



## KASIKORNBANK Foreign Exchange Disclosure

### Introduction

The purpose of this disclosure is to clarify standard practices of KASIKORNBANK Public Company Limited (“KBank”, we or us) when we engage in the sale or purchase and execution of foreign exchange transactions (“FX Transactions”).

KBank is committed to conducting our business with integrity, transparency, and fairness. This disclosure intends to provide how Kan acts as principal or riskless principal and the way we communicate and transact regarding the pricing, discussion or placement of orders and all other activities relating to FX Transaction.

The intention of this disclosure is not to override or conflict with any relevant legal or regulatory requirements or principles (including any duties of best execution) in any places where KBank conducts businesses, or to amend any contracts or terms of dealing that may apply to FX Transactions with KBank. Where there is any inconsistency between terms of business or product-specific agreements relating to FX Transaction in place between KBank and our clients and counterparties (“Transaction Terms”) and this disclosure, the Transaction Terms shall prevail.

### KBank’s Role and Principal Trading

KBank acts as an arm’s length party in FX Transactions with all of its clients on a principal for its own account as a dealer or market-maker. Sometimes, KBank also acts as a riskless principal as it fulfills orders by simultaneously executing identical transaction (or combination of transactions) with other clients. In that capacity, KBank does not act as agent, fiduciary or financial adviser or in any similar role on behalf of its clients.

When the clients place orders to KBank at a quoted price, the acceptance of orders represents only the indication of KBank’s willingness to attempt, and not a commitment to execute the transactions requested by the clients. As such, KBank is under no obligation to execute the orders unless explicitly agreed with its clients beforehand.

Any statements made by KBank should not be construed as recommendations or investment advices. The client is expected to evaluate the appropriateness of any transactions based on their own assessment of the transaction’s merits and all facts and circumstances in connection therewith.

During volatile and/or disrupted markets, KBank will endeavor to continue to serve clients on commercial effort basis but we may not be able to provide the product offering, level of execution, liquidity and pricing as would be the case under more normalized market conditions.



### **Quotes and Indicative Prices**

Unless otherwise explicitly agreed, any price quoted by KBank to a client is an “all-in” price, inclusive of bid-ask spread and any mark-up above the price, and may be different to the price at which KBank may be able to transact, or has transacted, with other clients of KBank. Prices quoted by KBank should be considered indicative unless client have been informed the price is firm.

KBank has our own discretion to offer different prices to different clients for the same or substantially similar FX Transactions. The prices are based on a broad range of standard commercial factors of the FX Transaction, the platform and/or channel through which the order is placed and transaction is executed, the nature of the relationship between the clients and KBank, the size or volume of a trade as well as any relevant costs including, but not limited to, the size and/or complexity of the FX Transaction, trade processing, credit, funding, liquidity, capital charges, operational, profits, and other relevant factors. KBank is not obligated to disclose the amount of revenue it expects to earn from a FX Transaction or the components of KBank’s all-in price of FX Transaction.

### **Pre-Hedging**

Prior to or alongside client’s FX Transactions, KBank may trade or modify and/or terminate positions (“Pre-Hedging”) if it considers (among other things) at our own discretion that such hedging activity would be in client’s interest or that such hedging activity could avoid disrupting the market, without further disclosure. This may involve KBank pre-hedging FX Transactions for the purposes of risk management, facilitating client’s orders execution or other purposes determined by KBank (acting in good faith and in a reasonable manner). In doing so, KBank will take into consideration the prevailing market conditions and size including nature of the anticipated transaction. Accordingly, these activities may affect market prices and the availability of liquidity at levels necessary to execute client’s order.

### **Order Handling / Order Types**

Unless otherwise agreed, clients should be aware that KBank will exercise its discretion in deciding which orders to execute, when to execute, and how to execute them, including whether to execute all or part of an order. Discretion on the part of KBank, including whether to time prioritize or aggregate an order, will be informed by factors including, but not limited to, the order type and general market conditions. By leaving the order with KBank, the clients explicitly agree to the framework outlined in this communication.



### **Market Orders**

A market order means an order to transact immediately at the best available price. In executing such order, KBank will take into consideration various factors such as prevailing liquidity and other market conditions. KBank will execute the clients' order by using its discretion and expertise to achieve the best price KBank is able to offer to its clients.

### **Limit Orders**

A limit order means setting a target price that will ordinarily be at a more favorable price than the current market price. The limit order may not be executed promptly. By leaving a limit order, the clients must be aware that it is forgoing the certainty of immediate execution in exchange for the possibility of getting a better price in the future. If the target price is reached, the limit order will be filled only when KBank is prepared to enter into a transaction with the client at the required target price.

### **Stop-loss Orders**

A stop-loss order means setting a target price at which the order becomes live at a less favorable price than the current market price. It may not be executed promptly. Once the trigger price has been reached, KBANK will attempt to enter into a FX Transaction with its interbank counterparties at, or as close as practically possible to, the target price. KBANK will not guarantee nor ensure the order is executed at the target price.

### **Fixing Orders**

When the clients place an order for execution at a specific time and date (at "fix") if the order is accepted KBank will execute the FX Transaction at the published "fix rate" after applying a bid offer spread around that price.

### **Reference Prices**

Reference prices are used to determine the reference trigger level for order limits, fixings, option strike prices, barriers or other trade contingent events. Main sources of reference rates include publicly available FX fixing sources, central bank rates or wholesale interbank quotes sourced from Reuters, Bloomberg, etc.



### **Benchmark Orders**

KBank may be instructed to execute FX Transactions at a rate determined by a benchmark or other reference price calculated by a third party, based on trading during a specified determination period (commonly referred to as the “Calculation Window”) or an auction.

Clients who leave Benchmark Orders with KBank will have a FX Transaction executed between themselves and KBank at a rate set by the benchmark provider plus a) a fee which is pre-determined and pre-disclosed, and/or b) a spread determined by the benchmark provider.

### **Potential Conflict of Interest**

KBank complies with relevant professional standards and ethical values and takes all reasonable steps to avoid conflicts of interest so as to promote fair dealings with clients.

### **Information Handling**

KBank has policies and controls that are designed to protect the clients’ confidential information. However, KBank may share such information to execute the FX transactions and clients should understand that KBank may, as part of its obligations as a regulated entity, also disclose clients’ information as required by relevant regulatory bodies and/or under applicable law. KBank may use, anonymized and/or aggregated information of executed transactions, together with other relevant market information, internally and to third parties, as market color.

Should you have any queries relating to this communication, please do not hesitate to contact your KBank’s dealers. Please note that this communication may be updated from time to time subject to change of regulatory, industry and other market developments.



## Disclaimer

“This document is intended to provide material information relating to investment or product in discussion, presentation or seminar only. It does not represent or constitute an advice, offer, recommendation or solicitation by KBank and should not be relied on as such. In preparation of this document, KASIKORNBANK Public Company Limited (“KBank”) has made assumptions on the financial and other information from public sources, and KBank makes no warranty of the accuracy and/or completeness of the information described herein.

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Before making your own independent decision to invest or enter into transaction, the Recipient must review information relating to services or products of KBank including economic and market situation and other factors pertaining to the transaction as posted in KBank’s website at URL <https://www.kasikornbank.com> and/or in other websites including all other information, documents prepared by other institutions and consult with your financial, legal or tax advisors before making any investment decision. The Recipient understands and acknowledges that the investment or transaction hereunder is the low liquidity transaction and KBank shall not be responsible for any loss or damage arising from such investment or any transaction made by the Recipient. The Recipient including its employee, officer or other person who receives information from this document or its copy on the behalf of Recipient, represent and agree not to make any copy, reproduce or distribute any information hereunder whether in whole or in part to any other person and shall keep confidential of all information contained therein. The Recipient acknowledges that there may be conflict of interest under the KBank’s services, whether directly or indirectly and should further consider the character, risk and investment return of each product by reading details from relevant documents provided by KBank and the Recipient shall review KBank Foreign Exchange Disclosure at <https://www.kasikornbank.com/th/business/derivative-investments/Documents/KASIKORNBANK-Foreign-Exchange-Disclosure.pdf>

Where there is any inquiry, the Recipient may seek further information from KBank or in case of making complaint, the Recipient can contact KBank at (662) 888-8822.”