3.7%
Chemicals	14,457	7.0%	-5.5%
Iron, steel and products	10,234	4.9%	-20.8%
Parts and accessories of vehicles	9,012	4.4%	-21.7%
Computers, parts and accessories	8,576	4.1%	4.7%
Other metal ores, metal waste scrap, and products	8,096	3.9%	-9.4%
Jewellery including silver bars and gold	7,493	3.6%	-32.1%

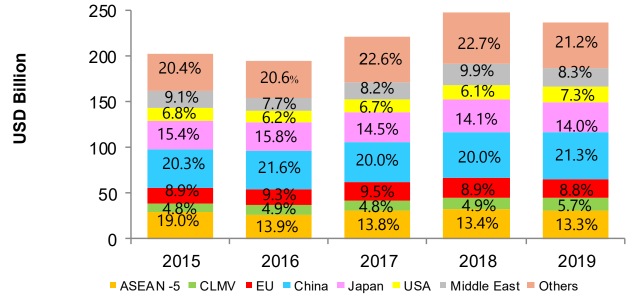
บริการทุกระดับประทับใจ

Export and Import Data: 2015 - 2019

Exports by Country



Imports by Country



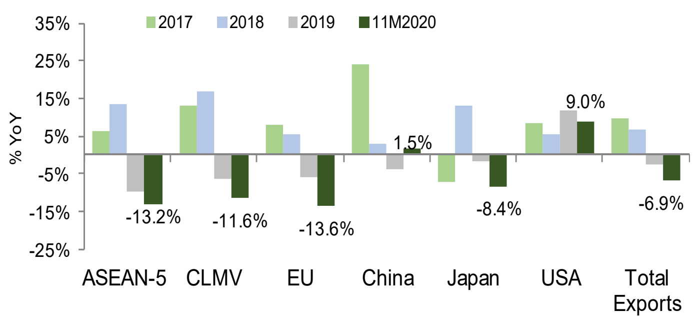
Exports, Custom Basis	2019		
	USD Millions	Weight	%YoY
Total Exports,	*246,245*	*100.0%*	*-2.7%*
Electronic machines	*35,598*	*14.5%*	*-7.2%*
Motor cars, motor vehicles, parts and accessories	*27,271*	*11.1%*	*-5.8%*
Electrical equipment	*24,324*	*9.9%*	*0.1%*
Precious stones and jewellery	*15,691*	*6.4%*	*30.9%*
Polymers of ethylene in primary forms	*9,172*	*3.7%*	*-11.0%*
Chemical products	*7,590*	*3.1%*	*-17.3%*
Refine fuels	*7,341*	*3.0%*	*-21.2%*
Machinery and parts thereof	*7,309*	*3.0%*	*-10.9%*
Textiles	*6,910*	*2.8%*	*-3.3%*
Other industrial products	*6,307*	*2.6%*	*-0.5%*

Imports, Custom Basis	2019		
	USD Millions	Weight	%YoY
Total Imports,	*236,640*	*100.0%*	*-4.7%*
Crude oil	*21,543*	*9.1%*	*-19.9%*
Machinery and parts	*20,945*	*8.9%*	*1.3%*
Electrical machinery and parts	*17,564*	*7.4%*	*-8.3%*
Electrical, electronic equipment and parts thereof	*15,451*	*6.5%*	*-2.9%*
Chemicals	*15,314*	*6.5%*	*-8.2%*
Iron, steel and products	*12,917*	*5.5%*	*-3.9%*
Parts and accessories of vehicles	*11,505*	*4.9%*	*-4.0%*
Jewellery including silver bars and gold	*11,036*	*4.7%*	*-25.9%*
Other metal ores, metal waste scrap, and products	*8,936*	*3.8%*	*-9.7%*
Computers, parts and accessories	*8,191*	*3.5%*	*-8.5%*

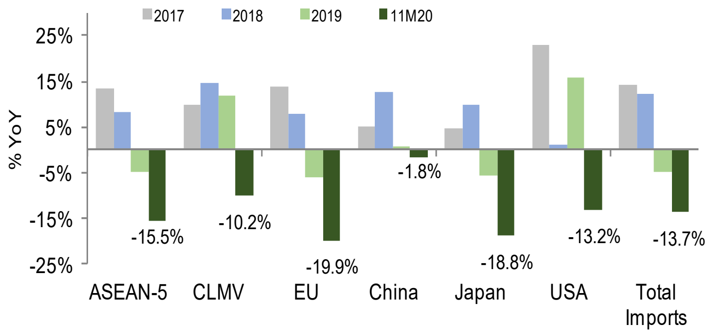
Source: Ministry of Commerce

Export and Import Growth by Key Destinations

Export growth by key destinations



Import growth by key destinations



Exports	2019		11M2020	
	Value (Million USD)	Share	Value (Million USD)	Share
ASEAN-5	35,370	14.36%	28,455	13.46%
CLMV	27,471	11.15%	22,109	10.46%
EU	23,556	9.57%	16,878	7.98%
China	29,169	11.84%	26,951	12.75%
Japan	24,524	9.96%	20,830	9.85%
USA	31,348	12.73%	31,372	14.84%
Total	246,269	100.00%	211,386	100.00%

Imports	2019		11M2020	
	Value (Million USD)	Share	Value (Million USD)	Share
ASEAN-5	31,333	13.3%	24,431	13.0%
CLMV	13,500	5.7%	11,317	6.0%
EU	20,893	8.8%	14,498	7.7%
China	50,271	21.3%	45,087	24.0%
Japan	33,197	14.1%	24,839	13.2%
USA	17,282	7.3%	13,787	7.3%
Total	236,260	100.0%	187,873	100.0%

Source: Ministry of Commerce

KASIKORNTHAI

ธนาคารกสิกรไทย 开泰银行 KASIKORNBANK

Challenges: Exports

- Export is expected to mediocre in 2020 amid global trade uncertainties and transitions to structural changes

	Exports
Short-term Challenges	■ Faltering global demand ■ THB appreciation ■ US trade policy, e.g. measures to reduce trade deficit from 16 major countries ■ Trade uncertainties
Key Structural Problems	■ High dependence on China's market ■ Changing demand in electronic products and loss of competitiveness in some areas (e.g. HDD) ■ High crop surplus among competitors
Key Affected Products	■ Electronics and Electrical Appliances (Structural Challenge) ■ Fishery and Agriculture Products (US SIMP) ■ Steel and Aluminum, Washing machine (US tariffs) ■ Plastic, ICs, Machinery and Electrical Equipment (US-China' s trade dispute)
Short-term Measures from Authorities and Related Parties	■ Extending products to catch up with changing consumer trends ■ Enhancing practices to comply with international standards ■ Setting up export promotion board ■ Providing supports to help individuals gain skills and qualifications relevant to the needs of the labour market
Long-term Measures from Authorities and Related Parties	■ Negotiating FTA and regional trade agreements ■ Relocating factories to GSP eligible countries ■ Promoting BOI's privileges which grant merit based on competitiveness enhancements ■ Enhancing productivity

Note: HDD = Hard Disk Drive; IUU fishing = Illegal Unreported and Unregulated fishing; FTA = Free Trade Area; GSP = Generalized System of Preferences; BOI = the Board of Investment of Thailand
Source: KResearch (as of April 2019)

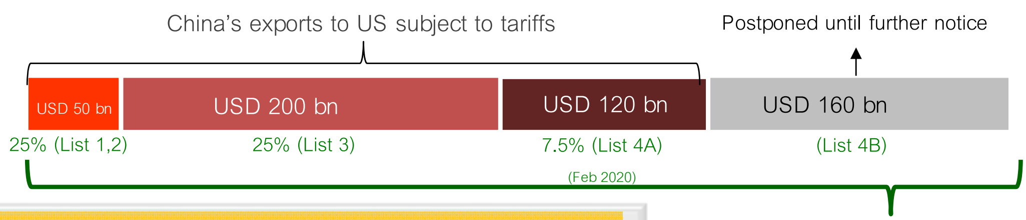
KASIKORNTHAI

ธนาคารกสิกรไทย 开泰银行 KASIKORNBANK

Trade war will continue in 2021

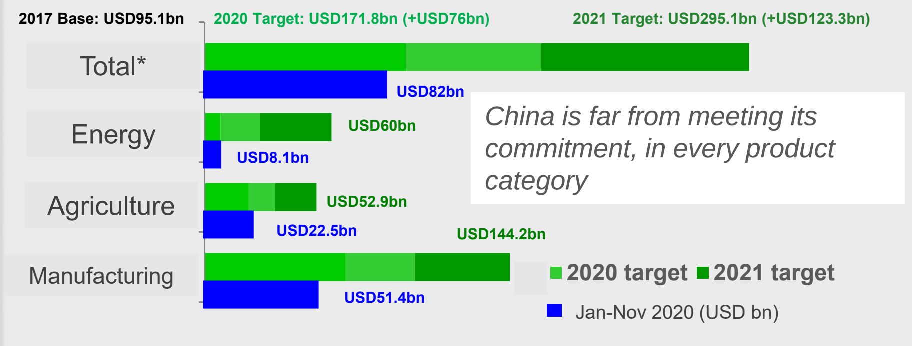
US imposes tariffs on Chinese goods

% tariff rates on Chinese goods to US



Progress of Phase 1 trade deal

China committed to the purchase of certain US goods and services by a combined increase of USD200bn* in 2020 and B295.1bn in 2021, from 2017 levels (USD95.1bn).



China is far from meeting its commitment, in every product category

Trade war will continue …

- US-China trade tension not expected to escalate further. However, tariffs on Chinese products will not be removed immediately.
- Moreover, the geo-political tension will focus on hampering Chinese technology development.
- Biden's strategy supports American innovation and purchases of domestic-made goods to decrease US dependency on China.

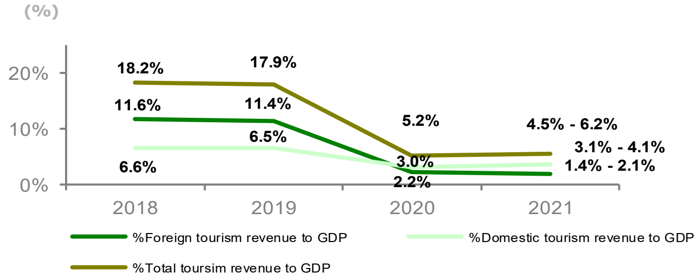
Note: *The total target value is a combined USD200bn including energy, agriculture, manufacturing, and services, but the actual value of service goods is not available.
Source: www.piie.com

KASIKORNTHAI

ธนาคารกสิกรไทย 开泰银行 KASIKORNBANK

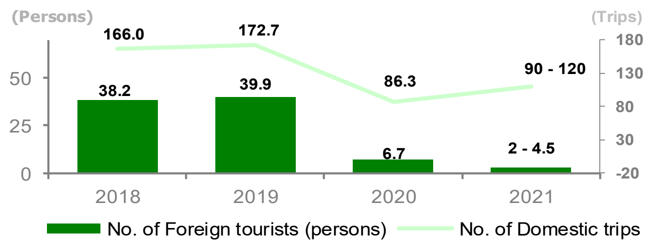
Tourism industry in Thailand

%Tourism Revenue to GDP

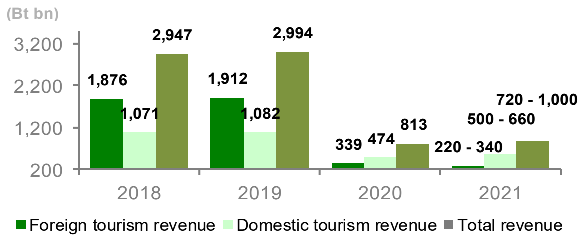


- Tourism industry in Thailand expected to take over 3 years to recover to near pre-COVID-19 level. If newest wave of COVID-19 in Thailand and other countries can be brought under control over the next few months, and vaccines have good efficacy rates, the number of foreign tourist arrivals in Thailand in 2021 is anticipated at 2.0-4.5 million
- Domestic travel is imperative to driving Thailand's tourism in 2021. If COVID-19 situation can be controlled during 1Q2021, domestic travel will gradually recover by 2Q21 and domestic travel is anticipated at 90-120 million trips

No. of Foreign Tourists and Domestic Trips



Tourism Revenue



Note: As of January 2021, KReseach estimates tourism data for 2020 to 2021

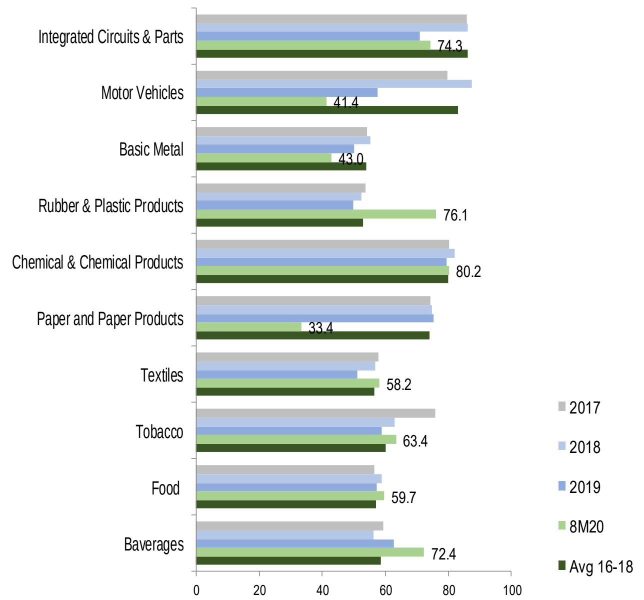
บริการทุกระดับประทับใจ

KASIKORNTHAI

ธนาคารกสิกรไทย 开泰银行 KASIKORNBANK

Economic Condition Highlights: CAPEX and Investment Cycle

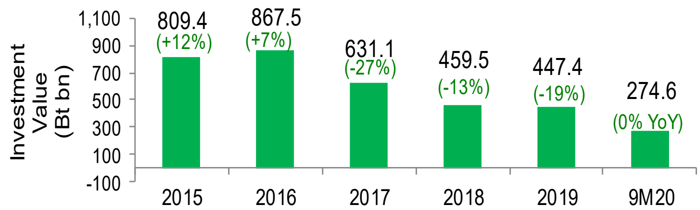
Capacity Utilization by Key Industries



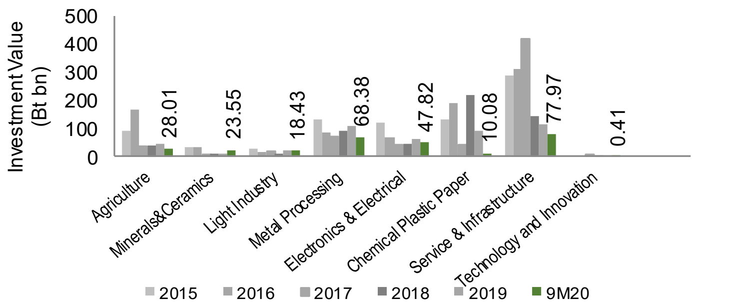
Source: The Bank of Thailand (BOT), The Ministry of Commerce (MOC), and Office of Industrial Economics (OIE)

(Data as of December 2020)

Investment value of BOI-approved applications (Total)*



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



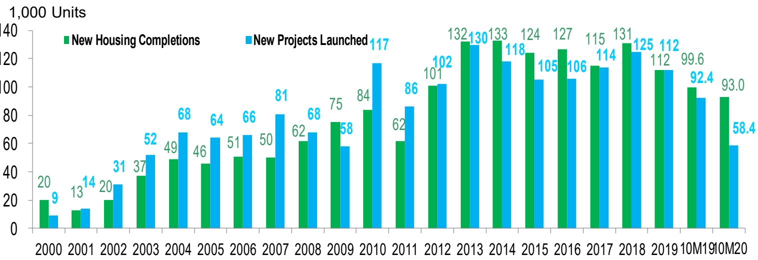
Source: The Board of Investment of Thailand (BOI)

Note: *Figures above indicate investments of approved projects requesting investment promotion benefits from BOI

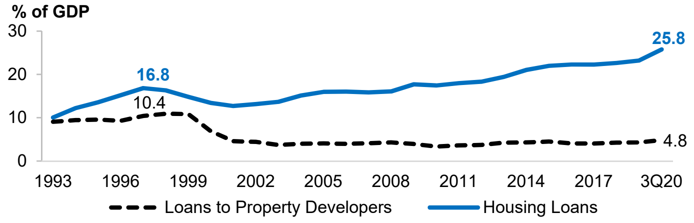
บริการทุกระดับประทับใจ

Property Market: New projects halted, time for inventory liquidation

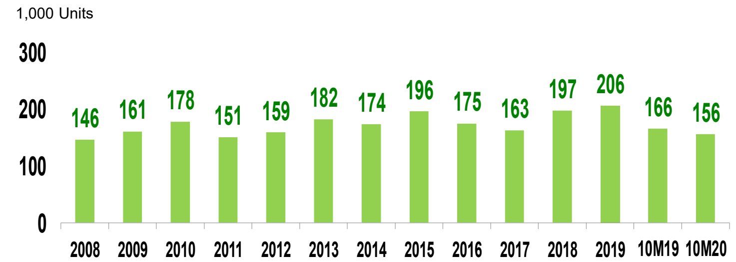
Supply Side: New Housing Completions and New Projects Launched in BMR*



Outstanding Mortgage Loans to Individuals and Property Developers to GDP



Demand Side: Transferred Properties in BMR*



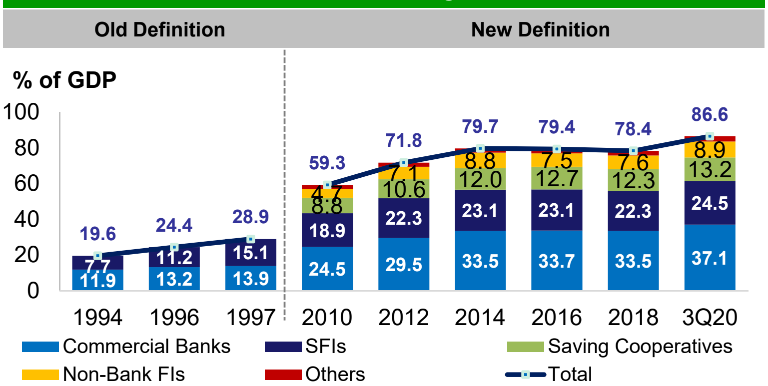
- Mortgage loans to GDP are higher than pre-crisis level, due to factors such as changes in consumer behavior, intense competition among banks, and a more accessible credit market
- Outstanding loans granted to property developers to GDP was 4.8% in 3Q20, still lower than pre-crisis level
- Supply Side: Overall new housing projects launched in 10M20 decreased by 36.8% YoY, as property developers postponed their projects due to COVID-19 outbreak and large amount of housing supply
- Demand Side: On the first 10M20, property transactions decreased by 6.1% YoY, as consumer concerned about employment security and high household debt
- Mortgage NPLs among Thai commercial banks rose to 3.88% in 3Q20, from 3.71% in 4Q19

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

บริการทุกระดับประทับใจ

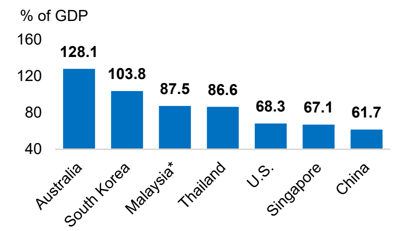
Household Borrowing

Household Borrowing to GDP



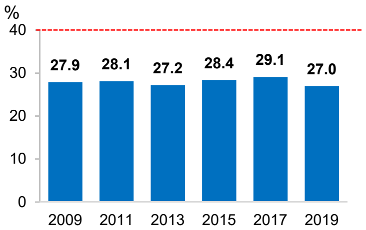
Old Definition: Data from 1991 – 1997: lending from commercial banks and SFIs to individual persons for consumption only
New Definition: Data from 2010 onwards: takes into account individual persons' outstanding loans from all types of financial institutions, including savings Co-ops and non-banks

Cross-Country Comparison of Household Debt (as of 3Q20)



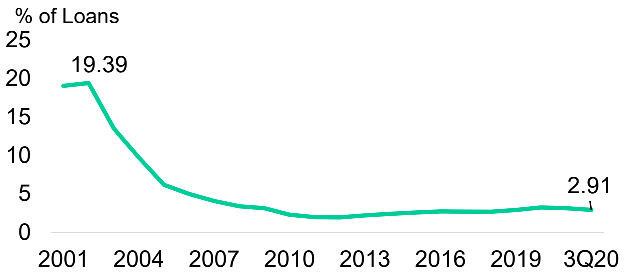
Source: CEIC and KResearch
*Malaysia data as of 2Q20

Debt Service Ratio of Thai households



Source: NSO and KResearch

% NPL for Consumption Loans of Thai Commercial Banks



- **Household debt to GDP edged up to 86.6% in 3Q20, and is expected to rise further in 2021**
- **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 was at 2.91% in 3Q20 from 2.90% in 4Q19**

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

บริการทุกระดับประทับใจ

KASIKORNTHAI

ธนาคารกสิกรไทย
开泰银行 KASIKORNBANK

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 20, 2020)

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) For the second contact, LTV limit is 80% if the first contract's installment payments are less than two years (old - three years); otherwise, LTV limit is 90%
3) Risk weight is 35% if LTV does not exceed its LTV limit; while the risk weight will increase to 75% for the loans for furniture and decorations of the first contract

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

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

Lending Criteria	Credit Cards			Personal Loans		
	New		Old	New		Old
Min.Monthly Income	Bt15,000		Bt15,000	-	-	-
Credit Line (times of average monthly income)	Income	Credit Line	Credit Line	Income	Credit Line	Credit Line
	< 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	

- For credit card loans, credit line will be raised to 2 times for customers who have monthly income below 30,000 Baht per month, effective until December 2021.

Criteria for Car Loans

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

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

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

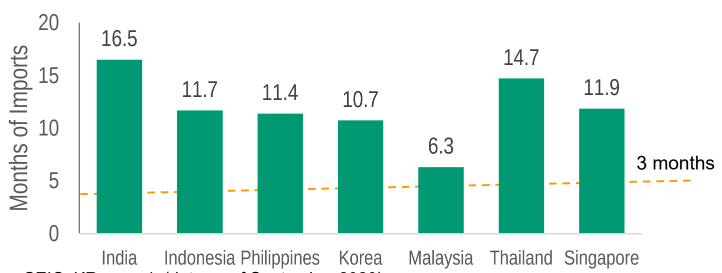
บริการทุกระดับประทับใจ

KASIKORNTHAI

ธนาคารกสิกรไทย
开泰银行 KASIKORNBANK

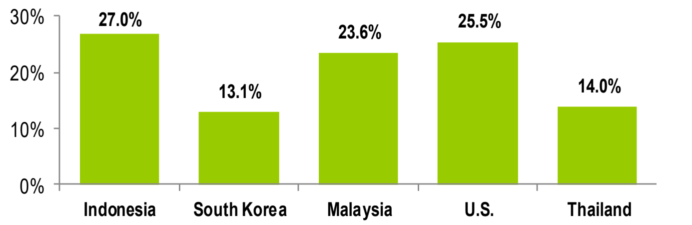
Thailand's external balances remain relatively strong compared to peers

High international reserve / Imports (Import Coverage)



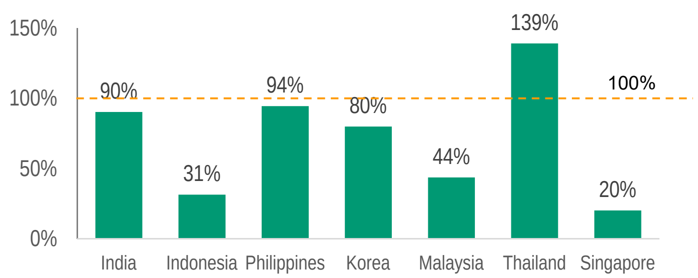
Source: CEIC, KResearch (data as of September 2020)

Low foreign holding ratio in Thai government bonds



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

High international reserve ratio / External debts



Source: CEIC, KResearch (data as of January 2021)

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

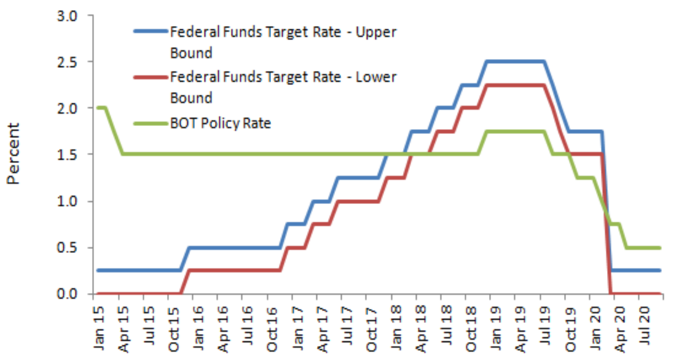
บริการทุกระดับประทับใจ

KASIKORNTHAI

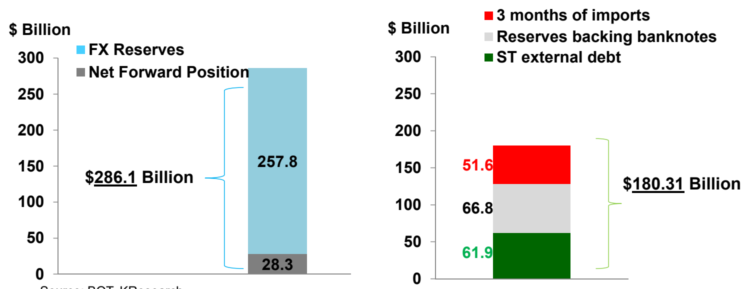
ธนาคารกสิกรไทย
开泰银行 KASIKORNBANK

Monetary and fiscal expansion raises financial stability concerns

In consistent with the Fed, the BOT cut interest rate to support the economy amid COVID-19 outbreak

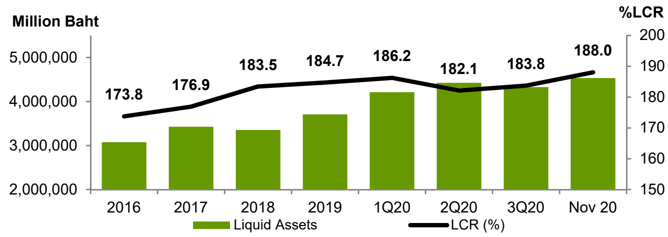


Thailand has enough FX reserves to meet all internal and external obligations



Source: BOT, KResearch
Last Update: January 12, 2021

Excess liquid assets in Thai commercial banks slightly rose



- Due to a deteriorating economy, the Fed decided to cut its policy rate by 1.50% in 2020 to 0.00-0.25%
- Monetary easing leads to a massive exodus of capital from emerging markets and worsens exchange rate depreciation. However, Thailand's external stability will likely be maintained
- The Thai banking system excess liquidity rose slightly. The CAR and NPL ratios were still manageable (19.43% and 3.29% as of 3Q20, respectively), with net profits of Bt23.81 bn in 3Q20

Source: Kresearch (as of January 2021)

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

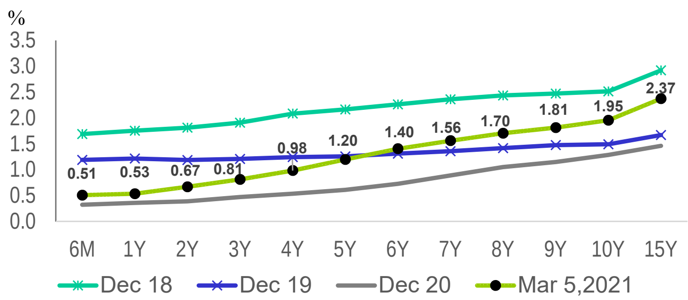
KASIKORNTHAI

ธนาคารกสิกรไทย
开泰银行 KASIKORNBANK

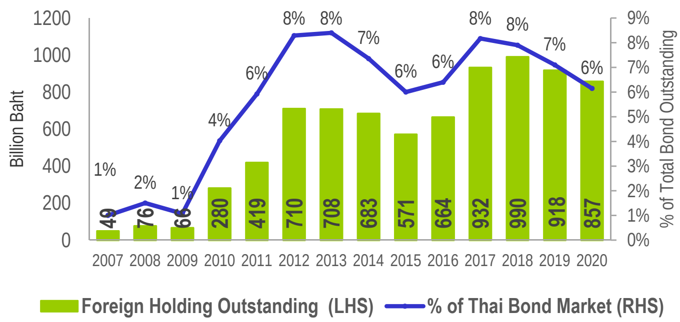
Other Figures

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

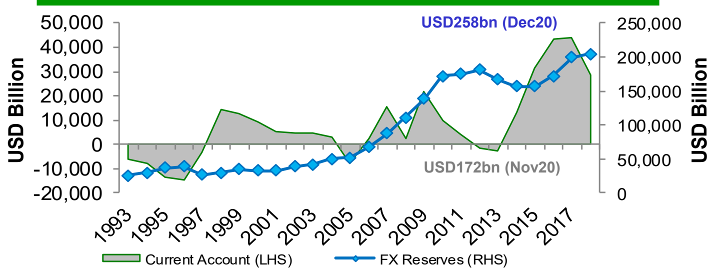
Bond Yields



Foreign Holdings of Thai Bonds



Current Account and FX Reserve

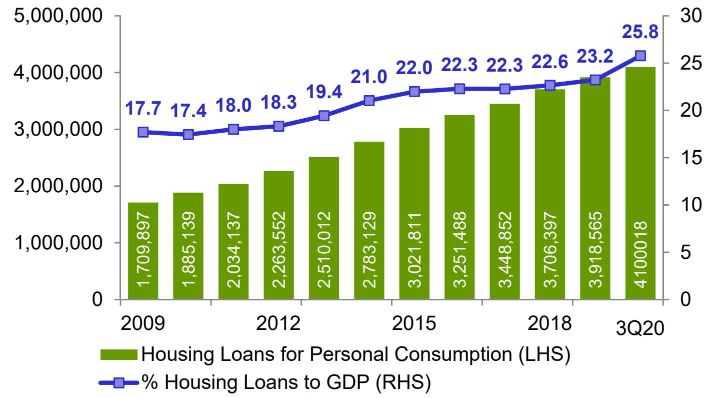


KASIKORNTHAI

ธนาคารกสิกรไทย
开泰银行 KASIKORNBANK

Other Figures

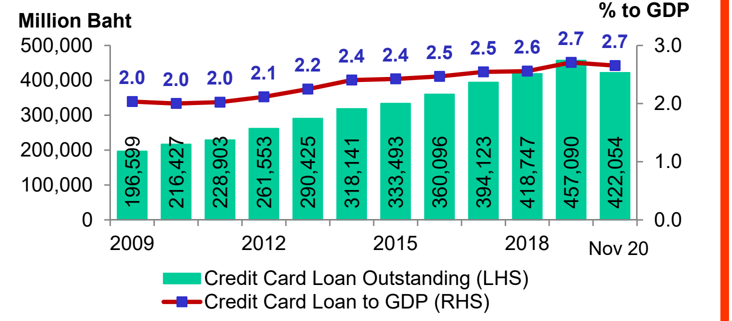
Housing Loans / GDP



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)

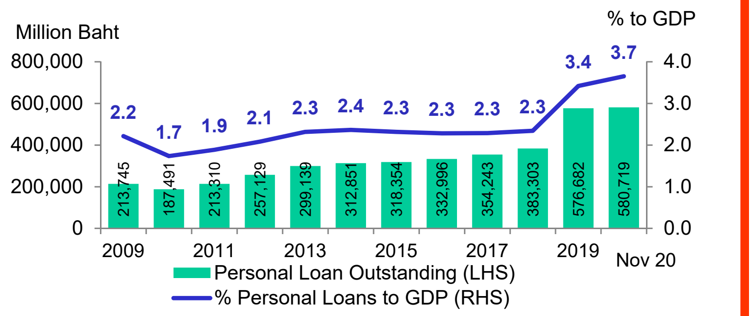
Source: BOT, NESDB

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)

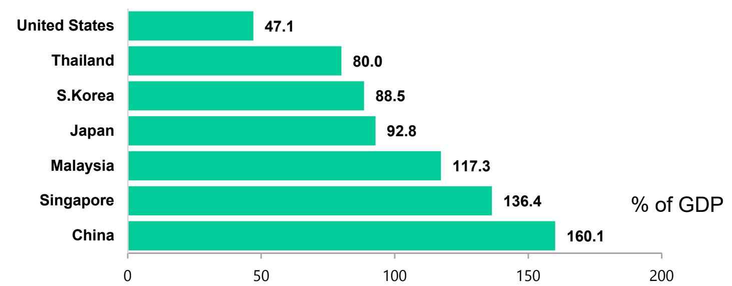
บริการทุกระดับประทับใจ

KASIKORNTHAI

ธนาคารกสิกรไทย
开泰银行 KASIKORNBANK

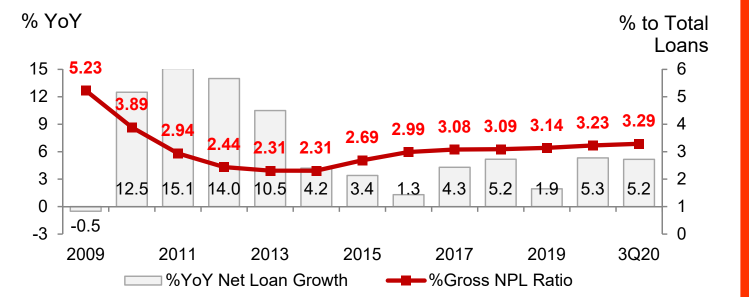
Other Figures

Loans to GDP as of 2019



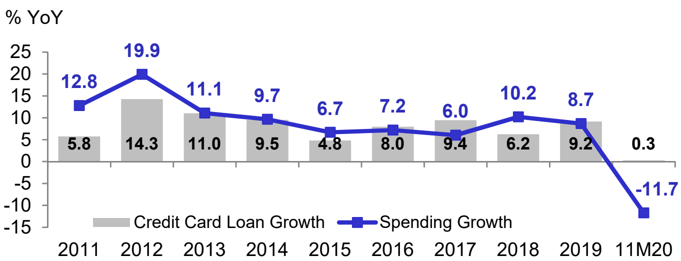
Note: Data on China, Korea and Japan include loans from commercial banks as well as financial institutions, the rest include loans only from commercial banks

Thai Banks' Net Loan Growth and NPL Ratio



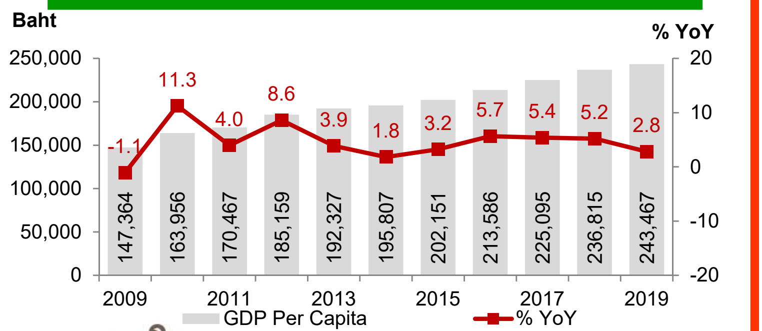
Note : %YoY Net loans represent growth of net loans in 14 Thai commercial banks from C.B.1.1 Latest %Gross NPL is as of 2Q20

Credit Card Statistics



Note: The credit card statistics number includes foreign bank and non-bank credit cards
Source: The Bank of Thailand, National Statistical Office (NSO), CEIC Data, and KResearch

GDP Per Capita



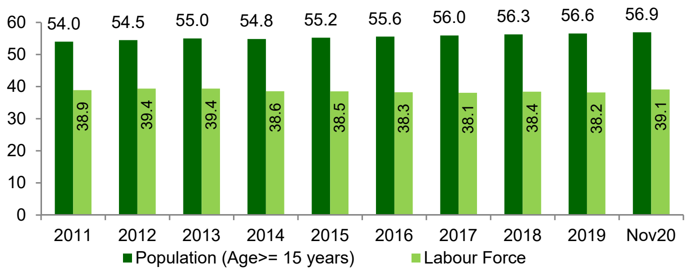
บริการทุกระดับประทับใจ

KASIKORNTHAI

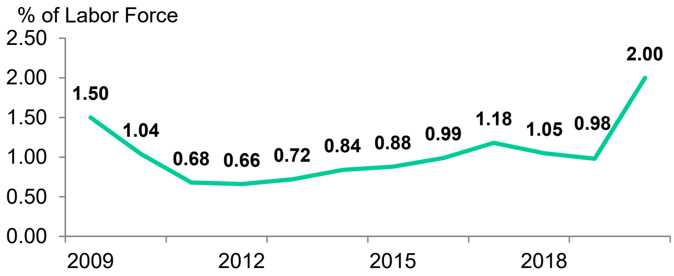
ธนาคารกสิกรไทย
开泰银行 KASIKORNBANK

Other Figures

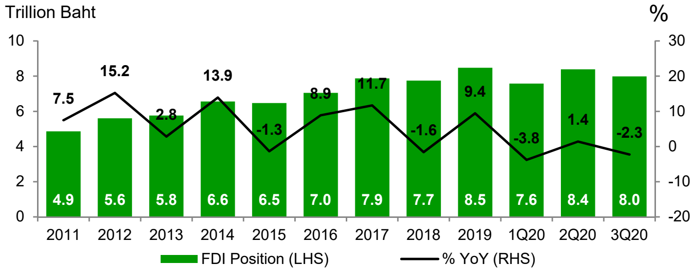
Population and Labor force



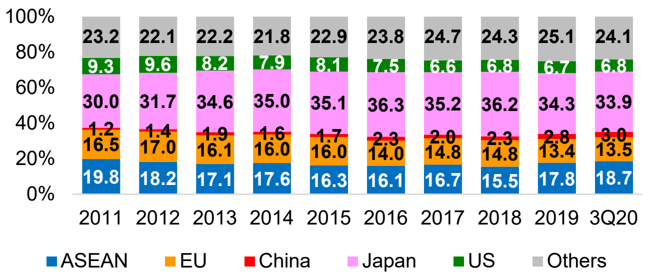
Unemployment Rate



Foreign Direct Investment



Foreign Direct Investment Position by Countries



Source: BOT, NESDC, National Statistical Office (NSO), and KResearch

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

KASIKORNTHAI

ธนาคารกสิกรไทย
开泰银行 KASIKORNBANK

Members of ASEAN Economic Community (AEC)

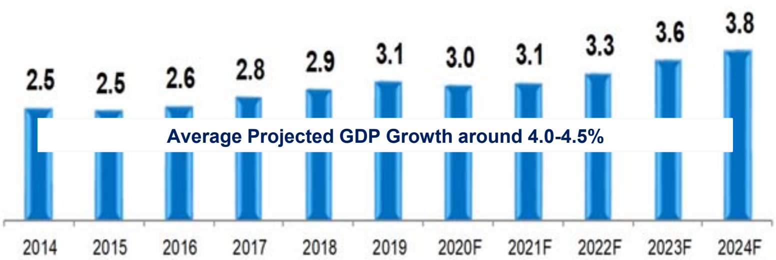
- Since December 31, 2015, ASEAN has transformed into the “ASEAN Economic Community,” with free movement of goods, services, investment, and skilled labour, and a freer flow of capital
- Strategic measures under the five characteristics in the AEC Blueprint 2025 will be operationalised through sectoral work plans and their implementation and monitored through the AEC 2025 Monitoring and Evaluation Framework

AEC Blue print 2025 (2016-2025)

A highly integrated and cohesive economy	A competitive, Innovative, and dynamic ASEAN	Enhanced connectivity and sectoral cooperation	A resilient, inclusive, and people-oriented, people-centred ASEAN	A global ASEAN

Source: The Association of Southeast Asian Nations and KResearch

Size of ASEAN Economy (USD Trillion)



GDP	Thailand	ASEAN
Size of Economy (GDP) in USD Trillion for 2021	0.5	3.1
2021 Real GDP Growth Forecast	2.6%	3.7%

Note:

- Size of economy from IMF and compiled by KResearch
- 2020 GDP forecast is projected by KResearch

Source: IMF and KResearch (January 2021)

KASIKORNTHAI

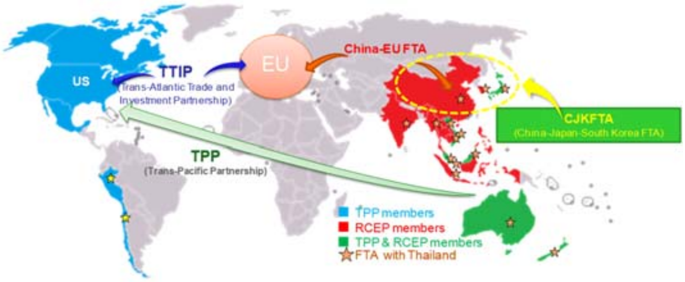
ธนาคารกสิกรไทย
开泰银行 KASIKORNBANK

AEC as a Growth Driver to Thailand

1) Regional Connectivity

- Strategically located, Thailand is the most essential area for GMS connectivity
- Physical connectivity and ease of customs formalities will spur regional trade and promote regional supply chain

2) The Pluralism of Economic Integration



- The emergence of AEC and RCEP, as well as other FTAs, will attract even more FDIs into the region, especially from the +3 countries
- 2015 marks the completion of ASEAN Free Trade Zone amidst CLMV lowering their import tariffs close to zero
- Thailand will constitute the center of production in Mainland South East Asia, while low-value, labor-intensive processes will be moved to CLMV

3) High Growth Environment

- The materialization of regional supply chain will help maintain the region's competitiveness through labor division
- The establishment of Thailand's SEZs along the border is to tap into plentiful resources of CLM
- Consumer markets in CLMV will grow along with GDP increase and urbanization

Note: CLMV = Cambodia, Laos, Myanmar and Vietnam; GMS = Greater Mekong Subregion; SEZs = Special Economic Zones; RCEP = Regional Comprehensive Economic Partnership

KASIKORNTHAI

ธนาคารกสิกรไทย
开泰银行 KASIKORNBANK

For Further Enquiries, Contact KASIKORNBANK Investor Relations:

Chief Investor Relations Officer	Tel (66) 2470 2673 to 4
Investor Relations Team	Tel (66) 2470 6900 to 1
	Tel (66) 2470 2660 to 1
	Email: IR@kasikornbank.com
IR Website	www.kasikornbank.com → Investor Relations

Disclosure Practice:

- Unreviewed/unaudited quarterly financial reports are released within 21 days from the end of each period
- Reviewed financial reports are released within 45 days from the end of the period for 1Q and 3Q; Audited financial reports are released within 2 months from the end of the period for 2Q and 4Q
- Following KASIKORNBANK's Disclosure Policy and good governance practice, KBank maintains a "silent period" for 7 days prior to the unreviewed/unaudited earnings announcement. During this period, the Bank refrains from replying to questions or commenting on the earnings announcement and arranging one-on-one or group meetings with analysts and investors

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 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.

With concern and care from KBank, let's protect ourselves from COVID-19

Wearing hygienic mask	Clean your hands with alcohol-based gel	Keep away from each other at least 1 meter

KASIKORNTHAI

บริการทุกระดับประทับใจ