



Statement of
the Board of Directors

Statement of
the Chief Executive Officer

Part 1
Business Operations
and Performance

Part 2
Corporate Governance

Part 3
Financial Statements

Attachment

K

KASIKORNTHAI

Annual Registration Statement
and Annual Report 2023
(Form 56-1 One Report)

Bank of Sustainability



ธนาคารกสิกรไทย
开泰银行 KASIKORNBANK



บริการทุกระดับประทับใจ



ธนาคารกสิกรไทย
开泰银行 KASIKORNBANK



หลักทรัพย์จัดการกองทุนกสิกรไทย
开泰基金管理 KASIKORN ASSET MANAGEMENT



ศูนย์วิจัยกสิกรไทย
开泰研究中心 KASIKORN RESEARCH CENTER



หลักทรัพย์กสิกรไทย
开泰证券 KASIKORN SECURITIES



ลีสซิ่งกสิกรไทย
开泰租赁 KASIKORN LEASING



แฟคตอรี แอนด์ อีควิปเมนต์ กสิกรไทย
开泰设备融资 KASIKORN FACTORY AND EQUIPMENT



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



กสิกร แล็บส์
开泰研发 KASIKORN LABS



กสิกร ซอฟต์แวร์
开泰软件 KASIKORN SOFT



กสิกร อินฟรา
开泰信息基础设施 KASIKORN INFRA



กสิกร เอกซ์
开泰爱科思有限公司 KASIKORN X



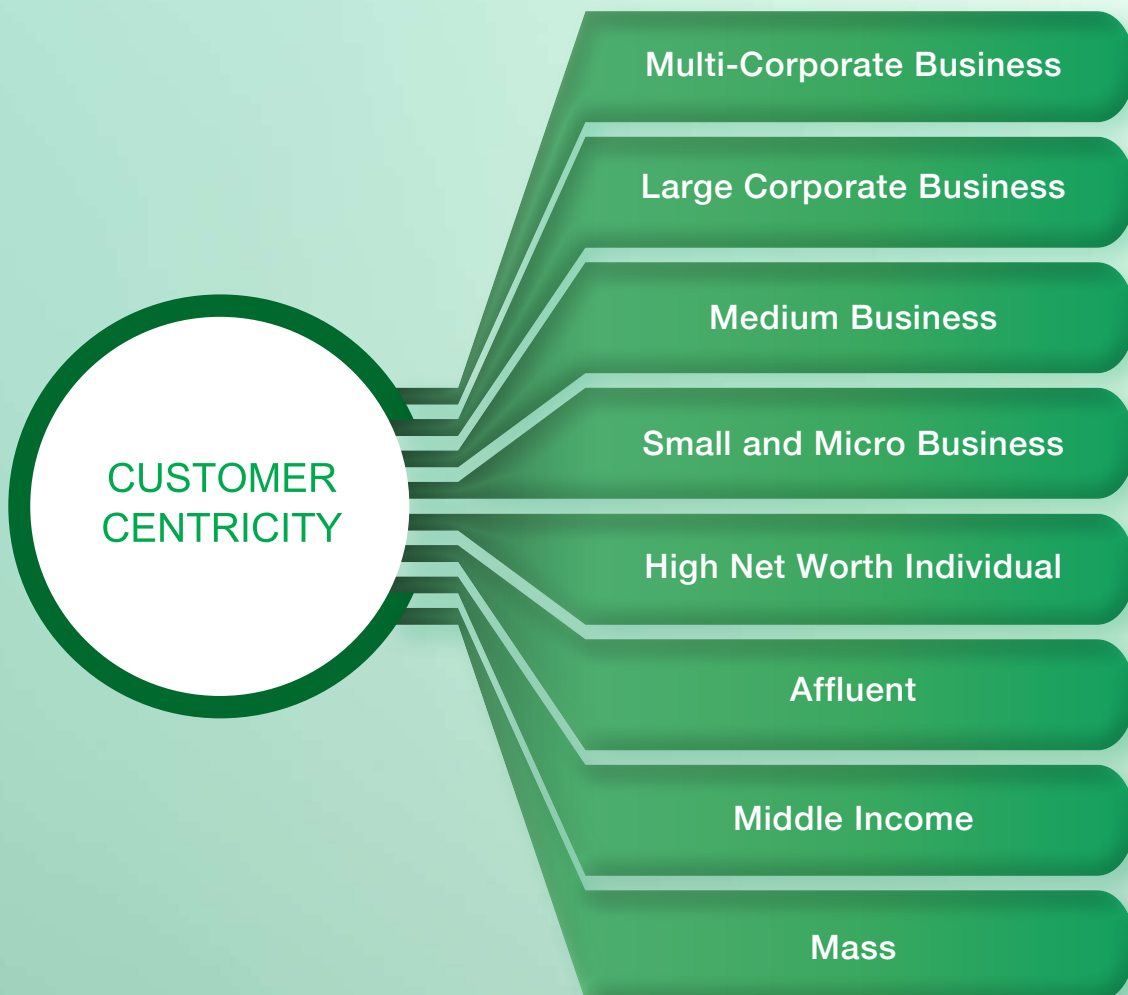


Vision

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.



KASIKORNTHAI





Purpose

Delivering Sustainable Value to all Stakeholders



Customer

Make our customer successful in their life and business



Shareholder

Generate sustainable total return



Employee

Provide learn and lead opportunities



Regulator

Co-Create future of finance



Social

Thrive for the better quality of living

Core Values

Customer
at Heart

Collaboration

Agility

Innovativeness

Integrity



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KASIKORNBANK
Form 56-1 One Report 2023

Financial Highlights (Consolidated Financial Statements)

As of or for the years ended December 31,	2023	2022	2021	2020	2019
COMMON SHARE INFORMATION					
Per share (Baht)					
• basic earnings ⁽¹⁾	17.58	14.78	15.77	12.42	16.18
• book value	218.09	205.85	194.64	179.00	169.79
• dividends	6.50	4.00	3.25	2.50	5.00
Share price (Baht) ⁽²⁾					
• high	156.50	170.50	150.50	153.50	202.00
• low	122.00	139.00	102.00	70.75	131.00
• closing	135.00	147.50	142.00	113.00	151.00
Common shares outstanding					
• average basic (Million shares)	2,369.33	2,369.33	2,369.33	2,373.32	2,393.26
• end of year (Million shares)	2,369.33	2,369.33	2,369.33	2,369.33	2,393.26
Market capitalization (Million Baht)	319,859	349,476	336,445	267,734	361,382
VALUE MEASURES					
Price to earnings ratio (PER)	7.68	9.98	9.00	9.10	9.33
Price to book value ratio (PBV)	0.62	0.72	0.73	0.63	0.89
Dividend yield (based on closing share price)	4.81%	2.71%	2.29%	2.21%	3.31%
Dividend payout ratio	36.97%	27.07%	20.61%	20.09%	30.62%
Dividend payout ratio ⁽³⁾	38.43%	28.75%	23.91%	23.73%	34.43%
Number of employees ⁽³⁾	18,899	18,840	19,153	19,862	20,443
Number of domestic branches ⁽³⁾	809	824	839	860	886
OPERATING RESULTS (Million Baht)					
Interest income - net	148,444	132,998	119,390	109,022	102,688
Non-interest income	44,209	40,259	43,959	45,869	57,803
Fees and service income - net	31,180	32,882	35,316	33,004	36,740
Net premiums earned - net	(5,098)	(3,229)	(1,619)	(436)	(164)
Other income	18,127	10,606	10,262	13,301	21,227
Total operating income - net	192,653	173,257	163,349	154,891	160,491
Total other operating expenses	84,968	74,753	71,044	69,996	72,729
Operating profit before expected credit loss / provision expense ⁽⁴⁾					
and income tax expense	107,685	98,504	92,305	84,895	87,762
Expected credit loss / Impairment loss on loans and debt securities	51,840	51,919	40,332	43,548	34,012
Net profit ⁽⁵⁾	42,405	35,770	38,053	29,487	38,727
FINANCIAL POSITION STATEMENT INFORMATION (Million Baht)					
Loans ⁽⁶⁾	2,490,398	2,495,077	2,421,813	2,244,821	2,001,956
Allowance for expected credit loss / Allowance for doubtful accounts and revaluation allowance for debt restructuring	133,876	133,529	144,772	134,393	124,879
Non-performing loans, gross (NPL gross)	94,241	92,536	104,036	101,007	84,038
Total assets	4,283,556	4,246,369	4,103,399	3,658,798	3,293,889
Deposits	2,699,562	2,748,685	2,598,630	2,344,999	2,072,049
Total liabilities	3,686,721	3,679,289	3,566,724	3,167,512	2,840,174
Total equity less other equity instruments ⁽⁵⁾	516,736	487,721	461,165	424,121	406,358
Risk weighted assets - KASIKORNBANK FINANCIAL CONGLOMERATE	2,771,128	2,746,673	2,630,858	2,404,276	2,210,881

Notes:

- Financial statements as at December 31, 2020 onwards the Bank and its subsidiaries have adopted TFRS related to financial instruments (included TFRS 9) which some items are not comparable of previous period.

⁽¹⁾ Basic earnings = Net profit (attributable to equity holders of the Bank) deduct distribution from other equity instruments after income tax divided by weighted average number of common shares.

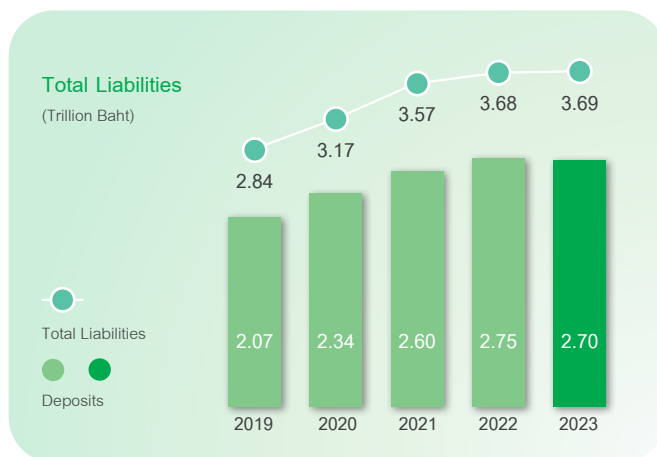
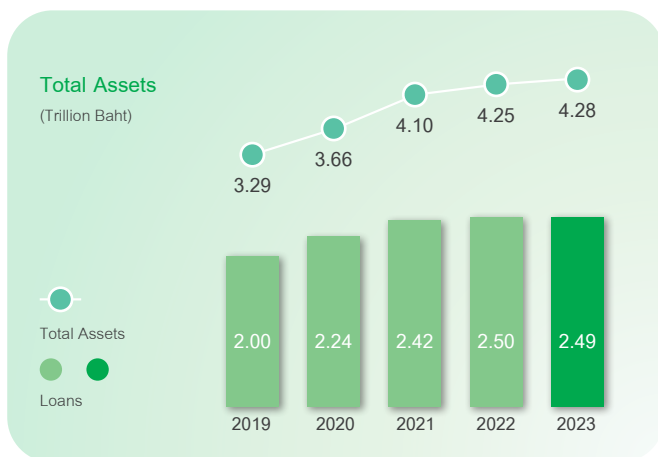
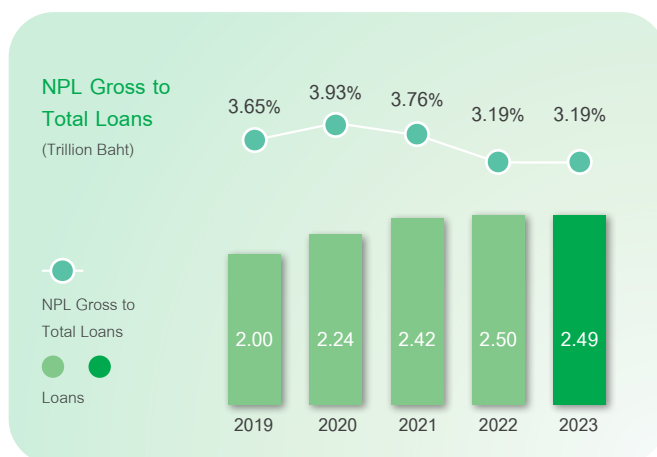
⁽²⁾ Local board / High - low share prices during the year

⁽³⁾ Bank only

⁽⁴⁾ Provision expense = Impairment loss on loans and debt securities

⁽⁵⁾ Excluding non-controlling interests

⁽⁶⁾ Loans = Loans to customers



As of or for the years ended December 31,	2023	2022	2021	2020	2019
PERFORMANCE INDICATORS					
Return on average assets (ROA)	0.99%	0.86%	0.98%	0.85%	1.20%
Return on average equity (ROE) ⁽⁷⁾	8.29%	7.38%	8.44%	7.10%	9.90%
Net interest margin (NIM)	3.66%	3.33%	3.21%	3.27%	3.31%
Cost to income ratio	44.10%	43.15%	43.49%	45.19%	45.32%
ASSET QUALITY RATIOS / FINANCIAL POLICY RATIOS					
Loans to deposits ratio	92.25%	90.77%	93.20%	95.73%	96.62%
NPL gross to total loans ⁽⁸⁾	3.19%	3.19%	3.76%	3.93%	3.65%
Total allowance for expected credit loss / allowance to NPL gross (Coverage ratio) ⁽⁹⁾	152.23%	154.26%	159.08%	149.19%	148.60%
Expected credit loss / Provision expense to average loans (Credit cost) ⁽¹⁰⁾	2.08%	2.11%	1.73%	2.05%	1.74%
Capital adequacy ratio - KASIKORNBANK FINANCIAL CONGLOMERATE	19.41%	18.81%	18.77%	18.80%	19.62%
Tier 1 capital ratio - KASIKORNBANK FINANCIAL CONGLOMERATE	17.44%	16.84%	16.49%	16.13%	16.19%

Notes:

• Financial statements as at December 31, 2020 onwards the Bank and its subsidiaries have adopted TFRS related to financial instruments (included TFRS 9) which some items are not comparable of previous period.

⁽⁷⁾ Return on average equity (ROE) = Net profit (attributable to equity holders of the Bank) deduct distribution from other equity instruments after income tax divided by average equity of equity excluded other equity instruments

⁽⁸⁾ Loans used in calculation are loans to customers and loans to financial institutions.

⁽⁹⁾ Allowance = Allowance for doubtful accounts and revaluation allowance for debt restructuring

⁽¹⁰⁾ Provision expense = Impairment loss on loans and debt securities



KASIKORN BANK

Bank of Sustainability



Dow Jones Sustainability Indices (DJSI)
The first bank in Thailand and ASEAN selected as a member of the DJSI for eight consecutive years (2016 - 2023)



Top 5% of the S&P Global CSA Score 2023 for the banking industry



FTSE4Good Emerging Index
Selected as a member of the FTSE4 Good Emerging Index for eight consecutive years (2016 - 2023)



MSCI ESG Ratings at "AA"
A leading company in the banking industry in emerging markets in ESG operations (2023)



Bloomberg Gender-Equality Index (GEI)
The first company in Thailand selected as a member of the Bloomberg Gender-Equality Index for five consecutive years (2019 - 2023)



CDP
Selected as CDP A List (Leadership Level) for two consecutive years (2022 - 2023)



Carbon Neutral Certification
The first commercial bank in Thailand granted this certification for six consecutive years (2018 - 2023)



The ESG 100 Certificate
One of 100 companies selected as having outstanding ESG performance for eight consecutive years (2016 - 2023)



Best Sustainability Awards
two consecutive years (2022 - 2023)
Highly Commended in Sustainability Awards
for three years (2018 - 2019, 2021)



Thailand Sustainable Investment (THSI)
for seven years (2015, 2017 - 2022)
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Statement of the Board of Directors

KASIKORNBANK (KBank) is committed to operating our business to maximize benefits to all stakeholders, with balance across environmental, social, and governance (ESG) dimensions. As a Bank of Sustainability, we also aim to bring about sustainable growth to the organization, society, and country.

Over the past year, global economies, including Thailand, continued to encounter challenges and uncertainties arising from geopolitical issues, climate change, new regulations, and uneven economic growth. All parties were compelled to adjust and find balanced responses to changing conditions. Board members have supervised and supported KBank's business undertakings, exchanging viewpoints and recommendations with management to ensure that we are able to achieve our established targets and deliver sustainable returns for all stakeholders. KBank operates business with caution, accuracy, and transparency. All undertakings must comply with rules and regulations, conforming with global standards and the Statement of Corporate Governance Principles, and with awareness of appropriate risk levels. The Board of Directors continuously monitors performance to ensure the highest efficiency. Strategic frameworks, targets, policies, and aspirations of KASIKORNBANK FINANCIAL CONGLOMERATE were also approved, while importance was placed on problems related to climate change to further drive KBank towards our Net Zero Commitment, our dedication to pass along a clean and green world to future generations. The Board of Directors has also emphasized creating financial inclusion and fostering financial discipline as part of our contribution to the growth and sustainability of Thailand.

On behalf of the Board of Directors, I would like to express our appreciation for your continued confidence and trust in our business. KBank is committed to creating prosperity, advancement, and maximum benefits to our shareholders and all stakeholders, in a balanced and sustainable manner from generation to generation.

(Ms. Kobkarn Wattanavrangkul)

Chairperson of the Board



Statement of
the Board of Directors

Statement of
the Chief Executive Officer

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Statement of the Chief Executive Officer

In 2023, the Thai economy continued to see an uneven or “K-shaped” recovery, driven mainly by rebounds in the tourism sector. Meanwhile, other economic activities remained pressured by rising production costs, household debt burdens, and living expenses amid a global economic slowdown and persistent challenges. Both private and public sectors, including the banking sector, were required to make balanced adjustments while enhancing their readiness for the short-, medium- and long-term. These endeavors were essential to creating positive results and elevating standards, thus leading Thai businesses and society as a whole towards the shared goal of a sustainable future.

KASIKORNBANK (KBank) continuously conducts our business as a Bank of Sustainability with a focus on delivering sustainable value to all stakeholders. We prioritize and value the Statement of Corporate Governance Principles and operate under appropriate risk and cost management. Through an integrated approach, we focus on technological and innovation development, knowledge provision, and the promotion of financial discipline for all customer segments. Along with this, we foster collaboration with various partners within an ecosystem while also leveraging data analytics for product and service development to ensure greater customer accessibility and responsiveness across multiple dimensions.

At KBank, we have identified our strategic priorities and unveiled the “3+1 Strategy” as the organization’s strategic framework. We have also built on our strengths and enhanced our capabilities in several areas to achieve our goal of double-digit return on equity (ROE) by 2026. Our strategic priorities are to reinvigorate credit performance, scale our capital-lite fee income business, and strengthen and pioneer sales and service models to deliver value-based results. Concurrently, the Bank has implemented strategies to help create new revenue in the medium- and long-term, while also enhancing our competitiveness via key enablers to advance our operations in accordance with established strategies. These enablers include using modern technologies to elevate the Bank’s status as a leading financial service provider in the region, utilizing scalable data and analytics to identify new business opportunities and enhance our operational efficiency, and building a performance-driven organization through result-based working models.

Additionally, the Bank strives to become a leader in ESG among banks in Southeast Asia by leading customers and businesses in Thailand towards an economic system that paves the way for sustainable growth through continuous and concrete actions to achieve the Net Zero target. These include transforming KBank’s operations, assisting customers in building capabilities and adjusting to more environmentally-friendly business practices, providing sustainable credit and investment facilities, as well as advancing services beyond financial solutions in order to help customers gain easier access to greener lifestyles. In the social dimension, the Bank has built appropriate financial inclusion and offered financial literacy to the public, with the aim of promoting sound financial discipline based on responsible lending in alignment with the Bank of Thailand’s policy guidelines. Moreover, the Bank has maintained personal data security and protection, with emphasis on respect for human rights and diversity, including the promotion of learning and growth opportunities among employees. In the corporate governance dimension, the Bank operates business in accordance with the Statement of Corporate Governance Principles, market conduct, and efficient risk management to ensure that the Bank’s operations align with Sustainable Development Goals and are measurable and in line with the country’s sustainable development practices and international standards.

In 2023, net profit of the Bank and its subsidiaries increased year-on-year. We set aside a high level of expected credit loss (ECL), almost on par with the previous year, to cope with economic uncertainties that may persist while consistently bolstering the Bank’s strength. Non-interest income and net interest income rose in line with market conditions. Meanwhile, loan growth slowed slightly compared to last year. KBank focused on effective asset quality management through increased flexibility in providing assistance to various customer groups along with improvements in our credit underwriting process for new loans for enhanced efficiency. Operating expenses rose in line with an increase in operating income amid rising business volume. Additionally, KBank has maintained our status as a leading financial institution that is always prepared to cope with economic volatility under both normal and stressed situations in a timely manner. The capital position of KASIKORNBANK FINANCIAL CONGLOMERATE remains robust and adequate for continued operations. The Bank announced dividend payments at the rate of not less than 25 percent, by considering suitable return to shareholders with prudence principle.

KBank emphasizes supporting individual and business customers, while also driving society and the country’s economy towards shared and sustainable growth targets. In all our operations, KBank has gained widespread acceptance both at home and abroad and has been selected for inclusion in many major sustainability indices. These achievements reflect our commitment, determination, and strong corporate culture in fully embracing our role as a Bank of Sustainability in both Thailand and the global arena.

On behalf of all our executives and employees, I would like to express our appreciation for your continued trust and confidence in our business.

(Ms. Kattiya Indaravijaya)
Chief Executive Officer



Part

1

Business Operations and Performance

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1. Structure and Business Operations of KASIKORNBANK FINANCIAL CONGLOMERATE

1.1 Policy and Overall Business

Corporate Profile

KASIKORNBANK PUBLIC COMPANY LIMITED is a financial institution engaged in commercial banking, securities and related businesses, as permitted by the Financial Institutions Business Act, the Securities and Exchange Act and relevant notifications. Our business operations are in line with the principles of a Bank of Sustainability, which recognize a balance in the environment, society and governance. We strictly adhere to the Statement of Corporate Governance Principles, appropriate risk and cost management, including the development of technologies and innovations, provision of financial literacy and promotion of financial discipline to all customer segments. The Bank has also collaborated with various strategic partners in the ecosystem and employed data analytics to improve our products and services while also ensuring that our customers have easier access to products and services that meet their needs in as many dimensions as possible. KBank has always attached importance to such endeavors in order to drive the organization, society and country towards sustainable growth while offering maximum benefits to all stakeholders.

Overview of Operating Environment

Global and Thai Economy in 2023 and Outlook for 2024

The global economy continued its trend of weaker growth in 2023, led by advanced economies which grew at a slower pace, except for the US economy. The slowdown was in part attributed to impacts of policy rate hikes by central banks to bring inflation down to their target levels. The International Monetary Fund (IMF)'s January 2024 World Economic Outlook indicates that the global economy may have grown at 3.1 percent in 2023, compared to 3.5 percent in 2022. For 2024, the world economy is likely to be challenged by many factors that could limit

the economic growth rate at around 3.1 percent, the same rate as in 2023. The US economy could be impacted by persistently high policy rates, while the China's economy could be pressured by fragility in its financial sector and property market. However, if inflation shows signs of having reached its target levels, several central banks may gradually relax monetary policy by cutting interest rates.

Overall, the Thai economy for 2023 continued to see an uneven or "K-shaped" recovery. The tourism sector saw improvement while other economic activities remained under pressure from rising production costs, debt burdens, and household living expenses. Meanwhile, the global economic slowdown continued to have adverse impacts, leading to a decline in the country's exports and industrial production. Regarding the Bank of Thailand's monetary policy direction, the Monetary Policy Committee (MPC) gradually raised its policy rate to 2.50 percent as per the resolutions from its September 2023 meeting. The MPC views that the interest rate at this level is appropriate for supporting long-term sustainable growth.

Looking into 2024, close attention must be paid to the country's inflation and economic outlook. While the Thai economy is expected to see improving growth, compared to its lackluster recovery in 2023, there are numerous challenges in sustaining the momentum of economic expansion throughout the year. These include the sluggish global economy, prolonged geopolitical tensions, as well as domestic factors, especially issues related to the government's economic stimulus measures and fiscal stability.

Banking Industry

The overall performance of domestically registered commercial banks in 2023 recorded higher net profit compared to 2022. The improvement came mainly from an increase in net interest income amid rising interest rates at home in line with the Thai policy rate. Net interest margin (NIM) gradually rose, especially from the second quarter of 2023 to the year-end,



though it decreased in the first quarter due to rising financial costs, following an increase in the rate of contribution to the Financial Institutions Development Fund to the normal level. In addition, operating income was bolstered by an increase in other incomes, especially gain on financial instruments measured at fair value through profit or loss. However, non-interest income - particularly net fees and service income - continued to fall. Meanwhile, commercial banks set aside higher expected credit loss in order to cope with persistent economic uncertainties. Regarding asset quality, non-performing loans to total loans (NPL Ratio) declined due to proactive NPL management and acceleration of customers' debt restructuring.

As of December 31, 2023, outstanding loans to customers and accrued interest receivables - net at 17 domestically registered commercial banks totaled Baht 13.901 trillion, rising by 0.18 percent from the end of 2022. Meanwhile, outstanding deposits totaled Baht 15.904 trillion, an increase of 0.27 percent compared to the end of 2022. KBank ranked second in loans to customers and accrued interest receivables - net in the commercial banking system, with a market share of 15.45 percent; it also ranked second in deposits, with a market share of 15.80 percent, and ranked third in assets, with a market share of 14.86 percent.

Looking ahead into 2024, even though the overall economy is set to gain traction, businesses may see an uneven recovery amid global economic risks that merit close watch. Loans are expected to enjoy growth thanks to the ongoing revival in economic activity. However, commercial banks are expected to maintain a cautious stance in their business operations. They must prepare to deal with the challenges of giving customers assistance and asset quality management while also expediting their adjustment to the responsible lending guidelines that took effect on January 1, 2024.

Market Shares in Assets, Deposits, and Net Loans within the Commercial Banking System

(Unit: Million Baht)

Bank	Assets	Market Share (%)	Deposits	Market Share (%)	Net Loans	Market Share (%)
Bangkok Bank	3,930,606	16.44	2,699,888	15.97	2,067,703	14.22
Krung Thai Bank	3,580,686	14.98	2,654,751	15.70	2,336,712	16.07
KASIKORNBANK	3,551,348	14.86	2,671,734	15.80	2,246,758	15.45
Siam Commercial Bank	3,280,416	13.72	2,452,078	14.50	2,203,055	15.15
Bank of Ayudhya	2,524,871	10.56	1,815,719	10.74	1,701,805	11.70
TMB Thanachart Bank	1,815,190	7.59	1,387,961	8.21	1,270,224	8.73
United Overseas Bank	867,161	3.63	678,875	4.02	600,803	4.13
Kiatnakin Phatra Bank	529,630	2.22	359,517	2.13	386,610	2.66
CIMB Thai	505,401	2.11	257,710	1.52	236,437	1.63
Land and Houses Bank	316,339	1.32	251,453	1.49	226,668	1.56
TISCO Bank	275,104	1.15	210,730	1.25	220,495	1.52
ICBC (Thai)	224,798	0.94	153,606	0.91	101,378	0.70
Standard Chartered Bank (Thai)	174,781	0.73	94,780	0.56	23,616	0.16
Thai Credit Retail Bank	163,795	0.69	117,017	0.69	140,181	0.96
Sumitomo Mitsui Trust Bank (Thai)	119,457	0.50	24,784	0.15	78,675	0.54
Bank of China (Thai)	68,878	0.29	52,245	0.31	34,775	0.24
Mega International	39,376	0.16	21,545	0.13	25,264	0.17
Domestically-Registered Commercial Banks	21,967,837	91.89	15,904,392	94.08	13,901,157	95.58
Foreign Bank Branches	1,937,738	8.11	1,000,968	5.92	642,240	4.42
All Commercial Banks	23,905,576	100.00	16,905,360	100.00	14,543,398	100.00

Source: C.B. 1.1 and C.B. 1.2 (Bank-only Financial Statements)



Significant Regulations and Rules related to Business Operation*

Significant regulations and rules that may have affected KBank's and K Companies' business operations included:

Rules to be Complied with by Asset Management Companies

The Bank of Thailand revised additional rules for supervising asset management companies by issuing BOT Notification No.SorNorSor. 11/2566 Re: Rules to be Complied with by Asset Management Companies (AMCs), dated October 27, 2023, effective November 14, 2023. Major points of the revision are as follows:

1. Revising rules on governance and internal control of asset management companies:

- Directors and persons with managing authority must adhere to good governance practices. Prohibited characteristics of directors and persons with managing authority were added. In the event that directors and persons with managing authority in an asset management company registered before the issuance of this Notification possess said prohibited characteristics, approval must be sought from the Bank of Thailand to ensure their compliance within 180 days of the effective date of this Notification.
- Asset management companies must have a robust risk management framework and efficient internal control with a check-and-balance and independent management structure in order to control, supervise and audit operations under the Three Lines of Defense principle to ensure operational efficiency in alignment with the overall nature and risk profile of the business while guarding against both fraud within the organization and collaboration for self-serving benefits within a group.

2. Revising criteria for holding of foreclosed properties to ensure enhanced efficiency in management

3. Revising rules for asset management business operations to ensure greater clarity and reduced burdens of unnecessary operations

Rules for Responsible Lending

The Bank of Thailand upgraded its circular Re: Fair Lending Guidelines to Notification BOT. No. SorKorChor. 7/2566 Re: Regulations on Responsible Lending, dated December 21, 2023. This Notification serves as key guidelines to address the household

debt overhang which contributes to Thailand's structural problems, coming into effect on January 1, 2024.

Major points of the responsible lending guidelines focus on promoting appropriate roles and responsibilities of service providers throughout the debt journey, from the development of products and services to management of persistent debts, prioritized by customers' interests, along with provision of behavior data to encourage borrowers to develop good financial discipline. The following are the eight key principles that cover the lending process throughout the debt journey:

1. Development of loan products: They must be appropriate for customers with fair terms/contracts.
2. Advertisement: Images and messages must not encourage excessive indebtedness, while a process to review advertising media must be in place before they are launched.
3. Sales offering: Complete information must be provided for thorough consideration, ensuring that it does not promote excessive indebtedness.
4. Affordability: Focus must be on customers' debt servicing ability and having sufficient income for living.
5. Promotion of financial discipline: Borrowers must be equipped with financial management knowledge and encouraged to foster good financial discipline.
6. Assistance for debtors with persistent debts: Notification process and guidance for debt settlement must be in place for debtors who have been paying interest in excess of their principal for more than 3 - 5 years.
7. Assistance for debtors with debt payment problems: Both preemptive debt restructuring and troubled debt restructuring should be prioritized to provide proper assistance to debtors before the litigation process is initiated.
8. Litigation and debt transfer to other creditors: Debtors must be fully informed of their rights and other important information.

Regulations on Information Technology Risk Supervision

The Bank of Thailand issued BOT Notification No. SorKorChor. 5/2566 Re: Regulations on Information Technology Risk Supervision of Financial Institutions and Specialized Financial Institutions, effective October 31, 2023. This Notification aims to strengthen information technology risk management of banks while minimizing risks and impacts on service providers, customers, the general public and the overall financial institution system. Major points of this Notification can be summarized as follows:

* Additional details on Significant Regulations and Rules related to Business Operations for 2023 can be obtained from Management Discussion and Analysis for the first, second and third quarter of 2023.



1. Banks must ensure that the operational systems that support mobile banking channels can provide continuous services with no disruption more than 8 hours in a calendar year. Additionally, system recovery must be undertaken immediately to ensure quick service resumption.
2. Banks are required to report IT Risk Self-Assessment results within 30 days of the end of the relevant calendar year per the formats and channels as specified by the Bank of Thailand.

Rules for the Calculation of Counterparty Credit Risk-Weighted Assets for Derivative Transactions

The Bank of Thailand revised rules for the Calculation of Counterparty Credit Risk-Weighted Assets for Derivative Transactions by issuing BOT Notification No. SorNorSor. 9/2566 Re: Regulation on the Calculation of Counterparty Credit Risk-Weighted Assets for Derivative Transactions dated September 19, 2023, effective July 1, 2024. This notification aims to ensure that commercial banks and financial business groups have adequate capital to accommodate credit risk of counterparties for derivative transactions. The revised regulation requires that commercial banks and financial business groups calculate counterparty credit risk-weighted assets to accommodate credit valuation adjustment risk (CVA risk) in addition to default risk for derivative positions with both domestic and overseas financial institutions counterparties.

1.2 Business Operations

Income Structure of KBank and Its Subsidiaries

Income Structure of KBank and its subsidiaries for the years ended December 31 are as follows:

(Unit: Million Baht)

	2023		2022		2021	
	Amount	%	Amount	%	Amount	%
Interest income	183,608	95.30	151,332	87.35	135,414	82.90
Interbank and money market items	10,861	5.64	4,914	2.84	2,078	1.27
Investments	26,345	13.67	23,447	13.53	22,675	13.88
Loans	138,693	71.99	116,042	66.98	104,579	64.02
Hire purchase and financial leases	7,709	4.00	6,928	4.00	6,073	3.72
Others	-	-	1	-	9	0.01
Interest expenses	35,164	18.25	18,334	10.59	16,024	9.81
Deposits from customers	14,078	7.31	7,748	4.47	7,380	4.52
Interbank and money market items	3,719	1.93	1,325	0.77	877	0.54
Contributions to Financial Institutions						
Development Fund						
and Deposit Protection Agency	12,471	6.47	6,317	3.65	5,838	3.57
Debts issued and borrowings	4,794	2.49	2,859	1.65	1,837	1.12
Others	102	0.05	85	0.05	92	0.06
Interest income - net	148,444	77.05	132,998	76.76	119,390	73.09



(Unit: Million Baht)

	2023		2022		2021	
	Amount	%	Amount	%	Amount	%
Non-interest income						
Fees and service income	48,620	25.24	48,345	27.90	48,628	29.77
Fees and service expenses	17,440	9.05	15,463	8.92	13,312	8.15
Fees and service income - net	31,180	16.19	32,882	18.98	35,316	21.62
Gain on financial instrument measured at fair value through profit or loss	12,123	6.29	5,053	2.91	5,539	3.39
Gain (loss) on investments	(588)	(0.31)	(130)	(0.08)	817	0.50
Share of (loss) profit from investments using equity method	(35)	(0.02)	115	0.07	(694)	(0.43)
Dividend income	3,569	1.85	3,445	1.99	3,310	2.03
Net premiums earned	67,674	35.13	66,056	38.13	69,360	42.46
Other operating income	3,058	1.59	2,123	1.23	1,290	0.79
<u>Less Underwriting expenses</u>	<u>72,772</u>	<u>37.77</u>	<u>69,285</u>	<u>39.99</u>	<u>70,979</u>	<u>43.45</u>
Total non-interest income	44,209	22.95	40,259	23.24	43,959	26.91
Total operating income - net	192,653	100.00	173,257	100.00	163,349	100.00

Business Directions and Operations of Core Businesses

Business Directions of KASIKORNBANK and the Wholly-owned Subsidiaries of KASIKORNBANK in 2023 and Outlook for 2024 - 2026

In 2023, KASIKORNBANK has established business directions and strategic plans in accordance with the principles of a Bank of Sustainability, accounting for the balance of three dimensions – environmental, social and governance – under good corporate governance, appropriate risk and cost management. KBank focused on service innovation and business partnerships with the aim of promoting financial inclusion among a broad range of the general public in order to empower every customer's life and business. Our key strategic imperatives are as follows:

- Dominate Digital Payment
- Reimagine Commercial and Consumer Lending
- Democratize Investment and Insurance
- Penetrate Regional Market
- Strengthen Harmonized Sales and Service Channel Experience

For 2024 - 2026, KBank remains committed to conducting our business as a Bank of Sustainability. We focus on delivering sustainable value to all stakeholders, namely customers, shareholders, employees, regulators, and the society at large. These endeavors can be achieved through our good corporate governance, appropriate risk and cost management. In parallel, we foster K-Culture which encourages attitudes and behaviors of our personnel towards a shared goal under five Core Values, i.e., Customer at Heart, Collaboration, Agility, Innovativeness and Integrity.

Our strategic imperatives prioritize customers' demands across all segments, while our business plan aims to develop products and services that can meet the diverse needs of our customers, including retail, SME, corporate and international businesses, with the aim of becoming our customers' main operating bank and the Regional Digital Bank. To this end, KBank has established strategic priorities while defining "Strategy 3+1" as the organization's new strategic framework as follows:

**Strategy 1: Reinvigorate Credit Performance:**

We aim to assist our customers in their lives and businesses while generating an additional revenue stream for KBank under an appropriate risk-adjusted return. We focus on acquiring customers with sound debt servicing ability who are interested in borrowing, while conducting risk-based cost management and developing efficient practical guidelines in order to maintain business growth and credit quality. These endeavors are undertaken via our four key strategic approaches, i.e.,

- Growing credit product portfolio with quality: We focus on middle- to high-income clients to minimize risks related to fraud and credit quality.
- Grooming existing credit customers: We aim to broaden opportunity in extending credit to customers within the ecosystems of our business partners while giving them support in their transition to a low-carbon business.
- Proactive retention and anti-attribution: This is to maintain existing customers via the anti-attribution model.
- Credit transformation to build and enable capabilities for business growth: KBank aims to transform and develop lending capabilities throughout product cycles to ensure efficient business growth.

Strategy 2: Scale Capital-Lite Fee Income Business:

- Create long-term, sustainable wealth empowerment through Financial Advisory approach, offering comprehensive investment and protection products

tailored to customers' needs and investment goals. Enhance the distribution network and digital channels, and uplift after-sales service through the K-Wealth Contact Center. Additionally, strengthen the K-Wealth Brand by delivering distinguished privileges and superior experiences to customers.

- Dominate digital payment: Being a leader in continually providing innovative payment solutions, we serve customers anywhere, anytime, across all digital platforms, including domestic, international and regional payments with the aim of embedding in customers' ecosystems. Our focus has thus been on continuous service improvement for enhanced customer experience with cost effectiveness. Along with this, we leverage data analytics in order to offer products and services tailored to customer behavior.

Strategy 3: Strengthen and Pioneer Sales and Service Models to Deliver Value-Based Results:

We aim to deliver efficient services, prioritizing the "Digital First" approach. The strategy integrates digital technology with impressive service delivery via capable personnel to allow customers to access our financial services seamlessly across all channels, accounting for appropriate cost and risk appetite.

Strategy+1: New Revenue Creation for Medium and Long-Term:

We will cautiously explore opportunities while closely monitoring risks in new revenue streams via key business units to help KBank achieve its financial targets. Our strategic initiatives will include:

- **Building long-term business growth:** We aim to broaden our reach to the mass market and the underbanked who have limited access to KBank services via KASIKORN INVESTURE CO., LTD. (KIV) which engages in payment services, lending and asset management business. By leveraging our partners' capabilities and KBank's existing infrastructure, we focus on increased flexibility in providing financial services to retail customers while mitigating credit risk-related costs.
- **Taking the lead in financial services through regional business expansion:** We aim to broaden our regional business to accommodate our customers' transactions and business operations, with a focus on acquiring clients



KBank, Sansiri and Ion Energy together launched the Solar Save campaign, a great-value offer for helping to save the world. Customers applying for a loan for solar panel installation will receive numerous special privileges.



in three major markets, namely the People’s Republic of China, the Republic of Indonesia and the Socialist Republic of Vietnam.

- **Going Beyond Banking and Innovation:** We have formulated strategic plans and set goals for businesses that go beyond banking and innovation in sync with ever-changing consumer behavior, technology and the competitive landscape.

(1) Tech innovation: Leveraging technological innovation for development of new services beyond traditional banking realm for enhanced customer responsiveness. Notable initiatives include MAKE by KBank application and KhunThong social chatbot.

(2) Future of Finance: Preparing to provide digital asset-related services and blockchain technology both domestically and internationally to enhance customer empowerment, focusing on reliability, as well as user-friendly and easily accessible services, under the new financial infrastructure of Thailand.

(3) Uplifting Banking: Collaborating with our business partners in three targeted ecosystems, i.e., health, travel and education, in initiating the study and development of a business acting as an intermediary to connect our customers with service providers. Our goal is to offer a more positive customer experience together with cost effectiveness.

(4) Sustainability: Developing an ESG Beyond Banking Solution – a business model that focuses on environmental, social and governance priorities under two main approaches. They are, i.e., acting as an intermediary to connect service providers with our customers to ensure their improved access to environmentally friendly technology via an ESG platform, and providing services related to assessment, reporting, reduction and exchange, as well as the development of a carbon market throughout the carbon value chain.



KBank established KASIKORN INVESTURE Co., Ltd. to increase its flexibility in providing financial services to retail customers. It will also leverage its partners' capabilities and existing infrastructure to reduce business costs and credit risk.



KBank unveiled KBTG Vietnam in Ho Chi Minh City, Vietnam, to accommodate technological development for providing KBank services in Vietnam as well as other countries in the region.

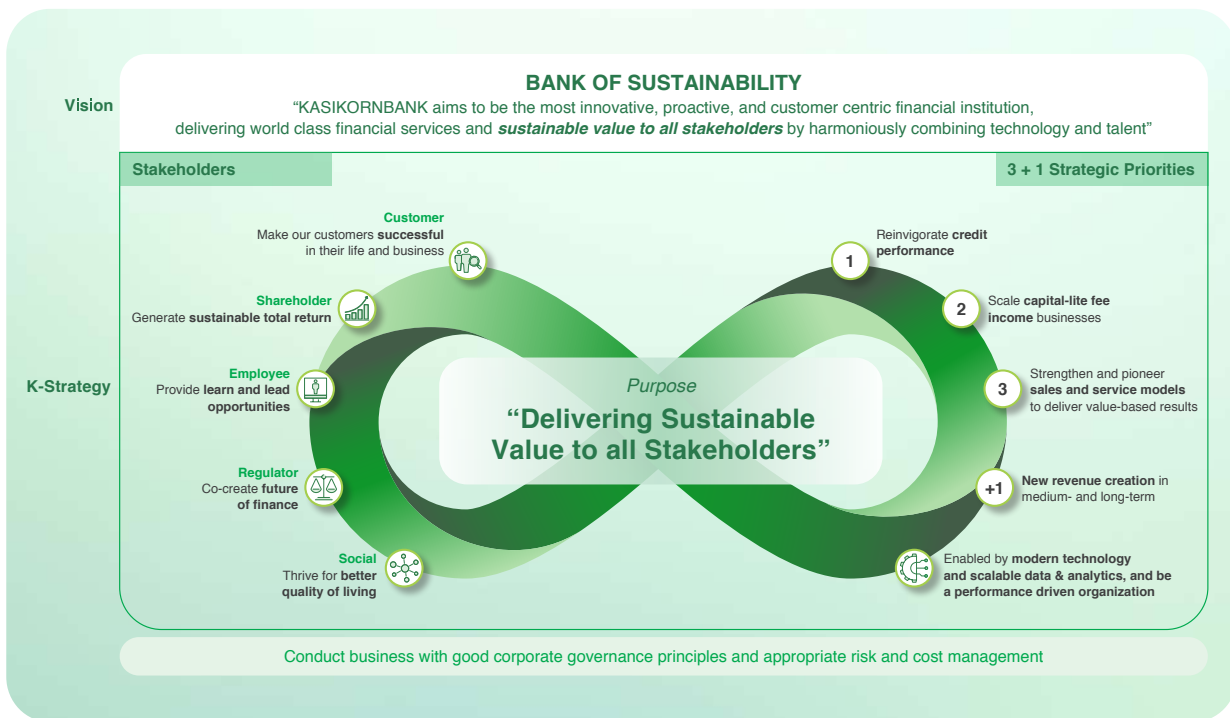


KBank joined Thailand Greenhouse Gas Management Organization (Public Organization) in conducting studies for the development of carbon credit trading business and management while advancing Thailand towards the Net Zero goal.



Guided by our business strategies, KBank has conducted operations with the aim of maintaining our status as a leading financial institution which can cope with economic volatility in a timely manner in strict compliance with the good corporate governance policy. We have prioritized data analytics for formulating proactive and integrated risk management principles and policies, efficient capital management and a risk-aware culture Bank-wide. Additionally, KBank has undertaken operations in alignment with policy guidelines and measures of the Bank of Thailand and other regulatory agencies, ensuring that we can strictly comply with those standards with enhanced efficiency.

Vision and K-Strategy



In 2023, KBank operated our business in alignment with our strategic imperatives with the aim of meeting the needs of domestic customers, including retail, SME and corporate customers, as well as those in the AEC+3 region. Major operations are as follows.

Payment Service

KBank is determined to develop payment innovations with enhanced security and reliability to comprehensively meet the needs of business and retail customers domestically, internationally and regionally. We intend to dominate digital payment across all platforms with the aim of embedding in customers' ecosystems. Major initiatives in this quarter were as follows:

- **Development of xplORe Wallet Powered by KBank:** Under cooperation with PTT Oil and Retail Public Company Limited (OR), KBank developed xplORe Wallet Powered by KBank (formerly Blue CONNECT Wallet) under e-Money White Labelling to accommodate payment for a variety of products and services via both online and offline channels, including those outside OR retail stores. Aside from a feature for inquiry of transaction history, customers can link this e-wallet to the PTT Blue Card point accumulation program in order to receive promotions and numerous privileges.



- **Promotion of YouTrip Multi-Currency Card**, a digital wallet for travel that accommodates multiple currencies: With distinctive features, the card offers competitive exchange rates and allows cardholders to exchange up to 10 currencies in advance and spend in more than 150 currencies worldwide with no application fee, annual fee or fee for cash withdrawal via ATM in other countries. To promote engagement and maximize satisfaction, KBank offered cardholders additional benefits, including special rewards, discounts and cash back for spending, via YouTrip Perks. Aside from increasing the number of participating merchants, we also introduced tourism-themed content via both online and offline channels.
- **Promotion of KBank Debit Card**: KBank unveiled K Online Max Debit Card, a virtual debit card to provide greater customer convenience with no need to carry a physical card. Customers can apply for the card via K PLUS and enjoy multiple benefits such as personal accident coverage, travel insurance and online purchase insurance. The launch of this card aims to expand the cardholder base to employees, daily/temporary workers and the self-employed. To encourage increased spending via the card, we launched a campaign offering a waiver of application and first-year annual fee, along with marketing promotions tailored to customers' lifestyles.
- **Development of K SHOP**: The Bank introduced the K SHOP Pro package with features to facilitate online merchants in handling order placement, receiving payment, and inventory management. A free trial was offered for customers who signed up for the service. We continually upgraded K SHOP to allow both physical and online stores to accept payment in various forms, including Thai QR Payment, QR Credit Card for Visa, Mastercard and UnionPay, Alipay and WeChat Pay – the Chinese e-wallet, as well as QR code scan with payment made via K Point and Mobile Point of Sale (mPOS). Additionally, K SHOP can accommodate Payment Link – a feature that allows merchants to chat and share payment links via social media, as well as QR scan from mobile banking applications of foreign tourists from six countries and territories including Malaysia, Singapore, Indonesia, Vietnam, Cambodia and Hong Kong.

- **Promotion of e-Donation and QR code donation**: This is an effective and transparent donation mechanism, ensuring that organizations receive donations correctly and that donors receive tax deductions without having to show proof of donation to the Revenue Department. The promotion covered a wide range of recipient units, such as hospitals, foundations, and educational and religious institutions. Donors can easily search for the names of participating recipient units and QR codes on KBank's website.



KBank teamed with OR in providing the xplOR Wallet Powered by KBank which accommodates any purchase at OR stores.



KBank launched K SHOP Pro package – an all-in-one feature to facilitate online stores in accepting purchase orders, payment and inventory management.



- **Development of Corporate Payment API:** We enhanced the system to accommodate funds transfer for businesses using the KBank's Corporate Payment API, allowing them to make domestic funds transfer for non-resident accounts, apart from current and savings accounts. The development is aimed at supporting business transactions of multinational companies in Thailand. We also expanded the service to customers in social e-commerce businesses.
- **Development of K PromptBIZ:** K PromptBIZ accommodates payments based on collection via the system through the integration of trade-related data and comprehensive digital payments, encompassing trade-related document preparation and delivery. The service helps improve business process efficiency

and save operating costs. Additionally, transaction data of business customers can be used to support their loan applications.

- **Development of Kyat funds transfer service via K PLUS:** This service aims to provide greater convenience for Myanmar workers in Thailand in gaining improved access to financial services and sending money to their homeland quickly. To make Kyat funds transfer, customers just provide the recipient's telephone number linked to a KBZPay Wallet of Kanbawza Bank (KBZ Bank). The sender can check the recipient's name before conducting the transaction and receives a notification once the funds transfer is credited into the recipient's account. The recipient can receive the funds transfer via their KBZPay Wallet account and withdraw cash at any KBZ Bank branch, ATMs and more than 40,000 KBZPay service points in the Republic of the Union of Myanmar.



KBank and GC signed a memorandum of understanding (MOU) to provide a sustainability-linked loan to support GC's sustainability goal of achieving Net Zero emissions by 2050.



KBank and KBZ Bank of Myanmar introduced Kyat Funds Transfer via K PLUS to allow Myanmar people in Thailand to make funds transfer back to their homeland easily and quickly.

Lending

KBank has in place a prudent credit policy, accounting for the uneven Thai economic recovery amid intense market competition. We focused on continual improvement of lending products and services while also leveraging technology for the offering of products tailored to the needs of target customers with sound debt servicing ability under efficient risk management to assist and support our customers in an efficient and timely manner.

Regarding business loans, KBank continued to support long-term loans to accommodate business expansion while also providing short-term loans to bolster liquidity and working capital for businesses under rigorous credit underwriting processes appropriate for each customer's risk persona, with thorough consideration. Additionally, KBank prioritized the offering of sustainable finance to businesses having operational guidelines that promote sustainability with a focus on environmental, social and governance priorities. Notable initiatives included renewable energy projects, green buildings, clean transportation projects and sustainability-linked loans aimed at achieving sustainability goals such as reducing greenhouse gas emissions. Customers were required to establish ambitious key performance indicators (KPIs) and sustainability performance targets (SPTs) with clear operational timeframes, while also having a second-party opinion to assess the indicators based on Thai and international standards.



Regarding retail loans, the Bank focused on provision of secured loans, offering the highest credit limit based on collateral value to low-risk customers with good credit history so as to remain competitive in the market, while maintaining overall asset quality at a manageable level. As for unsecured loans, we focused on high-quality customers with increased income and clients with greater potential for income growth in alignment with our prudent credit policy. Additionally, KBank has in place guidelines for offering credit limits and interest rates in accordance with each customer's risk profile, allowing us to manage income and service costs more appropriately. Along with this, our key priority is to proactively monitor credit quality for enhanced efficiency.

Investment and Insurance

KBank aims to democratize investment and insurance, targeting previously inaccessible groups. We developed digital channels to facilitate our customers in making their own informed investment decisions. Meanwhile, our Relationship Managers (RMs) are always on hand to introduce appropriate products of KBank and other companies within KASIKORNBANK FINANCIAL CONGLOMERATE to business and high net worth individual clients.

- **Mutual funds:** In 2023, the overall investment situation remained volatile due to economic factors and geopolitical tensions which impacted each country to a varying degree. While the US, European and Japanese stock markets improved, the Chinese and Thai bourses remained on a downward trend. KBank therefore recommended multi-asset/balanced funds, and foreign fixed-income funds with global diversification so that our customers could capitalize on positive impacts from the end of the upward interest rate cycle and the anticipated interest rate downturn in 2024.

For customers having a higher risk appetite and seeking long-term investment opportunities, we recommended that they diversify their investment in stocks with long-term growth potential. These included funds investing in ESG stocks, funds that focus on global equities in megatrend industries, and healthcare funds. Meanwhile, investors having a lower risk tolerance were recommended to focus on fixed-income funds and term funds. Meanwhile, our Private Banking clients were advised to invest in private assets and private equity funds – among alternative products for risk diversification.

For high net worth individual customers, emphasis remained on risk-based allocation investment in multiple assets, in accordance with K-Alpha's investment recommendation. KBank collaborated with KAsset and its investment partner in developing three mutual funds, namely ALPHA-CON-UI, ALPHA-MOD-UI and ALPHA-AGG-UI, which are designed for investors with different investment goals and risk appetites. At the same time, private bankers and a team of experts from KBank could provide advice to clients who were interested in managing their own investment portfolios.



KBank organizes THE WISDOM Investment Forum on "AI Ultimatum: The Secret Key to Unlock Your Wealth", featuring an analysis on how AI technology influences our lives while presenting attractive investment opportunities.



KBank launched Green Zero – a home loan campaign that offered a multitude of privileges for customers installing solar panels.



Investors were equipped with information on diverse investment themes aimed at generating returns amid the prevailing market circumstances. In particular, the key “Winner of New Economy, Policy-Driven for Better World” theme focuses on businesses in the new economy that can create positive impacts and sustainability for the world.

- **Life insurance products:** KBank aims to develop a variety of insurance products that are suitable for each customer group, taking into account after-sales services and customer engagement. We seamlessly integrated digital channels and sales agents for greater accessibility to customers. Our endeavors were achieved through customer base

expansion focusing on top-middle income earners and the introduction of smaller policies. These included life and health insurance plans offering coverage and financial protection for families, as well as unit-linked life insurance – an option for customers seeking both coverage and investment returns. A notable new product was “Perfect Saving 11/5” life insurance, which can be applied for online, with no health checkup required.

For affluent and high net worth individual clients seeking wealth transfer and legacy planning, we recommended the Premier Legacy 99/99 life insurance. Policyholders can transfer their wealth which is not subject to inheritance tax or court proceedings. This policy features low sum insured which can generate a large amount of wealth while customers have an additional option to pay insurance premiums until they reach 99 years old. Under the previous Premier Legacy plans, customers may choose from three premium payment terms: one year (Premier Legacy 99/1), five years (Premier Legacy 99/5), or 10 years (Premier Legacy 99/10).



Inauguration of a new branch in Beijing, China, to facilitate thriving trade and investment in China.

International Business Operations

KBank expanded its business in the AEC+3 market under three key strategies, namely: (1) Aggressive Play: aggressive expansion in corporate lending; (2) Mass Acquisition Play: expansion of the customer base via digital channels in collaboration with the Bank’s local partners, with the ultimate goal of becoming a regional payment platform; and (3) Disruptive Play: development of new financial service formats to serve customers with limited access to bank services (the underbanked), a significant consumer base in this region. Major initiatives in our four key markets were as follows:

1. The Republic of Indonesia: KBank focused on aggressive loan business expansion along with a transformation of PT Bank Maspion Indonesia Tbk’s business operations for enhanced efficiency in three areas, namely personnel, work processes and technological infrastructure. In 2023, KBank increased its shareholding in PT Bank Maspion Indonesia Tbk to 84.55 percent to support its continual growth. We also improved our services and financial advisory in order to offer loan products that better meet customers’ needs. Moreover, KBank launched deposit products as part of our effort to expand the deposit base while also fostering collaboration with an online platform in order

KBank

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to offer a loan service to small business customers in need of working capital. Meanwhile, we focused on expanding merchants accepting bill payment via QR code under the Quick Response Code Indonesia Standard (QRIS). As of now, the Bank has approximately 5,000 touchpoints and QRIS merchants.

2. The Socialist Republic of Vietnam: KBank aims to become our customers' main operating bank with our strategic focus on prudent business expansion. To this end, we launched a variety of products in order to meet the needs of all customer segments. Along with this, KBank offered full-fledged financial services in the transactional ecosystem while promoting brand awareness to attract the target customers. In 2023, KBank launched a home loan service with the aim of generating additional income from clients who have an active deposit account with K PLUS Vietnam, now topping 1.1 million.

3. People's Republic of China: KBank opened a branch in Beijing, China's capital and the center for our major customer groups, government agencies and headquarters of leading Chinese firms. We offered cross-border business solutions to business customers in China seeking to invest in Thailand and other ASEAN countries, including our clients in Thailand and other ASEAN countries wishing to expand their businesses in the mainland. In addition, KBank partnered with our business partner's platform to broaden our loan service to SME clients throughout the value chain financing. In parallel, we introduced personal loan products via digital channels to create opportunities for empowering our customers' lives and businesses under the "Better SMEs and Better ME" concept.

4. Lao People's Democratic Republic: KBank unveiled K PLUS Laos in alignment with the strategy of becoming the Regional Digital Bank. We aim to offer digital banking innovations to local customers to elevate the quality of life among both retail and business customers. To this end, our focus was on the development of transactional banking services for daily life, including payment, withdrawal, and domestic and international funds transfer. Additionally, we expanded bill payment service for utilities including water and electricity as part of our continual effort to promote a cashless society.

KBank has thus far launched K PLUS in three ASEAN countries, including Thailand, the Socialist Republic of Vietnam and Lao People's Democratic Republic, with the total number of users across the region now surpassing 23 million. KBank has 16 locations of its international branch network in eight countries, including the People's Republic of China, the Lao People's Democratic Republic, the Kingdom of Cambodia, the Socialist Republic of Vietnam, the Republic of Indonesia, the Republic of the Union of Myanmar, Japan, and the Cayman Islands (United Kingdom Overseas Territory). In addition, we have fostered partnerships with more than 80 other financial institutions in 16 countries, both within and outside the AEC+3 region. We also have a regional network of more than 20 startup companies in which KBank is an investor and business partner, as well as more than 2 million customers region-wide.

International Branch Network

International Branch Network	Number of Locations	
	2023	2022
Branches of Locally Incorporated Institutions	7	6
KASIKORNTHAI BANK LIMITED (Lao PDR)	2	2
- Head Office, Lane Xang Avenue and Ponesinuan Branch		
KASIKORNBANK (CHINA) CO., LTD.	5	4
- Branches: Shenzhen, Chengdu, Shanghai and Beijing		
- Sub-branch: Longgang		
PT Bank Maspion Indonesia Tbk	61	60
- Head Office (1); Branches (13); Sub-branches (38); Mobile branches (9)		
Other overseas branches	4	4
- Branches: Cayman Islands, Hong Kong, Phnom Penh and Ho Chi Minh City		
Representative Offices	5	6
- Kunming, Tokyo, Yangon, Hanoi and Jakarta		



Service Network in Overseas

Locally Incorporated Institution, Branch, Sub-Branch and Representative Office



Name and Location of Service Network in Overseas



Name and Location of Service Network can be found at:

- KASIKORNBANK website, "Contact Us", and click on the "Channels in Overseas" or
- QR Code scanning



Service Channels

KBank has established business directions under the customer centricity concept. We therefore focused on seamlessly integrating physical branches with digital platforms as an alternative for customers across all age groups in accessing our services anywhere, anytime. KBank also orchestrated ecosystems with our business partners via digital banking services with the aim of elevating our long-term competitiveness, solidifying our leadership in digital payments while fostering sustainable business growth. All of these efforts are carried out under our proactive measures to safeguard customers' property and data privacy, thus ensuring their confidence in conducting transactions with enhanced security for the most impressive customer experience.

1. Domestic Branch Network: To ensure the highest efficiency in branch network management, KBank focused on the available number of branches, which must be appropriate for broader service coverage as well as proper control of operating costs. To this end, we consolidated branches to reduce redundancy, especially those with relatively low traffic, while also promoting the use of technology for development of services and branches' internal processes. Meanwhile, KBank offered services at branches of various formats to align with customers' needs in their daily lives in each area. For instance, we now have 24 hybrid branches which offer customers self-service electronic machines, and four K PARK locations that provide a variety of services at

gas stations and in various communities. Moreover, the Siam Square Branch building is the first "Innovative Iconic Green Building" under the KLOUD by KBank project. All customers, students and the general public are invited to use the service free of charge.

In addition, we focused on expanding KBank Service via banking agents and machine agents at targeted areas in each province nationwide to accommodate future branch consolidation. In 2023, we continued to improve the quality of banking agent services, including cash deposit/withdrawal, bill payment and identity verification for electronic account opening as well as application for other financial services which were made available via different agents, under the standards established by KBank. We also launched a brand awareness campaign through reduction of fees for making deposit via the established banking agents.

Meanwhile, KBank gradually opened more foreign exchange booths, especially in areas where the number of foreign tourists has risen significantly, especially in airports, Airport Rail Link stations and at major tourist attractions, aside from the foreign exchange service available at KBank branches, to ensure broader service coverage across the country. Moreover, automated currency exchange machines are now available at Suvarnabhumi Airport, the King Power Mahanakhon Building, King Power Sri Vari Building and King Power Rangnam Building. We have also introduced the EV FX Mobile – a new format of foreign exchange booth service via electric vehicle – to provide customers more service options.

Branches, Financial Service Centers and Electronic Banking Services

Domestic Branches and Financial Service Centers	Number of Locations		Electronic Banking Services	Number of Units	
	2023	2022		2023	2022
Branch Network ⁽¹⁾	809	824	Self-Service Channel (K-ATM and K-CDM)	10,903	10,953
Foreign Exchange Booth	97	78			
SME Business Center ⁽²⁾	184	179			
International Trade Service Center	58	58			
Cheque Direct Service	15	13			

Note:

⁽¹⁾ Excluding six branches classified as other branch platforms per the Bank of Thailand's conditions

⁽²⁾ More than one SME Business Center may be located in a single branch.

Name and Location of Service Network in Domestic



Name and Location of Service Network can be found at:

- KASIKORNBANK website, "Contact Us", and click on the "Branches and Service Channels" or
- QR Code scanning



2. Electronic Banking Services:

- **K-ATMs and K-CDMs:** Siting of machines has been a major focus with sufficient service points to ensure broader coverage. Along with this, we developed functions on these machines for enhanced customer responsiveness under proper cost management. In 2023, KBank added a new step which requires customers to verify their identity before making deposit and cash transfer, both for own account and interbank funds transfer transactions, via K-CDM. The new step is in accordance with the regulations of the Anti-Money Laundering Office and the Bank of Thailand to prevent money laundering and other financial scams. We also improved the identity verification system at electronic machines for enhanced efficiency and greater customer convenience in the opening of K-eSavings and application for services, including the opening of mutual fund accounts, and activation of Blue CONNECT e-wallet as well as signing up for LINE BK and K PAY LATER. Moreover, our K-ATM and K-CDM machines are now equipped with a multilingual function to facilitate transactions.

- **Digital Banking Services:** KBank has continually developed our banking platform for enhanced efficiency and customer base expansion while maintaining our leadership in digital banking services with the largest number of users in Thailand. Focus was on increased linkage of KBank's financial services with our business partners' platforms across all ecosystems, and technology-driven financial innovations to be at the forefront in offering new features to meet the needs of users in the digital era. Major initiatives included:

1) **K PLUS:** Being an open banking platform that promotes linkages with our business partners, enabling seamless connectivity within the lifestyles and business ecosystems of the digital era through the launch of innovations and new boundless services. In parallel, our focus was on development of brilliant basics to ensure customers' confidence in conducting financial transactions with enhanced security. Major initiatives were as follows:

1.1 Development of K PLUS infrastructure for enhanced reliability and security:

- Enhanced security with facial scan: Customers are required to conduct a facial scan when making funds transfer over Baht 50,000 per transaction or over Baht 200,000 per day, including scheduled funds transfer transactions, and activating accessibility service.
- Establishment of daily transaction limit for customers aged not more than 15 years old: They can conduct transfer, payment and top up transactions at a maximum of Baht 20,000 per day and cardless withdrawal up to Baht 30,000 per day.
- One customer - one mobile phone number registration: To register for K PLUS, a customer (one national ID card number) is now required to use only one mobile phone number.
- Assessment on fraud awareness: Customers are required to complete an assessment questionnaire upon their first use of service and every six months in accordance with the Bank of Thailand's fraud prevention measures.
- Warning alert on financial fraud: Customers receive a warning message on financial scams every time before they make funds transfer.

1.2 Enhancement of payment services for improved customer responsiveness:

- Expansion of QR payment via K PLUS at stores bearing a UnionPay logo to more than 40 countries and territories worldwide, including the Federal Republic of Nigeria and the Kingdom of Sweden.
- Launch of international funds transfer to Republic of the Union of Myanmar: Recipients simply have a mobile phone number linked to a KBZPay Wallet of KBZ Bank and activate the KBZPay system. Maximum funds transfer is Baht 50,000 per transaction and MMK 5,000,000 per day.
- Expansion of e-Donation to cover a wide range of recipient units: After KBank has submitted information on donation directly to the Revenue Department, donors can exercise their rights to personal income tax deduction.



Launch of a campaign to promote environmental conservation via K+ Market: KBank adds 10 percent on every 1,000 K Points donated to participating foundations related to environmental conservation.



- Expansion of bill payment service throughout 24 hours and increased accessibility of K PLUS Free Call (Wi-Fi call) service through making it available on the transaction page, the home page under the topic "Recommended Services", and the "More" page.

1.3 Strengthened connectivity across ecosystems of KBank's partners:

- Transfer of AIS Points to the K Point loyalty program: K PLUS customers using AIS service can transfer their AIS Points to the K Point loyalty program with no fee.
- Use of K Points together with cash for bill payment, top up including payment via QR code of other banks.

1.4 Enhancement of emotional aspect for better customer experience: Addition of new themes and slip designs on K+ market: The new themes and designs offered by our business partners include Hello Kitty, One Piece, Shin Chan and Wiggle Wiggle. Customers may purchase them or send them as gifts to other users.

- 2) **K BIZ:** An internet banking service for business and SME customers which provides financial management services to both individuals and juristic persons. Its comprehensive features cover funds transfer, top up, and bill payment designed to meet specific business needs, under a standard security system for enhanced confidence in transactions. These include multiuser assignment, statement download in PDF and Excel file format, e-slip verification for transaction confirmation, K-Payroll, and credit inquiry for all six types of loans, allowing customers to verify and track their loan utilization, namely overdraft, letter of guarantee, promissory note, commercial loan, personal loan, and home loan.

We have also collaborated with business partners in offering business management tools for K BIZ users such as PEAK online accounting software and HumanSoft payroll solution, based on the established conditions.

- 3) **K-Payment Gateway:** KBank developed an internet payment service to support various forms of payment, including card payment - with options of payment in full and installment payment, QR code, Pay with K PLUS, and the Alipay and WeChat Pay e-wallets. Also, merchants can create and share payment links via chat using either of two services - K PAYMENT LINK for merchants offering sales via social media channels; and K SOCIAL PAY for merchants having LINE Official Account (LINE OA).

Additionally, we have developed services to better meet the needs of merchants, such as a bulk refund feature allowing merchants to cancel multiple transactions at once, improved display of important information in the merchant portal and payment details. These are available for merchants on e-commerce and marketplace platforms, food delivery services, payment facilitators, and online retail stores.

- 4) **KBank Live (Facebook, X (formerly Twitter), Instagram, YouTube, LINE, TikTok Blockdit and Clubhouse):** We have developed communication channels to ensure greater customer convenience in using financial services in their daily lives, including:

- Notifications via KBank Live LINE: Customers are notified of account movement for deposit account, credit card and Xpress Cash as well as loan payment due and suspicious transactions. There is also a feature of sharing notifications on incoming-outgoing funds with LINE friends using a shared account. Moreover, clients can make appointments for use of branch services and receive news tailored to their interests via KBank Live LINE.
- Search and inquiry of products and services, promotions and financial knowledge as well as KBank news and information. A chatbot is also available to answer questions and provide information and suggestions.



The QR e-Donation payment service allows convenient donations through any bank for automatic tax deductions without the need to request a tax deduction certificate.



- Fraud case reporting via KBank Live LINE: This channel allows customers to report fraud cases to the financial fraud center quickly and easily, 24 hours a day. Moreover, information on cyber threats is available on a continual basis, such as the SATI campaign. We also cancelled the sending of SMS with attached hyperlinks to customers.
- 5) **Other platforms:** KBank has developed various financial platforms for our business partners. So doing allows them to conduct financial transactions with the Bank and apply our products and services in their businesses. Notable platforms are:
- **KBank Open API:** This channel allows system developers and business partners to access and connect to API services of KBank, enabling businesses to offer new products and services to target customers more efficiently, while the Bank can expand its customer base at a faster pace. Presently, KBank's products and services available on Open API include QR Payment, Inward Remittance, Slip Verification, KGP (KASIKORN GLOBAL PAYMENT) Merchant Payment platform and funds transfer from KBank accounts to other banks.
 - **National Digital ID (NDID) Service:** This service features digital-based identity verification for customers applying for services of the public and private sectors. Another development is dStatement service – the transmission of account statements between banks via NDID platform.
 - **RP (Relying Party) Proxy:** This platform allows KBank partners to connect to the National Digital ID (NDID) platform for identity verification easily and quickly.
 - **Face API:** This service platform featuring facial recognition aims to aid KBank partners in conducting transactions, including identity verification for service application, building entry/exit and other functions as appropriate.
 - **K-Contact Center:** KBank has complied with government agencies' policies and measures on financial frauds and online scams. We have in place efficient customer management guidelines to ensure their confidence in conducting financial transactions for protection of their property against loss from fraudulent actions. Major operations throughout the year are as follows:
 - 1) **Setting up of a hotline center for reporting financial fraud** at 02-8888888, press 001, available 24/7. We have developed a system and processes for notifying customers of their bank case ID in urgent cases, as well as sending SMS messages to inform them of progress on resolving problems. Moreover, we enhanced KBank Live on the LINE platform, allowing customers to more conveniently report financial crimes online through chatbot and self-service features.
 - 2) **Development of connectivity processes with relevant parties to stop suspicious transactions in a timely manner.** This involves collaboration among units within the Bank, other banks, government agencies, as well as mobile network service providers. Moreover, we opened a connection with the Anti-Online Scam Operation Centre or AOC 1441 hotline - an added contact channel which allows victims to make inquiries, report, and track the status of their cases. The AOC will act as an intermediary to coordinate with banks and facilitate operations.
 - 3) **Establishment of internal work processes to address various forms of fraud,** in accordance with the rules and regulations outlined in the Executive Decree on Measures for Protection and Suppression of Technology Crimes. Focus is on providing comprehensive and prompt assistance to customers.In addition, KBank - as a Customer Fulfillment Center - has elevated our service efficiency to ensure total solutions. We aim to become a Customer Engagement and Empathic Center which orchestrates a seamless customer experience across all service channels, thus becoming their main operating bank in a sustainable manner. Major operations are as follows:
 - **Improvement of Service Quality:** Our employees have been trained with a focus on empathic skills and mindset in efficiently solving customers' problems, thus delivering an excellent customer experience.
 - **Development of Case and Incident Management:** We prioritized clear and swift solutions to complaints of both online and offline customers to help alleviate any potential impacts upon them, while also curbing panic and negative effects, in order to maintain the public's confidence in the Bank and the financial institution system in general.
 - **Development of Service Process of K-Contact Center:** Focus was on improving our first-call resolution, while also offering additional online channels for document submission. Also, we launched Internet Voice Call via K PLUS to help reduce service fees for customers.
 - **Chatbot Development:** With adoption of generative AI technology, we expanded the scope of information provided about KBank products and services for broader coverage, greater accuracy and enhanced efficiency.
 - **Development of Knowledge Management Smart Agent Portal:** This effort is aimed at bolstering K-Contact Center's capabilities for enhanced service efficiency.



Operations of Support Groups

Human Resource Management

KBank, as a customer empowerment organization, focused on human resource management that is in alignment with the K-Strategy. In a challenging environment and organizational context, we thus embarked on key initiatives as follows:

1. Organization Design for Growth: KBank established the Wealth Management and Bancassurance Division and enhanced the capabilities of personnel providing wealth management services. We recruited employees capable of providing end-to-end customer care, including product managers, wealth-relationship managers and credit analysts as well as other officers in support of KBank's new businesses. To better meet the needs of our customers, KBank also supports the development of employees' capabilities by promoting learning opportunities and examinations to obtain licenses for specialized investment advisory services.

2. Effective New Way of Work: We conducted an employee engagement survey in the dimensions of leadership, work experience and overall engagement. The survey - a reflection on activities held to enhance our employee care capabilities - aimed to obtain feedback from KBank's employees, including Engagement Ambassadors across all divisions. KBank also introduced "K-People Touch" - a new format of Human Resource Information System (HRIS) to support human resource operations in order to better facilitate employees.

3. Purposeful and Practical Leadership: With the "Jar of Purpose" initiative - led by KBank executives - all employees are encouraged to prioritize their work and align their efforts with the shared goal of becoming a Bank of Sustainability. Our ultimate goal is to deliver sustainable value to all stakeholders, including customers, shareholders, employees, regulators and the society, accounting for the best practices in conformity with regulatory requirements.

4. Employee Relations and Benefits: We organized meetings of the KASIKORNBANK Labour Union, KASIKORNBANK Officer Labour Union and KBank executives. We also held a meeting of the Employee Committee. These meetings allowed for consultations and problem-solving discussions between KBank and our employees, to strengthen our relationship on a regular basis. Moreover, employee welfare benefits have been adjusted to be more appropriate and favorable to employees.

IT Management

In 2023, KASIKORN BUSINESS-TECHNOLOGY GROUP (KBTG) prioritized the study and development of financial innovation in alignment with KBank's goals under a new format of IT infrastructure. Our focus was on efficient work processes that are on par with international standards and under the strictest cyber security control system. An effective management regime has also been put in place to cope with short-, medium- and long-term impacts during the transition with the aim of maintaining our competitiveness and our status as the trusted regional leader in the technological realm. Major initiatives can be summarized as follows:



KBank promotes purposeful and practical leadership by prioritizing work via the "Jar of Purpose".



K-People Touch – a new HR information system – allows users to learn by themselves with greater ease.



1. **Development of products and services** to be consistent with ever-evolving consumer behavior and innovative technology

- **Developed and improved K PLUS application:** We added the following features to deliver a positive experience with enhanced efficiency to more than 21.7 million K PLUS customers in Thailand:
 - Enhancement of security system for transactions: Users are required to verify their identity via facial recognition when conducting important transactions such as activation of accessibility service, funds transfer of Baht 50,000 and more, and a combined amount of more than Baht 200,000 within the same day. K PLUS users are also required to complete an assessment questionnaire before logging in to the system every six months as part of our effort to promote their fraud awareness.
 - Development of QR payment in more than 40 countries and territories worldwide, including the Federal Republic of Nigeria and the Kingdom of Sweden
 - Development of funds transfer to banks in the Republic of the Union of Myanmar via KBZPay at any time: This service allows recipients to receive the full amount of funds transfer while senders can save the transaction as a favorite for greater convenience when conducting future transfers.
 - Use of K Points together with cash for transactions via K PLUS such as bill payment, top up and QR scan for payment at K+ Shop or participating merchants. Moreover, AIS Points can be transferred to the K Point loyalty program.
 - Development of K PLUS x LINE Creator themes which can be sent as gifts to other users via K+ market on K PLUS
- Development of e-Donation on K+ market which allows instant tax deduction
- Development of top-up menu for the purchase of supplementary packages of three mobile phone operators including TrueMove H, AIS and DTAC
- 24-hour bill payment at more than 700 stores

• **Developed and improved the MAKE by KBank application:** Cloud Pocket is a key feature that serves as a financial assistant for customers, allowing them to efficiently manage their savings and monthly expenses in order to foster their financial discipline. Thus far, there are more than 2 million user accounts, of which 1 million are monthly active users. The MAKE by KBank app won a customer satisfaction score of 4.8 - 4.9 out of 5 on the App Store and Play Store. Major initiatives developed this year were as follows:

- Developed a biometric authentication system that uses facial, fingerprint, and iris scan to log into the app quickly and easily
 - Developed “MAKE Trial Mode” which allows users to generate an unlimited number of cloud pockets and shared cloud pockets, on a trial basis at no cost, before opening a K-eSavings Account to access other features in full
 - Developed a QR Verification system to verify transfer slips for funds transfer transactions conducted via MAKE, in order to prevent transfer slip forgery
 - Developed a feature for transaction limit adjustment which allows users to set daily transaction limit and daily withdrawal limit
 - Developed a feature for withdrawal of funds from a shared Cloud Pocket, allowing members to request withdrawal from the Cloud Pocket owner for both general and scheduled transactions
- **Developed and improved KhunThong social chatbot:** KhunThong features a financial service via LINE with more than 390,000 active monthly users, and more than 700,000 transactions per month from more than 1.7 million user accounts in over 600,000 LINE groups. We have improved various features as follows:
- Improved the journey of collection via the “Private Request Flow”, without the need to collect payment only within LINE groups
 - Improved customer engagement: Customers within the same LINE group can collect multiple bills – both general and scheduled – at a single time.
 - Improved customer experience with a newly designed User Experience (UX) and User Interface (UI) that provide greater flexibility and convenience



KBTG celebrates as the number of its MAKE by KBank users has now surpassed 2 million within two years, reaffirming its commitment to promoting financial literacy.



- Added channels for accessing the KhunThong social chatbot via K PLUS and KBank Live
- **Developed K PLUS Laos application:** We launched the service and improved the app features for enhanced efficiency as follows:
 - Redesigned the application to make it more suitable and convenient for users
 - Developed bill payment feature to facilitate payment on the application
 - Improved and developed a feature for payment and funds transfer which can be made from an e-wallet and a bank account
 - Added e-Savings service
- **Developed the Coral NFT marketplace platform:** Non-Fungible Token (NFT) and blockchain are used to produce NFT digital art and digital collectibles, and create ownership rights in the digital world. This opens a new opportunity for fans of artists and brands to collect creators' works.
 - Coral launched Coral Collect, an application designed for storing digital collectibles with an integrated wallet.
 - Coral collaborated with GMM Music in offering "NFT Superfan Box Now & Forever Thongchai" which offers the opportunity to own memories from past "BABB BIRD BIRD" concerts performed by Thongchai "Bird" McIntyre. Viewers of the concert on November 18, 2023 were able to receive MULTIBIRD NFT digital collectibles at Coral Collect.
 - Coral cooperated with Thailand Post in displaying a collection of digital stamp images on the app. The digital stamp set of 12 zodiac signs is the work of Her Royal Highness Princess Maha Chakri Sirindhorn, and was launched on the occasion of the 140th anniversary of Thailand Post at the "POSTiverse: Sending Happiness to Every Verse 140th Anniversary of Thailand Post and Thailand 2023 World Stamp Championship Exhibition."

2. Regional business expansion: KBank unveiled initiatives in alignment with our strategic directions as follows:

- **Acquisition of Marco Technology Co., Ltd.:** KBank acquired 75 percent of all shares sold in Marco Technology Co., Ltd. through KASIKORN SOFT CO., LTD. (KSoft). This strategic investment aims to strengthen KBTG's talent and technology team, thereby bolstering our capabilities to support IT management for KASIKORNBANK FINANCIAL CONGLOMERATE in both Thailand and abroad. This includes expertise in quality management, software development and IT operations.

- **Launch of KBTG Vietnam (KBTGVN):** This new subsidiary of KBTG, located in Ho Chi Minh City, the Socialist Republic of Vietnam, aims to attract Vietnamese technology talents to be key resources for developing products and services in both the Socialist Republic of Vietnam and Thailand. It is now working on the K PLUS Vietnam and Core Banking projects.



New feature of KhunThong social chatbot – allowing private request for payment sent to each person in addition to payment collection within LINE groups.



Coral, an NFT marketplace platform, in partnership with GMM Music, launched "NFT Superfan Box Now & Forever Thongchai" allowing fans to own memories from past "BABB BIRD BIRD" concerts in the form of digital collectibles.



3. Research and development of innovative technology

in order to create products and services while enhancing work efficiency for KBank and KBTG. Major initiatives were as follows:

- **Developed data analytics technology at KBank:** To enhance the precision of business operations and workflows, KBTG has developed models to analyze data across various dimensions, including lending, marketing and property appraisal. This endeavor aims to increase the speed of business decision-making with reduced costs.
- **Developed and applied AI and Generative AI technologies across various domains:** To broaden business opportunities in the technology sector, we pioneered the following technological solutions:
 - AI Solution for business under the name of AINU by using verification technologies which include facial recognition, liveness detection and optical character recognition (OCR) for identity verification.
 - Car Inspection AI that uses AI for automated vehicle damage assessment, CCTV Analytics for analyzing branch performance using anonymized data, Asset Intelligence for enhancing asset management efficiency through the decoration of NPA images with Generative AI to boost sales opportunity, and development of a chatbot as a tool for efficiently delivering customer service and enhancing overall satisfaction.
- **Strategically collaborated with HashKey Capital, a leader in digital assets and blockchain in Hong Kong:** Through KASIKORN X CO., LTD. (KX), we aim to elevate the development of Web3 in the Southeast Asian region. The primary goal is to seek and invest in promising startups and projects advancing technology in the realms of digital assets and blockchain. This collaboration aims to propel these projects into regional and global markets.
- **Hosted the seminar, "Techoptia: Across The AI-Verse":** The event, which provided insights into the evolution of artificial intelligence (AI) and the transformations occurring across various dimensions, brought together executives and AI experts from KBTG, as well as representatives from leading global institutions and organizations, such as Amazon Web Services (AWS), Google Cloud, Microsoft Thailand, LINE BK and Siam Piwat Group. The content was divided into four main areas covering every aspect of AI's impact on the ecosystem: AI Trend and Outlook, AI Transformation, AI x Human, and AI Ecosystem.
- **Launched Kasikorn X Venture Capital (KXVC):** This fund, worth Baht 3.5 billion, was launched to invest in AI, Web3, and Deep Tech fintech startups, and a network of leading global funds. This initiative serves as the key gateway for founders worldwide to enter the Asia-Pacific (APAC) region.



KBTG, together with its partners, unveiled its vision and perspectives on AI, "The Age of AI: Augmented Intelligence", in preparing for national cooperation.



KBTG organized the "Techoptia: Across the AI-Verse" seminar, compiling interesting issues on AI evolution and diverse changes in different dimensions from experts and leading organizations worldwide.



Business Assets

Main Fixed Assets for Business Operations

Premises and equipment

As of December 31, the Bank and its subsidiaries' premises and equipment which are not used for mortgage and pledge, consist of the following:

(Unit: Million Baht)

Type	2023	2022	2021
Land	26,368	26,139	22,850
Building	41,240	37,900	37,795
Equipment	40,737	40,290	39,592
Others	175	3,162	186
Total	108,520	107,491	100,423
<u>Less</u> Accumulated depreciation	48,414	47,244	45,391
Impairment allowance	160	149	161
Premises and equipment - net	59,946	60,098	54,871

Long-Term Agreement

1. Lease Agreement

The Bank and its subsidiaries have lease agreement and recognise a right-of-use asset and a lease liability. Lease liabilities as of December 31 consisted of:

(Unit: Million Baht)

Period	2023	2022	2021
Within 1 year	864	1,015	1,250
Later than 1 year but not later than 5 years	1,077	1,045	1,245
Later than 5 years	110	123	96
Total undiscounted lease liabilities	2,051	2,183	2,591
Lease liabilities include in the statement of financial position	2,108	2,107	2,550

2. Service Agreement

The Bank and its subsidiaries entered into an Information Technology Service, under which the service agreement will be provided until December 31, 2028. As of December 31, 2023, 2022 and 2021, the Bank and its subsidiaries were committed to pay total service fees of Baht 1,096 million, Baht 1,212 million and Baht 1,798 million, respectively.



1.3 Shareholder Structure

Shareholder Structure

List of the first 10 major KASIKORNBANK PCL shareholders*

The Bank has set the record date on September 14, 2023 to determine the shareholders who have the right to entitled receive dividend payment on September 29, 2023.

Rank	Name	Number of common shares	Percentage of common shares
1	THAI NVDR CO., LTD.	341,879,002	14.43
2	STATE STREET EUROPE LIMITED	205,192,417	8.66
3	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	126,768,894	5.35
4	THE BANK OF NEW YORK MELLON	81,534,875	3.44
5	SOCIAL SECURITY OFFICE	54,226,400	2.29
6	STATE STREET BANK AND TRUST COMPANY	43,156,816	1.82
7	SOUTH EAST ASIA UK (TYPE A) NOMINEES LIMITED	32,667,441	1.38
8	SE ASIA (TYPE B) NOMINEES LLC	30,904,124	1.30
9	EGAT SAVING AND CREDIT COOPERATIVE LIMITED	28,656,200	1.21
10	HSBC BANK PLC - SAUDI CENTRAL BANK SECURITIES ACCOUNT	25,825,553	1.09
	OTHERS	1,398,515,871	59.03
	TOTAL PAID-UP CAPITAL	2,369,327,593	100.00
	THAI SHAREHOLDERS	1,402,418,934	59.19
	FOREIGN SHAREHOLDERS	966,908,659	40.81

Note: * The top 10 shareholders are ranked by Thailand Security Depository Co., Ltd.

KASIKORNBANK's common shares on September 14, 2023

Registered capital: 3,024,682,097 shares, at Baht 10 per share, totaling Baht 30,246,820,970

Paid-up capital: 2,369,327,593 shares, at Baht 10 per share, totaling Baht 23,693,275,930



Changes in KASIKORNBANK Shares Held by Directors and Executives in 2023

As of December 31, 2023

No.	Name	Position	KBank shares held as of December 31, 2022	KBank shares held as of December 31, 2023	Increase/ (Decrease) in KBank shares held in 2023	Percentage of shares held (%)
1	Ms. Kobkarn Wattanavrangkul	Chairperson of the Board	-	-	-	-
	Spouse and minor children		-	-	-	-
2	Ms. Sujitpan Lamsam	Vice Chairperson	3,000,000	3,000,000	0	0.127
	Spouse and minor children		-	-	-	-
3	Ms. Kattiya Indaravijaya	Chief Executive Officer	-	-	-	-
	Spouse and minor children		-	-	-	-
4	Mr. Pipit Aneaknithi	President	-	-	-	-
	Spouse and minor children		-	-	-	-
5	Dr. Pipatpong Poshyanonda	President	35	35	0	0.000
	Spouse and minor children		-	-	-	-
6	Mr. Chongrak Rattanapian	President	-	-	-	-
	Spouse and minor children		-	-	-	-
7	Mr. Rungruang Sukkirdkijpiboon	President	N/A	-	N/A	-
	Spouse and minor children		N/A	-	N/A	-
8	Sqn.Ldr. Nalinee Paiboon, M.D.	Director	-	10,000	10,000	0.000
	Spouse and minor children		-	-	-	-
9	Mr. Saravoot Yoovidhya	Director	975,800	975,800	0	0.041
	Spouse and minor children		-	-	-	-
10	Mr. Kalin Sarasin	Director	1,200	1,200	0	0.000
	Spouse and minor children		260	260	0	0.000
11	Mr. Wiboon Khusakul	Independent Director	-	-	-	-
	Spouse and minor children		-	-	-	-
12	Ms. Suphajee Suthumpun	Independent Director	-	-	-	-
	Spouse and minor children		-	-	-	-
13	Mr. Sara Lamsam	Director	721,240	721,240	0	0.030
	Spouse and minor children		-	-	-	-
14	Mr. Chanin Donavanik	Independent Director	-	-	-	-
	Spouse and minor children		-	-	-	-
15	Ms. Jainnisa Kuvichkul Chakrabandhu Na Ayudhya	Independent Director	-	-	-	-
	Spouse and minor children		-	-	-	-
16	Ms. Chonchanum Soonthornsaratoon	Director and Legal Adviser	-	-	-	-
	Spouse and minor children		-	-	-	-
17	Mr. Suroj Lamsam	Director	-	-	-	-
	Spouse and minor children		-	-	-	-
18	Ms. Kaisri Nuengsigkapien	Independent Director	-	-	-	-
	Spouse and minor children		-	-	-	-
19	Dr. Adit Laixuthai	Senior Executive Vice President	284	284	0	0.000
	Spouse and minor children		-	-	-	-



No.	Name	Position	KBank shares held as of December 31, 2022	KBank shares held as of December 31, 2023	Increase/ (Decrease) in KBank shares held in 2023	Percentage of shares held (%)
20	Mr. Thiti Tantikulanan	Capital Markets Business Division Head	-	-	-	-
	Spouse and minor children		-	-	-	-
21	Mr. Jirawat Supornpaibul	Private Banking Group Head	-	-	-	-
	Spouse and minor children		-	-	-	-
22	Mr. Silawat Santivisat	Senior Executive Vice President	-	-	-	-
	Spouse and minor children		-	-	-	-
23	Ms. Sansana Sukhanunth	Executive Vice President	N/A	-	N/A	-
	Spouse and minor children		N/A	-	N/A	-
24	Ms. Wasana Surakit	First Senior Vice President	-	-	-	-
	Spouse and minor children		-	-	-	-
25	Ms. Natcha Argasreog	First Senior Vice President	220	220	0	0.000
	Spouse and minor children		-	-	-	-
26	Ms. Khajarin Maintaka	Financial Accounting Management Co-Department Head	-	-	-	-
	Spouse and minor children		-	-	-	-
27	Ms. Yaowaluck Yooyongsin	Financial Accounting Management Co-Department Head	-	-	-	-
	Spouse and minor children		-	-	-	-
28	Ms. Prapasra Uttamavetin	Financial Planning Co-Department Head	-	-	-	-
	Spouse and minor children		-	-	-	-
29	Mr. Tanachai Treesawat	Financial Planning Co-Department Head	-	-	-	-
	Spouse and minor children		-	-	-	-

Notes: N/A

- Mr. Rungruang Sukkirdkijpiiboon was appointed as Director on October 11, 2023. Hence, number of shares held as of December 31, 2022 are not applicable for comparison.
- Ms. Sansana Sukhanunth was appointed as Finance and Control Division Head and Chief Financial Officer on August 29, 2023. Hence, number of shares held as of December 31, 2022 are not applicable for comparison.

1.4 Registered and Paid-up Capital

Registered and Paid-up Capital

As of December 31, 2023, KBank's registered capital stood at Baht 10 per share, represented in 3,024,682,097 shares, totaling Baht 30,246,820,970, and paid-up capital stood at Baht 10 per share, represented in 2,369,327,593 shares, totaling Baht 23,693,275,930.

KBank's Obligation in Future Share Issuance

KBank has an obligation to issue 50,000,000 new ordinary shares to cover the exercising of warrant holders (KBank employees, except for directors) in purchasing KBank ordinary shares.



1.5 Other Securities Issuance

Name	Type	Amount (Unit: Million)	Currency	Tenor (Year)	Interest Rate per Annum	Interest Payment Period
JPY Denominated Long-Term Sustainability Debentures of KASIKORNBANK PCL Due January 20, 2025	Unsecured	2,520	JPY	2.1	0.655%	Annually
USD Denominated Long-Term Sustainability Debentures of KASIKORNBANK PCL Due December 15, 2025	Unsecured	45	USD	3	5.34%	Semi-annually
JPY Denominated Long-Term Sustainability Debentures of KASIKORNBANK PCL Due December 11, 2025	Unsecured	2,745	JPY	3	0.86%	Annually
JPY Denominated Short-Term Debentures KASIKORNBANK PCL Due June 13, 2024	Unsecured	12,140	JPY	0.7	0.23%	Pay once upon maturity
JPY Denominated Debentures KASIKORNBANK PCL Due May 10, 2024	Unsecured	11,700	JPY	1	0.31%	Pay once upon maturity
JPY Denominated Short-Term Debentures of KASIKORNBANK PCL Due April 26, 2024	Unsecured	16,470	JPY	0.5	0.22%	Pay once upon maturity
JPY Denominated Short-Term Debentures of KASIKORNBANK PCL Due January 26, 2024	Unsecured	22,500	JPY	0.5	0.06%	Pay once upon maturity
Senior Unsecured Notes due 2028	Unsecured	600	USD	5	5.458%	Semi-annually
Tier II Subordinated Notes due 2031	Unsecured	800	USD	12	3.343%	Semi-annually
Additional Tier I Subordinated Notes	Unsecured	500	USD	Perpetual	5.275%	Semi-annually
Additional Tier I Subordinated Notes	Unsecured	350	USD	Perpetual	4%	Semi-annually



1.6 Dividend Policy

The Bank's Dividend Policy

In determining dividend payments, the Bank will take into consideration its operating results as well as suitable sustainable long-term returns to shareholders.

The Bank aims to pay dividend payout at the rate of not less than 25 percent of the annual consolidated net profit, taking into consideration the operating results in the current year and forward-looking results, along with balancing future business investments and the appropriate level of capital to accommodate our business operations in both normal and stressed situations. The assessment of the economic situation and various challenges from internal and external factors will also be taken into consideration.

However, if facing an unforeseen circumstance, the Bank may consider not to pay at the above-mentioned level of not less than 25 percent of dividend payout ratio by considering prudence and suitable return to shareholders.

Dividend payments will be in accordance with Article 32 of the Bank's Articles of Association, stating that no dividend shall be paid out of any money, other than profits. In the event that the Bank has an accumulated loss, no dividend shall be paid.

Dividends shall be paid equally, according to the number of shares. Payment of dividend shall be subject to the shareholders approval. The Board of Directors may pay to the shareholders the interim dividend from time to time, if there is sufficient profit for such payments, and shall report the same to the shareholders at the next shareholders meeting. Dividend payments must also be in compliance with statutory and regulatory requirements.

The Dividend Policies of Subsidiaries

The Bank has not fixed a dividend payout ratio for subsidiaries to pay to the Bank.

Dividend payments of subsidiaries to the Bank must be in accordance with each company's Articles of Association on dividend payments that must be approved by a resolution of their shareholders meeting. The Board of Directors may pay to the shareholders the interim dividend from time to time if there is sufficient profit for such payments. If there is an operating loss, dividend payments are barred until such losses are recovered. In addition, dividend payments and reserves must also be in compliance with statutory and regulatory requirements.

KBank's Dividend Payout in the Past Five Years

Consolidated	2023	2022	2021	2020	2019
Net Profit Ratio per Share (Baht)	17.58	14.78	15.77	12.42	16.18
Dividend Ratio per Share (Baht)	6.50	4.00	3.25	2.50	5.00
Dividend Payout Ratio to Net Profit (%)	36.97	27.07	20.61	20.09	30.62
Dividend Payout Ratio to Net Profit (%)*	38.43	28.75	23.91	23.73	34.43

* Bank only



1.7 KASIKORNBANK's Investment Policy

KASIKORNBANK's Investments in Subsidiaries, Associated Companies and Joint Ventures

Subsidiaries and Associated Companies

The definitions of subsidiaries and associated companies are in alignment with those specified in the Thai Financial Reporting Standards, which KBank discloses in the Notes to the Financial Statements.

Investment Policy

Our investment policy can be summarized as:

- **Strategic Investments**

KBank invests in companies for strategic benefits. KBank and such companies collaborate in the review of business strategies and synergies through the sharing of various resources, equipment, tools and channels to efficiently meet the needs of customers, with minimal operational redundancies.

- **Outsourcing Investments**

KBank invests in companies that support our operations. These are companies providing services in place of KBank units that are not our core business and would be relatively inflexible under KBank's operation. Our executives are appointed as directors of these companies to oversee their management and operating policies. These directors are assigned to maintain control over such firms' operations, which helps to ensure that their undertakings are in accordance with standardized service quality and maximized efficiency, and are thus of benefit to KBank.

In 2023, KBank expanded its investment in the following companies which are part of KASIKORNBANK FINANCIAL CONGLOMERATE:

1. MARCO TECHNOLOGY CO., LTD.: KASIKORN SOFT CO., LTD. holds 75 percent of the company's registered shares, totaling Baht 8.25 million. It provides information technology solutions to support the operations of KASIKORNBANK FINANCIAL CONGLOMERATE.
2. KASIKORN X VENTURE CAPITAL CO., LTD.: A wholly-owned subsidiary of KASIKORN X CO., LTD., with registered capital of Baht 1 billion, the company operates a venture capital business.
3. NGERN HAI JAI CO., LTD.: KASIKORN INVESTURE CO., LTD. holds 100 percent of shares in this company with registered capital totaling Baht 265 million. The company operates auto title loan with a personal loan business license under the supervision of the Bank of Thailand, auto title loan (car as collateral), hire purchase loan for used car.
4. KAPTURE ONE CO., LTD.: KASIKORN INVESTURE CO., LTD. holds 70 percent of shares in the company with registered capital of Baht 35 million. It operates business related to Loyalty Program, Customer Relationship Management (CRM) Solution Platform, e-Marketplace management, and other businesses to support KASIKORNBANK FINANCIAL CONGLOMERATE (Reward Inventory Provider).
5. ORBIX INVEST CO., LTD.: A wholly owned subsidiary of UNITA CAPITAL CO., LTD., with registered capital totaling Baht 100 million, the company engages in digital asset fund management business.
6. ORBIX TECHNOLOGY & INNOVATION CO., LTD.: A wholly owned subsidiary of UNITA CAPITAL CO., LTD., with registered capital totaling Baht 260 million, the company engages in blockchain infrastructure development.
7. ORBIX TRADE CO., LTD.: UNITA CAPITAL CO., LTD. holds 97 percent of shares in this company, with registered capital totaling Baht 673 million, which operates a business as a digital asset exchange.
8. KASIKORN VISION (SHANGHAI) PRIVATE FUND MANAGEMENT CO., LTD.: A wholly-owned subsidiary of KASIKORN VISION CO., LTD., the company has registered capital of RMB 33 million and operates financial business as a Private Equity Fund Manager.
9. PT KASIKORN VISION FINANCIAL INDONESIA: KASIKORN VISION FINANCIAL CO., LTD. holds 99.99 percent of shares in this company which has registered capital totaling IDR 7.5 billion. It holds unlisted shares under jurisdiction of the Republic of Indonesia.
10. KOP50 CO., LTD.: KASIKORNBANK holds 100 percent of shares in this company with registered capital totaling Baht 80 million. It operates a holding business that invests in its own financial group.
11. KENERGYPLUS CO., LTD.: A wholly-owned subsidiary of KOP50 CO., LTD., the company has registered capital of Baht 5 million and engages in e-marketplace platform and IT solution business.



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KASIKORNBANK
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Investments of KASIKORNBANK in Other Companies

As of December 31, 2023

The following is a list of companies in which KASIKORNBANK made investments, in the form of shareholding of 10 percent or more of the total number.

No.	Name of Company	Location of Corporate Headquarters	Type of Business	Registered Capital (Million Baht)	Paid-up Capital (Million Baht)	Total Number of Paid-up Shares ⁽¹⁾	Total Number of Shares Held ⁽¹⁾	Proportion of Total Shares Held (%)	Type of Share
1	KASIKORN ASSET MANAGEMENT CO., LTD. Tel. +662-6733888 Fax -	Bangkok	Fund Management	135.77	135.77	27,154,274	27,154,274	100.00	Common Share
2	KASIKORN RESEARCH CENTER CO., LTD. Tel. +662-2731144 Fax +662-2701218	Bangkok	Service	10.00	10.00	100,000	100,000	100.00	Common Share
3	KASIKORN SECURITIES PUBLIC CO., LTD. Tel. +662-7960011 Fax +662-7960099	Bangkok	Securities Business	501.00	500.01	100,001,877	99,996,096	99.99	Common Share
4	KASIKORN LEASING CO., LTD. Tel. +662-6969999 Fax +662-6969966	Bangkok	Auto Hire Purchase & Leasing	900.00	900.00	90,000,000	90,000,000	100.00	Common Share
5	KASIKORN FACTORY & EQUIPMENT CO., LTD. Tel. +662-2902900 Fax -	Bangkok	Equipment Leasing	160.00	160.00	1,600,000	1,600,000	100.00	Common Share
6	KASIKORN TECHNOLOGY GROUP SECRETARIAT CO., LTD. Tel. +662-4705555 Fax -	Nonthaburi	Service	5.00	5.00	50,000	50,000	100.00	Common Share
7	KASIKORN LABS CO., LTD. Tel. +662-4705555 Fax -	Nonthaburi	Service	5.00	5.00	50,000	50,000	100.00	Common Share
8	KASIKORN SOFT CO., LTD. Tel. +662-4705555 Fax -	Nonthaburi	Service	5.00	5.00	50,000	50,000	100.00	Common Share
9	KASIKORN INFRA CO., LTD. Tel. +662-4705555 Fax -	Nonthaburi	Service	5.00	5.00	50,000	50,000	100.00	Common Share
10	KASIKORN X CO., LTD. Tel. +662-4705555 Fax -	Nonthaburi	Service	3,040.00	2,452.00	30,400,000	30,400,000	100.00	Common Share
11	KASIKORN INVESTURE CO., LTD. Tel. +662-2732709 Fax -	Bangkok	Investment in other Companies	17,749.50	16,913.61	177,495,000	177,495,000	100.00	Common Share
12	KASIKORN VISION CO., LTD. Tel. +662-5628918 Fax -	Bangkok	Investment in other Companies	16,000.00	13,000.00	1,600,000,000	1,600,000,000	100.00	Common Share
13	KASIKORN VISION FINANCIAL PTE. LTD. Tel. - Fax -	Singapore	Investment in other Companies	17,268.65	16,307.49	500,000,000	500,000,000	100.00	Common Share
14	KASIKORNTHAI BANK SOLE LIMITED Tel. (856) (21) 410 888 Fax (856) (21) 410 889	Lao PDR	Banking	1,769.15	1,769.15	50,000,000	50,000,000	100.00	Common Share
15	KASIKORNBANK (CHINA) CO., LTD. ⁽²⁾ Tel. (86) (755) 8229 1298 Fax. (86) (755) 8828 6897	China	Banking	14,765.73	14,765.73	-	-	100.00	Common Share
16	MUANG THAI GROUP HOLDING CO., LTD. Tel. +662-2764859 Fax -	Bangkok	Investment in other Companies	458.66	458.66	45,865,949	23,391,635	51.00	Common Share
17	K-SME VENTURE CAPITAL CO., LTD. Tel. +662-4702044 Fax -	Bangkok	Venture Capital	50.00	50.00	5,000,000	5,000,000	100.00	Common Share
18	BEACON VENTURE CAPITAL CO., LTD. Tel. - Fax -	Nonthaburi	Venture Capital	7,820.00	6,920.00	782,000,000	782,000,000	100.00	Common Share

Notes:

⁽¹⁾ Total number of paid-up shares and total number of shares held include common shares and preferred shares.

⁽²⁾ KASIKORNBANK (CHINA) CO., LTD. does not specify the amount of shares.



No.	Name of Company	Location of Corporate Headquarters	Type of Business	Registered Capital (Million Baht)	Paid-up Capital (Million Baht)	Total Number of Paid-up Shares ⁽¹⁾	Total Number of Shares Held ⁽¹⁾	Proportion of Total Shares Held (%)	Type of Share
19	PHETHAI ASSET MANAGEMENT CO., LTD. Tel. +662-5626401-25 Fax +662-2733171	Bangkok	Asset Management	1,350.00	1,350.00	135,000,000	135,000,000	100.00	Common Share
20	UNITA CAPITAL CO., LTD. Tel. +662-4702531 Fax +662-4705477	Bangkok	Investment in other Companies	3,705.00	3,705.00	37,050,000	37,050,000	100.00	Common Share
21	KOP50 COMPANY LIMITED Tel. +662-4702531 Fax -	Bangkok	Investment in other Companies	80.00	80.00	800,000	800,000	100.00	Common Share
22	PROGRESS PLUS CO., LTD. Tel. +662-2252020 Fax +662-2252021	Bangkok	Service	6.00	6.00	60,000	60,000	100.00	Common Share
23	PROGRESS APPRAISAL CO., LTD. Tel. +662-2706900 Fax -	Bangkok	Service	5.00	5.00	5,000	5,000	100.00	Common Share
24	PROGRESS GUNPAI SECURITY GUARD CO., LTD. Tel. +662-2733900 Fax +662-9806265	Nonthaburi	Service	20.00	20.00	200,000	200,000	100.00	Common Share
25	PROGRESS MANAGEMENT CO., LTD. Tel. +662-2751880 Fax -	Bangkok	Service	20.00	6.00	60,000	60,000	100.00	Common Share
26	PROGRESS FACILITIES MANAGEMENT CO., LTD. Tel. +6663-3931956, +6666-1145281 Fax -	Bangkok	Service	5.00	5.00	50,000	50,000	100.00	Common Share
27	PROGRESS SERVICE SECURITY GUARD CO., LTD. Tel. +6663-3931956, +6666-1145281 Fax -	Bangkok	Service	2.00	2.00	20,000	20,000	100.00	Common Share
28	PROGRESS STORAGE CO., LTD. Tel. +662-2706922 Fax -	Bangkok	Service	3.00	3.00	30,000	30,000	100.00	Common Share
29	PROGRESS HR CO., LTD. Tel. +662-2701070-8 Fax +662-2701068	Bangkok	Service	1.00	1.00	10,000	10,000	100.00	Common Share
30	PROGRESS SERVICE SUPPORT CO., LTD. Tel. +662-4705310 Fax +662-5628924	Nonthaburi	Service	4.00	4.00	40,000	40,000	100.00	Common Share
31	PROGRESS COLLECTION CO., LTD. Tel. +662-4705284 Fax +662-4705288	Bangkok	Service	5.00	5.00	50,000	50,000	100.00	Common Share
32	PROGRESS TRAINING CO., LTD. Tel. +662-4706273 Fax +662-4703198	Bangkok	Service	1.70	1.70	17,000	17,000	100.00	Common Share
33	PROCESSING CENTER CO., LTD. Tel. +662-0290290 Fax +662-0290292	Bangkok	Service	50.00	50.00	500,000	150,000	30.00	Common Share
34	NATIONAL ITMX CO., LTD. Tel. +662-5587555 Fax -	Nonthaburi	Service	50.00	50.00	500,000	139,685	27.94	Common Share
35	BCI (THAILAND) CO., LTD. Tel. +662-0290200 Fax -	Nonthaburi	Service	530.00	530.00	53,000,000	11,750,000	22.17	Common Share
36	THAI PAYMENT NETWORK CO., LTD. Tel. +662-0179900 Fax +662-017-9928	Bangkok	Payment Switching Network	786.00	786.00	7,860,000	2,620,000	33.33	Common Share
37	MUANG THAI HOLDING CO., LTD. Tel. +662-6932729 Fax -	Bangkok	Investment in other Companies	456.00	456.00	45,600,000	4,560,000	10.00	Common Share
38	SUPERNAP (THAILAND) CO., LTD. Tel. +6633-125100 Fax +6633-125100	Chon Buri	Service	2,000.00	2,000.00	200,000,000	20,000,000	10.00	Common Share
39	UNITAS CO., LTD. Tel. +662-2626000, +662-2490491 Fax +662-2626354	Bangkok	Land Rental	11.05	5.53	110,532	11,053	10.00	Common Share
40	ZIN SUAPAH CO., LTD. Tel. +662-2212841 Fax +662-2215895	Bangkok	Service	6.00	3.00	6,000	600	10.00	Common Share
41	HENG LEASING AND CAPITAL PLC Tel. +662-1539587 Fax +6653-350490	Chiang Mai	Loan, Hire Purchase, Leasing	3,810.00	3,810.00	3,810,000,000	381,000,000	10.00	Common Share

Notes:

⁽¹⁾ Total number of paid-up shares and total number of shares held include common shares and preferred shares.⁽²⁾ KASIKORNBANK (CHINA) CO., LTD. does not specify the amount of shares.



2. Risk Management*

2.1 Overall Risk Management

Risk management is an integral part of our organizational culture. We have established risk management policy and risk appetite, and risk management has been taken into account when formulating our strategies and business undertakings to support business growth. This is to ensure long-term sustainable returns to stakeholders.

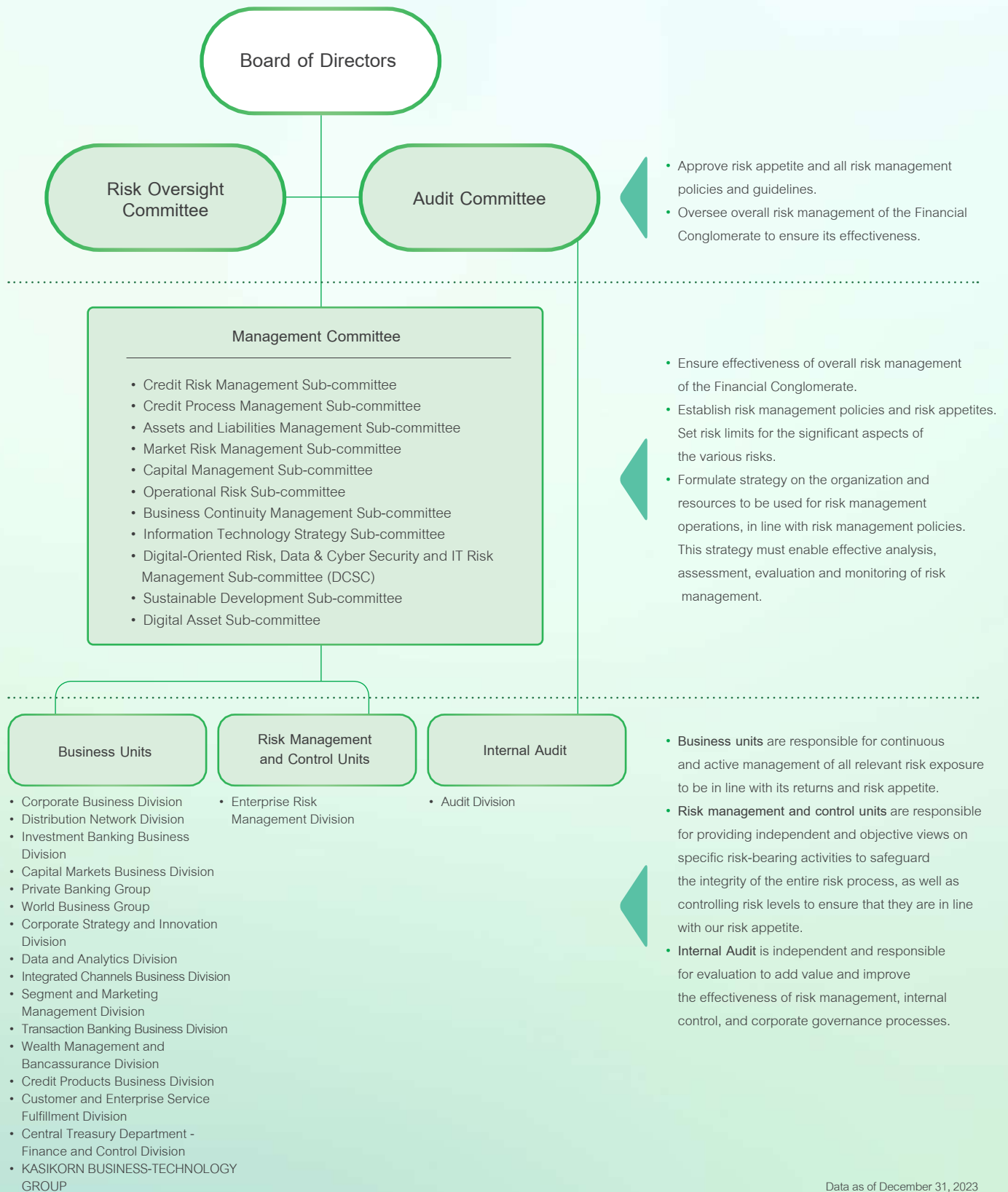
KBank's risk management strategy has been established in line with international guidelines and principles, and applied throughout the Financial Conglomerate. We engage in a consolidated risk management framework that emphasizes management of risks, e.g., credit, market, liquidity, operational, reputational, digital and strategic risks. KBank's risk management structure clearly determines duties and responsibilities of relevant units, including an independent unit tasked with risk oversight and control, while risk-adjusted performance measurement has been applied with each business unit.

KBank's risk, capital and liquidity management is under the supervision of the Board of Directors, which is responsible for ensuring the appropriate level of capital and liquidity to accommodate our present and future business operation. Meanwhile, KBank ensures that policies, processes and systems for controlling, monitoring and reporting risks, capital and liquidity are in place whereas segregation of duties and reporting lines are clearly defined in conformity with the good internal control principle. We also emphasize thorough, accurate and regular disclosures on risk, capital and liquidity management to the public.

* Details of risk management and other related information, in accordance with the Bank of Thailand Pillar 3 requirement and disclosure principles, are shown in "the Basel III Pillar 3 Disclosure" section on KBank's website. Moreover, details on Responsible Lending and Investment in accordance with Environmental, Social and Governance (ESG) criteria can be found in Sustainability Report 2023.



Risk Management Structure





Key Developments to Strengthen Risk Management

KBank places great emphasis on effective and timely risk management. Risk management policies, tools and processes have been developed and are reviewed regularly to guard against rising risk trends in line with market volatility, and to ensure that they are appropriate for changes in regulatory requirements, emerging risks and the prevailing business circumstances. Relevant actions taken were as follows:

- **Enhanced subsidiary risk governance framework** to be in line with KBank's business expansion and the Bank of Thailand's revised regulations on corporate governance and internal control mechanisms of KBank and the Financial Conglomerate. Significant companies within the Financial Conglomerate are required to have in place a proper risk management, compliance and internal audit functions, and report its performance and significant risk issues to the Bank.
- **Strengthened risk management guidelines by learning lessons from banking crises in other countries:** Overall, KBank does not have the same risk profile as that of those troubled banks. However, the Bank used the lessons learnt as case studies for improvement of preventive guidelines for risk monitoring and management to ensure that our bank crisis management is undertaken more efficiently, swiftly and comprehensively in alignment with the prevailing behaviors of financial service users.
- **Strengthening management of financial fraud risks** in order to foster customer confidence and security in using our financial services in the face of the increasing risk of fraudulent activities targeting customers and the general public via digital channels. KBank enhanced security measures, from prevention to detection and monitoring of suspicious accounts and transactions, as well as response to and handling of fraud incidents. This is in line with the Bank of Thailand's Policy Guidelines on Management of Financial Transaction-related Frauds. Notable efforts included upgrade of security measures for the Bank's mobile application, implementation of a remote access prevention system, facial scan for high-value transactions, and setting of guidelines for using the Bank's links and QR codes. We also focused on continual enhancement of fraud management and intelligent systems through the use of data analytics for increased efficiency in fraud detection in various forms for a broader coverage. Additionally, we have disseminated knowledge on digital scams, issued alerts

for potential threats to our customers and the general public, and provided guidance on fraud prevention through the cyber awareness campaign.

Moreover, we continued to focus on the development of risk management in various aspects as follows:

- **Developed management guidelines and processes for managing environmental, social and governance (ESG) risk as well as climate-related risk in line with responsible lending principles:** Impacts of KBank's credit support have been assessed across all dimensions while climate-related risks, opportunities and impacts have been analyzed and assessed under various assumptions. The results have been used in the formulation of strategic plans, ESG credit policy and portfolio management plans. Focus has been on minimizing negative impacts while maximizing positive effects on the environment, society and economy in conformity with KBank's goals so that the targets can be achieved.
- **Enhanced impairment provisioning process:** Credit risk models, provisions, and economic factor determination have been enhanced. Along with this, we have initiated a dynamic provisioning plan to cope with potential impacts of asset quality deterioration due to economic volatility triggered by geopolitical conflicts and global economic slowdown, and the fragile state of our customers' business operations.
- **Improved stress testing processes and models** to ensure that our business growth is within the risk appetite with enhanced efficiency in risk and capital management as well as assessment of capital adequacy and liquidity position. KBank focuses on improvement of forward-looking and preventive portfolio management in the midst of a highly volatile economic environment. In addition, we have conducted assessment of customer segments affected by various risk situations based on customer survey results as well as vintage analysis to determine asset quality, allowing enhanced efficiency in analysis, monitoring and management of customer risk profiles in each product group.
- **Active Credit Portfolio Management (ACPM) appropriate for each customer segment to manage impacts from geopolitical conflicts and global economic slowdown:** We have employed customer transaction data for risk analysis and assessment. Customers have been classified by impacts and their debt servicing abilities, which has allowed us to provide them appropriate relief measures, ensuring that KBank can maintain sustainable growth within risk appetite under normal and stress scenarios.



- **Continuous upgrade of information security management to meet global standards:** KBank's information security management system was awarded ISO 27001:2013 certification for the 10th consecutive year. The system covers key services and systems, the data center and the Cyber Security Operations Center (CSOC). We were also awarded PCI DSS V3.2.1 for our credit card data security system, which covers Payment Gateway on Cloud available for card-accepting merchants and the acquiring system – EDC service in the Socialist Republic of Vietnam. KBank also obtained PCI PIN Security V3.1 for the security system for card use at ATMs.
- **Strengthening of customers' data protection and privacy management:** We took actions related to policy implementation, work processes, measures for granting consent and exercising of rights by customers, privacy notice, and preparation of a plan to cope with personal data breaches, while a test was conducted to ensure that the processes' efficiency has been improved. Along with this, we enhanced the system, control measures and relevant infrastructure to comply with the Personal Data Protection Act B.E. 2562 (2019) while also continually communicating to employees and customers. The Data Governance Sub-committee is responsible for overseeing operations related to personal data protection.
- **Implementation of measures for controlling advanced cyber threats** to companies within the Financial Conglomerate and international branch network in alignment with our strategy of regional business expansion: Measures included advanced threat prevention, e.g., enhancement of capability of various cyber security solutions to prevent zero-day attacks, proactive threat detection, e.g., increasing visibility to detect external threats, and timely and effective threat response in order to stay ahead of fast-changing cyber threats that are always becoming more diverse and sophisticated.
- **Reinforcing a cyber hygiene culture** that involves the Board of Directors, management, employees, customers and third parties, through dissemination of knowledge in various media such as a cyber awareness campaign for customers, e-learning, security newsletter, and cyber news alert. Moreover, a phishing drill exercise was conducted so that employees were prepared to cope with the phishing threat. We also arranged "KBTG Kampus: Cybersecurity Bootcamp" for the general public, especially those who are in charge of cyber security, to help bolster their potential in service of the country's technology job market.



- **Enhancement of business partner and third-party risk management:** KBank has conducted risk assessment and management preceding and continuing throughout its business relationships. Tools were used for business partner and third-party risk assessment during the onboarding process, while monitoring continued until the end of business cooperation to ensure ongoing surveillance. We also alerted them in case we detected significant irregularities related to cyber threats. All these actions were taken to ensure that we conducted risk management of service, system interface, and data access of third parties appropriately, in line with related regulations.
- **Continual enhancement of market conduct management** accounting for customers' demand, financial status and understanding. To this end, we have in place clearly defined processes in providing information on products and services to our customers as well as after-sale or service monitoring processes to ensure that customers receive fair service and treatment with complete and accurate information about products and services in alignment with good market conduct practices.



2.2 Risk Management

KBank has placed an emphasis on comprehensive risk management such as credit risk, market risk, liquidity risk, operational risk, reputational risk, digital risk and strategic risk, all of which are covered and properly managed.

Credit Risk Management

Credit risk refers to risk whereby a counterparty or borrower may default on contractual obligations or agreements, or have an intention not to abide by an agreement, resulting in losses to KBank. KBank thus places significance on credit risk management compatible with international standards and regulatory requirements, environmental impacts and climate change that may be caused by KBank's business operations, to ensure sustainable growth in alignment with KBank's strategy.

In 2023, KBank focused on customer service and credit risk management for every customer segment to ensure that risk levels remained under risk appetite. Amid global economic risks, Thailand's economy saw only an uneven recovery, beset by soaring financial costs in line with hikes in policy rates of major central banks, slower-than-expected global trade and persistent geopolitical conflicts. As a consequence, it may take a while for certain businesses and households to restore their income, especially amid elevated funding costs in line with an upward interest rate trend at home. KBank thus focused more on stringent customer screening criteria, monitoring of their compliance with contractual terms and conditions while prioritizing sustainable assistance measures, particularly for small and micro businesses as well as retail customers. Moreover, we aimed to acquire customers with stronger financial status and sound debt servicing ability.

Meanwhile, KBank has the policy to integrate climate-related risk into our credit underwriting process and use it as one of the components in assessing impacts on the Bank's credit portfolio, as it may affect customers' credit risk. Their business operations may be affected by climate-related risk, comprising physical risk and transition risk.

KBank also focused on portfolio management to control credit concentration within the established limits. Loan growth targets have been established in alignment with prevailing economic conditions, taking into account customer segments, products and industries, to maximize returns under a risk appetite. KBank

has emphasized customers' early warning sign detection and behavior monitoring to ensure efficient monitoring, recovery and collection processes. Moreover, KBank has managed to appropriately set aside provision to cover expected credit loss, which is in line with our prudent business operations amid ongoing economic uncertainties.

Credit Risk Management Policy

To achieve sustainable growth, our credit strategy focuses on a balance between portfolio value creation and protection within our risk appetite. Credit policy and related credit procedures must comply with this strategy and must be in line with laws, regulations, the Bank of Thailand's responsible lending. KBank focused on increasing opportunities for customers to access loans appropriately in alignment with responsible lending principles, accounting for their affordability in order to avoid overleveraged situations. These efforts aim to ensure that our customers still have sufficient income for living after monthly installments are made. We also took into account the government's policy adjustment and the plan that focuses on the United Nations Sustainable Development Goals (UN SDGs), including how to cope with the impacts that climate change may have on business operations in terms of risk and business opportunity across different dimensions.

KBank reviewed credit risk management policy, accounting for impacts on the environment and society, including the launch of new products and services and operations in atypical circumstances to ensure that all our customer groups, especially SMEs, can continue to operate their businesses with our suitable credit quality management. We have improved standards and guidelines for credit extension that are now more conducive to KBank's sustainable growth. Such revisions were monitored for their impacts on portfolios and updated for reference in KBank's database available to relevant users, covering criteria for credit granting, credit management process, and credit risk management tools.

Credit Risk Management Process

KBank has closely and continually monitored our customers while assessing business recovery trends under the prevailing circumstances to ensure effective risk management and prioritize assistance for our clients. We implemented appropriate



aid measures for each customer segment in alignment with the government's guidelines and KBank policy. KBank also focused on expansion of loans to customers with stronger financial status and sound debt servicing ability.

Moreover, customers' business operations may be affected by climate-related risk, including physical risk and transition risk. KBank thus developed risk management processes accounting for these risks so as to minimize negative impacts or maximizing positive effects, as part of our efforts to assist our customers during the transition to a zero-carbon society.

A comprehensive credit risk management process, from portfolio management to recovery and collection, has been established. The process has been enhanced continuously and appropriately in line with international guidelines and practices so as to enhance business capability amid impacts from the geopolitical conflicts and global economic slowdown while also contributing to collective actions in expeditiously addressing the climate change issues.

Portfolio Management

KBank emphasized active portfolio management in order to proactively respond to prevailing circumstances, particularly volatility of economic factors that could affect our customers and our portfolio quality. Via Active Credit Portfolio Management (ACPM) and stress testing, KBank can manage, identify and prioritize assistance for customers so as to implement measures to aid each customer segment in a timely manner. Meanwhile, KBank has also focused on portfolio management so as to control credit concentration within the established limits. Close monitoring of customer risk profile across all customer groups was undertaken and establish the loan growth target in alignment with prevailing economic conditions, taking into account customer segments, products and industry outlooks, to maximize returns under risk appetite.

Moreover, KBank has assessed the impact of our credit support to various businesses. We also conducted analysis and assessment of risks, opportunities and climate-related impacts under various assumptions which have been used for planning and formulating portfolio management strategies. Lending targets and frameworks have been established based on business types, prioritizing high greenhouse gas emission in portfolio and/or those with a high emission density. These efforts aim to control financed emissions in accordance with portfolio adjustment to support the transition to a zero-carbon society and create long-term sustainable returns to all stakeholders.

KBank adopted credit risk management mechanisms as follows:

- **Set up Credit Risk Management Sub-committee and Credit Process Management Sub-committee.** The committees managed a balance between credit risks, and process efficiency, accounting for Environmental, Social and Governance (ESG) risk, to ensure effective risk management and consistency in credit processes, thus allowing KBank to deliver a good customer experience and to be in conformity with the responsible lending guidelines and the principles of a Bank of Sustainability.
- **Revise customer screening criteria on a regular basis to reflect customer risk profile.** Credit policy has been tailored for each customer segment. Industry pre-screening criteria, which can be used as a guideline for customer selection, have been established to classify customers based on sector risk levels.
- **Establish risk management mechanism in response to risk events which may affect our customers.** Early warning sign monitoring will trigger actions of responsible departments to assess impacts on affected customers and KBank by conducting in-depth analysis and stress testing. Thus, KBank shall be able to proactively prevent and solve any problems which may arise in a timely manner prior to deterioration of customers' debt servicing capability and overall credit quality of KBank.
- **Establish monitoring process for customers' credit line utilization and customer status via early warning signs and behavioral score.** Guidance has been provided for Relationship Managers (RMs) to contact customers at an early stage when early warning signs are detected.
- **Manage credit concentration risk** in terms of borrower group concentration, sectoral concentration and country concentration in line with the Bank of Thailand's guidelines.



Credit Underwriting and Approval

KBank has formulated lending policy to ensure uniformity of credit proposal presentations to ensure appropriate credit underwriting practices and comply with the Bank of Thailand's guidelines. Guidelines for preferable and discouraged practices are also defined to ensure quality of credit extension.

KBank's credit risk management is based on current, transparent and qualified data. The credit underwriting and approval processes, and systems are designed to align with customers' characteristics. Medium and large business customers with sophisticated financial needs are served by relationship managers (RMs) with thorough understanding of customers' business and financial profiles. RMs are responsible for analyzing and proposing suitable credit products, services and limits to match customers' needs, presenting credit proposal to credit underwriters according to the defined approval authorities, and continual monitoring customer status.

For retail customers whose main products comprise home loans, credit cards and other types of financing, including loans for small and micro businesses, KBank deploys credit scoring as a credit approval tool, focusing on verification of income and liability information accuracy and consistency of each customer. KBank has also focused efforts on credit approval process improvement. When it comes to approval of unsecured loan, we set the maximum credit limit and loan term for the next loan application while ensuring risk levels under risk appetite.

Aside from the above practices, KBank realizes the importance of responsibility towards the environment and society in our credit underwriting. We developed policies and Sector-Specific Guidelines for assessment of each industry's operations which may have environmental and social impacts. We do not support credit applicants or business types that are on the Exclusion List. Guidelines and policies for environmental, social and governance impacts have been established for large project finance requests at home and abroad, including project monitoring throughout the credit term. Moreover, commercial loan extension to SME and corporate customers must be undertaken via credit underwriting process with ESG assessment.

Post-Credit Approval Operations

To achieve standardized and efficient credit operations, KBank has centralized credit operations covering legal and contract-related arrangement, preparation of collateral agreements, credit limit setup, credit disbursement, credit-related document storage and credit data support. KBank also set up processes to monitor compliance with contractual conditions.

Impairment Losses of Financial Assets

KBank has set aside allowance for impairment losses of financial assets by estimations of cash shortfalls based on the Thai Financial Reporting Standards, taking into account probability of default, the time value of money, consideration of all reasonable and supportable information, and macroeconomic forward-looking information.

Debt Quality Monitoring

KBank has developed risk indicators to monitor and control asset quality, as well as credit-utilization behavior, as early warning signals to prevent deterioration in credit quality. Alternative data is used to support credit limit renewals and credit quality monitoring, thus achieving greater efficiency.

Regarding debt collection from large business customers, KBank has developed tools and processes as well as established indicators to assess each customer's credit status closely to ensure timely management prior to delinquency. KBank has also set up guidelines, such as those for credit review and limit suspensions, specific to each customer segment, according to segment risk characteristics.

Regarding small and micro business as well as retail customers, KBank issued packages to assist those affected by economic conditions while also establishing collection strategies to better respond to the varied risk levels of different customer groups. We focused on swift and efficient management of recovery and collection. In addition, we considered NPL sales as an option of asset quality management while also setting aside expected credit loss appropriately and sufficiently.



Credit Policy and Process Review

KBank has conducted a review of credit policy and process including data collection, credit proposal presentation, credit underwriting, contract preparation, credit review and asset quality monitoring and review, to ensure credit process efficiency and consistency with regulatory requirements and KBank's policy. KBank also utilized information from the review to support our credit management standard development.

Market Risk Management

Market risk may arise from external factors in various forms, including changes in interest rates, foreign exchange, equity and commodity prices, as well as credit spreads. These changes affect KBank's and K Companies' present and future income, capital, the value of financial assets and liabilities as well as off-balance sheet items.

KBank engages in a consolidated risk management framework through development of essential infrastructures and processes for timely and appropriate management of the market risk of financial products. This framework encompasses the product management process for both existing and new products based on the business plan, covering transaction objectives and processes, market risk-related factors, risk analysis and potential impacts as well as risk assessment and control guidelines.

In 2023, global inflation remained elevated, prompting many central banks to continue tightening monetary policy by steadily raising interest rates. The US Federal Reserve increased its policy rate to 5.25 - 5.50 percent p.a. at the end of 2023 from 4.25 - 4.50 percent at the end of 2022, and it may be kept high in an effort to bring inflation back to the targeted range. Meanwhile, the Thai policy rate was raised from 1.25 percent at year-end 2022 to 2.50 percent at the end of 2023. Interest rate differentials between Thailand and other countries, the anemic Thai economic recovery and rising fiscal deficits led to capital outflows from the Thai bond and stock markets. This in turn weakened the Thai Baht, which softened to Baht 37 per USD.

Given the interest rate hikes in many countries to tame inflation, the global economy is poised to see a slowdown. Even worse, certain major economies may lapse into a recession. Under these circumstances, the Thai economy will feel impacts both directly and indirectly. In early 2023, several banks in the US and Europe witnessed liquidity crises, following the closure of banks due to its liquidity crunch and a subsequent bank run. This debacle stemmed partly from improper market risk management. KBank thus conducted analyses to learn from this event and strengthened our market risk management practices for enhanced efficiency in risk monitoring and management.

To effectively cope with uncertainties in economic and political situations both at home and abroad amid rapidly changing capital movements, KBank is closely monitoring the surrounding circumstances while continuously analyzing and assessing possible impacts with a focus on efficient and effective risk management processes in order to maintain risk within specified, prudent limits. In detail:

Market Risk in Trading Book Activities

KBank's trading activities are exposed to risks of interest rate, foreign exchange, equity and credit spreads. Meanwhile, KBank has chosen not to retain any position when dealing with commodity prices by managing market risk through a back-to-back policy.

Our equity risk stems from equity underwriting and non-directional trading business, which we undertake only for serving customers' needs. We have processes in place to measure and control risks within the established limits, under the supervision and control of the Enterprise Risk Management Division.

Market Risk in Banking Book Activities

KBank is mainly exposed to interest rate, equity and foreign exchange risks in banking book transactions, i.e.:



Interest Rate Risk in Banking Book Activities

Interest rate risk refers to risk incurred from changes in interest rates of assets and liabilities, as well as off-balance sheet transactions that are susceptible to interest rate fluctuations. These may, therefore, have an adverse impact on net interest income and economic value of KBank.

KBank manages its financial position to increase net interest income and economic value, based on adequacy of liquidity position. Therefore, KBank has established an interest rate risk management framework for financial position management, ensuring that it is within the pre-specified risk limits, and that the impact of interest rate changes on net interest income or economic value of KBank is under control.

KBank continues to closely monitor movements of interest rates and customers' behaviors which are used for financial position management to ensure the highest effectiveness in risk management. KBank used interest rate risk gap to continually monitor interest rate risk in the banking book activities through evaluation of net interest income sensitivity over the next 12 months based on an assumption of a 1.00-percent change in interest rates on all types of assets and liabilities at their re-pricing periods. The results of that risk assessment are shown below:

Net Interest Income Sensitivity to Interest Rate Change

(Unit: Million Baht)

For the Year Ending	Dec. 31, 2023
	+100 bps
THB	3,343
USD	187
CNY	(231)
Other Foreign Currencies	(130)
Total Effect of Interest Rate Change	3,169
% of expected Net Interest Income (NII) in the next 1 year	2.55

Equity Risk in Banking Book Activities

KBank is exposed to equity risk from investment in equities, both directly and indirectly via funds. We have complied with regulations and procedures of relevant government agencies under the established risk framework while conducting data analyses and close assessments of relevant events to ensure the maximum benefit of KBank.

Foreign Exchange Risk in Banking Book Activities

KBank is exposed to foreign exchange risk that may be incurred from our overseas operations, investment and any activities related to banking book which incur foreign exchange exposure. KBank has chosen not to retain foreign currency position stemming from such activities, except where there is market limitation of risk hedging, or for the purpose of appropriate cost management in risk hedging during certain periods.

KBank has a monitoring process and control measures in place to ensure that risk is within risk appetite. Foreign exchange risk management is under supervision of the Assets and Liabilities Management Sub-committee, with the goal of obtaining the most effective cost management under the risk limits approved by the Risk Oversight Committee.



Liquidity Risk Management

Liquidity risk is defined as the risk caused by a failure to obtain sufficient funds at appropriate costs to meet obligations when they come due, and/or an inability to convert assets into cash, which may incur loss.

In 2023, liquidity in the overall banking system remained sufficient to accommodate demand for business operations. However, KBank is aware that liquidity status and management guidelines may vary from bank to bank, which may affect liquidity management at any given period. Therefore, we have been prepared by adopting tools for proper liquidity management in terms of both foreign currencies and Thai Baht to protect ourselves against any potential liquidity shortage. KBank has in place a process for efficiently monitoring liquidity risk in light of situations that may incur risk indirectly. Moreover, we have adopted a Business Continuity Plan to guard against disruptions to essential operations and systems, allowing us to fulfill our obligations in the event of an emergency.

In early 2023, several banks in the US and Europe experienced a bank run caused by improper liquidity management. KBank closely monitored the situation and conducted analyses to learn from this event while also strengthening our liquidity risk management guidelines for enhanced efficiency.

To ensure sufficient liquidity for business operations, KBank regularly conducted liquidity risk assessment and analysis through liquidity gap analysis, covering both normal and crisis situations, under three scenarios, i.e., liquidity crises that are either bank-specific, market-wide, or both circumstances combined.

Meanwhile, KBank has also developed tools to continuously assess and analyze liquidity risk that conform to international standards, including Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR). Moreover, KBank has devised an effective plan for overall liquidity management, including foreign currencies, along with review and revision of liquidity risk management processes and adjustment of our funding structure in response to changing market conditions and liquidity in the banking system. These endeavors are undertaken by taking into account our business growth potential and capability to cope with volatility in the global economy and fast-changing financial

markets. We also determine appropriate strategies to maintain a suitable level of foreign currency liquid assets, consistent with growth in foreign currency deposits, and to guard against any heightened liquidity risk stemming from a volatile global economy and financial markets, accounting for business growth potential.

Closely monitored factors that could affect our liquidity and interest rate risks include:

- Global and Thai economic outlook over the short and medium terms, including impacts from the US-China trade war and uncertainty from geopolitical risks in various regions
- Uncertainties facing financial institutions
- Key policy rate trend of the Bank of Thailand and major central banks
- Direct and indirect foreign capital movements triggered by internal and external risks
- Intensified competition among financial institutions in savings and investment products that may affect overall liquidity in the banking system
- Increasing demand for loans which could generate pressure on liquidity in the system

Operational Risk Management

Operational risk refers to the risk of direct or indirect losses to a bank's revenue or capital resulting from incorrect or inadequate processes, personnel, operating and IT systems, or external events. KBank thus established the operational risk management policy and framework to enhance process efficiency through systematic risk management and control under the same standards to ensure the proactive implementation of preventive measures.

KBANK focused on strengthening end-to-end operational risk management under prudent and efficient processes through enhancement of our capabilities in key operational risk management and control. These efforts aim to offer our customers fair services and treatment, responding to their needs under prudent and proper risk management. KBank has in place end-to-end product management throughout the product cycle to ensure continuity in business operations. Meanwhile, we focused on improvement of business partner and third-party risk



management, system interface or access to data of customers or KBank. Along with this, we elevated risk-related functions for more integrated and effective operations while also enhancing market conduct management.

KBank put in place climate-related risk consideration process, Bank-wide. They encompass the identification, assessment and mitigation of related impacts on KBank's operations to ensure business continuity and protection of the lives and property of our customers, employees and other stakeholders. Our Bank-wide risk consideration process is undertaken every year or more than once a year to keep abreast of the latest trends, ensuring that we can cope with climate-related risks in a timely manner. In detail:

1. Risk identification: To identify the risk event and/or major climate-related threats, both physical risk and transition risk, based on the megatrends and related rules and regulations.
2. Risk assessment: To assess the overall risks in three levels, i.e., high, medium and low, through assessment of risk impact, likelihood and effectiveness of control.
3. Risk management: KBank has in place proactive risk management, covering prevention of, monitoring of, and response to risks. Regarding high-level or significant risks, additional analyses are conducted for taking further preventive or corrective actions, or implementing additional risk management measures. For instance, we have improved the processes and reviewed resource allocation in order to control risks based on various factors such as risk incidents, costs, resources, impacts on customers and business operations. Moreover, KBank has prepared a Business Continuity Plan (BCP) and IT Disaster Recovery Plan (IT-DRP) to cope with climate-related risk incidents that may affect our work and business operations.

Reputational Risk Management

Reputational risk arises when the general public, including customers, suppliers, investors and regulators, have negative perceptions of KBank, leading to their loss of confidence in the Bank. Such a situation could affect KBank's revenues and/or capital funds both at present and in the future. Reputational risk may be caused by any actions that are not compliant with business ethics, societal expectations, agreements or business service standards, or services which are not aligned with market conduct.

To ensure proper and efficient risk management processes, KBank has therefore formulated a reputational risk management policy and management guidelines to reduce risk to be within risk appetite. We have in place reputational risk monitoring and management processes for any circumstances that may cause reputational risks to ensure proper and timely risk management, prudently accounting for all major stakeholders and impacts that may have on every component.

Our reputational risk management focuses on responsiveness to all stakeholders, including customers, regulators, employees, business partners and suppliers, investors and credit rating agencies, the general public and media organizations.

Reputational risk management processes are composed of the following steps:

1. Risk Identification: Consideration is based on factors that may have negative impacts on KBank's reputation through assessment of the prevailing risks and forecast of potential risks that may emerge at some point in the future.
2. Risk Assessment: Reputational risk indicators are clearly defined and in conformity with related factors.
3. Risk Monitoring, Control and Reporting: The processes of risk monitoring, control and reporting are set up to control risks within risk appetite.



Digital Risk Management

Digital risk is a factor that has substantial implications for KBank's business operations, in terms of both intensity and complexity. The development of payment systems under the new financial landscape in Thailand supports digital payment as the primary option accessible to all groups of users. Of note is the launch of a system interface service for connecting KBank's application with external organizations and individuals, as well as the development of increasingly complex financial products and services, such as digital asset-related transactions. Digital risk may thus arise from various channels, such as financial transaction services via digital channels, data management, cyber threats and the use of new information technology such as Generative AI. All of these risks may come from both internal and external factors, possibly having adverse impacts on, or causing financial or non-financial losses to, KBank and our customers, either directly or indirectly.

KBank is determined to maintain sustainable growth covering all three dimensions, i.e., environmental, social and governance. Guided by the strategy of being at the forefront as a digital banking service provider in Thailand, we prioritize customer confidence and service security. Recognizing the importance of digital risk management, we have put in place measures for managing relevant risks under an operational risk management framework, and established additional IT risk management policies and framework to ensure standardized management that allows us to stay ahead of, and be able to efficiently and effectively cope with, sophisticated risk situations for enhanced efficiency in work processes, control and systematic risk management in line with related international standards such as ISO 27001 and ISO 31000, and in accordance with the Bank of Thailand's policies and best practices.

Overall, digital risk management focuses on risk controls for prevention, detection, response, recovery and creation of a cyber hygiene culture covering KBank's key business processes and work systems. Major operations are carried out in four areas, namely governance, policies, processes and technology, as well as people and culture, as follows:

- **Governance:** The Risk Oversight Committee is responsible for supervising risk management in alignment with risk management policy and strategy within the risk appetite.

- **Policies:** We have reviewed and revised relevant policies to be consistent with our organizational structure, our business vision for maintaining our growth and leadership status in Thailand's digital banking business, as well as regulatory requirements and capability to efficiently cope with present and future threats.
- **Processes and technology:** We have been given priority to continuous improvement of our information security management in both financial transactions and services, while also bolstering the capability to protect ourselves from advanced threats. Along with this, we have implemented data leakage preventive measures to protect our customer data.
- **People and culture:** KBank has bolstered personnel capabilities in line with our business directions, new risks and threats. We have emphasized the creation of a cyber hygiene culture and confidence in KBank's cyber security among four personnel groups, i.e., the Board of Directors and senior management, employees, customers and third party of KBank, via communications in different formats to keep them abreast of cyber risks as well as provision of knowledge related to best practices. In addition, phishing drill exercises have been conducted to test how employees respond to phishing emails and fraudulent websites to ensure that they can identify phishing threats and can properly cope with them for efficient prevention.

In addition, KBank conducted risk assessment and revised a plan for the development of its digital risk control system to be consistent with cyber threats and past performance. Significant risks include risk incurred from operations and IT that accommodate innovative financial services and products or new channels to ensure customer responsiveness, heightened risk in linkage with business partners, adoption of innovative technology for services, various types of cyber threats which could have more severe impacts, risk from data leakage as well as change in rules and regulations which become ever more stringent, and personal data protection. We established a development plan for digital risk management with measures in place to closely monitor our operational plan and regularly report operating performance via relevant committees/sub-committees to ensure that digital risk remains within risk appetite.



Strategic Risk Management

Strategic risk refers to risks that arise from formulation and implementation of strategic and business plans that are unsuited to and inconsistent with internal factors and the external environment, which may affect earnings, capital fund or KBank's stability.

In 2023, the global economy was beset by continuous hikes of policy interest rates, led by the US Federal Reserve, the European Central Bank, the Bank of England and Asian central banks, in an effort to tame inflation which was still higher than the policymakers' targets. Other negative factors included elevated oil prices in the global market triggered by geopolitical tensions, and China's fragile property sector which affected its overall economy. All of these factors had adverse impacts on the Thai economic recovery, both directly and indirectly. Under these circumstances, asset quality management remained a major challenge which required appropriate solutions.

Amid uncertain circumstances, KBank thus places emphasis on the integration of strategic risk management into the organization's strategy formulation and implementation process. The process begins with systematic data collection and analysis for use in review and determination of appropriate strategies of the Financial Conglomerate, which are then translated into those for business and support units, and objectives and key results (OKRs). It also involves efficient resource allocation within the Financial Conglomerate, organization-wide communication of strategic plans, establishment of clear operational plans and monitoring processes, as well as identification of problems and solutions. Our strategic risk management involves two key areas as follows:

- **Strategic Risk Management for Strategic Content:** We closely monitored the changing environment which affected business operations, while also anticipating upcoming changes for better preparedness. To this end, Key Risk Indicators (KRIs) for Strategic Content were set up to enable us to review and adjust the Financial Conglomerate's strategies as well as business units' strategic plans appropriately and in step with the ever-evolving environment, both internal and external, which may affect our business operations, based on our forecast of the changing directions to ensure our preparedness, regardless of circumstances.
- **Strategic Risk Management for Strategy Execution** is conducted by:
 - Preparing quarterly financial performance reports and semiannual Corporate Scorecard reports: We also arrange meetings to keep up with operations to align with the Financial Conglomerate's strategies, and to address and manage specific issues, in order to achieve unified solutions.
 - Preparing and reporting performance of the business and support units and objectives and key results on a quarterly basis as a gauge for our practical guidelines, thus aligning with the established strategic plans.
 - Establishing KRIs for strategy execution which cover the Financial Conglomerate's infrastructure and resources.



2.3 Emerging Risks

KBank has prepared an action plan for the next five years to deal with numerous risks which may become more pronounced in the future. This plan aims to mitigate impacts that may occur to the economy, businesses and KBank, both directly and indirectly. In detail:

Emerging Risks	Description of Risks	Potential Business Impacts of Risks	Mitigating Actions
Climate-related Risk	<p>Climate-related risk consists of two types of risk:</p> <ul style="list-style-type: none"> Physical risk, such as floods, drought, etc. Transition risk, such as implementation of carbon tax measures, and changing consumer behavior on account of increased environmental concerns. 	<p>Physical risk arising from climate change-induced disasters - whether of short- or long-term consequence - is set to emerge with greater frequency and intensity. This phenomenon may have a direct impact on the business sector throughout supply chains and be catastrophic to properties of customers and KBank, alike. Aside from business disruption, we may have to bear hefty costs for prevention and rectification of any adverse impacts.</p> <p>Meanwhile, the transition to a zero-carbon society has led to changes in laws, regulations, policies and various practical guidelines for management of climate-related risk. This has caused the business sector to face increased costs through investment in additional equipment, compensation expense, research and development, opportunity cost stemming from delay in the start of commercial operations, project termination and asset impairment. Indirectly, we may also feel impacts should the businesses of our customers or sponsors suffer a tarnished reputation.</p> <p>Unless the business sector adjusts itself appropriately and in a timely manner, its competitiveness and debt servicing ability may inevitably be impacted. This may have repercussions for KBank's asset quality and eventually its financial standing</p>	<p>KBank is aware of risk and always recognizes the importance of the impacts of our business operations on the environment and society. As they could have adverse effects on our image and lead to KBank's financial loss, we have therefore established operational guidelines as follows:</p> <ul style="list-style-type: none"> Integrate climate-related risk into Bank-wide risk management processes and strategies Put in place governance structure, policies, strategies and action plan related to climate change Assess risks, opportunities and impacts via climate-related scenario analysis in accordance with the guidelines of the Task Force on Climate-related Financial Disclosures (TCFD) Assess the impact on own operations and the impacts of lending in support of various businesses at the portfolio level in the dimensions of economy, society and environment Set the target of greenhouse gas emissions (GHG) reductions of industries that emit significant amount of GHG for the formulation of sector strategy Improve the design of products and services to be more environmentally friendly Promote collaborative action with our customers in the transition to a zero carbon society Formulate an action plan for reduction of GHG in our own operations and adaptation plan to cope with risks that may be incurred to KBank's assets and operations <p>All of these endeavors aim to mitigate climate-related risk, which will allow us to achieve our GHG reduction targets in alignment with Thailand's aspirations.</p>



Emerging Risks	Description of Risks	Potential Business Impacts of Risks	Mitigating Actions
Geopolitical Risk	Geopolitical risk involves risk incurred from international relations which are associated with political power, economic resources and geographical territory. When the present balance is challenged, the global economy may be directly and indirectly jeopardized due to the interdependence that global economic activity necessitates.	<p>Geopolitical risk may impact the economic system across various dimensions, namely inflation, foreign exchange rates, interest rates and volatility in commodity prices. Impacts can be divided into two types.</p> <ul style="list-style-type: none"> • Direct impact: Business sector, including KBank and our customers engaged in commerce with the conflicting parties will be directly impacted due to inability to conduct sales/purchase/ payment transactions as usual. • Indirect impact: The overall economy will see a broad-based slowdown, causing KBank's asset quality to deteriorate. 	<p>KBank is aware of geopolitical risk and its potential impacts. KBank assessed the severity of every conflict and its potential impacts on our own and our customers' business operations, on a regular basis. We also prepare assistance measures to businesses affected by geopolitical conflicts.</p> <p>Furthermore, we improved stress testing processes and models for enhancement of our forward-looking and preventive risk management. So doing helps KBank to operate our business continually and sustainably.</p>
Financial Landscape Risk	<p>Digital technology development has given rise to rapid and tremendous change in financial landscape, triggered by the financial rules under the Bank of Thailand's guidelines and revision of rules and regulations regarding environmental conservation in line with the global context. Under these circumstances, financial institutions and other financial service providers are bracing for more complex challenges. They are, i.e.,</p> <ul style="list-style-type: none"> • Open competition: The entry of new players from various businesses and the emergence of a virtual bank or a digital-only bank will trigger open competition in the market. 	<p>KBank is a leading organization with readiness in development of technologies which can link to key mechanisms of the country's economic and financial system. As a leader in technology, we meet with high expectations in the development of innovations to serve our customers. We have also assumed the role of linking the systems of other organizations in both the public and private sectors to the Bank's financial infrastructure. We therefore prioritize continual investment in technology to maintain system stability and cyber security, while also being prepared for the development of support tasks on a continual basis to ensure customer confidence in using our services.</p>	<p>KBank has established the goal of business operation in line with sustainable development principles across three dimensions, i.e., economy, society and environment. We are thus committed to:</p> <ul style="list-style-type: none"> • Achieving net zero in our own operations (Scope 1 and 2)⁽¹⁾ by 2030 • Achieving net zero in our financed portfolio in line with Thailand's aspirations, accelerating this journey where possible • Supporting Thailand and our clients in regional economies on their decarbonization journeys while also contributing to the global effort to transition to net zero emissions by 2050⁽²⁾ and aligning with the Paris Agreement goals • Allocating at least Baht 100 - 200 billion in sustainable financing and investment by 2030 • Pioneering multiple products to promote financial inclusion while developing and creating financial discipline within the household sector, especially vulnerable groups, so as to reduce inequality and improve the general public's quality of life for sustainability in society and the economy.

⁽¹⁾ Scope 1: Direct emissions from the activities of an organization including stationary combustion, fleet vehicles (organization-owned), chemical treatment of wastewater, as well as fugitive and process emissions.

Scope 2: Energy-indirect emissions including an organization's purchased energy such as electricity, heat and steam.

⁽²⁾ Net zero emission by 2050 is the global effort to transition to net zero emission, aligning with the Paris Agreement goals. However, KBank commits to achieving net zero in our financed portfolio in line with Thailand's aspirations, accelerating this journey where possible.



Emerging Risks	Description of Risks	Potential Business Impacts of Risks	Mitigating Actions
Financial Landscape Risk (Continued)	<ul style="list-style-type: none"> • Risk management of systems and big data: The government's rules and regulations encourage units or organizations of both the public and private sectors to connect their systems with banking infrastructure or the open infrastructure, leading to open data ecosystems. • Adjustment of business operations for sustainability: Businesses must be aware of environmental conservation and accountability to customers. Focus should be on implications of responsible lending and responsible innovation which may lead to restrictions or new opportunities. • Development of global digital currency: Regulatory agencies worldwide are working to improve their supervisory guidelines. However, the lack of clear regulations has led to high volatility in the digital asset market. For Thailand, the Bank of Thailand and the Securities and Exchange Commission are currently developing and upgrading the supervision of the digital asset business. In addition, the Bank of Thailand is developing a Central Bank Digital Currency (CBDC) for both retail and business use. 	<p>Meanwhile, our role as a financial intermediary is being challenged across various dimensions in a new competitive landscape. Both existing and new players are branching out to the digital banking business while developing financial innovations to accommodate various financial transactions via digital channels for both retail and business clients. These developments have inevitably affected our core business income. We are also facing many other challenges, notably market conduct rules which have incurred rising service costs for us, and the implications of responsible innovations as well as future regulatory changes whereby KBank serves as a mechanism which plays an important role in maintaining the stability of the country's economic and financial system.</p> <p>In addition, the development of CBDC at both the retail and business levels, with collaborative efforts from businesses, the banking sector as well as regional central banks, may lead to the creation of efficient financial innovations. This would present a new challenge which would require effective management of emerging opportunities and risks in the global landscape of the new era.</p>	<p>Meanwhile, KBank is prepared to cope with impacts from changing consumer behavior and emerging technologies. We prioritize improvement of customer responsiveness and our competitive capabilities in the market, where new players from various industries have joined the fray. To this end, we have conducted studies on decentralized finance (DeFi) for development of services beyond banking solutions while maintaining our leadership in the digital banking sphere.</p> <p>Moreover, KBank has expanded our investment in digital asset-related businesses and blockchain technologies across various dimensions. This included the establishment of a subsidiary to apply for licenses as a digital asset fund manager and digital asset custodial wallet provider; acquisition of a digital asset exchange; and the establishment of a company dedicated to blockchain technology infrastructure development. These strategic moves align with our goal of becoming a comprehensive digital asset service provider with readiness to seize opportunities in the new business landscape under our proactive, integrated risk management.</p>



Emerging Risks	Description of Risks	Potential Business Impacts of Risks	Mitigating Actions
Debt Crisis Risk	<p>Debt crisis risks can occur at both the national and organizational/individual levels. These risks are associated with the accumulation of large amounts of debt, combined with factors that severely impact debt servicing ability, which could trigger a widespread crisis. These risks may stem from diverse sources, including severe and prolonged infectious diseases which disrupt economic activity, loss of income and business opportunities due to the inability to adapt to changing circumstances, including climate change, as well as government stimulus measures which directly or indirectly result in debt creation.</p>	<p>Debt crises, whether public or private, may have direct and indirect impacts on KBank, with the severity level subject to the Bank's exposure to the source of the debt crisis. As evidenced, public debt to GDP in many countries rose substantially during 2020 - 2022 due to COVID-19 and the prolonged global economic slowdown prompted by multiple factors. Under these circumstances, debt woes in certain countries may worsen and plunge into a crisis. This is particularly true for countries having close ties with Thailand, such as Lao People's Democratic Republic (Lao PDR), which has raised funds via issuance of a large amount of Baht-denominated bonds. According to the International Monetary Fund, Lao PDR has the ninth-highest public debt to GDP in the world.</p> <p>Meanwhile, the Thai business and household sectors, especially vulnerable groups saddled with heavy debt burdens, are likely to face increased debt repayment risk, especially if they are unable to restore their income and control their expenses in a timely manner. This would inevitably lead to deterioration of KBank's asset quality, particularly among customers with loans and debentures with one-year maturity.</p>	<p>KBank's credit risk management is governed by a credit policy which prioritizes a balance between credit quantity and quality. We establish a proper proportion of credit limit granted to the industrial sector, large borrowers and counterparties' countries to minimize credit concentration risk.</p> <p>KBank has conducted close monitoring and assessment of risks of each individual customer and across each portfolio. Additionally, stress testing has been undertaken to ensure that KBank can securely sustain our business operations.</p> <p>As a Domestic Systemically Important Bank (D-SIB), KBank prioritizes the maintenance of capital adequacy and liquidity levels to ensure resiliency, thus allowing us to withstand potential crises, to a certain extent.</p>



Emerging Risks	Description of Risks	Potential Business Impacts of Risks	Mitigating Actions
Generative AI Risk	<p>Generative AI risk involves the risk associated with the use of AI technology to create new data or works from learning and processing Big Data. Generative AI can create works in a variety of formats, such as text, images, sounds, and computer code, and this can be done quickly. Many organizations use generative AI to improve work efficiency.</p> <p>However, users should be aware of the potential risks, such as leakage of important information, unreliable/inaccurate results, copyright infringement or illegal data. In addition, there is a risk of cybercrime where criminals use Generative AI to craft tools to attack organizations and deceive people into fraudulent activities, such as phishing scams and installation of malicious applications. These swindles, if they were to occur, would have a severe impact on customers and organizations.</p>	<p>The use of Generative AI poses risks to KBank in various dimensions, including:</p> <ol style="list-style-type: none"> 1. KBank's information may be disclosed without authorization if the security aspects of the Generative AI service provider's system are compromised, and the system stores important data obtained through user inquiries, such as confidential data, sensitive data, and customer information. 2. Customers' confidence and KBank's image may be jeopardized if the results obtained from Generative AI are inaccurate, outdated, illegal or involve copyright infringement, and are used without checking the source or reliability of the data. 3. Cyberattacks: The use of Generative AI by criminals to create new forms of cyberattacks and to exploit vulnerabilities in KBank's systems could lead to an increase in the frequency and severity of cyberattacks. This could result in disruptions to bank services, as well as fraudulent activities which would cause financial losses to customers or KBank. 	<p>Being aware of the risks and potential impacts that could occur, KBank has implemented measures to address these risks through the establishment of security guidelines, system protection and detection, including communication with employees. They are:</p> <ul style="list-style-type: none"> • Establishing guidelines for the use of Generative AI in the organization, with a focus on data security and customer data privacy; • Strengthening protection for accessibility and insecure use of Generative AI systems, which could lead to attacks on the Bank's systems or unauthorized access of our data; • Enhancing capabilities of KBank's data leak prevention system in order to detect the use of important data in Generative AI systems; • Providing tools and developing technologies for prevention of new forms of cyber threats on a continual basis, which will allow us to prevent advanced threats or potential zero-day attacks; • Raising employee awareness about the risks associated with using Generative AI, as well as communicating security guidelines to employees of KBank and companies within the Financial Conglomerate.

2.4 Shareholder Risk Management

Investments in KBank shares may incur shareholder risk, as the returns on investment, which vary with KBank share prices, share liquidity and investment overall, may not meet shareholders' expectation. KBank dividend payments are also dependent upon KBank operating results. Therefore, shareholders may have returns that are higher or lower than their expectations.

Key risks and risk management practices employed by KBank are identified. However, KBank may incur risks other than those specified therein; shareholders are urged to study all risk factors and cautiously deliberate upon any investment before making a decision. Shareholders must accept that KBank may not be able to prevent all risks that could arise, and that there are numerous factors that have the potential to affect KBank performance and dividend payments, e.g., domestic and international economic conditions, geopolitical tensions, pandemic, political situations, capital movements, changes in government policies, and other unpredictable incidents.

Furthermore, KBank's widely distributed shareholder structure, with its high incidence of foreign shareholding, could induce fluctuations in KBank's share prices, particularly when there is incidental market concern towards the economic, social, and political environment that could affect capital movements.



3. Steering Business towards Sustainability





KBank operates its business in accordance with the principles of a Bank of Sustainability, which covers three aspects, namely environment, society and governance/economy, under good corporate governance and appropriate risk management. In 2023, KBank's key sustainable development operations are, as follows:

3.1 Adjustment of Sustainable Development Framework and Policy

In 2023, the Corporate Governance Committee presented the Sustainable Development Policy for the Board of Directors' consideration and approval. The policy was updated in order to be in consistent with the international sustainability principles in response to the Sustainable Development Goals of the United Nations and the Paris Agreement. All units of KBank have adopted this policy in their business operations in a concrete manner. Our sustainable development structure serves as the key driver for all divisions to translate the Bank's sustainable development goals into well-defined actions and integrate the work plans into common directions for the maximum benefit of all stakeholders.





Sustainable Development Framework and Policy	Environmental Aspect	Social Aspect	Governance Aspect
<p>Goal</p>	<p>Ensuring environmental stewardship towards a Net Zero-carbon society</p>	<p>Being a responsible corporate citizen to create a sustainable society</p>	<p>Being an accountable bank to create sustainable profitability</p>
<p>Commitment</p>	<p>We are committed to preserving the environment and reducing the impact of climate change.</p>	<p>We are committed to developing strong relationships with employees and society to better livelihoods and increase prosperity.</p>	<p>We are committed to strong ESG principles to be a responsible and accountable Bank.</p>
<p>Sustainable Development Policy</p> <p>KBank places emphasis on the Sustainable Development Goals (SDGs) of the United Nations (UN) by giving priority to our Material Topics in order to create sustainable value to all stakeholders</p> 	<ol style="list-style-type: none"> 1) Committing to becoming Net Zero in our own operations by 2030 2) Committing to reducing greenhouse gas (GHG) emissions in our financed portfolio in line with Thailand's aspirations; reducing GHG emissions in significantly impacted sectors, both in terms of GHG emission volume and the proportion of loans extended to each sector; and accelerating this journey where possible 3) Being the leader in innovative "Green Finance" in Thailand 4) Providing services beyond financial solutions to support decarbonization in Thailand 	<ol style="list-style-type: none"> 5) Ensuring financial inclusion and promoting financial literacy 6) Safeguarding customer data security and privacy 7) Ensuring the "Best Place to Work, Learn and Lead" by embedding Green DNA and creating future-ready workforce 8) Respecting for human rights and diversity 9) Promoting the development of youth potential as well as the pursuit of environmental, public and social activities 	<ol style="list-style-type: none"> 10) Ensuring business operations under good corporate governance practices and delivering services to customers with fairness 11) Adhering to customer centricity by initiating financial innovations that meet every aspect of customers' needs 12) Ensuring efficient risk management focusing on environmental, social, and governance (ESG) issues 

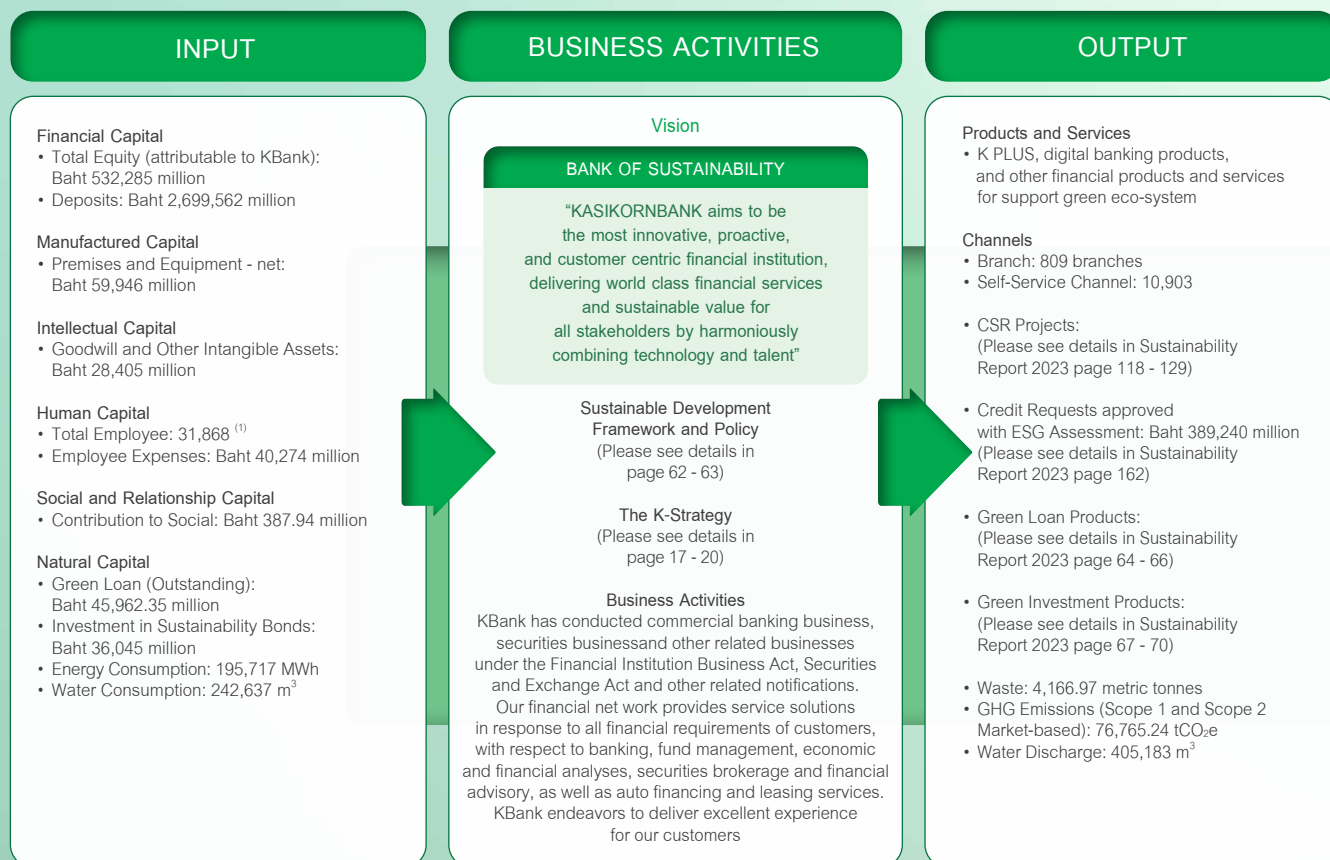


3.2 Sustainable Development Structure

In our sustainable development structure, KBank's Board of Directors has assigned the Corporate Governance Committee to supervise sustainable development operations; the Committee holds a meeting every quarter to determine operational guidelines, monitor and submit reports to the Board of Directors.

We established the Sustainable Development Sub-committee, chaired by the Chief Executive Officer, to be responsible for driving ESG operations under the sustainable development policy framework. Its mission is to establish a sustainable development framework and action plan as well as oversee, monitor and assess sustainable development performance to be in conformity with sustainable development principles, requirements and both national and international standards. The Sub-committee holds a meeting on a quarterly basis to formulate guidelines for reviewing and monitoring sustainable development performance before reporting to the Corporate Governance Committee and the Board of Directors. Meanwhile, the Corporate Sustainability Integration Department, which is part of Corporate Secretariat Division, provides support for and collaborates with the Sustainable Development Working Group, which comprises representatives of KBank departments, and pursues the Board of Directors' instructions in order to achieve the targets and respond to stakeholders' needs. Moreover, KBank set up the Climate Pillar working group which centralizes operations from related departments in order to manage greenhouse gas emissions.

KBank Value Creation Model

**Notes:**

- (1) Number of employees includes employees of KBank, the wholly-owned subsidiaries of KBank and support service providers of KBank.
- (2) Return on average 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
- (3) Loans market share is based on C.B.1.1 and C.B.1.2 (Bank-only Financial Statements).
- (4) Annual performance
- (5) Transaction includes only cash deposit, cash withdrawal, payment and transfer.



3.3 K-Strategy

The Bank has formulated K-Strategy by using the principles of a “Bank of Sustainability” as a vision for business operations in order to achieve the target of empowering every customer’s life and business. One of the strategic directions that the Bank attaches importance to is ESG operations, with the aim of creating sustainability for all stakeholders. Additional details are on page 17 - 20.

3.4 Management of Impacts on Stakeholders within Value Chain

KBank has disclosed data on management and value creation from six types of capital, i.e., financial capital, manufactured capital, intellectual capital, human capital, social and relationship capital and natural capital. Key issues that influence assessment of impacts on KBank’s ability to create value over the short, medium and long-term are identified. Analyses will shed light on financially material topics in order to manage existing capital in alignment with the operational framework and the policy of sustainable development and K-Strategy to ensure that KBank can achieve the highest performance efficiency in alignment with our vision and business directions.

Additionally, KBank upgraded the disclosure of ESG information in line with guidelines of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand, while also managing any impact that may affect stakeholders within the business value chain – from upstream to downstream, focusing on value creation for products and services in alignment with all stakeholders’ expectations as well as in conformity with international guidelines and practices.

OUTCOME

KBank

Financial Capital

- Total Operating Income - net: Baht 192,653 million
- Cost to Income Ratio: 44.10%
- Return on Average Equity (ROE): 8.29% ⁽²⁾

Manufactured Capital

- Market Share (Loans): 15.45% ⁽³⁾

Intellectual Capital

- New platforms e.g. Dofin Wallet, SMART OPD Application, xplORe Wallet Power by KBank, Foreign currency denominated debentures under the DIF on the SEC’s Web Portal system, etc.

Human Capital

- Employee Engagement Score: 77%
- Turnover Rate: 7.87%
- Absentee Rate: 0.85%
- HCROI: 4.57

Social and Relationship Capital

- Overall Evaluation of KBank: NPS at 85
- NPS in Mobile Banking Channel at 90
- Employee Volunteer Hours: 152,101 hours
- PR Value: Baht 42.20 million

Natural Capital

- New Revenue Stream of Green Finance
- New Business Opportunities of Green Finance
- Mitigation to Climate Risks
- Reduction of GHG Emissions: 12.74% ⁽⁴⁾

Stakeholders

Financial Capital

- Dividend (Baht per share): 6.50

Manufactured Capital

- Transactions: 9.7 billion ⁽⁵⁾
- Approved Projects (ESG Assessment): 103 projects
- Customers: 23 million

Intellectual Capital

- People and customers have a better understanding on financial literacy.

Human Capital

- Middle Female Management who Advance to Top Management: 69.85%
- Internal Fill Rate: 94.65%
- Employees have higher competency and skill developments.

Social and Relationship Capital

- People Benefit from Social Service Activities: 755,638 people

Natural Capital

- Reduction on Environmental Footprint of Green Products and Green Process
- Reduction on GHG Emission
- Increasing Source of Renewable Energy



3.5 Material Issues and Boundaries

KBank improved the assessment process for its material topics and boundaries in terms of quality, resulting in the more concise material topics and boundaries that adhere to the double materiality principle, which assesses sustainability topics in accordance with GRI 3: Material Topics 2021. This differs from the process the Bank previously employed. In 2023, the revision of material topics and boundaries to be in alignment with this principle reflected KBank's integration of new, highly relevant key topics, in accordance with global and local ESG trends.

The results of the double materiality assessment highlight three primary ESG topics that have been elevated to a higher material level, namely Transition Risks and Opportunities from Climate Change, Sustainable Finance, and Risk Management. The moderate material topics include Employee Labor Practices, Inclusion, Diversity and Equality, Employee Human Capital Development; Talent Attraction and Retention, Employee Well-being, and Reducing Emissions of the Bank's Operations. KBank considers these high-material topics for the development of its core ESG strategy. However, while the three aforementioned ESG themes held greater prominence, the Bank acknowledges the magnitude and likelihood of impacts of other sustainability topics. The results of the double materiality assessment will highlight and identify the topics with a higher level of materiality. The Bank is determined to use these topics to further develop its core ESG strategy.

There were 18 material issues in 2023, as follows:

Material Topics

High Materiality Level	Moderate Materiality Level	Low Materiality Level
<ul style="list-style-type: none"> • Risk Management • Sustainable Finance* 	<ul style="list-style-type: none"> • Employee Labor Practices, Inclusion, Diversity, and Equity 	<ul style="list-style-type: none"> • Sustainable Supply Chain Management
<ul style="list-style-type: none"> • Transition Risks and Opportunity from Climate Change** 	<ul style="list-style-type: none"> • Employee Human Capital Development, Talent Attraction and Retention 	<ul style="list-style-type: none"> • Preservation of Biodiversity
<ul style="list-style-type: none"> • Customer Understandings 	<ul style="list-style-type: none"> • Employee Well-Being 	<ul style="list-style-type: none"> • Effective Water Management and Water Stress
<ul style="list-style-type: none"> • Business Ethics and Transparency 	<ul style="list-style-type: none"> • Creating Financial Literacy and Inclusion 	<ul style="list-style-type: none"> • Human Rights Across Employees, Suppliers, Customers and Community
<ul style="list-style-type: none"> • Corporate Governance 	<ul style="list-style-type: none"> • Reducing Emissions of the Bank's Operations, Lending, and Investment *** 	<ul style="list-style-type: none"> • Education and Community Development****
<ul style="list-style-type: none"> • Digitalization and Innovation 		
<ul style="list-style-type: none"> • Sustainable Finance* 		

Notes: ■ Topics with increase in materiality
■ Topics with decrease in materiality

* This topic includes Environmentally Responsible Financial Products and Socially Responsible Financial Products

** This topic includes Clean Energy

*** This topic includes Reducing Pollution, Creating Environmental Awareness, Effective Waste Management, and Collaboration with Institutions Focusing on Sustainable Development

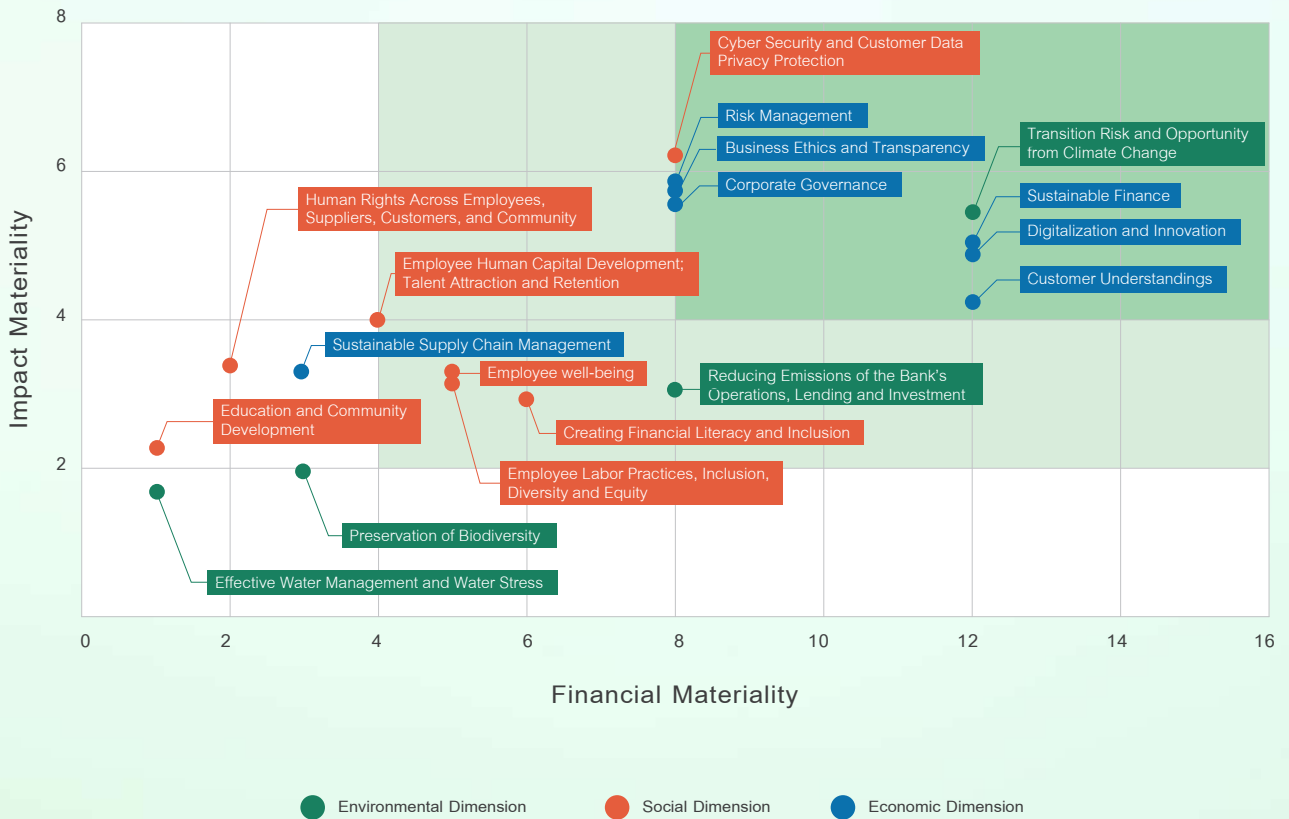
**** This topic includes Social and Cultural Preservation and Development



Material Topics Prioritization

Double Materiality Assessment Result in 2023

The double materiality matrix (shown below) offers a visual summary based on impact materiality and financial materiality.



3.6 Embracing ESG Aspiration with the aim of becoming the ESG leader among Banks in Southeast Asia, and KBank's ESG Strategy 2023

KBank unveiled its ESG Aspiration with the aim of becoming the ESG leader among banks in Southeast Asia. To this end, KBank's ESG strategy for 2023 was established for our business operations, based on the principles of ESG, systematic and performance-based operations, and operational development based on international principles and standards, this allows the Bank to lead customers and Thai businesses towards sustainable economic growth. Such plans cover various dimensions, as follows:



KBank ESG Strategy





3.7 Establishment of Long-term Goals for Sustainable Development

The Bank has established a sustainable development goal-setting framework or Objectives and Key Results for the Board of Directors (Board of Directors OKRs). This framework is instrumental in transforming strategies into actions. These include allocating internal resources in accordance with strategic plans, communicating strategic plans effectively throughout the organization, establishing clear operational plans, monitoring operational progress per the set plans, and identifying issues for immediate rectification. Such actions help ensure that the Bank's ESG operational strategies are consistent throughout the organization, the set goals are achieved at the CEO, president, and division head levels, and the relevant units are in place to ensure that the Bank's operations meet the set goals. For more details of the SDGs, please visit: <https://www.kasikornbank.com/EN/sustainable-development/Pages/goals.aspx>.

3.8 Formulation of Operational Strategies towards Net Zero

KBank is well aware of this urgent role and duty and is prepared to work with customers and relevant stakeholders in devising plans to cope with the related risks, create opportunities, and establish the transition plan towards Net Zero.

Additionally, dated October 29, 2021, the Board of Directors announced the Bank's Net Zero Commitment which are as follows:

1. KBank aims to empower every customer's life and business. We support our customers in the transition to a Net Zero economy. Sustainability is deeply ingrained in how we serve our customers and manage our operations.
2. We are committed to supporting Thailand and our clients in regional economies on their decarbonization journeys. We will contribute to the global effort to transition to Net Zero emissions by 2050* and will align with the Paris Agreement goals.
3. We are committed to be the leading sustainable bank in Thailand, allocating at least Baht 100 - 200 billion in sustainable financing and investment by 2030 and pioneering green banking products.
4. We commit to becoming Net Zero in our own operations (Scope 1 and 2)** by 2030. We commit to achieving Net Zero in our financed portfolio in line with Thailand's aspirations, and accelerating this journey where possible. We will continually assess opportunities to take earlier actions as the technology, regulatory environment and external context evolves.

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

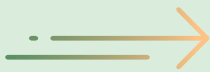
** Scope 1: Direct emissions from the activities of an organization including stationary combustion, fleet vehicles (organization-owned), chemical treatment of wastewater, as well as fugitive and process emissions.

Scope 2: Energy-indirect emissions including an organization's purchased energy such as electricity, heat and steam.



Decarbonization Pathway to Net Zero

Decarbonization Pathway to Net Zero



2020

Base year

- KBank's Operations (Scope 1 and 2)
- KBank's Financed Portfolio (Scope 3)

2030

Scope 1 and 2

Net Zero emissions from KBank's operations*

- Carbon Removal Project

Scope 3

(KBank's Financed Portfolio)

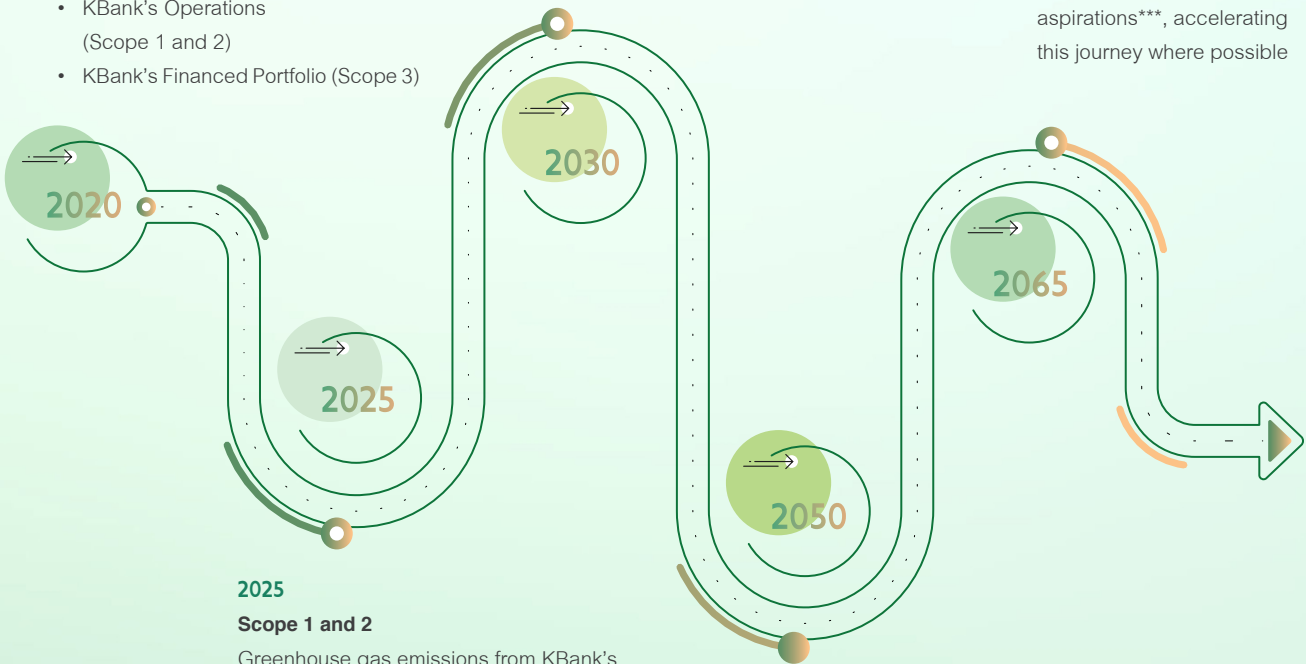
- Allocation of at least Baht 100 - 200 billion in sustainable financing and investment
- Reduction of lending for coal-fired power plants and coal to zero

2065

Scope 3

(KBank's Financed Portfolio)

Net Zero in KBank's financed portfolio in line with Thailand's aspirations***, accelerating this journey where possible



2025

Scope 1 and 2

Greenhouse gas emissions from KBank's operations reduced by 21%

- Use of electric vehicles
- Installation of solar panels at KBank's office buildings and branches

Scope 3 (KBank's Financed Portfolio)

- Formulation of the Sector Decarbonization Strategy
- Development of products and services and prepare of strategic plan to assist customers in the transition to Net Zero

2050

Contribution to the global effort to transition to Net Zero emission by 2050** and will align with the Paris Agreement goals

* More details on the operational plan for reduction of GHG emissions under Scope 1 and 2 can be found in the chapter of Environmental Management section.

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

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



3.9 Outputs from Sustainable Development Operations in 2023

1. Outputs of environmental operations:
 - Reduction of GHG emissions: 12.74% (Baseline year: 2020)
 - Formulation of glidepaths and/or sector strategies for two industry, namely cement industry and aluminum industry
 - Sustainable financing and investment: Baht 46,986 million

2. Outputs of social contributions:
 - Financial literacy for the underprivileged: 53,886 persons per year
 - Cyber literacy campaigns for 28.20 million persons
 - Human rights risk assessment in all business activities: 100% of KBank

3. Outputs of governance operations:
 - 100% of Project Finance and medium enterprises (and above) must be processed through the ESG assessment procedure.
 - No significant non-compliance issues related to market conduct.

More details on the goals and executions of the aforementioned operations could be found on KBank's Sustainability Report 2023, page 24 - 28.



4. Operating Performance and Financial Position

4.1 Operating Performance

The Thai economy in 2023 continued to grow in an uneven manner (K-shaped Recovery). Amid a global economic slowdown, financial market worldwide faced volatility. Certain groups of KBank's customers were thus affected by these factors. Under these circumstances KBank continued to conduct business with prudence in order to cope with highly uncertain economic factors, while appropriately giving our customers assistance and support under sustainable guidelines.

KBank and its subsidiaries reported net profit for 2023 of Baht 42,405 million, an increase of Baht 6,635 million, or 18.55 percent from previous year due to the low base effect and the gradual economic recovery seen in certain areas. However, KBank continues to set aside expected credit loss (ECL) at a high level of Baht 51,840 million, almost on par with last year, in alignment with the consistently careful approach to bolster the Bank's strength amid economic uncertainties that may persist. These efforts were aimed at aiding our customers with increased capabilities in their business operations, while also enhancing flexibility in our asset quality management. As of December 31, 2023, KBank's coverage ratio stood at 152.23 percent.

Operating profit before expected credit loss and income tax expense for 2023 stood at Baht 107,685 million, an increase of Baht 9,181 million or 9.32 percent over the previous year. The increase came mainly from net interest income of Baht 148,444 million, rising by Baht 15,446 million or 11.61 percent over year despite slowing loan growth compared to last year. KBank focused on effective asset quality management and improvement of credit underwriting process for new loans for enhanced efficiency. Therefore, our net interest margin (NIM) stood at 3.66 percent.

Non-interest income totaled Baht 44,209 million, an increase of Baht 3,950 million or 9.81 percent, compared to the previous year, derived mainly from gains on investment in financial instruments through our investment diversification policy in global assets, together with rising revenue from trading and foreign exchange transactions in line with higher business volume which was consistent with the partial recovery of the tourism sector. Meanwhile, net premiums earned – net decreased in line with market conditions and a decline in net fees and service income due mainly to decreased brokerage fees and fees from money transfer.

Other operating expenses totaled Baht 84,968 million, an increase of Baht 10,215 million or 13.67 percent over year, mainly from rising operating expenses which were consistent with an increase in operating income amid rising business volume. These included customer service expenses, marketing expenses, and IT-related expenses to support services, accommodate customer demand and maintain customer information security. In addition, employee expenses increased, partly driven by one-time expenses after the implementation of cost-of-living subsidy measures at the beginning of the year. As a result, cost to income ratio stood at 44.10 percent, slightly increasing from 43.15 percent in the previous year.



Operating Performance for 2023

(Unit: Million Baht)

	2023	2022	Change	
			Increase (Decrease)	Percent
Net Interest Income	148,444	132,998	15,446	11.61
Non-Interest Income	44,209	40,259	3,950	9.81
Total Operating Income - net	192,653	173,257	19,396	11.19
Total Other Operating Expenses	84,968	74,753	10,215	13.67
Expected Credit Loss	51,840	51,919	(79)	(0.15)
Net Profit (attributable to equity holders of KBank)	42,405	35,770	6,635	18.55
Basic Earnings per Share (Baht) ⁽¹⁾	17.58	14.78	2.80	18.94

Note:

⁽¹⁾ Basic Earnings per Share = Net profit (attributable to equity holders of the Bank) deduct dividend from other equity instruments after income tax divided by common shares outstanding

Major financial ratios that reflected operating performance of KBank and our subsidiaries in 2023 and 2022 are as follows:

(Unit: Percent)

Financial Ratio	2023	2022	Increase (Decrease)
Return on Assets (ROA) ⁽²⁾	0.99	0.86	0.13
Return on Equity (ROE) ⁽³⁾	8.29	7.38	0.91
Net Interest Margin (NIM)	3.66	3.33	0.33
Cost to Income Ratio	44.10	43.15	0.95

Notes:

⁽²⁾ Annualized⁽³⁾ Return on average equity (ROE) = Net profit (attributable to equity holders of the Bank) deduct dividend from other equity instruments after income tax calculated on an annualized basis divided by average equity of equity excluded other equity instruments at the beginning of the quarter / period / year and equity at the end of the quarter / period / year

(Unit: Percent)

Financial Ratio	2023	2022	Increase (Decrease)
Significant increase in credit risk loans ⁽⁴⁾ to total loans ⁽⁵⁾	6.26	6.47	(0.21)
Significant increase in credit risk loans and non-performing loans ⁽⁶⁾ to total loans ⁽⁵⁾	9.37	9.67	(0.30)
NPLs gross ⁽⁷⁾ to total loans ⁽⁸⁾	3.19	3.19	0.00
Total allowance for expected credit loss ⁽⁹⁾ to NPL gross (Coverage Ratio)	152.23	154.26	(2.03)
Loans ⁽¹⁰⁾ to Deposits Ratio	92.25	90.77	1.48
Capital Adequacy Ratio ⁽¹¹⁾	19.41	18.81	0.60
Tier 1 Capital Ratio ⁽¹¹⁾	17.44	16.84	0.60

Notes:

⁽⁴⁾ Significant increase in credit risk loans used in calculation are loans to customers and loans to financial institutions which credit risk has increased significantly⁽⁵⁾ Loans used in calculation are loans to customers and loans to financial institutions and accrued interest receivables and undue interest receivables⁽⁶⁾ Credit impaired loans used in calculation are loans to customers and loans to financial institutions which credit risk has impaired⁽⁷⁾ NPL gross used in calculation are loans to customers and loans to financial institutions of non-performing loans excluded loans for credit balance and life insurance business⁽⁸⁾ Loans used in calculation are loans to customers and loans to financial institutions⁽⁹⁾ Included allowance for expected credit loss of loan commitment and financial guarantee, deposit to financial institutions, investments and other financial assets⁽¹⁰⁾ Loans = Loans to customers⁽¹¹⁾ KASIKORNBANK FINANCIAL CONGLOMERATE



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Form 56-1 One Report 2023

Net Interest Income

KBank's consolidated net interest income for 2023 was Baht 148,444 million, increasing by Baht 15,446 million or 11.61 percent over year. Net interest income did not deduct various debt management costs. The increase in net interest income could be attributed mainly to income from loans to customers which increased by Baht 22,650 million or 19.52 percent in line with average return and interest income from interbank and money market items which rose by Baht 5,947 million or 121.02 percent in line with increasing average return and average transaction volume.

At the same time, interest expenses rose due to interest expenses from deposits from customers which rose by Baht 6,330 million or 81.70 percent in line with average interest rate and interest expenses from contribution to Financial Institutions Development Fund (FIDF) and Deposit Protection Agency which increased by Baht 6,154 million or 97.44 percent, following an increase in the rate of contribution to FIDF to the normal level of 0.46 percent. Therefore, our NIM for 2023 rose to 3.66 percent.

(Unit: Million Baht)

	2023	2022	Change	
			Increase (Decrease)	Percent
Interest Income	183,608	151,332	32,276	21.33
Interbank and money market items	10,861	4,914	5,947	121.02
Investments	26,345	23,447	2,898	12.36
Loans to customers	138,693	116,043	22,650	19.52
Hire purchase and finance leases	7,709	6,928	781	11.26
Interest expenses	35,164	18,334	16,830	91.80
Deposits from customers	14,078	7,748	6,330	81.70
Interbank and money market items	3,719	1,325	2,394	180.59
Contributions to Financial Institutions Development Fund and Deposit Protection Agency	12,471	6,317	6,154	97.44
Debts issued and borrowings	4,794	2,859	1,935	67.68
Others	102	85	17	19.58
Total Interest Income – net	148,444	132,998	15,446	11.61
Yield on Earning Assets (percent)	4.52	3.79		0.73
Cost of Fund (percent)	1.17	0.62		0.55
Net Interest Margin (NIM) (percent)	3.66	3.33		0.33

Non-Interest Income

For 2023, KBank's consolidated non-interest income totaled Baht 44,209 million, increasing by Baht 3,950 million or 9.81 percent over year. The increase was attributable mainly to gain on financial instrument measured at fair value through profit or loss which rose by Baht 7,070 million or 139.92 percent in line with market conditions. Meanwhile, net premiums earned – net dropped by Baht 1,869 million or 57.92 percent as a result of increased underwriting expenses and fees and service income – net which decreased by Baht 1,702 million or 5.17 percent due mainly to falling brokerage fees and fees from money transfer.



(Unit: Million Baht)

	2023	2022	Change	
			Increase (Decrease)	Percent
Non-Interest Income				
Fees and Service Income	48,620	48,345	275	0.57
Fees and Service Expenses	17,440	15,463	1,977	12.78
Fees and Service Income – net	31,180	32,882	(1,702)	(5.17)
Gain (Loss) on Financial Instrument measured at				
Fair Value through Profit or Loss	12,123	5,053	7,070	139.92
Gain (Loss) on Investments	(588)	(130)	(458)	(350.36)
Share of Profit (Loss) from Investments using Equity Method	(35)	115	(150)	(130.91)
Dividend Income	3,569	3,445	124	3.59
Net Premiums Earned	67,674	66,056	1,618	2.45
Other Operating Income	3,058	2,123	935	44.06
Less Underwriting Expenses	72,772	69,285	3,487	5.03
Total Non-Interest Income	44,209	40,259	3,950	9.81

Other Operating Expenses

KBank's consolidated other operating expenses for 2023 was Baht 84,968 million, increasing by Baht 10,215 million or 13.67 percent over year. The increase could be attributed mainly to rising expenses related to customer services in line with business volume, marketing expenses, expenses for activities jointly held with our business partners, IT-related expenses to accommodate customer demand and employee expenses, also driven in part by one-time expenses after the implementation of cost-of-living subsidy measures. Our cost to income ratio of 2023 was thus equal to 44.10 percent.

(Unit: Million Baht)

	2023	2022	Change	
			Increase (Decrease)	Percent
Employee Expenses	40,274	34,602	5,672	16.39
Directors' Remuneration	163	154	9	5.72
Premises and Equipment Expenses	11,388	11,408	(20)	(0.17)
Taxes and Duties	6,744	5,968	776	13.02
Others	26,399	22,621	3,778	16.70
Total Other Operating Expenses	84,968	74,753	10,215	13.67
Cost to Income Ratio (percent)	44.10	43.15		0.95



Classified Loans and Expected Credit Loss

Classified Loans

KBank classified loans into three levels per TFRS 9. The classified loans in stage 2 include the loans with significantly increasing credit risk since initial recognition but without credit impaired. As of December 31, 2023 and 2022, loans with significantly increasing credit risk (under-performing loans) to total loans ratio was equal to 6.26 and 6.47 percent, respectively, whereas loans with significantly increasing credit risk (under-performing loans) and credit impaired loans (non-performing loans) to total loans ratio was equal to 9.37 and 9.67 percent, respectively.

(Unit: Million Baht)

	Dec. 31, 2023		Dec. 31, 2022	
	Loans and accrued interest receivables ⁽¹⁾	Allowance for expected credit loss	Loans and accrued interest receivables ⁽¹⁾	Allowance for expected credit loss
Stage 1 Performing	2,227,973	45,546	2,229,656	46,612
Stage 2 Under-performing	185,331	43,822	188,303	46,075
Stage 3 Non-performing	92,064	44,508	93,344	40,842
Total	2,505,368	133,876	2,511,303	133,529

Note:

⁽¹⁾ Including loan to customers and accrued interest and undue interest receivables

Modified Loans

KBank and its subsidiaries engaged in modification contracts with debtors. In 2023, there were loans before modification amounting to Baht 10,673 million and incurred losses amounting to Baht 474 million.

Expected Credit Loss

KBank and its subsidiaries set aside expected credit loss at a high level of Baht 51,840 million for 2023, which almost on par with the previous year. We maintained a cautious approach to bolstering the Bank's strength in order to cope with global economic uncertainties that may persist. These efforts were aimed at aiding our customers with increased capabilities in their business operations while also enhancing flexibility in our asset quality management. As a result, our expected credit loss to average loans for 2023 stood at 2.08 percent. Moreover, our coverage ratio as of December 31, 2023 was equal to 152.23 percent.



Expected Credit Loss

(Unit: Million Baht)

	2023	2022	Change	
			Increase (Decrease)	Percent
Expected Credit Loss	51,840	51,919	(79)	(0.15)
Expected Credit Loss to Average Loan (percent)	2.08	2.11		(0.03)

Allowance for Expected Credit Loss

As of December 31, 2023, our consolidated allowance for expected credit loss totaled Baht 133,876 million.

Non-Performing Loans and Properties Foreclosed

Non-Performing Loans

As of December 31, 2023, financial conglomerate's NPLs stood at Baht 94,241 million or 3.19 percent of the total outstanding credit, including that of financial institutions. KBank's NPLs totaled Baht 88,327 million or 3.16 percent of the total outstanding credit including that of financial institutions. The NPLs data is shown in the table below:

Non-Performing Loans

(Unit: Million Baht)

For the Year Ending	Dec. 31, 2023	Dec. 31, 2022
Financial conglomerate NPLs	94,241	92,536
Percent of total outstanding credit, including that of financial institutions	3.19	3.19
KBank NPLs	88,327	88,047
Percent of total outstanding credit, including that of financial institutions	3.16	3.19

Properties Foreclosed

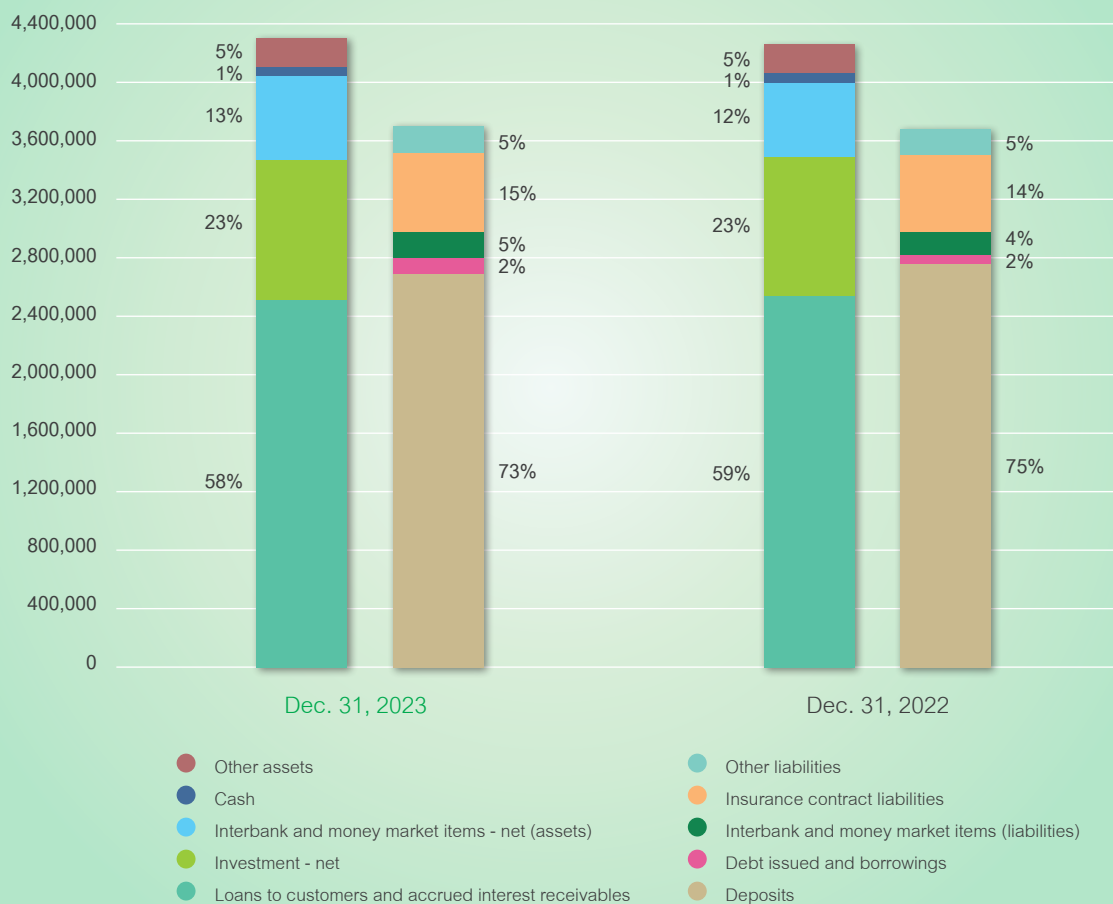
As of December 31, 2023, our financial conglomerate properties foreclosed had a net value of Baht 54,753 million, thus being 1.28 percent of total assets.



4.2 Financial Position

Assets and Liabilities Structure

(Unit: Million Baht)



Assets

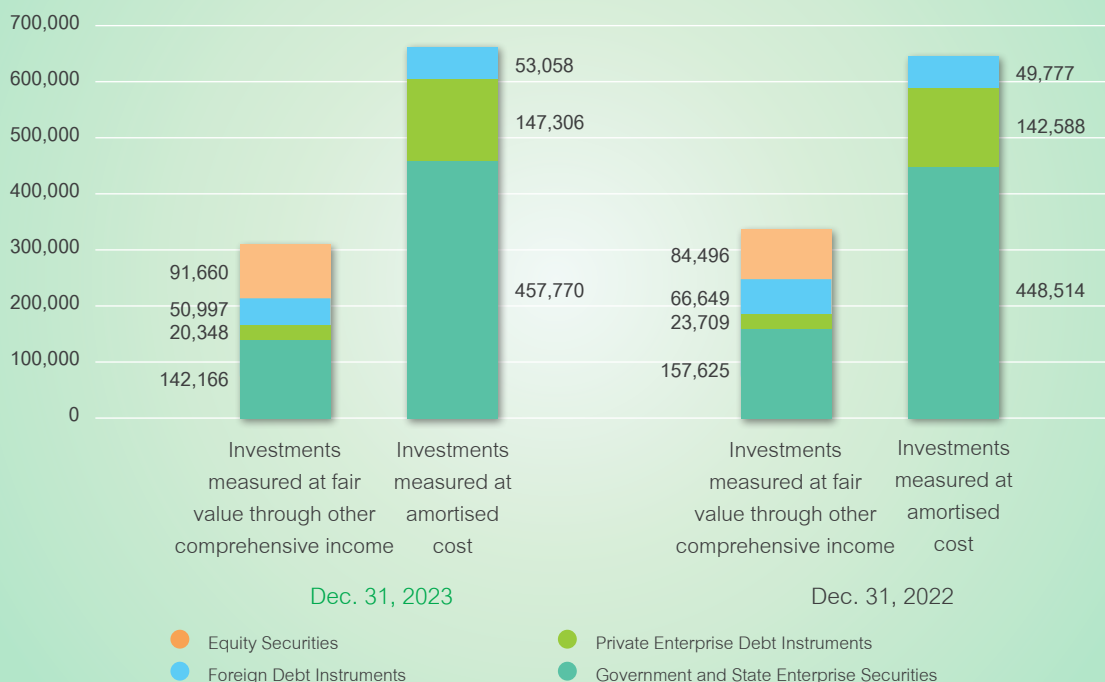
At the end of 2023, KBank's consolidated assets totaled Baht 4,283,556 million, increasing by Baht 37,187 million or 0.88 percent from the end of 2022. The rise was due mainly to an increase in net interbank and money market items. Meanwhile, derivative assets and net investment decreased. Key details are as follows:

- Net interbank and money market items totaled Baht 569,008 million, increasing by Baht 66,472 million or 13.23 percent from the end of the previous year, due mainly to KBank's liquidity management.
- Derivative assets totaled Baht 44,698 million, decreasing by Baht 20,334 million or 31.27 percent from the end of the previous year, due mainly to mark to market of financial derivatives in line with market conditions such as foreign exchange rates and interest rates. However, changes in derivative assets should be considered in conjunction with derivative liabilities. KBank had already mitigated significant risks with counterparties.
- Net investment totaled Baht 963,305 million, decreasing by Baht 10,053 million or 1.03 percent from the end of the previous year, in line with interest rates forecast.



Investments in Securities

(Unit: Million Baht)



Liabilities and Equity

Our consolidated liabilities at the end of 2023 amounted to Baht 3,686,721 million, which slightly increased by Baht 7,432 million or 0.20 percent from the end of 2022. The rise was mainly attributable to increased interbank and money market items, insurance contract liabilities and debt issued and borrowings. Meanwhile, deposits and derivative liabilities decreased. Significant changes in our consolidated liabilities included:

- Interbank and money market items equaled Baht 179,207 million, increasing by Baht 23,967 million or 15.44 percent from the end of the previous year, due to KBank's liquidity management.
- Insurance contract liabilities equaled Baht 529,301 million, increasing by Baht 15,823 million or 3.08 percent from the end of the previous year, in line with growing volume of life insurance business.
- Debt issued and borrowings equaled Baht 81,572 million, increasing by Baht 13,675 million or 20.14 percent from the end of the previous year, mainly as a result of issuance of unsubordinated and unsecured debentures by the Bank.
- Deposits equaled Baht 2,699,562 million, decreasing by Baht 49,123 million or 1.79 percent from the end of the previous year, mainly as a result of a decline in savings deposits. Meanwhile, fixed deposits increased.
- Derivative liabilities equaled Baht 42,062 million, decreasing by Baht 11,897 million or 22.05 percent from the end of the previous year, due mainly to mark to market of financial derivatives in line with market conditions such as foreign exchange rates and interest rates. However, changes in derivative liabilities should be considered in conjunction with derivative assets. KBank had already mitigated significant risks with counterparties.

Equity (attributable to KBank) at the end of 2023 amounted to Baht 532,285 million, increasing by Baht 29,015 million or 5.77 percent from the end of 2022, derived mainly from KBank's net profit after deducting dividend payment in 2022.



Relationship between Sources and Uses of Funds

As of December 31, 2023, the funding structure as shown in the consolidated financial statement comprised Baht 3,686,721 million in liabilities and Baht 596,835 million in equity, of which Baht 532,285 million was equity (attributable to equity holders of the Bank), resulting in a debt-to-equity ratio of 6.93. The main source of funds on the liabilities side was deposits, which equaled Baht 2,699,562 million or 63.02 percent of the total source of funds as of December 31, 2023. Meanwhile, interbank and money market items as well as debt issued and borrowings accounted for 4.18 percent and 1.90 percent of the total source of funds, respectively.

KBank and Subsidiaries' Major Sources and Uses of Funds

(Unit: Million Baht)

Period	Deposits				Loans and accrued interest receivables ⁽¹⁾			
	Dec. 31, 2023	Percent	Dec. 31, 2022	Percent	Dec. 31, 2023	Percent	Dec. 31, 2022	Percent
≤ 1 Year	2,670,705	98.93	2,721,860	99.02	1,106,514	44.17	1,078,144	42.93
> 1 - 5 Years	28,857	1.07	26,825	0.98	591,513	23.61	614,164	24.46
> 5 Years	-	-	-	-	807,341	32.22	818,995	32.61
Total	2,699,562	100.00	2,748,685	100.00	2,505,368	100.00	2,511,303	100.00

Note:

⁽¹⁾ Including loan to customers and accrued interest and undue interest receivables

As of December 31, 2023, deposits with maturities within one year were larger than loans with remaining maturities within 1 year. This is considered normal for commercial banks in Thailand, which mainly mobilized short-term funds for long-term loan extension or investment. However, the majority of deposits at KBank were renewed continually upon maturities. As a result, most deposits remained with KBank longer than their stated contractual term, thereby helping to support funding for KBank's lending.

As of December 31, 2023, KBank and subsidiaries' major use of funds was loans to customers which amounted to Baht 2,490,398 million, resulting in loan-to-deposit ratio of 92.25 percent. As for the remaining liquidity, KBank invested in various selections of liquid assets, such as interbank and money market items, financial assets measured at fair value through profit or loss, and investments in securities.

Change in Cash Flows

As of December 31, 2023, the Bank and its subsidiaries' cash were Baht 48,690 million, decreasing by Baht 8,425 million from the end of previous year. Net cash provided by and used in activities can be summarized as follows:

- Net cash provided by operating activities were Baht 9,541 million which was derived mainly from Baht 120,817 million of operating profit before changes in operating assets and liabilities, and changes in significant operating assets and liabilities consisting of deposits that decreased by Baht 49,563 million, derivative liabilities that decreased by Baht 11,460 million, while interbank and money market items (liabilities) increased by Baht 22,599 million, short-term debts issued and borrowings increased by Baht 10,336 million and other liabilities increased by Baht 9,774 million. Meanwhile, interbank and money market items (assets) increased by Baht 67,176 million, loans to customers increased by Baht 63,623 million and other assets increased by Baht 311 million. However, derivative assets decreased by Baht 20,335 million, properties foreclosed decreased by Baht 9,011 million and financial assets measured at fair value through profit or loss decreased by Baht 969 million.



- Net cash used in investing activities were Baht 8,008 million which was derived mainly from Baht 107,399 million of purchase of investments measured at fair value through other comprehensive income, Baht 102,130 million of purchase of investments measured at amortised cost, Baht 3,597 million of purchase of investments in subsidiaries, associates and joint ventures, Baht 4,874 million of purchase of intangible assets and Baht 3,969 million of purchase of premises and equipment, while there were Baht 129,899 million of proceeds from disposal of investments measured at fair value through other comprehensive income and Baht 84,082 million of proceeds from redemption of investments measured at amortised cost.
- Net cash used in financing activities were Baht 9,901 million which was derived mainly from Baht 21,695 million of repayment of long-term debts issued and borrowings, Baht 9,477 million of dividend paid to shareholders and Baht 1,261 million of cash paid for lease liabilities, while there was Baht 23,445 million of proceeds from long-term debts issued and borrowings.

Contingent Liabilities and Commitments

Contingent liabilities and commitments of the Bank and its subsidiaries consisted of:

(Unit: Million Baht)

	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2021
Avals to bills and guarantees of loans	21,064	18,431	29,263
Liability under unmatured import bills	48,174	47,898	42,952
Letters of credit	25,054	38,491	36,469
Other contingencies	729,551	744,206	741,818
Total	823,843	849,026	850,502

4.3 Loans and Deposits

Loans

As of December 31, 2023, KBank's consolidated outstanding loans stood at Baht 2,490,398 million, decreasing by Baht 4,679 million or 0.19 percent, compared to Baht 2,495,077 million as of December 31, 2022.

Loan Portfolio by Type of Customer and Credit Amount

(Unit: Million Baht)

	Dec. 31, 2023		Dec. 31, 2022	
	Corporate Business ⁽¹⁾	Retail Business ⁽²⁾	Corporate Business ⁽¹⁾	Retail Business ⁽²⁾
Loans	1,653,392	683,959	1,660,279	702,856

Notes:

⁽¹⁾ "Corporate Business" refers to registered companies, certain private individual business customers, government agencies, state enterprises, as well as financial institutions, etc. KBank provides a variety of financial products and services to them, e.g., long-term and working capital loans, letters of guarantee, trade finance solutions, syndicated loans, cash management solutions and value chain solutions.

⁽²⁾ "Retail Business" refers to private individual customers using KBank products and services, e.g., deposit accounts, debit cards, credit cards, personal loans, housing loans, financial advisory services, investment products and other transactional services.



KBank has a policy of prudent credit extension, accounting for the Thai economic situation and the highly competitive market. We focused on improvement of loan products and services, especially through adoption of data analytics and technology for enhanced efficiency in lending. We aimed to acquire customers with sound debt servicing ability who are interested in borrowing, in order to generate additional income for KBank under risk-adjusted pricing strategies and efficient risk management.

Corporate Business Loans

As of the end of 2023, our corporate business loans (Corporate and SME customers) had decreased by Baht 6,887 million or 0.41 percent from the end of 2022. The decrease was attributed mainly to a slowdown in new loans, reflecting limited business opportunities in line with economic conditions.

Corporate business loans showed growth mainly observed in financial institutions, real estate, industrial agriculture, petroleum and petrochemical products, and construction sectors.

Meanwhile, SME business loans continued to decline due to our proactive debt management approach. KBank still focused on multiple credit products to match customers' needs and their collateral. For instance, secured business loans were offered to customers with growth potential. Along with this, we used customers' transaction data, both financial and non-financial, to conduct both behavioral analysis and debt servicing ability assessment, while also adopting risk-adjusted pricing strategies in accordance with each customer's risk appetite.

Retail Business Loans

Our retail loans at the end of 2023 had decreased by Baht 18,897 million or 2.96 percent compared to the end of 2022. The decrease came mainly from a slowdown in new loans, both secured and unsecured – especially personal loan – as KBank adopted a prudent credit extension policy, while closely monitoring credit quality. KBank offered a modest approved credit limit to new customers having insufficient data but would increase loan amounts in line with risk level of customers who demonstrated discipline in debt repayment in accordance with the established conditions. Regarding home loan, classified as a secured loan, KBank offered the highest credit limit based on collateral value to our customers with good credit history so as to remain competitive and maintain our market share in the home loan segment in line with the set target. However, new home loan in this quarter still decreased amid heightened market competition.

Deposits

Deposits Classified by Type of Deposit Account

(Unit: Million Baht)

	Percent of Total Deposits	Deposits		Change	
		Dec. 31, 2023	Dec. 31, 2022	Increase (Decrease)	Percent
Total Deposits	100.00	2,699,562	2,748,685	(49,123)	(1.79)
Current accounts	6.13	165,512	158,343	7,169	4.53
Savings accounts	73.61	1,986,993	2,084,414	(97,421)	(4.67)
Fixed-term deposit accounts	20.26	547,057	505,928	41,129	8.13



In 2023, the Thai policy rate gradually increased by a total of 1.25 percent from the 2022 level to 2.50 percent. As a result, competition among commercial banks in the deposit market increased slightly. To maintain our competitiveness, KBank considered raising deposit interest rates by varying degrees appropriate for each deposit type to ensure effective deposit cost management, as deposit is our core funding source. This effort was carried out under our liquidity management guidelines in line with lending growth.

The upward trend of interest rates throughout 2023 affected KBank's deposit structure. Total deposits from current accounts and savings accounts (CASA) declined by Baht 90,252 million or 4.02 percent, compared to the previous year. As a result, deposits from current accounts and savings accounts to total deposits stood at 79.74 percent. The decline aligned with the direction of increasing interest rates amid a shift of deposits to alternative investments offering higher returns. Meanwhile, deposits from KBank's fixed-term deposit accounts increased by Baht 41,129 million or 8.13 percent over year.

KBank focused on deposits from current accounts and savings accounts, considered as high-quality accounts, as they are funded by customers' main operating accounts. Therefore, marketing campaigns were launched to attract new clients who use KBank's deposit account as their main operating account for both receiving funds and daily spending via our digital payment channels.

In the fourth quarter of 2023, KBank also extended the Online Direct Debit promotional campaign for customers who are savings cooperative members who linked their savings cooperative account to a deposit account of KBank on K PLUS. Moreover, we introduced a 30-month Super Senior Fixed Deposit Account which offers personal accident coverage of up to Baht 3 million and medical expenses of Baht 10,000 per visit.

4.4 Treasury Operations

In 2023, the US Federal Reserve implemented its tightening monetary policy and raised its policy rate from 4.25 - 4.50 percent to 5.25 - 5.50 percent in an effort to tame inflation that remained higher than the target level. Meanwhile, the Bank of Thailand hiked its policy rate to 2.50 percent at the end of 2023, from 1.25 percent at the end of 2022, consistent with the Fed's policy rate direction. The Thai policy rate is expected to stabilize at this level to maintain a balanced economy amid domestic inflation that was moving within the inflation target range set by the Monetary Policy Committee.

The gradual policy rate increases of the US Federal Reserve and the Bank of Thailand throughout 2023 led to volatility and pressure on interest rates in the US Dollar-denominated bond market and elsewhere. Meanwhile, Thai bond yields also faced pressure from the government's economic stimulus policies which are expected to be further implemented. KBank therefore aligned the investment strategy of the bond portfolio with interest rate trends by maintaining average maturity of bonds in our portfolio in short range while also making prudent adjustments as appropriate to limit the potential impacts of interest rate volatility. The action was in alignment with KBank's guidelines for its investment portfolio which prioritize the maintenance of liquidity in order to accommodate any future change in business conditions.

In 2023, average overnight interbank lending rates stood at 1.95 percent p.a., up from the average rate of 0.65 percent p.a. in 2022, in line with an increase in the Thai policy rate. At the same time, KBank raised both loan and deposit interest rates in line with the policy rate hike in order to maintain its competitiveness. The Bank increased deposit interest rates of savings account and fixed deposit account, as well as raising reference lending rates, namely Minimum Loan Rate (MLR), Minimum Overdraft Rate (MOR), and Minimum Retail Rate (MRR).

KBank established guidelines for liquidity management under an acceptable risk appetite and effective cost management. Focus was on fund mobilization mainly through deposits, especially current accounts and savings accounts (CASA) funded by customers' main operating accounts, which are considered as high-quality deposits. As for liquidity management in foreign currencies, KBank placed emphasis on the matching maturity strategy for sources and uses of funds to mitigate risks from sourcing non-core currency liquidity.



Treasury Operations Income

(Unit: Million Baht)

Income Structure of Treasury Operations (Banking Book)	Percent of Total Income	2023	2022	Change	
				Increase (Decrease)	Percent
Interest Income ⁽¹⁾					
Interbank and money market items ⁽²⁾	59.60	10,421	2,751	7,670	278.81
Investments	40.40	7,065	5,653	1,412	24.98
Total	100.00	17,486	8,404	9,082	108.07

Notes:

⁽¹⁾ Managerial figures⁽²⁾ Including loans

Total interest income in 2023 stood at Baht 17,486 million, increasing by Baht 9,082 million or 108.07 percent from the previous year, attributed mainly to rising interest rates of assets in which KBank invested in line with the policy rate.

Liquid Asset Ratio

KBank maintains average fortnightly current deposits at not less than 1.00 percent of total deposits and certain types of borrowings in accordance with the Bank of Thailand's regulations. As of December 31, 2023, our deposits at the Bank of Thailand and cash at cash center averaged Baht 27,180 million.

4.5 Operating Performance of K Companies and Muang Thai Life Assurance PCL

Operating Performance of K Companies ⁽¹⁾ and Muang Thai Life Assurance PCL

(Unit: Million Baht)

	Performance Measurement	2023	2022	2021
KASIKORN ASSET MANAGEMENT CO., LTD. (KAsset)	Assets under Management	1,573,324	1,489,097	1,575,362
	Market Share (Percent)	18.01	18.10	18.00
KASIKORN SECURITIES PCL (KSecurities)	Trading Volume	655,703	1,021,116	1,517,385
	Market Share (Percent)	2.73	3.00	3.70
KASIKORN LEASING CO., LTD. (KLeasing)	Outstanding Loans	153,393	137,366	121,166
KASIKORN FACTORY AND EQUIPMENT CO., LTD. (KF&E)	Outstanding Loans	23,720	24,314	25,149
Muang Thai Life Assurance PCL (MTL)	Net Premiums Earned	70,978	69,326	72,977
	Market Share (Percent)	11.21	11.34	11.88

Note:

⁽¹⁾ KResearch is not included since this company does not engage in financial business.



During 2023, K Companies and Muang Thai Life Assurance PCL (MTL) attained satisfactory qualitative and quantitative operating performance. This achievement was attributable to the close cooperation between KBank and K Companies, as well as MTL.

KASIKORN ASSET MANAGEMENT CO., LTD. (KASSET):

As of the end of 2023, KASSET maintained its number-one position in the mutual fund business, with a market share of 22.29 percent and a share of assets under management of 18.01 percent. This excellent performance was due in part to its synergy with KBank in developing multiple products as investment alternatives which can fully meet the needs of all customer groups, while enhancing their confidence. In 2023, the company launched many retirement mutual funds (RMFs) targeting high-end customers. Notable funds included K Planetary Transition RMF (KPLANETRMF), WealthPLUS Balanced RMF (WPBALANCEDRMF) and WealthPLUS Ultimate RMF (WPULTIMATERMF).

KASSET also launched funds that invest in businesses focusing on environmental, social and governance (ESG) operations. These included K Planetary Transition-A (K-PLANET-A(A)) which invests in equity and equity-related securities issued by companies worldwide whose growth will benefit from regulations, innovations, services or products related to the global efforts to combat or adapt to climate change; K Sustainable Fund Not for Retail Investors-A(A) (K-STN-UI-A(A)) investing in companies with positive environmental and/or social characteristics; K Positive Change Equity Fund-A(A) (K-CHANGE-A(A)) focusing on companies which create positive impacts on society and/or the environment; and K Thai Equity CG RMF (KTHAICGRMF) that invests in shares of companies with good corporate governance, as well as K Target Net Zero Thai Equity Fund-ThaiESG (K-TNZ-ThaiESG), which is the largest Thai ESG fund in terms of size in the market.

KASSET is the first asset management company in Thailand to be approved to establish a Sustainable & Responsible Investing Fund (SRI Fund). It is also the only Thai asset management company that has signed the Principles for Responsible Investment (PRI Signatory) and has published the Task Force on Climate-Related Financial Disclosures (TCFD) report. All of this reflects the company's commitment to aligning with internationally recognized investment principles for the utmost benefit of investors and Thai society in the long run.

Meanwhile, KASSET worked with KBank to enhance sales channel efficiency in compliance with the regulations of the Office of the Securities and Exchange Commission (SEC). Emphasis



K-TNZ-ThaiESG – the largest Thai ESG fund in the mutual fund industry



KLeasing launched K EV SHOP in response to customers' prevailing lifestyle needs in the transition to a green energy car society.

was placed on competency of fund sales officers and support of investment via digital channels that are easily accessible to customers. The company prioritized the provision of information and recommendations on investments via its website, online media, K PLUS and K-My Funds applications. Another notable initiative was after-sales service that customers can process by themselves for enhanced convenience and swift response time.



KASIKORN SECURITIES PCL (KSecurities): In 2023, the company's securities trading volume totaled Baht 655,703 million, holding a market share of 2.73 percent. It emphasized the development of services via online channels in sync with investor behavior, such as opening of online accounts and online account-related services that allow investors to conduct transactions by themselves. Focus was also on provision of quality information via multiple online channels to keep investors abreast of the latest developments. In addition, KSecurities is developing a comprehensive investment tool to serve as a source of investment data and a one-stop platform for trading multiple products.

KASIKORN LEASING CO., LTD. (KLeasing): In 2023, KLeasing booked new loan for hire purchase, car registration loan and auto loan (dealer floorplan) in total of Baht 130,429 million, increasing 15.00 percent from previous year. In terms of hire purchase, KLeasing was able to grow a market share of new car loan from 4.96 percent in 2022 to 5.68 percent in 2023. Given rapid growth of EV cars in 2023 and collaboration with several EV manufacturers, KLeasing expanded new car loan by 14.00 percent while new vehicle sales volume nationwide dropped by 6.00 percent.

KLeasing aims to be at the forefront in the EV loan market, supporting the adoption of clean energy vehicles in the transition to a zero-carbon society. To this end, the company launched K EV SHOP, introducing campaigns exclusively designed for K PLUS

users, now topping 21.7 million. By leveraging data analytics to shed light on customers' needs, KLeasing offered customized solutions for customers buying EVs from participating brands as part of its effort to promote EV sales of its partner car companies.

In addition, the company developed the Digital Self-Apply platform, allowing customers to apply for auto loans by themselves, upload required documents, and receive their online loan approval results in real-time. The platform is also connected to leading EV platform providers in partnership with KLeasing.

Meanwhile, KLeasing placed emphasis on efficient credit quality management through the adoption and improvement of KBank's system to evaluate customer quality and potential, which is in line with the Bank of Thailand's responsible lending guidelines. KLeasing also updated advertising materials to comply with the Bank of Thailand's responsible lending guideline, as well as any other applicable regulations.

KASIKORN FACTORY AND EQUIPMENT CO., LTD. (KF&E): The company provides equipment leasing service. In 2023, KF&E's outstanding equipment leasing was Baht 23,720 million. The company collaborated with KBank in offering "Green Loan" to clean energy and/or renewable energy projects, i.e., K-Energy Saving Guarantee Program (Solar Rooftop), and EV Charging Loan. Meanwhile, KF&E provided support to investment in machinery for other types of renewable energy while continually maintaining relationships with its partners who are machinery dealers in other industries.

Muang Thai Life Assurance PCL (MTL): In 2023, market share of the company's total premiums in bancassurance business was 16.08 percent, ranking second in the life insurance industry. The company prioritized collaboration with KBank in developing multiple life and health insurance products focusing on personalization so as to provide increased coverage options to meet the needs of each individual customer. Notable products included retirement life insurance, whole life insurance for family protection, life and savings insurance, life and health insurance with coverage for critical illnesses, health insurance rider offering substantial inpatient department (IPD) medical benefits, and life insurance with business loan protection specifically designed for small business customers.

In addition, the company prioritized customer benefits throughout all of its processes – before, during and after each sale – with the aim of improving the sales process. One notable endeavor was the introduction of the e-Application program on tablets for offering bancassurance products to enhance application efficiency. Along with this, the company offered payment service via K Payment Link. Meanwhile, Unit-Linked

One Plus 10/1 insurance offers single premium payment and a 10-year coverage period, encompassing both tax benefits and money savings.



Portfolio Review was developed to equip our customers with useful information and knowledge on investment, while MTL Portfolio Management Service is also offered. Other notable initiatives included MTL Portfolio Management Service, policy renewal notification and insurance premium payment via K PLUS, and the MTL Click application which allows customers to conduct policy-related transactions by themselves.

4.6 Capital Requirements

Placing great emphasis on capital as a significant funding source for business operations that also reflects the financial strength and credibility of a financial institution, KBank has adopted capital management framework in line with international sound practice. KBank's Capital Management Sub-committee is responsible for planning and overseeing capital adequacy, while the Risk Oversight Committee supervises capital management of the Financial Conglomerate for enhanced efficiency. Moreover, KBank has forward-looking capital planning for assessment of capital adequacy based on economic outlook, our business plans and regulatory changes while also regularly undertaking stress tests to ensure that we have adequate capital for operations under normal and crisis situations.

As of the end of 2023, KASIKORNBANK FINANCIAL CONGLOMERATE, under the Basel III capital requirements, had capital funds of Baht 537,775 million, consisting of Baht 483,399 million in Tier-1 capital (Baht 456,474 million in Common Equity Tier-1 capital) and Baht 54,376 million in Tier-2 capital. The capital adequacy ratio was 19.41, which was above the Bank of Thailand's minimum requirement and buffer requirement of 12.00 percent. Meanwhile, Tier-1 capital ratio was 17.44 percent (Common Equity Tier-1 ratio was equal to 16.47 percent), all of which were above the BOT's minimum requirement and buffer requirement of 9.50 percent and 8.00 percent, respectively.

Overview of Capital Requirements

After the global financial crisis, the Basel Committee on Banking Supervision (BCBS) undertook a great effort to revise capital supervision framework (Basel III) to reinforce the stability of the global banking system. The framework is intended to increase financial institutions' stability and ability to absorb losses that may be incurred. Financial institutions are required to maintain higher capital quality and quantity. The Bank of Thailand has adopted the reforms in Thailand. The capital requirements are summarized as follows:

Capital requirements comprise two parts:

1. Minimum Capital Requirement: Total capital ratio of KBank and the Financial Conglomerate must be maintained at not less than 8.50 percent, comprising Common Equity Tier-1 ratio (CET1 ratio) and Tier-1 ratio at not less than 4.50 percent and 6.00 percent of total risk weighted asset, respectively.
2. Capital Buffer: The Bank of Thailand requires that conservation buffer be maintained, with CET1 ratio of more than 2.50 percent of total risk weighted asset in addition to minimum capital ratio. Domestic Systemically Important Banks (D-SIBs) are required to maintain the additional CET1 of 1.00 percent of total risk weighted assets. KBank's and the Financial Conglomerate's capital levels are above regulatory requirements.

Capital Adequacy Ratio ⁽¹⁾KASIKORNBANK FINANCIAL CONGLOMERATE ⁽²⁾

(Unit: Percent)

Capital Adequacy Ratio	Basel III					
	Minimum Requirements including Buffer Requirement ⁽³⁾	Dec. 31, 2023	Sep. 30, 2023	Jun. 30, 2023	Mar. 31, 2023	Dec. 31, 2022
Tier 1 Capital Ratio	9.50	17.44	17.65	17.04	16.92	16.84
<i>Common Equity Tier 1 Ratio</i>	8.00	16.47	16.67	16.06	15.94	15.86
Tier 2 Capital Ratio	-	1.97	1.97	1.97	1.98	1.97
Capital Adequacy Ratio	12.00	19.41	19.62	19.01	18.90	18.81

The Bank

(Unit: Percent)

Capital Adequacy Ratio	Basel III					
	Minimum Requirements including Buffer Requirement ⁽³⁾	Dec. 31, 2023	Sep. 30, 2023	Jun. 30, 2023	Mar. 31, 2023	Dec. 31, 2022
Tier 1 Capital Ratio	9.50	16.66	16.95	16.12	16.06	15.96
<i>Common Equity Tier 1 Ratio</i>	8.00	15.63	15.90	15.08	15.02	14.93
Tier 2 Capital Ratio	-	2.06	2.07	2.06	2.07	2.06
Capital Adequacy Ratio	12.00	18.72	19.02	18.18	18.13	18.02

Notes:

⁽¹⁾ Excluding net profit of each period, which under the Bank of Thailand's regulations, net profit in the first half-year period is to be counted as capital after approval by the Board of Directors per KBank's regulations. Net profit in the second half-year period is counted as capital after approval of the General Meeting of Shareholders. However, whenever a net loss occurs, the capital must be immediately reduced at the end of period.

⁽²⁾ KASIKORNBANK FINANCIAL CONGLOMERATE means the company under the Notification of the Bank of Thailand Re: Consolidated Supervision, consisting of KASIKORNBANK, K Companies and subsidiaries operating in support of KBank, Phetai Asset Management Co., Ltd. and other subsidiaries within the permitted scope from the BOT's to be a financial conglomerate.

⁽³⁾ Bank of Thailand required that the Bank maintain two capital buffers as follows:

- Conservation Buffer: BOT required that KBank maintain an additional Common Equity Tier 1 at more than 2.50 percent.
- Domestic Systemically Important Banks Buffer (D-SIBs Buffer): BOT required that KBank as a D-SIB maintain an additional Common Equity Tier 1 at 1.00 percent.

Performance Measurements using Risk-Adjusted Return on Capital (RAROC) and Economic Profit (EP)

During 2023, we continued to implement Value-Based Management (VBM), which is a management practice comprising two main components, Corporate Value Creation and Corporate Governance. The VBM has been applied to business undertaking with the aim of achieving the highest value creation for shareholders over the long-term in accordance with our business strategies and



goals. In achieving this objective, the Risk-Adjusted Return on Capital (RAROC) and Economic Profit (EP) – showing net profit after adjusting cost of capital – have been adopted as key measurements.

KBank has in place proactive risk management via risk-adjusted return analysis in all credit processes, starting from new credit extension, to assess the ability of portfolios to create value per the established business target. Analysis of asset quality and risk-adjusted return of newly approved credit is conducted to help business units adjust their strategies appropriately for changing economic circumstances, focusing on customer groups or products that create appropriate risk-adjusted return within our risk appetite.

Moreover, we have monitored and measured performance that is consistent with and linked to various management aspects to ensure efficient resource management, performance assessment and value-based profit analysis under the “Customer Centricity” concept so as to strengthen our competitive advantage in the dimensions of customer segments and products, paying attention to the linkages between them so as to attain the highest efficiency in capital usage.

4.7 Credit Ratings

In 2023, the Bank’s credit ratings given by Moody’s Investors Service, Standard & Poor’s, and Fitch Ratings remained unchanged from the end of December 2022.

Meanwhile, on April 28, 2023, Fitch Ratings assigned ex-government support ratings or “xgs” ratings to banks in the Asia-Pacific (APAC) region, including KBank and two other commercial banks in order to demonstrate the true capabilities of each bank to investors. The ratings were in line with the intention of regional central banks which aim to show their creditworthiness that excluded assumptions of government support.

Details of the Bank’s credit ratings are shown in the following table.

KASIKORNBANK’s Credit Ratings

Credit Ratings Agency	Dec. 31, 2023
Moody’s Investors Service ⁽¹⁾	
<u>Foreign Currency</u>	
Outlook	Stable
Long-term - Senior Unsecured Notes	Baa1
- Deposit	Baa1
- Counterparty Risk	Baa1
- Subordinated Debt	Ba1
- Non-Cumulative Preferred Stock	Ba2
Short-term - Debt / Deposit	P-2
- Counterparty Risk	P-2
Baseline Credit Assessment	baa2
<u>Domestic Currency</u>	
Outlook	Stable
Long-term - Deposit	Baa1
- Counterparty Risk	Baa1
Short-term - Debt / Deposit	P-2
- Counterparty Risk	P-2



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Credit Ratings Agency	Dec. 31, 2023
Standard & Poor's ⁽¹⁾	
<u>Global Scale Ratings</u>	
Outlook	Stable
Long-term Counterparty Credit Rating	BBB
Long-term Certificate of Deposit	BBB
Short-term Counterparty Credit Rating	A-2
Short-term Certificate of Deposit	A-2
Senior Unsecured Notes (Foreign Currency)	BBB
Fitch Ratings ⁽¹⁾	
<u>International Credit Ratings (Foreign Currency))</u>	
Outlook	Stable
Long-term Issuer Default Rating	BBB
Long-term Issuer Default Rating (xgs)	BBB(xgs)
Short-term Issuer Default Rating	F2
Short-term Issuer Default Rating (xgs)	F3(xgs)
Senior Unsecured Notes	BBB
Senior Unsecured Notes (xgs)	BBB(xgs)
Viability	bbb
Subordinated Debt (Basel III-compliant Tier 2 securities)	BB+
Government Support	bbb
<u>National Credit Ratings</u>	
Outlook	Stable
Long-term	AA+(tha)
Short-term	F1+(tha)
Subordinated Debt (Basel III-compliant Tier 2 securities)	AA-(tha)

Note:

⁽¹⁾ The base levels for investment grade on long-term credit ratings for Moody's Investors Service, Standard & Poor's, and Fitch Ratings are Baa3, BBB- and BBB-, respectively. For short-term credit ratings, the base levels for investment grade as viewed by these three agencies are P-3, A-3, and F3, respectively.



5. General Information and Other Important Information

5.1 General Information

General Head Office and Contact Channels

Issuing Company	:	KASIKORNBANK PUBUIC COMPANY LIMITED AKA “KBank”
Type of Business	:	KASIKORNBANK PUBUIC COMPANY LIMITED conducts commercial banking business, securities business, and other related business under the Financial Institution Business Act, Securities and Exchange Act and other related regulations.
Head Office	:	400/22 Phahon Yothin Road, Sam Sen Nai Sub-district, Phaya Thai District, Bangkok 10400, Thailand
Company Registration Number	:	0107536000315
Telephone	:	02-2220000
Fax	:	02-4701144
K-Contact Center (Personal)	:	02-8888888 Press 1 Thai, Press 2 English, Press 877 Japanese, Press 878 Mandarin, Press 879 Burmese
K-BIZ Contact Center (Business)	:	02-8888822 Press 1 Thai, Press 2 English, Press 3 Mandarin Press 4 Japanese
SWIFT	:	KASITHBK
e-Mail	:	info@kasikornbank.com
Website	:	www.kasikornbank.com



Names Offices, Telephone and Fax Numbers of Referenced Entities

Registrar

- Ordinary Shares : The Thailand Securities Depository Company Limited
93 Ratchadaphisek Road, Dindaeng Sub-District,
Dindaeng District, Bangkok 10400, Thailand
Tel. 02-0099000 Fax 02-0099991
e-Mail: SETContactCenter@set.or.th
Website: www.set.or.th/tsd

- JPY Denominated Long-Term Sustainability Debentures of KASIKORNBANK PCL Due January 20, 2025 : Registrar and Account Administration Unit
Securities Services Department
- USD Denominated Long-Term Sustainability Debentures of KASIKORNBANK PCL Due December 15, 2025 KASIKORNBANK PCL, Rat Burana Building 19th floor,
1 Soi Rat Burana 27/1, Rat Burana Road, Rat Burana Sub-district,
Rat Burana District, Bangkok 10140, Thailand
- JPY Denominated Long-Term Sustainability Debentures of KASIKORNBANK PCL Due December 11, 2025 Tel. 02-4701994 and 02-4705978 Fax 02-2732279
- JPY Denominated Short-Term Debentures of KASIKORNBANK PCL Due June 13, 2024
- JPY Denominated Debentures of KASIKORNBANK PCL Due May 10, 2024
- JPY Denominated Short-Term Debentures of KASIKORNBANK PCL Due April 26, 2024
- JPY Denominated Short-Term Debentures of KASIKORNBANK PCL Due January 26, 2024

- Senior Unsecured Notes due 2028 : The Bank of New York Mellon SA/NV, Luxembourg Branch
Tier II Subordinated Notes due 2031 Vertigo Building - Polaris, 2 - 4 rue Eugène Ruppert,
L-2453, Luxembourg
- Additional Tier I Subordinated Notes
- Additional Tier I Subordinated Notes

Auditors

: Ms. Sureerat Thongarunsang CPA No. 4409
Ms. Orawan Chunchakitpaisan CPA No. 6105
Mr. Chanchai Sakulkoedsin CPA No. 6827
KPMG Phoomchai Audit Limited
Empire Tower, 48th - 50th Floor,
1 South Sathorn Road, Yannawa Sub-District, Sathorn District,
Bangkok 10120, Thailand
Tel. 02-6772000

Legal Adviser

: Ms. Chonchanum Soonthornsaratoo
22 Soi Soonthornsaratoo (On Nut 21/1),
Sukhumvit 77, On Nut Sub-District, Suan Luang District,
Bangkok 10250, Thailand
Tel. 02-7306969-76 Fax 02-7306967



5.2 Factors Affecting Investment Decisions

Legal Disputes

The Bank and its subsidiaries is not a litigant or a concerning party in the following particular cases;

1. Cases that may cause any negative impact to assets of the Bank and its subsidiaries (cases which have litigation sum greater than 5 percent of the Bank's or its subsidiaries' shareholder equity as the case may be as of the latest fiscal year-end);
2. Cases that may have a material adverse effect on business operation; but unable to estimate the exact amount;
3. Cases that are not caused by the ordinary course of business.

In part of the Bank, there are 285 pending cases in the ordinary course of the Bank's business, with the total litigation sum of approximately Baht 3,563 million. In those cases, there are 37 cases for which the Court of First Instance has awarded judgment in favor of the Bank but are still pending in higher courts, having an aggregate litigation sum of approximately Baht 333 million. The Bank views that, given the present status of the Bank, such total litigation sum of all the aforementioned lawsuits would have no material impact on the Bank's business operations.



Part

2

Corporate Governance

- 095 6. Corporate Governance Policy
- 098 7. Corporate Governance Structure and Important Information
Concerning the Board of Directors, Board Committees,
Executives, Employees and Others
- 116 8. Report on Important Operational Results of
Corporate Governance
- 142 9. Internal Control and Related Party Transactions





6. Corporate Governance Policy

KASIKORNBANK places great importance on good corporate governance, believing it to be essential to sustain the Bank's business and enhance stakeholders' confidence. The Statement of Corporate Governance Principles has been devised and approved by the Board of Directors. Compliance with the Corporate Governance Policy has also been reviewed on an annual basis. The Bank has encouraged companies within KASIKORNBANK FINANCIAL CONGLOMERATE to establish their Statement of Corporate Governance Principles, as well.

The Statement of Corporate Governance Principles and related guidelines are in accordance with the Corporate Governance Code for Listed Companies of the Office of the Securities and Exchange Commission, the Corporate Governance Report of Thai Listed Companies (CGR) of the Thai Institute of Directors Association (IOD), ASEAN Corporate Governance Scorecard, and Dow Jones Sustainability Indices (DJSI). The Bank's Statement of Corporate Governance Principles is in line with the Bank's Vision, Purpose, Core Values, and Statement of Business Conduct. The content covers the structure, composition, roles, duties, and responsibilities of the Board of Directors, Credit and Investment Screening Committee and all Board Committees, as well as matters of risk management, internal control system, Code of Conduct, supervision for the use of inside information, and issues that are likely to involve conflicts of interest and relations with shareholders, including the importance of rights of all shareholders and equitable treatments of shareholders. Details of the Statement of Corporate Governance Principles can be found on the Bank's website, www.kasikornbank.com, under the "Investor Relations" section, "Corporate Governance" subsection on "Statement of Corporate Governance Principles".

The Bank encourages everyone in the organization to adhere to and comply with the Statement of Corporate Governance Principles by communicating the policy and related practices with directors, executives and employees via various channels of the Bank, and organizing activities to continually promote corporate governance. Emphasis is placed on the maintenance and development of corporate governance, and the promotion of corporate governance as an organizational culture.

In 2023, the Bank monitored and assessed operating results in accordance with the Corporate Governance Policy on a regular basis. The Bank also reviewed and revised the Corporate Governance Policy, which was subsequently proposed for the Board of Directors' consideration so as to ensure that it was appropriate, up-to-date and in conformity with regulatory requirements and best practices. In addition, a number of activities were undertaken to promote good corporate governance principles. They included arrangement of seminars, communications and training courses for directors, executives and employees of the Bank and companies within KASIKORNBANK FINANCIAL CONGLOMERATE on various topics, including the Statement of Corporate Governance Principles, the Code of Conduct, and the Anti-Corruption Policy, as well as risk management and fraud prevention, conflicts of interest prevention, internal control, and compliance with rules and regulatory requirements.



6.1 Overview of Corporate Governance Policies and Guidelines

6.1.1 Policies and Guidelines regarding the Board of Directors

The Bank has established important policies and guidelines regarding the Board of Directors to ensure transparency and fairness in our business operations. Such policies and guidelines cover the nomination and remuneration for directors and executives, independence of the Board of Directors from the management, professional development for directors, performance assessment of the Board of Directors and supervision of subsidiary and associated companies.

6.1.2 Policies and Guidelines regarding Shareholders and Stakeholders

The Bank has established important policies and guidelines regarding shareholders and stakeholders to ensure appropriate treatment of shareholders and stakeholders. Such policies and guidelines cover rights of shareholders, equitable treatment of shareholders, responsibility to stakeholders, supervision for the use of inside information, conflicts of interest prevention, anti-corruption, and receiving information or whistle-blowing, and complaints.

6.2 Business Ethics

The Board of Directors has approved a Statement of Business Conduct and a Code of Conduct in compliance with Vision, Purpose and Core Values, which designated the basic principles concerning the execution of duties and compliance with professional standards by directors and employees. They perform their duties with integrity, in compliance with the law and the Bank's rules and regulations, based on a business approach that is transparent, honest, and fair, for the development of the organization towards attaining international standards. Details of the Statement of Business Conduct and the Code of Conduct can be found on the Bank's website, www.kasikornbank.com, under the "Investors Relations" section, "Corporate Governance" subsection on "Statement of Business Conduct" and "Code of Conduct".

The Bank has identified important regulations and practical guidelines that are in accordance with the Code of Conduct, which are detailed and disseminated to employees, and encouraged companies within KASIKORNBANK FINANCIAL CONGLOMERATE to establish and review a Code of Conduct and operational procedures in accordance with the nature of their businesses and requirements of governing authorities.

In 2023, the Bank reviewed the Code of Conduct, which was then proposed for the Board of Directors' approval, to ensure that it is appropriate, up-to-date, and in compliance with regulatory requirements and best practices. The Bank communicated the revised Code of Conduct with all directors, executives and employees, as well as offering them related knowledge via the Bank's electronic network system, such as e-Learning courses on the Code of Conduct and the Anti-Corruption policy. Additionally, all executives and employees were required to sign their acknowledgment of compliance with the Code of Conduct via the electronic network system and Line KONNECT+, and conduct a test before their acknowledgement. This was intended to promote the understanding of performing their duties with responsibility in a correct and proper manner.

6.3 Significant Changes and Developments in Corporate Governance Policies, Guidelines and Systems in 2023

6.3.1 Significant Changes and Developments

In 2023, the Bank reviewed corporate governance policy, practical guidelines and systems for enhanced efficiency, and an upgrade in corporate governance standards in line with Corporate Governance Code for Listed Companies of the Office of the Securities and Exchange Commission and best practices. Important actions were taken, as follows:



- Revising the purpose to deliver sustainable value to all stakeholders, i.e. customers, shareholders, employees, regulators, and society.
- Revising the structure of the Board of Directors in the Board of Directors Charter and the Statement of Corporate Governance Principles so that they are in compliance with the Bank of Thailand Notifications.
- Revising duties and responsibilities in the Audit Committee Charter so that it is in compliance with the Bank of Thailand Notifications and best practice guidelines for the Audit Committee of the Office of Securities and Exchange Commission to prevent and suppress inappropriate behaviors of listed companies.
- Revising authorities, duties and responsibilities in the Corporate Governance Committee, Human Resources and Remuneration Committee, and Risk Oversight Committee Charters so that they are in compliance with the Bank of Thailand Notifications.
- Revising tax risk governance in the Tax Policy so that it is appropriate and up-to-date.
- Revising the Occupational Safety and Health, and Workplace Environment Policy so that it is appropriate, up-to-date, and in compliance with criteria of the Dow Jones Sustainability Indices (DJSI), that has been announced in 2023 and the requirements of the ISO 45001 standard system.
- Organizing KASIKORNBANK Directors Workshop: Board Retreat 2023, to reflect opinions and recommendations on setting strategic directions and priorities to achieve the established goals and add sustainable value for shareholders of the Bank, covering risk assessment and consistency of strategies in each business group.
- Seeking an external consultant to provide recommendations on setting guidelines and issues for assessing the performance of the Board of Directors at least every three years: The Bank has commissioned an external consultant to assist in assessing methodologies and the performance assessment forms of the Board of Directors, Credit and Investment Screening Committee, and Board Committees, and processing the results and offering recommendations on the development or improvement of such matters in compliance with the required international standards.

6.3.2 Application of the Principles in Corporate Governance Code for Listed Companies 2017 of the Office of the Securities and Exchange Commission in Business Operations

The Board of Directors considered applying the principles outlined in Corporate Governance Code for Listed Companies

developed by the Office of the Securities and Exchange Commission into business operations. As the governing body of the company, all directors considered the Code thoroughly and understood the benefits and importance of adopting the CG Code for the company's sustainable value creation. The performance results in accordance with each guideline in the CG Code were assessed to ensure conformance with the guidelines that are suitable to business operations. For particular principles that are not applied in the Bank's operations, the Board of Directors has considered and recorded them as a board resolution.

6.3.3 Compliance with other Good Corporate Governance Principles

The Bank recognizes the importance of and adheres to the good corporate governance principles, in conformance with the international standards which have been applied to the Bank's business operations based on transparency and suitability. In 2023, in comparison with the Corporate Governance Code of Office of the Securities and Exchange Commission and the Thai Institute of Directors Association, there are certain practices of the Bank different from such principles, as follows:

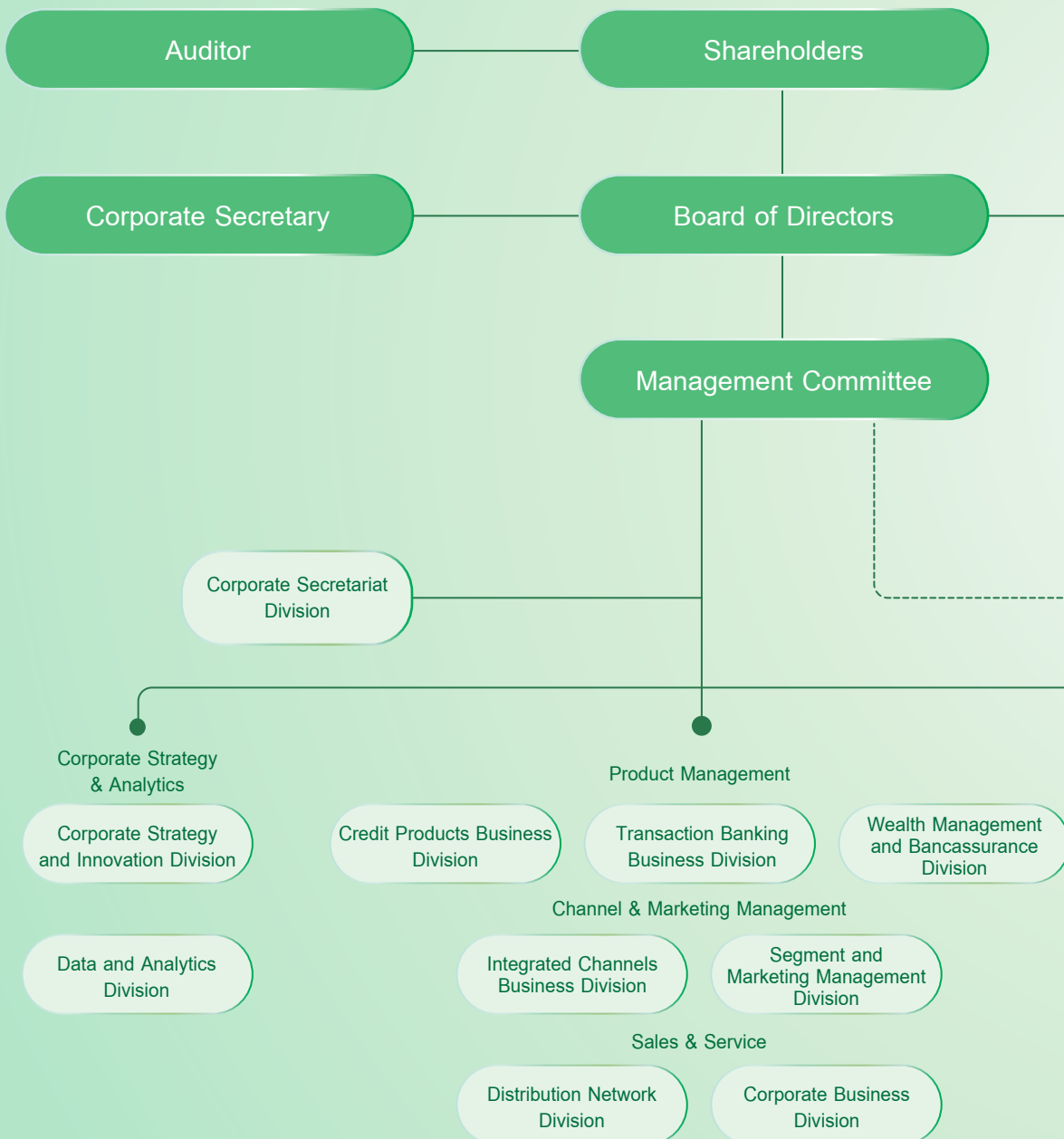
- The Board of Directors should comprise at least 5 but no more than 12 directors.
As of December 31, 2023, the Bank's Board of Directors was composed of 18 members - a number suitable for the Bank's business nature and the Board's diverse experiences and expertise can ensure complete oversight of the Bank's operation.
- The election of directors should be based on cumulative voting.

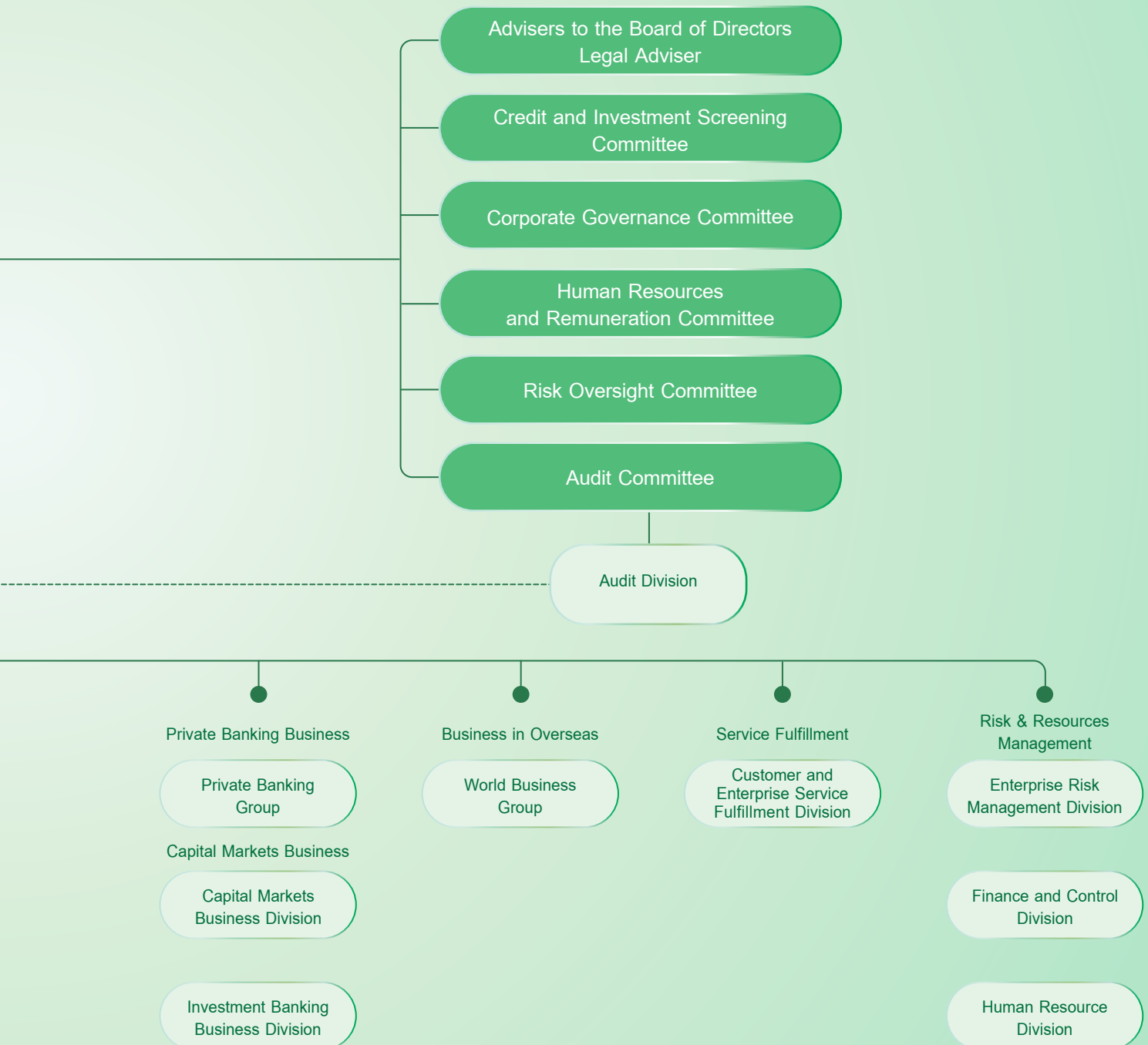
The Bank's Articles of Association stipulates that the voting is based on the principle of one share equals one vote and a resolution requires majority votes at the meeting. The number of votes of a shareholder shall correspond to the number of shares he or she owns. Shareholders can cast their votes to elect directors individually. The nominated directors receiving the most "for" votes are elected to the board until all board seats are filled up. The Bank has established guidelines to protect shareholders' rights, such as allowing shareholders to propose a person for election as a director prior to the scheduled General Meeting of Shareholders.



7. Corporate Governance Structure and Important Information Concerning the Board of Directors, Board Committees, Executives, Employees and Others

7.1 Organization Chart of KASIKORNBANK PCL







Statement of
the Board of Directors

Statement of
the Chief Executive Officer

Part 1
Business Operations
and Performance

Part 2
Corporate Governance

Part 3
Financial Statements

Attachment



Honorary Chairman
Mr. Banyong Lamsam



Board of Directors



Ms. Kobkarn Wattanavrangkul
Chairperson of the Board



Ms. Sujitpan Lamsam
Vice Chairperson



Ms. Kattiya Indaravijaya
Chief Executive Officer



Sqn.Ldr. Naline Paiboon, M.D.
Director



Mr. Saravoot Yoovidhya
Director



Mr. Kalin Sarasin
Director



Mr. Wiboon Khusakul
Independent Director



**Ms. Jainnisa Kuvichkul
Chakrabandhu Na Ayudhya**
Independent Director



Ms. Chonchanum Soonthorsaratoon
Director and Legal Adviser



Mr. Pipit Aneaknithi
President



Dr. Pipatpong Poshyanonda
President



Mr. Chongrak Rattanapian
President



Mr. Rungruang Sukkirdkijpiboon
President



Ms. Suphajee Suthumpun
Independent Director



Mr. Sara Lamsam
Director



Mr. Chanin Donavanik
Independent Director



Mr. Suroj Lamsam
Director



Ms. Kaisri Nuengsigkapien
Independent Director

Dr. Adit Laixuthai
Corporate Secretary,
Secretary to the Board of Directors
and Secretary to the Credit and Investment
Screening Committee

Ms. Prayoonsri Katanyutanon
Ms. Nuchsrn Polwit
Mr. Pornpipat Klinongsiri
Assistant Secretaries to the Board of Directors



7.2 Details of the Board of Directors

7.2.1 Composition of the Board of Directors

The Bank's Board of Directors comprises not less than 7 and not more than 18 directors. The directors shall not exceed the age limit of 72. Independent directors comprise not less than one-third of all directors, but no less than three directors, and shall hold their positions for no more than nine consecutive years.

Moreover, the Board of Directors comprises persons of a wide range of knowledge, competence, skills and experience that are commensurate with the Bank's business and risk exposures, in alignment with our strategies and sustainable development operations. Members of the Board of Directors must consist of, at least, one director who has knowledge or experience in information technology, one director who has adequate knowledge and experience to review the reliability of financial statements, one director who has knowledge, competence and understanding of risks related to the financial institution business, one director who has experience in financial institution business, and females should constitute at least 30 percent of all Board members.

To ensure an appropriate level of balance of power in accordance with the principles of good corporate governance, the Chairperson and Chief Executive Officer of the Bank shall not be the same person, nor perform the same duties.

As of December 31, 2023, the Board of Directors consisted of 18 members that are commensurate with the Bank's nature of business and risk exposures, beneficial to our long-term business, and in alignment with our directions and strategies, as well as sustainable development, as follows:

As of December 31, 2023

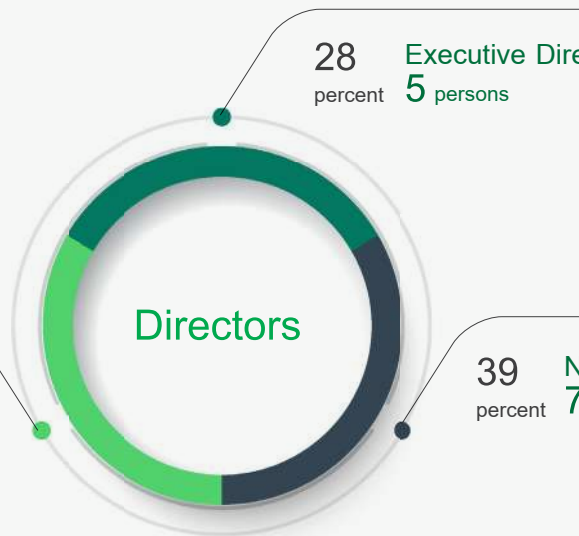
Board of Directors

18 members

Independent Directors
6 persons
33 percent

28 percent
Executive Directors
5 persons

39 percent
Non-Executive Directors
7 persons



8 female members
accounting for 44
percent of all Board members



10 male members
accounting for 56
percent of all Board members

Aged between





7.2.2 Details of the Board of Directors

Board of Directors

Mr. Banyong Lamsam is Honorary Chairman of the Bank and Mr. Banthoon Lamsam is Chairman Emeritus.
As of December 31, 2023, the Bank's Board of Directors had 18 members, as follows:

Name	Position	Director Type
1. Ms. Kobkarn Wattanavrangkul	Chairperson of the Board / Chairperson of the Credit and Investment Screening Committee	Independent Director
2. Ms. Sujitpan Lamsam	Vice Chairperson / Member of the Risk Oversight Committee	Non-Executive Director
3. Ms. Kattiya Indaravijaya	Chief Executive Officer / Member of the Risk Oversight Committee	Executive Director
4. Mr. Pipit Aneaknithi	President / Member of the Risk Oversight Committee	Executive Director
5. Dr. Pipatpong Poshyanonda	President	Executive Director
6. Mr. Chongrak Rattanapian	President / Member of the Risk Oversight Committee	Executive Director
7. Mr. Rungruang Sukkirdkijpiboon	President	Executive Director
8. Sqn.Ldr. Nalinee Paiboon, M.D.	Director / Member of the Credit and Investment Screening Committee / Chairperson of the Corporate Governance Committee	Non-Executive Director
9. Mr. Saravoot Yoovidhya	Director / Member of the Credit and Investment Screening Committee / Member of the Corporate Governance Committee / Member of the Risk Oversight Committee	Non-Executive Director
10. Mr. Kalin Sarasin	Director / Member of the Credit and Investment Screening Committee / Chairman of the Risk Oversight Committee / Member of the Corporate Governance Committee	Non-Executive Director
11. Mr. Wiboon Khusakul	Director / Member of the Credit and Investment Screening Committee / Member of the Corporate Governance Committee / Member of the Human Resources and Remuneration Committee	Independent Director
12. Ms. Suphajee Suthumpun	Director / Member of the Credit and Investment Screening Committee / Chairperson of the Human Resources and Remuneration Committee / Member of the Audit Committee / Member of the Risk Oversight Committee	Independent Director
13. Mr. Sara Lamsam	Director / Member of the Corporate Governance Committee	Non-Executive Director
14. Mr. Chanin Donavanik	Director / Member of the Credit and Investment Screening Committee / Member of the Audit Committee	Independent Director
15. Ms. Jainnisa Kuvnichkul Chakrabandhu Na Ayudhya	Director / Member of the Credit and Investment Screening Committee / Member of the Audit Committee / Member of the Corporate Governance Committee / Member of the Risk Oversight Committee	Independent Director
16. Ms. Chonchanum Soonthornsaratoon	Director and Legal Adviser / Member of the Credit and Investment Screening Committee / Member of the Human Resources and Remuneration Committee	Non-Executive Director
17. Mr. Suroj Lamsam	Director / Member of the Risk Oversight Committee	Non-Executive Director
18. Ms. Kaisri Nuengsigkapijan	Director / Member of the Credit and Investment Screening Committee / Chairperson of the Audit Committee / Member of the Risk Oversight Committee	Independent Director

The primary authorized directors with signatory authority on behalf of the Bank are Ms. Kattiya Indaravijaya, Mr. Pipit Aneaknithi, Mr. Pipatpong Poshyanonda: two out of these three directors shall co-sign with the Company's seal affixed.



7.2.3 Roles and Duties of the Board of Directors

The Board of Directors is accountable to the Bank's shareholders. Each director represents all shareholders and takes part in supervisory and regulatory functions in the Bank's operations, in an independent and impartial manner, for the benefit of all shareholders and other stakeholders.

The Board has duties and responsibilities designated in the Board of Directors Charter as follows:

1. Supervising and managing the Bank so that it is in accordance with the law and the Bank's objectives, the Articles of Association and the resolutions of shareholders meetings.
2. Approving the Vision, Purpose, Core Values, and Statement of Business Conduct.
3. Reviewing and discussing the management's proposed strategic options and approving major decisions with respect to KASIKORNBANK FINANCIAL CONGLOMERATE direction and policies, including sustainable development undertakings. The Board also reviews and approves the Annual Business Plan, Capital Expenditure Budget, and performance goals proposed by the management.
4. Monitoring the Bank's performance and progress towards achieving set objectives, including sustainable development undertakings, as well as compliance with the laws, regulations and related policies.
5. Supervising and reviewing the balance between the Bank's short-term and long-term objectives.
6. Ensuring that the Bank shall vest authority in the Chief Executive Officer or the President to initiate, commit and approve payments for expenditures approved in the Capital Expenditure Budget and other budgets approved by the Board for the purpose of the special projects. The Board shall also review and approve any credit proposal beyond the established limits of the delegated lending authority.
7. Reviewing and approving human resources policies, management development plans, and remuneration policies. The Board shall seek and nominate successors to the Chief Executive Officer and the President, appraise their performance and ensure that effective performance assessments are undertaken for the Bank's executives.
8. Ensuring the existence of an effective internal control system and appropriate risk management framework.
9. Ensuring an effective audit system executed by both internal and external auditors.
10. Approving quarterly, semi-annual and annual financial reports; ensuring that reports are prepared under generally accepted accounting standards.

11. Formulating or approving sound risk governance framework and overseeing the instillation of risk-based organizational culture.

12. Ensuring capital adequacy, including an appropriate capital assessment process, for present and future business.

13. Ensuring that the Bank has a proper system in place to communicate effectively with all stakeholders and the public.

The following activities require approval of the Board of Directors:

1. Issues related to the Bank policies.
2. Issues likely to cause significant changes in the Bank's business.
3. Issues involving regulatory compliance of the Board of Directors.
4. Issues involving the Bank's established regulations.
5. Issues considered by the Management Committee as appropriate for approval by the Board of Directors on a case-by-case basis, or under the criteria designated by the Board of Directors, such as credit underwriting, etc.

Authorities, Duties and Responsibilities of the Chairperson of the Board

1. Summoning the meetings of the Board of Directors and supervising the delivery of meeting notices and related documents so as to ensure that the Board of Directors acquire adequate and timely information;
2. Presiding over the Board of Directors meeting;
3. Promoting Corporate Governance standards of the Board of Directors;
4. Presiding over the Shareholders meeting and conducting the meeting in compliance with the Bank's Articles of Association and following the sequence of the agenda;
5. Promoting good relationships between the directors and between the directors and management;
6. Supervising efficient communications between the directors and shareholders;
7. Performing the duty specified by law as the duty to be performed by the Chairperson

Empowerment by the Board of Directors

The directors may approve the empowerment of executive authority to the Bank's Chief Executive Officer or Presidents to act legally on behalf of the Bank in conducting transactions up to the specified limit. Such executives may delegate this authority to a Bank employee to act on behalf of the Bank within the limits of each employee's responsibility. For transactions over the specified limit, the Board shall review and approve the limit of such transactions on a case-by-case basis.



Roles and Duties of the Chief Executive Officer and the President

The Chief Executive Officer and the President shall have the responsibility of managing and conducting the Bank's business as designated by the Board of Directors, manage the Bank's business and drive the sustainable development undertakings according to set policies, strategies and plans, and under the authorization delegated by the Board of Directors as well as the Bank's delegated operating authority.

Advisers to the Board of Directors

The Board of Directors appointed several qualified persons to act as Advisers to the Board of the Directors as of December 31, 2023, including:

1. Mr. Sukri Kaocharern
2. Mr. Somchai Bulsook
3. Ms. Elizabeth Sam
4. Mr. Hiroshi Ota
5. Professor Dr. Yongyuth Yuthavong
6. Professor Dr. Pairash Thajchayapong
7. Professor Khunying Suchada Kiranandana
8. Ms. Puntip Surathin
9. Dr. Piyasvasti Amranand

Roles and Mission of the Advisers to the Board of Directors

Roles and responsibilities of the Advisers to the Board of Directors are to make recommendations to the Board of Directors in matters assigned by the Board of Directors.

Credit and Investment Screening Committee

The Board of Directors approved the appointment of the Credit and Investment Screening Committee on December 16, 2021. The Committee comprises independent and non-executive directors, as deemed appropriate by the Board of Directors. Members shall have a term of office per their term as members of the Board of Directors. As of December 31, 2023, the Committee had 10 members, comprising 6 independent directors and 4 non-executive directors, as follows:

1. Ms. Kobkarn Wattanavrangkul
Chairperson
2. Sqn.Ldr. Nalinee Paiboon, M.D.
Member
3. Mr. Saravoot Yoovidhya
Member
4. Mr. Kalin Sarasin
Member
5. Mr. Wiboon Khusakul
Member

6. Ms. Suphajee Suthumpun
Member
7. Mr. Chanin Donovanik
Member
8. Ms. Jainnisa Kivinichkul Chakrabandhu Na Ayudhya
Member
9. Ms. Chonchanum Soonthornsaratoon
Member
10. Ms. Kaisri Nuengsigkapien
Member

The Credit and Investment Screening Committee shall hold meetings at least once a quarter. In 2023, the Committee held a total of 10 meetings and reported all meeting minutes to the Board of Directors.

Authorities, Duties and Responsibilities of the Credit and Investment Screening Committee

The Credit and Investment Screening Committee has duties and responsibilities mandated in the Credit and Investment Screening Committee Charter approved by the Board of Directors, as follows:

1. Expressing comments or observations, or inquiries about material matters before providing concurrence for submission to the Board of Directors for approval, in order to assure that benefits of the Bank will be protected without depriving the rights of stakeholders.
2. Providing recommendations or comments over material matters under authority of the Board of Directors, such as credit policy, credit underwriting, credit transactions, and large or material investment projects, per authority prescribed by the Bank.
3. Recommending meeting agenda wherein matters are material and needed for the Board of Directors' consideration, and has not been included in the Board of Directors Meeting agenda.
4. Performing other duties assigned by the Board of Directors.

7.3 Details of Board Committees

7.3.1 Board Committees

The Board of Directors has appointed directors who have suitable knowledge and skills to act as members of Board Committees, with the specific duty to study and pre-screen matters that need prudent attention prior to submission to the Board of Directors. Board Committees include the Audit Committee, Corporate Governance Committee, Human Resources and Remuneration Committee, and Risk Oversight Committee. The Board has also established a Management Committee to manage and operate the Bank's business as defined by the Board.



7.3.2 Lists of Board Committees and their Authorities, Duties and Responsibilities

Audit Committee

The Board of Directors approved the appointment of the Audit Committee in 1998, with the Committee having at least 3 independent members and each member having a term of office in accordance with directorship term at the Bank. Each member is fully qualified in accordance with the qualifications prescribed by the Securities and Exchange Commission, the Capital Market Supervisory Board, and the Bank of Thailand. As of December 31, 2023, the Committee had 4 independent directors as follows:

1. Ms. Kaisri Nuengsigkapan
Chairperson
2. Ms. Suphajee Suthumpun
Member
3. Mr. Chanin Donovanik
Member
4. Ms. Jainnisa Kivinichkul Chakrabandhu Na Ayudhya
Member

Ms. Kaisri Nuengsigkapan and Ms. Suphajee Suthumpun have adequate expertise and experience to audit the credibility of the financial statements.

The Audit Committee shall hold at least 6 meetings per year and reviews operations regularly per its charter. In 2023, the Committee held a total of 12 meetings and reported all meeting minutes to the Board of Directors.

Authorities of the Audit Committee

The Audit Committee shall have authority to obtain independent professional opinions or advice for the matters related to its duties and responsibilities, as necessary, at the Bank's expense.

The Audit Committee shall also have authority to access to any information it requires and to request a meeting with management, employees or external parties, as appropriate.

Duties and Responsibilities of the Audit Committee

The Audit Committee has duties and responsibilities mandated in the Audit Committee Charter and approved by the Board of Directors, as follows:

1. Reviewing financial reports on a quarterly, semi-annual, and annual basis, including taxation risk management with the management and the external auditor of the Bank in order to

ensure that the financial reports are accurate, sufficient and reliable, and in compliance with financial reporting standards and regulatory requirements.

2. Reviewing the effectiveness and appropriateness of risk management processes with the Risk Management Unit, in consultation with internal and external auditors.

3. Approving credit review plan and overseeing the effectiveness and independence of credit review function.

4. Reviewing the Bank's operations to see that they are in compliance with Securities and Exchange Acts, SET regulations and standards or laws and regulations pertaining to commercial banking business.

5. Reviewing reports of the internal auditors on the effectiveness and efficiency of risk management, internal control system and governance, including sustainable development undertakings; discussing with the internal auditors about audit findings; and reviewing the implementation per recommendations of the internal auditors, external auditor, and regulators.

6. Reviewing the effectiveness of the internal audit function by reviewing and approving Internal Audit Charter, annual audit plan and significant changes of the approved plan; considering its independence and sufficiency of necessary resources; and concurring in the appointment, transfer, dismissal as well as evaluating performance of the Internal Audit Head.

7. Considering the qualifications, independence, performance and proposed audit fee of the external auditor and recommending the appointment and termination of the external auditor, including audit fee arrangement to the Board of Directors; and holding at least one meeting a year with the external auditor without the presence of management.

8. Considering the Bank's policy and procedures in relation to non-audit services provided by the audit firm of the external auditor and giving consent to the engagement of such service to ensure that it will not impair the independence of the external auditor.

9. Following up and evaluating the reasonableness of acquisition and disposition of assets concerning material transactions, related party transactions, connected transactions, transactions with possible conflicts of interest, and the use of raised fund according to its disclosed objective, in relation to compliance with the laws and regulatory requirements in order to ensure transparency of those transactions.

10. Considering the disclosure of information regarding acquisition and disposition of assets concerning material transactions, related party transactions, connected transactions,



conflicts of interest, the use of raised fund or certain Bank's activities with significant impacts to ensure transparency and appropriateness.

11. Promptly reporting on suspicious behaviors related to fraud or the violation of laws by the Bank's board members and management to the Securities and Exchange Commission after receiving the external auditor's report and ensuring that preliminary investigation is carried out. The Audit Committee shall report the results of such investigation to the Securities and Exchange Commission and the external auditor within 30 days from the date of report.

12. Overseeing and receiving complaint or information submitted directly by stakeholders for attention of the Board of Directors and the whistle-blowing through Internal Audit channel.

13. Reviewing the effectiveness of the internal control system and reviewing the validity of self-assessment results in compliance with the anti-corruption policy.

14. Reporting to the Board of Directors when there is information about the material weaknesses of internal control and overseeing immediate remediation of internal control weaknesses.

15. Submitting minutes of each Audit Committee Meeting to the Board of Directors, and preparing the annual Audit Committee Report, signed by the Audit Committee Chairman, summarizing the year's activities and giving information or data specified by the Stock Exchange of Thailand for disclosure in the annual report of the Bank.

16. Reviewing the Audit Committee Charter at least once a year to appropriately cover its duties and responsibilities and proposing any necessary amendments to the Board of Directors for consideration.

17. Annually conducting its performance assessment relatively to the Audit Committee's purpose, duties and responsibilities and reporting the performance assessment to the Board of Directors.

18. Approving the review of policies as assigned by the Board of Directors.

19. Performing other duties per regulatory requirements or assignment from the Board of Directors, as agreed by the Audit Committee.

Corporate Governance Committee

The Board of Directors approved the appointment of the Corporate Governance Committee in 2002, with the Committee having not less than 3 members and each member having a term

of office in accordance with directorship term at the Bank. As of December 31, 2023, the Committee had 6 members, comprising 2 independent directors and 4 non-executive directors, as follows:

1. Sqn.Ldr. Nalinee Paiboon, M.D.
Chairperson
2. Mr. Saravoot Yoovidhya
Member
3. Mr. Kalin Sarasin
Member
4. Mr. Wiboon Khusakul
Member
5. Mr. Sara Lamsam
Member
6. Ms. Jainnisa Kuvnichkul Chakrabandhu Na Ayudhya
Member

The Corporate Governance Committee shall hold at least 4 meetings each year. In 2023, the Committee held 4 meetings and reported all meeting minutes to the Board of Directors.

Authorities, Duties and Responsibilities of the Corporate Governance Committee

The Corporate Governance Committee has duties and responsibilities mandated in the Corporate Governance Committee Charter and approved by the Board of Directors, as follows:

1. Establishing the principles and best practices for effective corporate governance appropriate to the Bank.
2. Developing and disseminating the principles and best practices of good corporate governance.
3. Formulating the Statement of Business Conduct and the Code of Conduct of the Bank's employees, and disseminating these codes as practical guidelines to all concerned.
4. Developing and formulating plans for review of corporate governance compliance.
5. Reviewing announcements concerning good corporate governance to summarize and present in the Bank's reports.
6. Recommending the Code of Best Practices for the Board of Directors or proposing guidelines for the Board of Directors Charter and all other Board Committee Charters.
7. Recommending the Statement of Business Conduct and Code of Conduct of the management and Bank's personnel.
8. Reviewing corporate governance guidelines and corporate governance practice to ensure consistency and compatibility with the Bank's business.
9. Reviewing and proposing public announcements related to corporate governance issues.



10. Supervising the Bank's sustainable development undertakings.

11. Reviewing and reporting to the Board of Directors matters related to corporate governance and sustainable development of the Bank, giving opinions on practical guidelines and recommending amendments as deemed appropriate.

12. Ensuring effective practice of corporate governance principles and sustainable development in the Bank.

13. Overseeing the good corporate governance of KASIKORNBANK FINANCIAL CONGLOMERATE.

14. Approving the review of policies as assigned by the Board of Directors.

Human Resources and Remuneration Committee

The Board of Directors approved the appointment of the Human Resources and Remuneration Committee in 2002, with each member having a term of office in accordance with directorship term at the Bank. The Committee comprises at least 3 independent or non-executive directors. As of December 31, 2023, the Committee had 3 members, comprising 2 independent directors and 1 non-executive director, as follows:

1. Ms. Suphajeer Suthumpun
Chairperson
2. Mr. Wiboon Khusakul
Member
3. Ms. Chonchanum Soonthornsaratoon
Member

The Human Resources and Remuneration Committee shall hold at least 3 meetings each year. In 2023, the Committee held 11 meetings and reported all meeting minutes to the Board of Directors.

Authorities, Duties and Responsibilities of the Human Resources and Remuneration Committee

The Human Resources and Remuneration Committee has duties and responsibilities mandated by the Human Resources and Remuneration Committee Charter and approved by the Board of Directors, as follows:

1. Reviewing and making recommendations on the proposals of the Chief Executive Officer and/or the President relating to human resources policies for the Board of Directors' approval, to ensure that proposals are aligned with the Bank's business strategies.

2. Ensuring a succession plan for senior management in important positions and occasionally reviewing a list of candidates entitled to consideration.

3. Reviewing the remuneration strategy and proposing improvements for the Board's endorsement, in order to retain highly qualified personnel, as well as recommending performance evaluation for the review of salaries and benefits to senior management, based on the objectives, duties and responsibilities, and relevant risks, as well as the Bank's business plan that covers the Sustainable Development Targets.

4. Overseeing that there is an effective system in place in evaluating performance for the review of salaries and benefits of the Chief Executive Officer and Presidents, based on the objectives, duties and responsibilities, and relevant risks, as well as the Bank's business plan that covers the Sustainable Development Targets.

5. Establishing terms and conditions of employment contracts of the Chief Executive Officer and the President, including their remuneration, as well as seeking and recommending qualified successors to the Board for the positions of Chief Executive Officer and President, when considered necessary.

6. Reviewing the composition, size, diversity, and remuneration of the Board of Directors on a regular basis, compatible with objectives, duties and responsibilities, and relevant risks, seeking and nominating for the Board of Directors' consideration, qualified candidates having suitable skills, knowledge, competency, and experience, in alignment with our business directions and strategies, plus sustainable development operations, for the positions of Directors and members of the Board Committees. Making recommendations on the selection of candidates with proper qualifications for the position of director prior to submission to the General Meeting of Shareholders for approval.

7. Overseeing the formulation of policy, criteria and procedure for the nomination and payment of remunerations and benefits to directors and senior management of companies within the Financial Conglomerate.

8. Discussing with the Risk Oversight Committee about a remuneration policy that reflects major risks of financial institutions.

9. Approving the review of policies as assigned by the Board of Directors.

Risk Oversight Committee

The Board of Directors approved the establishment of the Risk Oversight Committee on September 27, 2018. Each member who is a Bank director has a term of office in accordance with directorship term at the Bank. For member who is an executive,



his/her term of office is subject to the Board of Directors' resolution. The Committee must comprise at least 3 members. As of December 31, 2023, the Committee had 11 members, comprising 3 independent directors, 4 non-executive directors, 3 executive directors and 1 executive, namely:

1. Mr. Kalin Sarasin
Chairman
2. Ms. Sujitpan Lamsam
Member
3. Mr. Saravoot Yoovidhya
Member
4. Ms. Suphajee Suthumpun
Member
5. Ms. Jainnisa Kuvnichkul Chakrabandhu Na Ayudhya
Member
6. Mr. Suroj Lamsam
Member
7. Ms. Kaisri Nuengsigkapien
Member
8. Ms. Kattiya Indaravijaya
Member
9. Mr. Pipit Aneaknithi
Member
10. Mr. Ruangroj Poonpol
Member
11. Mr. Chongrak Rattanapian
Member

The Risk Oversight Committee shall meet at least once each quarter. In 2023, the Committee held 4 meetings and reported all meeting minutes to the Board of Directors.

Authorities, Duties and Responsibilities of the Risk Oversight Committee

The Risk Oversight Committee has duties and responsibilities as mandated in the Risk Oversight Committee Charter and approved by the Board of Directors, as follows:

1. Providing advice for the Bank's Board of Directors related to the risk governance framework of the Financial Conglomerate.
2. Ensuring that the high-ranking executives and head of risk management function adhere to the risk management policies and strategies, as well as risk appetites.
3. Ensuring that the strategies for capital and liquidity management are consistent with the approved risk appetites.
4. Reviewing and examining the adequacy and effectiveness of the overall risk management policies and strategies, including the risk appetites as well as compliance with laws and regulations

at least once a year or upon significant changes. Conducting consultation and exchange of opinions with the Audit Committee to assess whether the overall risk management policies and strategies cover all risk types and emerging risks, and to ensure that the overall policies and strategies of risk management and compliance with laws and regulations have been implemented efficiently and effectively.

5. Reporting to the Bank's Board of Directors on risk positions, risk management efficiency, risk culture assessments and significant matters, as well as corrective actions to address any risk policies or risk strategies compliance issues.

6. Concurring in the appointment, transfer, dismissal, and performance evaluation of the heads of risk management and compliance functions.

7. Approving the review of policies as assigned by the Board of Directors.

8. Performing other duties as determined by the authorities or the Bank's Board of Directors.

Management Committee

The Board of Directors Meeting, and the 88th General Meeting of Shareholders, on April 4, 2000, approved the appointment of the Management Committee. The Committee consists of the Chief Executive Officer, Presidents, officials and persons that the Board of Directors deems appropriate. As of December 31, 2023, the Committee comprised 8 members, namely:

1. Ms. Kattiya Indaravijaya
Chairperson
2. Mr. Pipit Aneaknithi
Member
3. Mr. Ruangroj Poonpol
Member
4. Dr. Pipatpong Poshyanonda
Member
5. Mr. Thiti Tantikulanan
Member
6. Mr. Patchara Samalapa
Member
7. Mr. Chongrak Rattanapian
Member
8. Mr. Rungruang Sukkirdkijpiboon
Member



The Management Committee shall hold at least one meeting a month, except when there is compelling reason or when there is no required meeting agenda or other justifiable reason. In 2023, the Management Committee held 12 meetings and reported all meeting minutes to the Board of Directors every month.

Authorities, Duties and Responsibilities of the Management Committee

The Management Committee has duties and responsibilities as mandated in the Management Committee Charter and approved by the Board of Directors, as follows:

1. Managing and conducting the Bank's business as designated by the Board of Directors, or under specific assignment by the Board of Directors.
2. Managing the Bank's business according to set policies and plans, and under the authorization delegated by the Board of Directors as well as the Bank's delegated operating authority, to ensure that the Bank's business management can achieve the set target.
3. The Management Committee Chairperson, or person assigned by the Chairperson, shall report business activities undertaken by the Management Committee to the Board of Directors for acknowledgment. However, policy-related issues of the Bank, or issues likely to cause significant changes in the Bank's business, or certain issues requiring action by the Board of Directors of the Bank in compliance with laws, or the Bank's rules and regulations, or issues the Management Committee considers appropriate for approval by the Board of Directors on a case-by-case basis, or under the criteria designated by the Board of Directors. Such activities require prior approval by the Board of Directors.

7.4 Details of Executives

7.4.1 Names and Positions of Executives

As of December 31, 2023, the Bank's executives, under definition of the Office of Securities and Exchange Commission, were:

1. Ms. Kattiya Indaravijaya
Chief Executive Officer
2. Mr. Pipit Aneaknithi
President
3. Dr. Pipatpong Poshyanonda
President

4. Mr. Chongrak Rattanapian
President
5. Mr. Rungruang Sukkirdkijpiboon
President
6. Dr. Adit Laixuthai
Senior Executive Vice President
7. Mr. Thiti Tantikulanan
Capital Markets Business Division Head
8. Mr. Jirawat Supornpaibul
Private Banking Group Head
9. Mr. Silawat Santivisat
Senior Executive Vice President
10. Ms. Sansana Sukhanunth
Executive Vice President
11. Ms. Wasana Surakit
First Senior Vice President
12. Ms. Natcha Argasreog
First Senior Vice President
13. Ms. Khajarin Maintaka
Financial Accounting Management Co-Department Head
14. Ms. Yaowaluck Yooyongsin
Financial Accounting Management Co-Department Head
15. Ms. Prapasra Uttamavetin
Financial Planning Co-Department Head
16. Mr. Tanachai Treesawat
Financial Planning Co-Department Head

7.4.2 Policy of Remuneration to Executives

The Human Resources and Remuneration Committee shall propose remuneration of executives to the Board of Directors for consideration and approval in accordance with the Bank policies. Remuneration for executives, including that for the Chief Executive Officer and Presidents are tied directly to short-and-long term performance of the Bank, which reflects our status as being a sustainable bank, and performance result of each executive, relative to three key performance indicators, as specified in the Balance Scorecard, regarding key stakeholders, finance based on proper risk management and new business undertakings under the good governance principles and development of business capability to maintain the Bank's status as a Bank of Sustainability. Such indicators include ROA, ROE, net interest margin, non-interest income growth, cost to income ratio, loan growth, customer satisfaction, growth in environmental project financing, reduction of GHG emissions, and feedback from employee



engagement survey, plus operating results against our peers in all dimensions, e.g., total shareholder return, ranking in most preferred platform digital banking service, enhanced competitiveness and sustainable business operations over the long run. Such indicators will ensure sustainable success of the Bank under transparent regulations and scopes of responsibility, that reflect related risks, as well as the competitiveness of the Bank vis-à-vis other leading financial institutions and companies in Thailand.

Details of Remuneration to Executives can be found on the Bank’s website, www.kasikornbank.com, under the “Investor Relations” section, “Corporate Governance” subsection, “Disclosure and Transparency” category on “Remuneration to Directors and Executives”

7.4.3 Remuneration to Executives

In 2023, executives according to the definition of the Financial Institutions Business Act mean persons empowered to manage, including executives in the position of First Senior Vice President or equivalent and higher, and persons holding equivalent positions called by other names, totaling 112 persons (inclusive of six executives, who resigned during the year), received remuneration including monthly remuneration, living expenses, special contributions, and bonuses from the Bank, amounting to Baht 1,534,493,982, and the Bank’s contributions to their provident funds, amounting to Baht 39,890,567, totaling Baht 1,574,384,549.

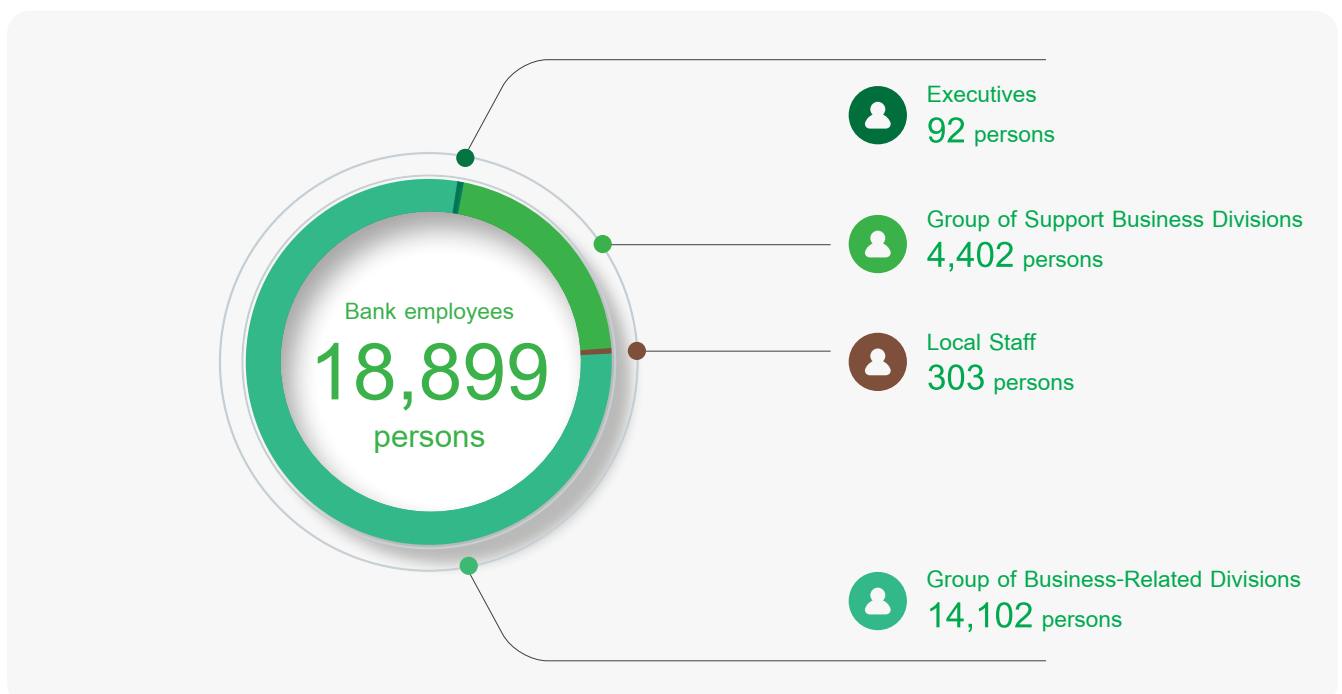
There are fixed remuneration amounting to Baht 1,036,277,518 and variable remuneration amounting to Baht 538,107,031.

Executives according to the definition of the Securities and Exchange Act and Capital Market Supervisory Board’s Notification include executives in the position of Senior Executive Vice President or equivalent and higher, totaling 11 persons (inclusive of two executives, who resigned during the year), received remuneration including monthly remuneration, living expenses, special contributions, and bonuses from the Bank, amounting to Baht 417,304,638 and the Bank’s contributions to their provident funds, amounting to Baht 7,842,636, totaling Baht 425,147,274 (such special contributions to be received in 2024 are inclusive of remuneration of executives that retired or resigned at the end of 2023). The ratio of compensation for executives in the position of Senior Executive Vice President or equivalent and higher to employees was 1.54 percent.

In addition, the Bank’s executives received benefits and other welfares under the Bank’s regulations, similar to other employees, such as healthcare and medical checkup expenses, and loan welfares.

7.5 Details of Employees

As of December 31, 2023, the Bank employees totaled 18,899 persons, classified below per the Bank’s organizational structure:





In 2023, the Bank's employee expenses, e.g., salaries, wages, overtime pay, cost of living, special contributions, bonuses, and the Bank's contribution to provident funds, totaled Baht 27,671 million.

Moreover, the Bank set up provident funds for employees pursuant to the Provident Fund Act, B.E. 2530 (1987). The Funds titled "KBank Provident Fund" has been registered. Employees are entitled to receive their savings and the Bank's contribution once leaving employment, except where employees are terminated without compensation and thus would receive their savings only.

In 2023, employees' and the KBank's contributions to KBank Provident Fund included as follows:

Employees' Contribution to KBank Provident Fund reached **931.59** million



KBank's Contribution to KBank Provident Fund reached **815.63** million



KBank Provident Fund reached **1,747.22** million

In 2023, KBank employees are members of KBank Provident Fund included as follows:



KBank employees total of **18,899** million



Employees are members of KBank Provident Fund **17,465** persons, amounting to **92.41** percent



Employees are not members of KBank Provident Fund **1,434** persons, amounting to **7.59** percent

7.6 Other Important Details

7.6.1 Corporate Secretary, Chief Financial Officer, Internal Audit Head and Compliance Head

Corporate Secretary

The Board of Directors resolved to appoint Dr. Adit Laixuthai, Senior Executive Vice President, as Corporate Secretary and Secretary to the Board of Directors. The Office of Corporate Secretariat and Governance, Corporate Secretariat Division, is a unit supporting the secretarial function of the Bank. The Corporate Secretary shall have basic knowledge in business, accounting, laws and regulations governing commercial banking business, or attended training courses concerning corporate secretarial practices; have knowledge and understanding about corporate governance principles and best practices; be independent and straightforward in the discharge of duties and provision of both recommendations and comments; and have experience in the secretarial function



to the Board of Directors or other qualifications that contribute to effectiveness in the discharge of corporate secretarial functions. Details of qualifications and experience, and main duties and responsibilities of Corporate Secretary can be found on the Bank's website, www.kasikornbank.com, under the "Investor Relations" section, "Corporate Governance" subsection on "Roles and Responsibilities of the Board". Details of qualifications of Corporate Secretary are disclosed in Attachment 1.

In 2023, the Corporate Secretary attended the Global Competency, Local Wisdom seminar, organized by the College of Population Studies, Chulalongkorn University, KASIKORNBANK Directors Workshop: Board Retreat 2023, organized by KASIKORNBANK, and site visit on integrating research from various applied sciences in project development, organized by the Research and Innovation for Sustainability Center.

Chief Financial Officer, Internal Audit Head and Compliance Head

The Bank assigned

- Ms. Sansana Sukhanunth
Executive Vice President,
as Chief Financial Officer
- Mr. Surasak Dudsdeemaytha
Executive Vice President,
as Internal Audit Head
- Mr. Phaisarn Vorasetsiri
First Senior Vice President,
as Compliance Head

Details of qualifications of the Chief Financial Officer are disclosed in Attachment 1, and details of qualifications of Internal Audit Head and Compliance Head are disclosed in Attachment 3.

7.6.2 Chief Investor Relations Officer

The Bank has assigned Dr. Adit Laixuthai, Corporate Secretary and Senior Executive Vice President, as Chief Investor Relations Officer.

Details of qualifications of Chief Investor Relations Officer are disclosed in Attachment 1.

7.6.3 Appointment of External Auditor and Consideration of Audit Fees

The Audit Committee considers the qualifications and performance of external auditors for recommendation to the Board of Directors for their annual appointment, and the proposed audit fees for further consideration and approval by the General Meeting of Shareholders. The name list of external auditors to be proposed as the Bank's auditors must also be endorsed by the Bank of Thailand.

In 2023, the remuneration for external auditors included:

1. Audit Fees:

The Bank and subsidiary companies have paid audit fees to:

- Auditors of the Bank, totaling Baht 24,843,000 in the past accounting year.
- The respective audit company including individuals or business entities related to the auditors and the respective audit company, totaling Baht 17,174,900 in the past accounting year.

2. Non-audit Fees:

The Bank has established criteria and approval process for engaging external auditors in non-audit services to ensure that the services do not impair its independence under the Audit Committee's oversight, based on the necessity and appropriateness of using the service, and reasonableness of non-audit services.

The Bank and subsidiary companies paid non-regular audit fees, i.e., special purpose audit engagement, legal and tax service, and engagements to perform agreed-upon procedures to the respective audit companies or their independent contracted auditors, including individuals or business entities related to the auditors and their respective audit companies, totaling Baht 20,055,100 over the past accounting year.



8. Report on Important Operational Results of Corporate Governance

8.1 Summary of Board of Directors' Performance in the Past Year

In 2023, the Board of Directors reviewed Vision, Purpose and Core Values to ensure that all matters are up-to-date and comply with the Bank's long-term business directions. The Purpose was revised to deliver sustainable value to all stakeholders, approved strategic directions and policies of KASIKORNBANK FINANCIAL CONGLOMERATE, reviewed the annual business plan and budget, and reviewed the adequacy of internal control system and appropriate risk management framework. The Board of Directors also supervised, reviewed and monitored management in effectively carrying out actions that were in line with the designated policies, corporate strategy and business plans and were in accordance with the rules and regulatory requirements of related government agencies and the resolutions of shareholders meeting. The management were assigned to report the Bank's operational results to the Board of Directors meetings on a monthly basis.

8.1.1 Nomination, Development and Performance Assessment of the Board of Directors

Nomination of Directors and Management

The Board of Directors has assigned the Human Resources and Remuneration Committee to select and seek candidates, who have knowledge, ability and diverse working experience that is suitable for the nature of business, relevant risks, beneficial to the Bank's long-term operations, plus in alignment with the Bank's business operations and sustainable development strategies, for the position of director and committee member.

The Bank has established a nomination process, which places emphasis on the persons having appropriate qualifications without any characteristics prohibiting them from holding a directorship in a financial institution per the criteria of the relevant regulatory agencies and the Bank's Articles of Association, and other necessary qualifications. The Bank has also considered various elements of the Board of Directors, including a wide range of qualifications or expertise in various disciplines, taking into consideration its composition, size and diversity policy of the Board, namely skills, knowledge, competency, experience, independence, without any discrimination against gender, age, race, and nationality, based on the board skill matrix. Regarding the nomination of persons to the position of independent director, they must possess qualifications as prescribed by the Bank. Required knowledge and expertise of the Board of Directors include banking and financial services, strategic acumen, accounting, marketing and branding, sustainability development, risk management, human resources, law, international business, as well as information and digital technology.

Members of the Board of Directors must consist of, at least, one director who has knowledge or experience in information technology, one director who has adequate knowledge and experience to review the reliability of financial statements, one director who has knowledge, competence and understanding of risks related to the financial institution business, one director who has experience in the financial institution business, and females should constitute at least 30 percent of all Board members. Details of the Bank's Director Nomination Policy can be found on the Bank's website, www.kasikornbank.com, under "Investor Relations" section, "Corporate Governance" subsection, "Disclosure and Transparency" category on "Director Nomination Policy".

The Human Resources and Remuneration Committee shall nominate persons to the position of director, based on the proposed nomination of qualified candidates by shareholders or selection from the director pool database or the database of directors and executives of securities issuing companies (Whitelist). The Human Resources and Remuneration Committee, however, may propose the Board to set up an ad hoc committee comprising the Bank's directors or external personnel to handle the director nomination procedure. In case of nomination and election of directors to replace those retiring by rotation, the Human Resources and Remuneration Committee shall consider the devotion of their time, relations with the management, self-development, performances of the directors, such as their meeting attendance, contributions at meetings, and how they perform their duties with responsibility and integrity throughout



their term of office, etc. All the proposed candidates for directors must receive concurrence from the Bank of Thailand prior to being proposed to the General Meeting of Shareholders or the Board of Directors' Meeting for consideration, as the case may be.

The Bank allows shareholders to propose a person for election as a director at the Annual General Meeting of Shareholders and disclose such criteria on the Bank's website. Shareholders, who are eligible to propose a person for election as a director, must hold minimum the Bank shares in an amount of 0.05 percent of the total shares with voting rights, either by one shareholder or several shareholders combined. The Human Resources and Remuneration Committee shall consider qualifications of the proposed persons and provide recommendations to the Board of Directors for consideration before proposing them to be elected at the Annual General Meeting of Shareholders.

For the nomination of Chief Executive Officer and Presidents, the Human Resources and Remuneration Committee shall consider a list of both potential internal and external candidates, who have appropriate qualifications. The consideration is based on skills, knowledge, expertise, leadership and experience that are necessary and beneficial to business operations of the Bank, such as experience in the financial industry, or any other professions considered beneficial for organizational management, for at least 5 years. Otherwise, there shall be evidence of outcomes and reputation in organizational management, either in the public or private sector, or within an organization or institution in Thailand or overseas, having "fit and proper" qualifications, without any characteristics prohibiting them from holding a directorship in a financial institution as specified in regulations of the relevant regulatory agencies and the Bank's Articles of Association. Additionally, they must have appropriate performance and outstanding vision in order to help the organization achieve success and meet the sustainability goals. The Human Resources and Remuneration Committee shall propose the nominated Chief Executive Officer and Presidents to the Board of Directors for consideration.

The Human Resources and Remuneration Committee reviewed the criteria and process of director nomination on an annual basis, so as to ensure that they were appropriate, up-to-date and consistent with the best practices. In 2023, the Human Resources and Remuneration Committee reviewed the director nomination policy and procedure, as considered by the Board of Directors, and thus, proceeded to seek and select qualified persons in accordance with the director nomination criteria and process established by the Bank, from the director pool, the database of directors and executives of securities issuing companies (Whitelist) and proposed candidates by shareholders, but there were no proposals from the shareholders. A number of female directors account for 44 percent of all Board members.

Regarding the election of directors to replace those retiring by rotation, the Human Resources and Remuneration Committee, exclusive of the nominated directors, considered the devotion of their time, relations with the management, self-development, performances of the director, such as their meeting attendance, contributions at meetings, and how they perform their duties with responsibility and integrity during their term of office, etc. As a result, Ms. Suphajee Suthumpun, Mr. Chanin Donovanik, Mr. Sara Lamsam, Ms. Chonchanum Soonthornsaratoon, Ms. Kattiya Indaravijaya and Mr. Patchara Samalapa were re-elected as the Bank's directors via the abovementioned process.

As for the appointment of directors to replace vacant positions, the Human Resources and Remuneration Committee considered criteria and process for the selection of persons with the most appropriate qualifications for the position of president, based on the proportion, number, diversity of the Board of Directors, as well as the Bank's succession plan. Having considered the qualified persons, the Human Resources and Remuneration Committee was of the view that Mr. Chongrak Rattanapian possesses knowledge and experience in the banking business for more than 20 years, having previously held the position of Chief Financial Officer (CFO) of the Bank, while Mr. Rungruang Sukkirdkijpiboon possesses knowledge and experience in financial banking, especially in banking products, data analytic, risk management, marketing, process reengineering (Six Sigma), which are in line with the Bank's business strategies. In addition, they have thorough understanding about the banking business and they received concurrence from the Bank of Thailand. The Board of Directors Meeting, therefore, passed a resolution to appoint Mr. Chongrak Rattanapian as Director and President, effective on August 29, 2023 and Mr. Rungruang Sukkirdkijpiboon as Director and President, effective on October 11, 2023.

Moreover, the Human Resources and Remuneration Committee is responsible for nominating, selecting and reviewing qualified candidates, based on their qualifications, knowledge, competency and experience that are deemed necessary for executive positions without any discrimination. In cooperation with the Chief Executive Officer, the Human Resources and Remuneration Committee is also tasked with considering such criteria to be proposed to the Board of Directors for endorsement before submitting to the Bank of Thailand for concurrence for appointments to the Bank's management at the level of First Senior Vice President and above, or an equivalent position under a different name. For the appointment of executives ranked below First Senior Vice President, Division Heads and the Talent Acquisition and Rewards Department shall prepare a list of qualified candidates to be nominated before submission for further consideration and approval by the Chief Executive Officer.



Qualifications of Independent Directors

The Board of Directors has established the definition of “Independent Director” in conformity with the requirements of the Bank of Thailand and Notification of the Capital Market Supervisory Board and Corporate Governance Principles, in order to maintain investor confidence and balance in good governance. The Independent Directors are independent from the management and major shareholders. The qualifications set by the Bank for “Independent Director” have been defined more stringent than the criteria set by the Capital Market Supervisory Board and in accordance with the Bank of Thailand’s criteria. They are as follows:

1. Holding not more than 0.5 percent of the Bank’s shares with voting rights, or that of any subsidiary company, associated company, major shareholder or controlling person of the Bank, which shall be inclusive of the shares held by any related person of such an independent director;
2. Neither being nor having been a non-independent director, an executive director, a manager, an employee, a staff member, an adviser who receives a regular salary, or a controlling person of the Bank, company in KASIKORNBANK FINANCIAL CONGLOMERATE, subsidiary company, associated company, subsidiary company at the same level, major shareholder or controlling person of the Bank unless the foregoing status has ended for more than 2 years;
3. Not being a person related by blood or registration under law, such as father, mother, spouse, sibling, and child, including the spouse of a child, of other director, any executive, major shareholder, controlling person or person to be nominated as a director, an executive or a controlling person of the Bank or subsidiary company;
4. Neither holding nor having held a business relationship with the Bank, subsidiary company, associated company, major shareholder or controlling person in a manner which may interfere with his/her independent judgment, and neither being nor having been a substantial shareholder or a controlling person of any person having a business relationship with the Bank, subsidiary company, associated company, major shareholder or controlling person unless the foregoing relationship has ended for more than 2 years.

The aforementioned “business relationship” includes any normal business transaction, rental or lease of immovable property, transaction related to assets or services, or grant or receipt of financial assistance through receiving or extending loans, guarantees, providing assets as collateral, including any other similar actions, which result in the Bank or counterparty being liable to indebtedness payable to the other party in the

amount of 3 percent or more of the net tangible assets of the Bank or Baht 20 million or more, whichever is lower. The amount of such indebtedness shall be calculated according to the calculation method for the value of connected transactions under the Notification of the Capital Market Supervisory Board concerning regulations in respect of an entering into connected transaction *mutatis mutandis*. The combination of such indebtedness shall include indebtedness taking place during the course of 1 year prior to the date on which such a business relationship with the person commences;

5. Neither being nor having been an auditor of the Bank, subsidiary company, associated company, major shareholder or controlling person, and not being a substantial shareholder, controlling person, or partner of an audit firm which employs auditors of the Bank, subsidiary company, associated company, major shareholder or controlling person unless the foregoing relationship has ended for more than 2 years;

6. Neither being nor having been any professional adviser including legal adviser or financial adviser who receives an annual service fee exceeding Baht 2 million from the Bank, subsidiary company, associated company, major shareholder or controlling person, and not being a substantial shareholder, controlling person, or partner of the professional adviser, unless the foregoing relationship has ended for more than 2 years;

7. Not being a director who has been appointed as a representative of the Bank’s director, major shareholder, or shareholder related to the major shareholder;

8. Not undertaking any business the nature of which is the same as that of the Bank or subsidiary company and which, in any material respect, is competitive with business of the Bank or subsidiary company, or not being a substantial partner in the partnership, a director who is involved in management, an employee, a staff member, an adviser who receives a regular salary, or a shareholder holding more than 1 percent of total shares with voting rights of a company undertaking any business the nature of which is the same as that of the Bank or subsidiary company and which, in any material respect, is competitive with business of the Bank or subsidiary company;

9. Not being an independent director who holds the position for more than 9 consecutive years, including the period during which he/she serves as an independent director of the Bank, company in KASIKORNBANK FINANCIAL CONGLOMERATE, subsidiary company, associated company, subsidiary company at the same level. If an independent director has held the position for 9 years and wishes to be re-appointed as an independent director, he/she shall vacate from the position of director, manager, employee, staff member, adviser who receives a regular salary, or controlling person of the Bank, company in KASIKORNBANK



FINANCIAL CONGLOMERATE, subsidiary company, associated company, subsidiary company at the same level, major shareholder or controlling person of the Bank for not less than 2 years.

In addition, for an independent director who has held the position for less than 9 years, if he/she has vacated from the position for less than 2 years and while over that period, he/she has not been appointed as a director, a manager, an employee, a staff member, an adviser who receives a regular salary, or a controlling person of the Bank, company in KASIKORNBANK FINANCIAL CONGLOMERATE, subsidiary company, associated company, subsidiary company at the same level, major shareholder or controlling person of the Bank, he/she may be reappointed as an independent director, but the period which he/she serves as an independent director must all be counted;

10. Not having any characteristics that prohibit the expression of independent opinion towards the Bank's business undertakings.

The previous directorial records as an independent director to be brought up for consideration shall comply with the above criteria, except under exemption in accordance with the Notification of the Capital Market Supervisory Board.

After being appointed as an independent director with the characteristics as stipulated above, an independent director may be assigned by the Board of Directors to make a decision on the business operations of the Bank, subsidiary company, associated company, subsidiary company at the same level, major shareholder, or controlling person of the Bank in the form of collective decision.

In case where the appointed independent director has or used to have a business relationship at a value exceeding the specified amount under item 4, the Bank shall obtain an opinion of the Board of Directors indicating that after a consideration in accordance with the principle in Section 89/7 of the Securities and Exchange Act B.E.2535, the appointment of such person does not affect the discharge of duties and the giving of independent opinions, and relevant information has also been disclosed in the notice calling the shareholders' meeting under the agenda for the election of independent director.

Since 2023, no independent director has had a business relationship with, or has acted as a professional adviser for the Bank, a subsidiary company, an associated company, a major shareholder, or a controlling person.

Appointment and Removal of Directors

1. The Bank's shareholders meeting shall appoint not less than 7 and not more than 18 directors; not fewer than half of all directors shall reside in the Kingdom of Thailand. A director may or may not be a shareholder. Directors shall be elected by the

meeting of shareholders in accordance with the following rules and procedures:

- 1) Directors shall be elected individually.
- 2) Each shareholder shall have one vote per share held.
- 3) Each shareholder shall use all of his/her votes in the election of directors.
- 4) Persons receiving the highest number of approving votes among all candidates are to be elected in respective order, not exceeding the number of positions to be filled at that meeting.
- 5) In the event of a tied vote on the last in the order of director positions to be filled, the Chairperson of the meeting shall have the deciding vote.

2. At each General Meeting of Shareholders, one-third of the directors - or the number nearest to one-third if the number is not a multiple of three - must retire from office. The directors who have been in office the longest shall retire first. If there is disagreement as to who should retire, it shall be decided by drawing lots. Retiring directors may be re-elected.

3. Any director who passes away, or tenders his/her resignation prior to completion of his/her term, or is resolved to be removed by a meeting, or is ordered by the Court to resign, or whose qualifications fall short of the criteria and prerequisites specified, shall be removed from office.

4. If a vacancy in the Board of Directors occurs for reasons other than the expiration of the director's term of office, the remaining Board members shall elect a person with the proper qualifications, and no prohibited characteristics, as a replacement director at the next meeting of the Board of Directors, unless the remaining term of office of said director is less than 2 months. Such a resolution by the Board of Directors shall require not less than three-fourths of the remaining directors' votes for approval. The replacement director shall hold office for the remaining term of the director whom he or she is replacing.

Term of Office

The term of office for directors has been established clearly in the Articles of Association, Board of Directors Charter and the Corporate Governance Policy of the Bank. At each General Meeting of Shareholders, one-third of the directors – or the number nearest to one-third if the number is not a multiple of three – must retire from office. The directors who have been in office the longest retire first. If there is any disagreement as to who shall retire, it shall be decided by drawing lots. Retiring directors may be re-elected. The directors shall not exceed the age limit of 72, and a term of office of independent directors shall not exceed 9 consecutive years.



KBank organized "KASIKORNBANK Directors Workshop: Board Retreat 2023".

The term of office of members of the Credit and Investment Screening Committee and Board Committees, i.e., Audit Committee, Corporate Governance Committee, Human Resources and Remuneration Committee, and Risk Oversight Committee shall be in accordance with directorship term at the Bank.

Directorship of Directors, Chief Executive Officer, Presidents and Executives in Other Companies

The Board of Directors established guidelines that the Bank's directors, Chief Executive Officer, Presidents and executives may hold a directorship in no more than 5 listed companies. They shall not hold the position of chairman or executive director in more than 3 other business groups. The reporting system for holding the position of director in other companies has been set up. The Bank can check whether its directors hold the directorship position in other companies or not from the Enlite system. The Bank's directors are required to confirm information of being a director in other companies with the Office of Corporate Secretariat and Governance for the record on monthly basis. For high-ranking executives, they are required to directly report such information via the system at the end of every month. Details on directorships of Directors, Chief Executive Officer, Presidents and executives in other companies are disclosed in Attachment 2: Details on Directorship of Directors and Executives in Subsidiaries, Associated Companies, Joint Ventures and Related Companies.

At present, no executive director holds a directorship in other listed companies. Neither director nor executive of the Bank holds a directorship in more than 4 listed companies. None is in the position of chairman or executive director in excess of 3 other business groups.

Professional Development for Directors

The Bank places importance on organizing orientations for new directors, to provide them with information on their roles and responsibilities, as well as providing knowledge and information related to the Bank, for instance, strategic direction for the Bank business, good corporate governance practices, sustainable development, human resources, information technology, risk management of KASIKORNBANK FINANCIAL CONGLOMERATE, plus clarifications on legal obligations, regulations related to the directorship of listed companies, regulations related to the Board and Board Committee's charters, the Bank's core policies, and the manual for directors of financial institutions and securities companies, the Statement of Business Conduct and Code of Conduct as an overall process to promote understanding among directors about their roles and the Bank's business operations.

In addition, to enhance the operational efficiency of the Board of Directors, the Bank has a policy in place to encourage directors to attend seminars or training courses, related to the discharge of their duties, or other seminars that will help enhance their competency to perform their tasks in accordance with the set plan and budget. The Board of Directors is also continuously provided with knowledge related to the Bank's business, good corporate governance, sustainable development, risk management, etc., in the forms of documents via electronic media and presentations at the Board of Directors' Meetings on a regular basis. Additionally, executives and staff performing duties related to corporate secretary, compliance, internal control, accounting and finance, investor relations and corporate governance, are encouraged to attend various seminars and training courses.



An orientation session was arranged for two new directors in 2023, namely Mr. Chongrak Rattanapian and Mr. Rungruang Sukkirdkijpiboon, to recognize their roles, duties and responsibilities as directors of a listed company. Knowledge and information about business operations of the Bank was also provided.

Presently, a total of 17 board members, accounting for 94 percent of the 18 members, attended training programs, regarding the discharge of their duties. In 2023, the directors communicated and shared their opinions or recommendations about the Bank's business strategy through the "KASIKORNBANK Directors Workshop: Board Retreat 2023". Moreover, all board members were advised to recognize the importance of business ethics, development of their knowledge on corporate governance, sustainable development, laws and regulations related to directors, namely code of conduct, anti-corruption, conflicts of interest prevention, the use of inside information prevention, cyber threats protection and a case study on the discharge of duties by directors. Such information was regularly provided to directors via the electronic network system of the Bank. To enhance the knowledge required for the discharge of duties, all directors attended seminars and training programs, as follows:

Board Members	Seminars/Training Programs
1. Ms. Kobkarn Wattanavrangkul	<ul style="list-style-type: none"> Annual seminar 2023 on "People: The Economics of Well-Being", Bank of Thailand Seminar on "National Director Conference 2023: Delivering "Net Zero" Together", Thai Institute of Directors Association Seminar on "World Hindu Congress 2023: Women's role in Politics", World Hindu Foundation Seminar on "Bangkok Post ESG Conference 2023: The Power to Build a Better Future", Bangkok Post Public Company Limited Seminar on "Green Strategies and Businesses", The Federation of Business and Professional Women of Thailand under Royal Patronage of Her Majesty the Queen Seminar on "Techsauce Global Summit 2023", Techsauce Media Co., Ltd. Seminar on "KASIKORNBANK Directors Workshop: Board Retreat 2023", KASIKORNBANK
2. Ms. Sujitpan Lamsam	<ul style="list-style-type: none"> Seminar on "Stanford AI Symposium, AI Applications, Risks, and Oversight for Business", Stanford Law School Seminar on "KASIKORNBANK Directors Workshop: Board Retreat 2023", KASIKORNBANK
3. Ms. Kattiya Indaravijaya	<ul style="list-style-type: none"> Seminar on "SET ESG in Action", The Stock Exchange of Thailand Seminar on "CEO Forum for Net Zero: Move forward Challenges and Directions for Net Zero", National Research Council of Thailand, Thailand Business Council for Sustainable Development and Thailand Environment Institute Seminar on "CEO Forum: Perspective on the growth of new markets in Southeast Asia", Thailand Management Association Seminar on "ICCA Congress 2023: One woman's journey", The International Congress and Convention Association Seminar on "EARTH JUMP 2023: New Frontier of Growth", KASIKORNBANK Seminar on "KASIKORNBANK Directors Workshop: Board Retreat 2023", KASIKORNBANK
4. Mr. Pipit Aneaknithi	<ul style="list-style-type: none"> Seminar on "Decarbonizing Southeast Asia: Charting ASEAN's Pathway to a Net-Zero Future", ASEAN Business Advisory Council Seminar on "Global Trend Summit in Bangkok: Decode Opportunity Amidst Crisis for 2024 and Beyond", TrendWatching Seminar on "Empowering Board Directors: Unleashing Performance and Fueling Growth", Thai Institute of Directors Association Seminar on "EARTH JUMP 2023: New Frontier of Growth", KASIKORNBANK Seminar on "KASIKORNBANK Directors Workshop: Board Retreat 2023", KASIKORNBANK



Board Members	Seminars/Training Programs
5. Dr. Pipatpong Poshyanonda	<ul style="list-style-type: none"> Seminar on “KASIKORNBANK Directors Workshop: Board Retreat 2023”, KASIKORNBANK
6. Mr. Chongrak Rattanapian	<ul style="list-style-type: none"> Seminar on “TLCA CFO Professional Development Program: Economic Update for CFO”, Thai Listed Companies Association Seminar on “TLCA CFO Professional Development Program: Risk Management for CFOs”, Thai Listed Companies Association Seminar on “2023 Global CFO Forum”, McKinsey & Company
7. Mr. Rungruang Sukkirdkijpiboon	<ul style="list-style-type: none"> Seminar on “Cyber Resilience Leadership: Mission for Embracing the Future of AI & Cybersecurity” Bank of Thailand, the Office of the Securities and Exchange Commission and Office of Insurance Commission
8. Sqn.Ldr. Nalinee Paiboon, M.D.	<ul style="list-style-type: none"> Seminar on “China-Regional Economy after China’s Re-opening”, KASIKORNBANK Seminar on “KASIKORNBANK Directors Workshop: Board Retreat 2023”, KASIKORNBANK
9. Mr. Saravoot Yoovidhya	<ul style="list-style-type: none"> Seminar on “41st General Assembly of Chambers of Commerce: Connect - Competitive - Sustainable”, the Thai Chamber of Commerce and the Board of Trade of Thailand Seminar on “Keys to Family Business Success”, Harvard Business School Association of Thailand Seminar on “KASIKORNBANK Directors Workshop: Board Retreat 2023”, KASIKORNBANK
10. Mr. Kalin Sarasin	<ul style="list-style-type: none"> Seminar on “CEO Forum: ASEAN COMPETITIVENESS & SUSTAINABILITY “Opportunity - Transition - Inclusion””, Thailand Management Association Seminar on “TDRI Macro Economic Update: Economic Policies and Outlook under the new Government”, Thailand Development Research Institute and THE SIAM CEMENT PUBLIC COMPANY LIMITED Seminar on “The 49th ASEAN-Japan Business Meeting (AJBM): Carbon Neutral, Digital Experience, Human Resource”, AJBM Keizai Doyukai Seminar on “41st General Assembly of Chambers of Commerce: Connect - Competitive - Sustainable”, the Thai Chamber of Commerce and the Board of Trade of Thailand Seminar on “KASIKORNBANK Directors Workshop: Board Retreat 2023”, KASIKORNBANK
11. Mr. Wiboon Khusakul	<ul style="list-style-type: none"> Seminar on “KASIKORNBANK Directors Workshop: Board Retreat 2023”, KASIKORNBANK
12. Ms. Suphajee Suthumpun	<ul style="list-style-type: none"> Seminar on “Thailand HR Day 2023 Managing Organization in the World of Polycrisis: Strategy and the Way Forward for CEO’s & People Leaders”, Personnel Management Association of Thailand Seminar on “Direction of Thai Economy during Digital Era”, Thammasat Association Seminar on “The Secret Sauce Summit 2023: Infinite Growth amid Changes”, THE STANDARD COMPANY LIMITED Seminar on “KASIKORNBANK Directors Workshop: Board Retreat 2023”, KASIKORNBANK



Board Members	Seminars/Training Programs
13. Mr. Sara Lamsam	<ul style="list-style-type: none"> Climate Action Leaders Forum Class 2", Ministry of Natural Resources and Environment, Thailand Greenhouse Gas Management Organization (Public Organization) and Office of Natural Resources and Environmental Policy and Planning Seminar on "Cyber Armor: Capital Market Board Awareness 2023", the Office of the Securities and Exchange Commission Seminar on "PDPC GOING FORWARD 2023: Complaint Management under the Personal Data Protection Act", The Office of the Personal Data Protection Committee, the Office of Insurance Commission, the Office of the Securities and Exchange Commission and Bank of Thailand Seminar on "CEO Insurance Forum 2023", the Office of Insurance Commission Seminar on "CEO LIFE INSURANCE FORUM 2023", the Thai Life Assurance Association and the Office of Insurance Commission Seminar on "KASIKORNBANK Directors Workshop: Board Retreat 2023", KASIKORNBANK
14. Mr. Chanin Donavanik	<ul style="list-style-type: none"> Seminar on "KASIKORNBANK Directors Workshop: Board Retreat 2023", KASIKORNBANK
15. Ms. Jainnisa Kuvnichkul Chakrabandhu Na Ayudhya	<ul style="list-style-type: none"> Seminar on "Roles of Leaders and Steering Business towards Sustainability", the Office of the Securities and Exchange Commission, United Nations Entity for Gender Equality and the Empowerment of Women and Thai Listed Companies Association Seminar on "Engaging Board in ESG: The Path to Effective Sustainability", Thai Institute of Directors Association Seminar on "Keys to Family Business Success", Harvard Business School Association of Thailand Seminar on "Future of Electric Mobility: Seizing the Opportunities of the EV Transition", Harvard Business School Association of Thailand Seminar on "KASIKORNBANK Directors Workshop: Board Retreat 2023", KASIKORNBANK
16. Ms. Chonchanum Soonthornsaratoom	<ul style="list-style-type: none"> "Financial and Banking Investigation, Class 4", The Political Science Association of Kasetsart University Seminar on "Director Briefing 4/2023: Enhancing Cybersecurity Oversight - What Board need to know", Thai Institute of Directors Association Seminar on "Cyber Resilience Leadership: Mission for Embracing the Future of AI & Cybersecurity", Bank of Thailand, the Office of the Securities and Exchange Commission and the Office of Insurance Commission Seminar on "KASIKORNBANK Directors Workshop: Board Retreat 2023", KASIKORNBANK
17. Mr. Suroj Lamsam	<ul style="list-style-type: none"> Seminar on "KASIKORNBANK Directors Workshop: Board Retreat 2023", KASIKORNBANK
18. Ms. Kaisri Nuengsigkapan	<ul style="list-style-type: none"> Seminar on "KASIKORNBANK Directors Workshop: Board Retreat 2023", KASIKORNBANK



Professional Development for Executives and Succession Plan

The Human Resources and Remuneration Committee is tasked with considering executive development and succession plans for the positions of Chief Executive Officer, Presidents, and other senior executives, when necessary, in compliance with the Bank's business strategies, taking into account different factors, e.g. their potential, qualification, knowledge, competencies, experiences required for each position, and performance of the executives with suitable qualifications for each position, such as performance results under key indicators, strategic planning, risk management and control, and leadership. The performance of potential executives is evaluated in order to formulate individual development plans; and rotation of responsibilities is undertaken to ensure that they will gain greater understanding and hands-on experience, preparing them for organization-level management. Criteria and a list of persons qualified for these positions are reviewed regularly and reported to the Board of Directors.

In addition, the Bank attaches importance to the development of all executives and employees so that they are well-equipped to perform their tasks. Emphasis is placed on setting short-and long-term development plans for individual employees, including the development of their leadership knowledge and skills, future skills, management skills to cope with changes and new operational models. The format is in accordance with the leadership development program at various levels via the Bank's learning platform, virtual classroom workshops, and training sessions jointly held with external institutions for executives and employees of the Bank and its wholly-owned subsidiaries. Details are in the Sustainability Report 2023.

Performance Assessment of the Board of Directors

The Bank has established an annual performance assessment plan for the Bank's Board of Directors, which is conducted in 2 ways: the overall performance assessment of the Board and the performance assessment of an individual director. The Board of Directors has set the criteria on performance efficiency assessment of the Board. The Corporate Governance Committee reviews the performance assessment form in compliance with good corporate governance practices. The Board of Directors will use the assessment results and various recommendations in order to enhance their efficiency, and to consider the appropriate composition of the Board. The Corporate Secretary will submit the performance assessment form to all members of the

Board of Directors. The summarized assessment results and recommendations are then proposed to the Board of Directors.

The self-assessment process is also applied to the Credit and Investment Screening Committee and Board Committees. The Credit and Investment Screening Committee and all Board Committees conduct self-assessment every year, based on the assessment criteria with respect to the efficiency of the Credit and Investment Screening Committee and Board Committees. The Secretaries to the Credit and Investment Screening Committee and Board Committees forward the performance assessment form to every Committee member. The summarized assessment results and recommendations are submitted to the Board of Directors for enhancing their performance efficiency.

In 2023, the Bank hired an external consulting firm that has experience and expertise in corporate governance, on a three years basis, to establish guidelines and provide recommendations on a performance assessment of the Board of Directors, to ensure that the performance of the Board of Directors is more efficient and effective in line with international standards and good corporate governance principles. The scope included an assessment process, methodology and the performance assessment forms of the Board of Directors, Credit and Investment Screening Committee and Board Committees, and processing of performance of the Board of Directors, Credit and Investment Screening Committee and Board Committees, as well as providing recommendations for development or improvement in line with international standards.

The Corporate Governance Committee has considered and endorsed the revision of the performance evaluation forms of the Bank's Board of Directors, Credit and Investment Screening Committee and Board Committees based on recommendations from external consulting firm to be used in the evaluation in 2023, as follows:

- The overall performance assessment of the Board, covering structure and characteristics of the Board, roles and responsibilities of the Board, board meetings, discharge of duties of the Board, relationship with the Bank's management, self-development of directors and executive development, and corporate sustainability management and responsibility towards environmental and social, and governance issues.
- The performance assessment of an individual director evaluating their own performance and other directors' performance (cross assessment) consisting of roles and responsibilities of the Board, board meetings, and skills and the Board of Directors engagement.



- The performance assessment of Credit and Investment Screening Committee and all Board Committees, covering roles and responsibilities, meetings and reporting of each committee.

The performance assessments of the Board of Directors, as a whole and as individuals, Credit and Investment Screening Committee and all Board Committees are based on the rating scales of one point to five points or from strongly disagree or no action on such matter to strongly agree or excellent. A benchmark has been set at the scale of four (good) to compare an average performance of the Board of Directors, Credit and Investment Screening Committee and all Board Committees. Their performance assessment results for 2023 found that the average performance results of the Board of Directors, as a whole and as individuals, Credit and Investment Screening Committee and all Board Committees were above the set targets. Such performance results were reported to the Board of Directors.

Performance Assessment of Senior Executives

The Chief Executive Officer and the Presidents undergo an annual assessment. The Human Resources and Remuneration Committee considers and submits the performance of the Chief Executive Officer and Presidents to the Board of Directors. The performance indicators are linked to the bank's short-term and long-term performance, reflecting the bank's sustainability – key stakeholders, finance based on proper risk management and new business undertakings under the good governance principles and development of business capability to maintain the Bank's status as a Bank of sustainability. The Board of Directors, excluding Executive Directors, approved the performance assessment criteria, which is in alignment with the Bank's long-term business operations and strategies and communicated it to the Chief Executive Officer and the Presidents in advance. The Human Resources and Remuneration Committee is responsible for submitting the assessment results to the Board of Directors for consideration. The assessment of the Chief Executive Officer and the Presidents are specified as part of their performance assessment in the Board of Directors' Charter. The Chairperson of the Human Resources and Remuneration Committee then informs the assessment results, together with their opinion, to the Chief Executive Officer and the Presidents for acknowledgment prior to approving the annual remuneration.

Performance Assessment of executives at the level of First Senior Vice President and above is based on the established criteria. The Chief Executive Officer and Presidents shall consider the assessment results, which are then proposed for the Human

Resources and Remuneration Committee's endorsement prior to presenting them for the Board of Directors' approval.

8.1.2 Board of Directors Meetings and Remuneration to Directors

Board of Directors Meetings

The Bank holds a Board of Directors' meeting every month, and the Corporate Secretary informs the meeting dates and agenda items for the following year in advance in December before next year's meeting. The meetings are normally scheduled for the last Thursday of the month (except for March and December). Additional meetings may be held as deemed appropriate. The Corporate Secretary arranges for notices of board meetings, agenda, and related documents containing complete information to be delivered to each director at least 7 days in advance, except in urgent cases, to allow sufficient time for the directors to study the matters at hand. Each director may ask for additional information or access to necessary information from the Corporate Secretary and is free to propose agenda items. The agenda for board meetings shall be categorized clearly and include agenda items designed to monitor the operating results of the Bank on a regular basis. The designation of the agenda must undergo the consideration of the Chairperson of the Board and the Chief Executive Officer. All directors are expected to attend every meeting, or no less than 75 percent of the Board of Directors meetings held each year, except in extenuating circumstances. The Board assigns the management to report the Bank's business operations to the Board of Directors for acknowledgment every month. If any director has a conflict of interest either directly or indirectly in the agenda to be considered, that director shall recuse himself/herself from participation in that agenda item. Moreover, the Board of Directors requires that at least two-thirds of all board members must be present when voting at the Board of Directors Meeting.

During the meeting, the Chairperson will allocate sufficient time for discussion and allow directors to freely express their opinions, including corporate governance issues. Pertinent executives of the Bank shall be invited to attend the meeting to provide related information and to directly acknowledge related policies to ensure efficient implementation. The directors are able to attend the meeting in person or via electronic media. Each agenda item and its resolution are recorded in writing, and the minutes of the meeting which have been affirmed by the Board together with related documents are systematically filed for examination and reference by the Board, or others concerned. Directors may request independent professional advice, as appropriate, at the Bank's expense.



Moreover, the Board has established that non-executive directors shall conduct at least one meeting annually without the participation of the management, to offer them the opportunity to discuss problems related to the business of the Bank or any other concerns, and evaluate the performance of the Chief Executive Officer and Presidents. The outcome of such meetings shall be informed to the Chief Executive Officer and the Presidents.

In 2023, the Board of Directors held a total of 12 meetings, and one non-executive directors meeting was held in September.

Meeting Attendance of Individual Directors in 2023

(Unit: Number of Meetings)

Board Members	Board of Directors (Total 12 meetings)		Non-Executive Directors (Total 1 meeting)	Credit and Investment Screening Committee (Total 10 meetings)	Audit Committee (Total 12 meetings)	Corporate Governance Committee (Total 4 meetings)	Human Resources and Remuneration Committee (Total 11 meetings)	Risk Oversight Committee (Total 4 meetings)	The General Meeting of Shareholders
	in person	via electronic media							
Ms. Kobkam Wattanavrangkul	12/12		1/1	10/10					1/1
Ms. Sujitpan Lamsam	6/12	6/12	1/1					3/4	1/1
Ms. Kattiya Indaravijaya	12/12							4/4	1/1
Mr. Pipit Aneaknithi	12/12							2/4	1/1
Mr. Patchara Samalapa ⁽¹⁾	7/7								1/1
Mr. Krit Jitjang ⁽²⁾	6/7							2/2	1/1
Dr. Pipatpong Poshyanonda	10/12	2/12							1/1
Mr. Chongrak Rattanapian ⁽³⁾	5/5							1/1	
Mr. Rungruang Sukkirdkijpiboon ⁽⁴⁾	3/3								
Sqn.Ldr. Nalinee Paiboon, M.D.	12/12		1/1	10/10		4/4			1/1
Mr. Saravoot Yoovidhya	9/12	3/12	1/1	8/10		3/4		4/4	1/1
Mr. Kalin Sarasin	5/12	6/12	1/1	10/10		3/4		4/4	1/1
Mr. Wiboon Khusakul	10/12	2/12	1/1	9/10		4/4	10/11		1/1
Ms. Suphajee Suthumpun	11/12	1/12	1/1	8/10	12/12		11/11	4/4	1/1
Mr. Sara Lamsam	9/12	3/12	1/1			4/4			1/1
Mr. Chanin Donavanik	9/12	3/12	1/1	9/10	10/12				1/1
Ms. Jainnisa Kuvnichkul Chakrabandhu Na Ayudhya	10/12	1/12	0/1	9/10	11/12	3/4		4/4	1/1
Ms. Chonchanum Soonthornsaratoon	12/12		1/1	10/10			11/11		1/1
Mr. Suroj Lamsam	6/12	5/12	1/1					3/4	1/1
Ms. Kaisri Nuengsigkapien	11/12	1/12	1/1	10/10	11/12			4/4	1/1

Remarks:

- ⁽¹⁾ Mr. Patchara Samalapa resigned from his directorship on August 1, 2023.
⁽²⁾ Mr. Krit Jitjang resigned from his directorship on August 1, 2023.
⁽³⁾ Mr. Chongrak Rattanapian was appointed a director on August 29, 2023 and a member of the Risk Oversight Committee on September 29, 2023.
⁽⁴⁾ Mr. Rungruang Sukkirdkijpiboon was appointed a director on October 11, 2023.

Number of members on the Board, Credit and Investment Screening Committee and Board Committees (As of December 31, 2023):

The Board of Directors	18 members
Credit and Investment Screening Committee	10 members
Audit Committee	4 members
Corporate Governance Committee	6 members
Human Resources and Remuneration Committee	3 members
Risk Oversight Committee (10 Board members inclusive)	11 members



Remuneration to Directors

(Unit: Baht)

The Bank has established a set of well-defined and transparent remuneration policies for directors. The Human Resources and Remuneration Committee is responsible for reviewing these policies, taking into consideration the appropriateness of remuneration with respect to the scope of responsibilities of each director and related risks, long-term strategies and targets to ensure that the Bank's remuneration is comparable to that of other commercial banks.

Details of Remuneration to Directors can be found on the Bank's website, www.kasikornbank.com, under "Investor Relations" section, "Corporate Governance" subsection, "Disclosure and Transparency" category on "Remuneration to Directors and Executives".

The General Meeting of Shareholders No. 111, on April 7, 2023, approved the remuneration for directors, Credit and Investment Screening Committee members, Board Committees members, the Legal Adviser, and Director's bonuses for 2023, to remain at the same rate as that of 2022, which shall remain effective until a General Meeting of Shareholders determines otherwise. A director who is also a member of Credit and Investment Screening Committee and Board Committees shall receive additional remuneration in accordance with the increased responsibilities, except that the executive directors and executives receive no remuneration for their membership in a Board Committee as follows:

1. Remuneration for directors for the Board of Directors Meeting
 - Chairperson of the Board 250,000 per month
 - Vice Chairperson 200,000 per month
 - Director 150,000 per person/month
2. Remuneration for Credit and Investment Screening Committee Members
 - Chairperson 100,000 per month
 - Member 70,000 per person/month
3. Remuneration for Board Committees Members:
 - 3.1 The Audit Committee
 - Chairperson 90,000 per month
 - Member 60,000 per person/month
 - 3.2 The Corporate Governance Committee
 - Chairperson 50,000 per month
 - Member 36,000 per person/month
 - 3.3 The Human Resources and Remuneration Committee
 - Chairperson 50,000 per month
 - Member 36,000 per person/month
 - 3.4 The Risk Oversight Committee
 - Chairman 50,000 per month
 - Member 36,000 per person/month
4. Remuneration for the Legal Adviser 300,000 per month
5. Bonus for directors at the rate of 0.5 percent of dividend payments

Details of remuneration to directors are shown as follows:

1. Remuneration

In 2023, directors received remuneration as directors, members of the Credit and Investment Screening Committee, Audit Committee, Corporate Governance Committee, Human Resources and Remuneration Committee, Risk Oversight Committee, and as Legal Adviser, together with a bonus at the rate of 0.5 percent of the dividend payments, totaling Baht 104,302,551.86.

2. Other Remuneration

None

Remuneration for Directors in 2023

Ms. Kobkam Wattanavrangkul	Received remuneration as Chairperson of the Board, totaling Baht 3,000,000; and as Chairperson of the Credit and Investment Screening Committee, amounting to Baht 1,200,000, and a bonus of Baht 4,860,159.16.
Ms. Sujitpan Lamsam	Received remuneration as Vice Chairperson, totaling Baht 2,400,000; and as a member of the Risk Oversight Committee, amounting to Baht 432,000, and a bonus of Baht 3,645,119.37.
Ms. Kattiya Indaravijaya	Received remuneration as a director, totaling Baht 1,800,000, and a bonus of Baht 2,430,079.58.



Mr. Pipit Aneaknithi	Received remuneration as a director, totaling Baht 1,800,000, and a bonus of Baht 2,430,079.58.
Mr. Patchara Samalapa ⁽¹⁾	Received remuneration as a director, totaling Baht 1,050,000, and a bonus of Baht 2,430,079.58.
Mr. Krit Jitjang ⁽²⁾	Received remuneration as a director, totaling Baht 1,050,000, and a bonus of Baht 2,430,079.58.
Dr. Pipatpong Poshyanonda	Received remuneration as a director, totaling Baht 1,800,000, and a bonus of Baht 2,430,079.58.
Mr. Chongrak Rattanapian ⁽³⁾	Received remuneration as a director, totaling Baht 750,000.
Mr. Rungruang Sukkirdkijpi boon ⁽⁴⁾	Received remuneration as a director, totaling Baht 450,000.
Sqn.Ldr. Nalinee Paiboon, M.D.	Received remuneration as a director, totaling Baht 1,800,000; as a member of the Credit and Investment Screening Committee, totaling Baht 840,000; and as Chairperson of the Corporate Governance Committee, amounting to Baht 600,000, and a bonus of Baht 2,430,079.58.
Mr. Saravoot Yoovidhya	Received remuneration as a director, totaling Baht 1,800,000; as a member of the Credit and Investment Screening Committee, totaling Baht 840,000; as a member of the Corporate Governance Committee, totaling to Baht 432,000; and as a member of the Risk Oversight Committee, amounting to Baht 432,000, and a bonus of Baht 2,430,079.58.
Dr. Piyasvasti Amranand ⁽⁵⁾	Received a bonus of Baht 455,639.94.
Mr. Kalin Sarasin	Received remuneration as a director, totaling Baht 1,800,000; as a member of the Credit and Investment Screening Committee, totaling Baht 840,000; as Chairman of the Risk Oversight Committee, totaling Baht 600,000; and as a member of the Corporate Governance Committee, amounting to Baht 432,000, and a bonus of Baht 2,430,079.58.
Mr. Wiboon Khusakul	Received remuneration as a director, totaling Baht 1,800,000; as a member of the Credit and Investment Screening Committee, totaling Baht 840,000; as a member of the Corporate Governance Committee, totaling Baht 432,000; and as a member of the Human Resources and Remuneration Committee, amounting to Baht 432,000, and a bonus of Baht 2,430,079.58.
Ms. Suphajee Suthumpun	Received remuneration as a director, totaling Baht 1,800,000; as a member of the Credit and Investment Screening Committee, totaling Baht 840,000; as Chairperson of the Human Resources and Remuneration Committee, totaling Baht 600,000; as a member of the Audit Committee, totaling Baht 720,000; and as a member of the Risk Oversight Committee, amounting to Baht 432,000, and a bonus of Baht 2,430,079.58.
Mr. Sara Lamsam	Received remuneration as a director, totaling Baht 1,800,000; and as a member of the Corporate Governance Committee, amounting to Baht 432,000, and a bonus of Baht 2,430,079.58.
Mr. Chanin Donavanik	Received remuneration as a director, totaling Baht 1,800,000; as a member of the Credit and Investment Screening Committee, totaling Baht 840,000; and as a member of the Audit Committee, amounting to Baht 720,000, and a bonus of Baht 2,430,079.58.



Ms. Jainnisa Kavinichkul Chakrabandhu Na Ayudhya	Received remuneration as a director, totaling Baht 1,800,000; as a member of the Credit and Investment Screening Committee, totaling Baht 840,000; as a member of the Audit Committee, totaling Baht 720,000; as a member of the Corporate Governance Committee, totaling Baht 432,000; and as a member of the Risk Oversight Committee, amounting to Baht 432,000, and a bonus of Baht 2,430,079.58.
Ms. Chonchanum Soonthornsaratoon	Received remuneration as a director and Legal Adviser, totaling Baht 5,400,000; as a member of the Credit and Investment Screening Committee, totaling Baht 840,000; and as a member of the Human Resources and Remuneration Committee, amounting to Baht 432,000, and a bonus of Baht 2,430,079.58.
Mr. Suroj Lamsam	Received remuneration as a director, totaling Baht 1,800,000; and as a member of the Risk Oversight Committee, amounting to Baht 432,000, and a bonus of Baht 2,430,079.58.
Ms. Kaisri Nuengsigkapien	Received remuneration as a director, totaling Baht 1,800,000; as a member of the Credit and Investment Screening Committee, totaling Baht 840,000; as Chairperson of the Audit Committee, totaling Baht 1,080,000; and as a member of the Risk Oversight Committee, amounting to Baht 432,000, and a bonus of Baht 1,974,439.69.

Remarks:

- ⁽¹⁾ Mr. Patchara Samalapa resigned from his directorship on August 1, 2023.
- ⁽²⁾ Mr. Krit Jitjang resigned from his directorship on August 1, 2023.
- ⁽³⁾ Mr. Chongrak Rattanapien was appointed a director on August 29, 2023 and a member of the Risk Oversight Committee on September 29, 2023.
- ⁽⁴⁾ Mr. Rungruang Sukkirdkijpi boon was appointed a director on October 11, 2023.
- ⁽⁵⁾ Dr. Piyasvasti Amranand received a bonus from dividend payment for the 2H2022 operating results, prorated by his term of office.

8.1.3 Risk Management

The Risk Oversight Committee is responsible for overseeing the overall risk management of the KASIKORNBANK FINANCIAL CONGLOMERATE, reviewing and examining the adequacy and effectiveness of policies, strategies and risk appetites. The Bank has outlined the risk management process, key steps of which include risk identification, assessment, monitoring and control, and reporting. Moreover, the Bank emphasizes early warning indicators, monitoring of key risk exposures and concentration. Details of risk management are disclosed in "Risk Management" section.

8.1.4 Supervision of Subsidiary and Associated Companies

Nomination of directors or executives for subsidiary and associated companies is under the responsibility of each of the Bank units that oversees respective subsidiary and associated companies. Such nomination of Bank executives of the First Senior Vice President level and higher to hold the position of managing director in subsidiaries must be endorsed by the Human Resources and Remuneration Committee, as recommended by Chief Executive Officer, and approved by the Board of Directors. As for Bank executives of lower levels to hold executive positions in subsidiaries, including the assignment of Bank executives to serve as directors in subsidiaries, their nomination must be approved by the Chief Executive Officer or President and reported to the Human Resources and Remuneration Committee and the Board of Directors. After that, the respective companies will be notified for other related proceedings, such as submittal to their board of directors for approval and filing for registration at the Ministry of Commerce. Companies' directors are assigned for drawing up business strategies and policies, supervising the management's operations to attain maximum benefits for the companies, and monitoring the companies' administration to ensure efficient implementation of the companies' strategies and policies, in line with the established goals and plans. In addition, companies' directors must ensure compliance with corporate governance principles and regulations of the Bank, as well as regulatory requirements of the Bank of Thailand, the Securities and Exchange Commission and other related agencies. Before casting any votes on important issues,



companies' directors must obtain approval from the companies' board of directors. Besides, the companies have been required by the Bank to set up the regulations or procedures in respect of connected transactions corresponding to the Bank, compile and record data to be incorporated in the financial statements on a timely basis. Additionally, they are required to disclose material information in an accurate and a timely manner.

For investment in other significant businesses, with the right to vote at not less than 20 percent, but not more than 50 percent, the Bank has arranged the shareholders' agreement to ensure clarity in management and decision-making on important matters. Additionally, the units responsible for supervising the investment have steadily monitored operations of the companies.

The Bank has audited and reviewed operations of its subsidiaries in accordance with the established plans to ensure that their management and operations are consistent with their objectives and in support of the Bank's businesses, while also having appropriate risk management, internal controls and information technology management in line with the relevant laws and regulatory requirements. Moreover, they are required to report accurate financial information to the Bank for the preparation and disclosure of consolidated financial statements.

8.1.5 Ensuring Compliance with Corporate Governance Policies and Guidelines

(1) Conflicts of Interest Prevention

Concerning intra-group transactions among KASIKORNBANK FINANCIAL CONGLOMERATE and conflicts of interest prevention, KASIKORNBANK operates as a financial conglomerate under the Financial Institution Business Act as approved by the Bank of Thailand. To encourage actions in compliance with standards of good governance and to meet targets related to its implementation, the Bank has initiated guidelines to control and supervise intra-group transactions, as well as preventing transactions that may involve conflicts of interest or connected or related transactions. This is one of the key components of Corporate Governance Policy that the Board of Directors and the Bank's employees must strictly comply with to earn the trust of all stakeholders. Key criteria include:

- The Board of Directors has resolved to approve the policy of Intra-Group Transactions among KASIKORNBANK FINANCIAL CONGLOMERATE and the risk management policy of Intra-Group Transactions among KASIKORNBANK FINANCIAL CONGLOMERATE as operational guideline for the Bank and its subsidiaries in order to formulate systematic and precise intra-business transaction

framework, under appropriate risk management and there should be review to ensure compliance with the laws, regulatory requirements and Consolidated Supervision Criteria of the Bank of Thailand for financial business groups.

- All types of business transactions within the financial conglomerate are based upon the Statement of Corporate Governance Principles. Attention is duly paid to the transaction conditions, all risks involved, internal control, reporting procedures and information disclosure, according to the Bank of Thailand's relevant policies. All intra-business transactions comply with the procedures and are under the terms and conditions applied to the normal course of business. The quantitative amount of intra-business transactions, both individually and cumulatively, comply with the Conflicts of Interest Prevention Policy.
- The Board of Directors has resolved to approve the Conflicts of Interest Prevention Policy, as well as guidelines to consider appropriateness in the conduct of transactions that shall be under scrutiny of the Audit Committee and ensure compliance with the criteria of the Office of the Securities and Exchange Commission, the Capital Market Supervisory Board, The Stock Exchange of Thailand, and the Bank of Thailand.
- The Board of Directors has established a principle for conducting connected transactions between the Bank's directors, executives, or related persons of the Bank or its subsidiaries. Such a transaction can be conducted if the transaction is under terms and conditions similar to those applied to general customers in the normal course of business of the Bank and its subsidiaries. Directors, executives, or employees with related interest in a transaction with the Bank or its subsidiaries must not participate in consideration or approval of such a transaction. The price of the transaction must be set appropriately, fairly, on an arm's length basis and in accordance with general commercial terms as applied to general customers.
- In conducting transactions between the Bank and its subsidiaries or transactions between the Bank's subsidiaries, the Bank requires that all transactions be under terms and conditions similar to those applied to other persons in the normal course of business at a similar level of risk. Those transactions must be approved by the Bank's and its subsidiaries' Board of Directors, and comply with policies and regulations enforced by the Bank and any competent agencies, as the case may be.
- Connected transactions must be submitted to the Audit Committee for consideration, in case of such connected



transactions being within the scope of consideration according to the Statement of Corporate Governance Principles and the criteria stipulated by the Office of the Securities and Exchange Commission.

- Directors, officers in the position of First Senior Vice President and higher, and those in the position of Department Head or equivalent in the Financial Accounting Management Department or Financial Planning Department under the Finance and Control Division and their related persons are required to disclose their shareholding information in business, their directorship or their authority to manage or control majority votes in the shareholders meeting, including the right to control the election and removal of directors or the assignment of any other person to be the nominee of their shareholding or management, or the authority to control businesses. The disclosure must be made in the Bank's database and information must be updated regularly so that related departments can use it to monitor credit extensions and investments in conformity with the relevant regulations. The Office of Corporate Secretariat and Governance shall report information on the benefits of such persons to the Board of Directors when a transaction between the Bank and the person related to the Bank's directors and such persons is brought into consideration.
- Directors and executives shall file the first reports on their interests and related persons' interests to the Corporate Secretary for further submittal to the Chairperson of the Board and Chairperson of the Audit Committee. Such reports shall be submitted each time of the change, to comply with the Securities and Exchange Act. In 2023, there were no changes in vested transactions of directors and executives. Directors and executives appointed in 2023 have already submitted their reports to the Chairperson of the Board and Chairperson of the Audit Committee for acknowledgment.
- The Bank has communicated the policies, rules and regulations related to the prevention of conflicts of interest to the relevant employees every year via various channels of the Bank.
- The Bank has disclosed details of every related or connected transaction that may involve conflicts of interest according to the Office of the Securities and Exchange Commission and Capital Market Supervisory Board's criteria, in the Annual Registration Statement and Annual Report (Form 56-1 One Report) and other reports, as the case may be. This also includes disclosures of information on connected transactions to The Stock Exchange of Thailand according to The Stock Exchange of Thailand's regulations and to the Office of the Securities and

Exchange Commission, as well as disclosure of related transactions of the Bank according to the recognized accounting standards and the rules of the Bank of Thailand. Disclosures of related transactions are shown in the Notes to the Financial Statements, under "Related Party Transactions and Balances". The Bank used general commercial conditions to consider connected transactions, in accordance with defined procedures necessary to support the Bank's business operations, and in a manner consistent with the Bank's strategies in the best interests of shareholders.

- In 2023, the Bank communicated the Code of Conduct regarding the prevention of conflicts of interest with all directors, executives and employees, along with offering them related knowledge via the electronic network system of the Bank, such as e-Learning courses on the Code of Conduct and the Anti-Corruption Policy. Additionally, all executives and employees were required to sign their acknowledgment of compliance with the Code of Conduct. Directors can study details of the prevention of conflicts of interest from the Directors' Handbook. Executives and employees can further study details of the Code of Conduct from the Enterprise Risk Management's database.
- Last year, the Internal Audit Department conducted an audit on credit granting controls, transactions similar to credit granting or debt guarantees for directors/persons with management authority of the Bank or their related persons, as well as the supervision of transactions with major shareholders or businesses with related interest, including the Bank's transactions with important counterparties. The audit result showed that the Bank's credit granting and transactions with its counterparties were in compliance with the regulatory requirements while their terms and conditions were similar to those applied to other persons in the normal course of business at a similar level of risk, the price of the transaction was also set appropriately, fairly, on an arm's length basis and in accordance with general commercial terms as applied to general customers. There were no cases of violations of conflicts of interest found.

Additionally, at every Board of Directors Meeting, the Corporate Secretary reviews the meeting agenda and documents before submitting to the Board of Directors for consideration. For agenda on credit approval or any transaction of the Bank or its subsidiaries which must be approved by the Board of Directors, directors with related interest in transactions with the Bank or its subsidiaries shall not receive the meeting documents. Neither shall they be allowed to participate in the Board of Directors Meeting for considering or approving respective transactions.



(2) Supervision for the use of inside information

The Bank has established policies and procedures to supervise the use of inside information. In essence:

- All operational units must set up a process, manage their workplace, and maintain inside information to prevent disclosure to others. Inside information can be used and sent only by persons who need to know or use that information for their operations.
- Directors and employees are prohibited from buying, selling, transferring or obtaining the transfer of securities and stock futures that may take advantage of outsiders by using inside information that may have a significant impact on the securities price or value and has not been disclosed to the public or the Stock Exchange of Thailand. Though they may have become aware of such information in their capacity, either as directors or employees of the Bank, such actions are prohibited, whether to favor themselves or others.
- The Bank has regulated that directors, officers in the position of Senior Executive Vice President or equivalent and higher, and staff in the position of Department Head or equivalent and higher in the Financial Accounting Management Department or Financial Planning Department under the Financial and Control Division, must report their changes in ownership of securities issued by the Bank and stock futures with underlying the Bank stock, including those under ownership of their spouse or cohabiting couples, minor children and related companies to the Office of the Securities and Exchange Commission. In addition, there must be a copy of their ownership report of securities submitted to the Corporate Secretary, and such reports in 2023 were submitted to the Board of Directors Meeting.
- Concerning the supervision of securities and stock futures trading and prevention of the use of inside information, the Bank has stipulated a silent period for securities and stock futures trading by directors and related staff, including their spouses or cohabiting couples, and minor children, prohibiting them from trading of those securities starting one month prior to the Bank's disclosure of financial statements or quarterly performance, or prohibiting them from trading of securities during approval of transactions, which may affect the Bank security price, until the second day after the information has been disclosed. Internal regulations on the prevention of the use of inside information are disseminated at the beginning of each year and quarterly to directors and related staff through various operating



channels of the Bank. In 2023, the Office of Corporate Secretariat and Governance and the Compliance Department notified the blackout period to the directors, executives and related staff via the electronic network system of the Bank. Moreover, the Bank has defined a watch list and restricted list to prohibit related staff from trading on securities, while also monitoring such actions on a regular basis. In 2023, a director, who purchased the Bank's securities, was reported to the Office of the Securities and Exchange Commission. Also, there were no directors, executives and related staff who purchased or sold securities issued by the Bank and stock futures through the use of inside information.

- In 2023, the Bank communicated the Code of Conduct, use of inside information and security trading with all directors, executives and employees, as well as providing related knowledge to them via the electronic network system of the Bank such as e-Learning courses on the Code of Conduct and the Anti-Corruption Policy. Additionally, all executives and employees were required to sign their acknowledgment of compliance with the Code of Conduct. Directors can study the regulations related to securities trading and futures contracts from the Directors' Handbook. Executives and employees can further study details from the Enterprise Risk Management's database.



(3) Anti-Corruption

KASIKORNBANK is committed to conducting business with transparency, integrity and compliance with regulatory requirements as well as good corporate governance practices. The Bank acts against corruption in all its forms and it undertook the following tasks:

1. The Bank, KASIKORN ASSET MANAGEMENT CO., LTD. (KAsset), and KASIKORN SECURITIES PCL (KSecurities) have co-signed a declaration of the “Thai Private Sector Collective Action Against Corruption” project jointly initiated by the Thai Institute of Directors Association (IOD), the Thai Chamber of Commerce, the Joint Foreign Chambers of Commerce in Thailand, the Thai Listed Companies Association, the Thai Bankers’ Association, the Federation of Thai Capital Market Organizations and the Federation of Thai Industries with the objective of promoting anti-corruption on a wider scale. The Bank, KAsset and KSecurities have been recognized as certified companies of Thailand’s Private Sector Collective Action Coalition Against Corruption by the Thai Private Sector Collective Action Against Corruption Council or CAC, since 2013, and already received the renewed certification.

2. The Bank has established anti-corruption regulations on all fronts, with abstention from bribery and inappropriate incentives, as directed in the Code of Conduct, which is strictly observed by directors and employees. In addition, the Board of Directors approved the No Gift Policy and the Anti-Corruption Policy, which includes the issues of bribes and inducements, gifts and benefits, charitable contributions and financial sponsorships, as well as political contribution and activities. The policy is reviewed annually. In 2023, the Board of Directors reviewed the Anti-Corruption Policy to ensure that it is appropriate, up-to-date, and in compliance with regulatory requirements and best practices. Additionally, no donations were made to any organization, unit, project or activity related to politics.

3. The Bank recognizes the importance of communications on the Anti-Corruption Policy for appropriate practices and actions within the organization as well as outside parties, which was disclosed on the Bank’s website. In 2023, regular communications on the Anti-Corruption Policy were made with all directors, executives and employees via the Bank’s internal media including a Corporate Governance Journal, electronic network system, and Kasikorn TV. The training courses on the Code of Conduct and the Anti-Corruption Policy were organized via the e-Learning system for executives and employees to promote their understanding so that they perform their duties with responsibility and in a correct and proper manner, and an assessment on their understanding

were conducted after the training. With our strong commitment towards anti-corruption of all forms, as well as ensuring transparency in our business operations and good governance practices, communications on a No Gift Policy have been made with all employees of the Bank and companies within KASIKORNBANK FINANCIAL CONGLOMERATE.

4. The Bank has conducted the risk assessment, monitoring and evaluation of anti-corruption practices include the following:

- Defining operational risk strategies and policy, as well as operational risk assessment and control, to ensure efficient prevention and mitigation of operational risks and mishandlings that may affect the Bank’s financial position and reputation. The Bank has also conducted the risk assessment, analysis, monitoring and control, and compiled the overall risk position to remain within an appropriate risk appetite. Presently, the Bank is now equipped with a risk analysis on internal and external frauds, covering key product categories, as well as a risk analysis on corruption. Such risks are reviewed by the relevant departments on a regular basis. The results of risk management and positions of the enhanced controls and capacities in various aspects on operational risk management are reported to the Risk Oversight Committee and Operational Risk Management Sub-committee on a monthly basis. Strategies, policies and key operational risk management plans are presented for the Board of Directors’ approval on a regular basis, as well. Moreover, all responsible employees have been trained on operational risk management, while responsible employees have been assigned to attend operational risk management courses organized by government agencies and outside organizations on a regular basis.
- Formulating fraud management plans, strategies, policies, guidelines and processes. Analyzing various data and creating ways to prevent, detect, develop rules and models for fraud management. Managing and detecting suspected fraud cases with a likelihood of being fraudulent, as well as examining and collecting data or evidence, and coordinating work in order to mitigate losses.
- Overseeing the Bank’s business operations to be in compliance with the Bank’s policies and regulations, as well as regulatory requirements. It is the Bank’s policy to ensure full regulatory compliance of the KASIKORNBANK FINANCIAL CONGLOMERATE.



The Compliance Risk Management Policy, approved by the Board of Directors, stipulates the duties and responsibilities related to compliance of the Board of Directors, the Risk Oversight Committee, executives, departments or units, and employees. Employee communications have been conducted to instill awareness of their duties and responsibilities in studying and understanding related laws and requirements, as well as Bank regulations, and in strict compliance with such regulations.

- Auditing relies upon risk-based approach. Fraud and unethical conduct are among the concerned risks assessed and audited. In addition, recommendations on relevant internal control are proposed.
- Reviewing the Anti-Corruption Policy in consistence with the best practices and international standards, organized training and provided knowledge for directors, executives and employees. The Bank also communicates with them regularly via the annual corporate governance activities, including mapping out concrete guidelines for monitoring and evaluation.

5. The Bank has encouraged and promoted suppliers to carry out their business operations, with transparency, integrity, compliance with laws and the principles of good corporate governance, and no involvement with corruption, on a regular basis. Our operations in 2023 included:

- Communication of the supplier manual on the Code of Conduct related to business ethics, human and labor rights, corruption prevention, conflicts of interest prevention, as well as occupational safety and health, and environment were conducted for their acknowledgment and compliance. The Bank also encouraged suppliers to participate in the anti-corruption network.
- Communication of the No Gift Policy regardless of festive seasons.
- Communication of the Bank's procurement procedures and policies, as well as sustainable business operations under good corporate governance, procurement with responsibility and operations in accordance with the ESG principles. Additionally, suppliers are encouraged to comply with Anti-Corruption Policy and practices.
- Provision of various channels to receive information, suggestions or complaints.

(4) Receiving Information or Whistle-blowing, and Complaints

The Bank provides various communication channels for stakeholders, namely K-Contact Center, K-BIZ Contact Center, and branches, etc. A hotline is available as a center to receive and manage complaints. In addition, the Bank has established a written whistle-blowing policy, which provides a channel to whistle-blow the whistle on improper conduct. Aside from encouraging companies within KASIKORNBANK FINANCIAL CONGLOMERATE to put whistle-blowing channels in place, the Bank has also communicated such policy to stakeholders of the Bank and companies within KASIKORNBANK FINANCIAL CONGLOMERATE via various channels so that they can whistle-blow inappropriate or improper conduct, including non-compliance with laws, regulations, Code of Conduct, the Bank's policies and procedures or internal control weaknesses that may result in losses. Whistle-blowers can directly notify the Board of Directors of any improper conduct in alignment with the specified criteria shown under the "Investor Relations" section on the Bank's website or the Internal Audit Department as an independent unit in written documents or electronic mails. The Bank has a procedure and measure to protect the rights of information providers, protection of confidential information – only authorized persons can have access to such information, the information providers will be protected from being bullied, intimidated, or negatively affected by reporting information or destroying evidence, and the Audit Committee is assigned to issue instructions and report to the Board of Directors on confidential information. Fair measures have been established for stakeholders to whom losses are incurred due to violation of their legal rights.

In 2023, a total of 14 cases of information or suspicious conducts was reported to the Internal Audit Department. An investigation showed that there were 9 cases related to non-compliance with the Bank's policies and procedures and 1 case related to process improvement. No issues were found on the other 2 cases reported. There was 1 case related to inappropriate behavior of third parties, which was not related to employees of the Bank. The Bank took actions against those employees in accordance with the established procedures or improve the procedures for enhanced suitability to prevent the incident from reoccurring.



8.2 Performance Result Report of the Audit Committee during the Past Year

Performance results of the Audit Committee are shown in Attachment 6. Details of the meetings and meeting attendance of the Audit Committee members can be found under 8.1.2 on Board of Directors Meetings and Remuneration of Directors.

8.3 Performance Result Reports of Other Board Committees

Performance results of the Corporate Governance Committee, Human Resources and Remuneration Committee and Risk Oversight Committee are shown in Attachment 6. Details of the meetings and meeting attendance of the Corporate Governance Committee members, Human Resources and Remuneration Committee members and Risk Oversight Committee members can be found under 8.1.2 on Board of Directors Meetings and Remuneration to Directors.

8.4 Rights of Shareholders and Equitable Treatment of Shareholders

In recognizing the importance and rights of all shareholders, and having specified relations with shareholders in the Statement of Corporate Governance Principles, the Bank makes every effort to ensure the basic equal legitimate rights of shareholders, including the right to participate in shareholders meeting, the right to appoint a proxy to participate in and vote at shareholders meeting, the right to vote for the appointment or removal of individual directors, the right to vote on the annual appointment of independent auditor and the fixing of annual audit fees, and the right to vote on other various businesses of the Bank. Shareholders' rights also include eligibility to receive dividend payments, the right to give opinions and enquire into business matters of the Bank during shareholders meeting, and the right to receive sufficient information in a timely manner. Moreover, the Bank emphasizes the disclosure of accurate, complete,



KBank held the General Meeting of Shareholders No. 111 on April 7, 2023, via electronic media (e-AGM).

timely and transparent information to shareholders. The following measures were undertaken to promote the rights of shareholders and the equal and fair treatment of all shareholders:

1. The 2023 General Meeting of Shareholders on April 7, 2023, were held via electronic media so as to provide all shareholders including institutional shareholders with the opportunity to attend the Meeting from anywhere. The Bank implemented strict preventive measures for the General Meeting of Shareholders, pursuant to the Emergency Decree on Electronic Media Conference B.E. 2563 (2020) and other related laws and regulations, as follows:

1.1 Procedures prior to the meeting date:

- Under the specified criteria of the Board and relevant regulatory agencies, the Bank provided shareholders with the opportunity to propose matters for inclusion as agenda items, as well as the opportunity to propose qualified candidates having no prohibited characteristics for election as directors at the General Meeting of Shareholders, during September 1 - November 30, 2022. Guidelines on the proposing procedure and shareholders' rights were provided to shareholders through the information dissemination system of the Stock Exchange of Thailand and disclosed on the Bank's website. Shareholders proposed no items to be included in the agenda, nor did they propose any candidates for election as directors.



- The meeting notice via electronic media and related documents, both Thai and English, was disseminated on website for 28 days prior to the meeting date, with clear, complete and adequate information on the date and time of the meeting via electronic media and the meeting agenda. In addition, proxy forms and a complete set of supporting documents for the meeting agenda, together with the Bank's Articles of Association related to the meeting, in Thai version were sent to Thai shareholders and English version for foreign shareholders for their consideration no less than 14 days prior to the meeting date. Along with the meeting notice, shareholders were sent sufficient information to allow them to vote on every agenda item, each of which was identified clearly as items for acknowledgment, for approval, or for consideration, together with sufficient and clear comments by the Board of Directors to help shareholders in their voting decisions. The meeting notice was published in a daily newspaper for 3 consecutive days, at least 3 days before the meeting date.
 - Shareholders were given the opportunity to submit questions concerning meeting agenda items in advance before the shareholders meeting date. These criteria were disclosed on the Bank's website and via the information dissemination system of the Stock Exchange of Thailand at the same time as in the meeting notice via electronic media.
 - The Bank provided details on procedures for meeting attendance via electronic media and necessary documents for shareholders or proxies to present in order to confirm the right to attend the meeting, including a proxy form per the Ministry of Commerce designation. Also included was a list of independent directors, the Chairperson of the Board, or any other persons whom the shareholders might wish to appoint as proxy, and to determine the voting directions.
 - Shareholders and proxies wishing to attend the meeting via electronic media were allowed to submit a request form through e-Request on the Inventech Connect system. The electronic registration was available from March 27, 2023 until the end of the meeting on April 7, 2023.
- 1.2 Procedures on the meeting date:
- The meeting was held via electronic media, and shareholders and attendees could attend the meeting from anywhere through the Webex Meetings system.
 - Shareholders were informed that 1 share equaled 1 vote; approval of a resolution was based on the majority of votes, except for certain resolutions which required the approval of no less than two-thirds of all votes of those attending the meeting, or three-fourths of all votes of those attending the meeting and having the right to vote. This practice is in line with the Bank's Articles of Association and related laws.
 - The number and proportion of shareholders participating in the meeting in person and through proxies, the voting and vote counting methods were clearly explained. Both voting and vote counting were carried out in a transparent manner. The Bank used the Inventech Connect system for shareholder registration. Attendees could watch live broadcasts through the Webex Meetings system and vote for each agenda item through the e-Voting system, which showed the voting results once shareholders or proxies casted their votes, allowing for a rapid and efficient meeting process.
 - The Bank arranged for an independent legal advisory firm to supervise meeting transparency, in compliance with related laws and the Bank's Articles of Association, and examination of the accuracy of vote counts.
 - The Bank arranged for the shareholders meeting to be conducted in a transparent and efficient manner, in line with the Bank's Articles of Association and related laws. The consideration of items and voting was conducted in accordance with the announced agenda and no additional agenda item was included without prior notice to the shareholders. This included consideration of the election of directors individually and director remuneration, together with consideration of the appointment and the fixing of remuneration of auditor, and other agenda items as specified in the meeting notice.
 - All shareholders were offered an equal opportunity to give suggestions and ask questions within an appropriate timeframe, and directors in charge of topics clarified and provided complete information



to shareholders. All 18 directors were in attendance, as well as senior executives and auditors.

- Voting through the Inventech Connect system (e-Vote) could be made for every agenda item. To count the votes in approval for each agenda item, the Bank deducted the total votes cast in disapproval and abstentions from votes of all shareholders being entitled to vote at the Meeting and by proxies.
- The Bank provided English simultaneous interpretation through Video Conference system to facilitate foreign shareholders or proxies who attended the meeting.
- Shareholders or proxies who entered the meeting via electronic media after it had commenced were allowed to vote for agenda items that were still under consideration, pending for voting.
- Audio and video of the shareholders' meeting were recorded in both Thai and English languages. Electronic traffic was also kept as evidence and for future reference.

1.3 Procedures after the meeting date:

- For shareholders' timely acknowledgment and examination of voting results, the Bank disclosed the resolution of each agenda item on our website and via the information dissemination system of the Stock Exchange of Thailand on the shareholders meeting date.
- Comprehensive meeting minutes were recorded. They included significant details for each agenda item, e.g., attendance of directors and executives, proportion of directors attending the meeting, meeting resolutions, voting results (divided into approve, disapprove, abstain, voided ballot, and not entitled to vote), questions, explanations and opinions expressed at the meeting. The minutes of the shareholders meeting were sent to regulatory agencies within 14 days from the meeting date, as well as being made available on the Bank's website.

2. The Bank discloses important information for shareholders on our website and via the information dissemination system of The Stock Exchange of Thailand, and has published the quarterly Shareholder Newsletter to provide information and news on website, such as the overall economy, investment in money and capital markets, and other information that may be beneficial to shareholders.

8.5 Responsibility to Stakeholders

The Bank has placed emphasis on the rights of all stakeholders, and clearly defined the policies and operational guidelines towards different stakeholders in the Statement of Business Conduct and Code of Conduct for all employees, as well as the Human Rights and Anti-Corruption Policies. Contact channels have been in place for all stakeholders.

Actions towards Stakeholders

Shareholders:

The Bank is determined to achieve good operating performance, sustainable growth, and competitiveness, with due consideration given to both current and future risk factors, in order to maximize shareholders value over the long term and generate sustainable total return. The Bank discloses all information in a fair and transparent manner, and makes every effort to protect the Bank's assets and uphold its reputation.

The Board of Directors:

The Board of Directors has acknowledged and fully complied with the authority, duties and responsibilities of directors, as well as the rights of stakeholders, and undertakes measures to ensure that these legitimate rights are provided, and that all stakeholders are treated equally and fairly.

Regulatory Agencies:

The Bank conducts businesses, with integrity, fairness, transparency and accountability, makes business decisions and operates businesses in compliance with the relevant laws and regulations, as well as the Statement of Business Conduct and Code of Conduct and co-create the future of finance.

Employees:

Employees are valuable assets of the Bank. The Bank continues to seek capable and experienced personnel in line with growth and demands of the organization. Compensation should be tied with short-and-long term performance, based on balanced scorecard, comparable to that of other leading companies. The Bank also ensures that compensation and performance evaluation criteria are appropriate with the current economic conditions and competition, and these are communicated to employees and provided learn and lead opportunities. Necessary training programs are continuously provided to enhance employees' capabilities. Good business culture and favorable atmosphere are promoted in the workplace, together with fair and equal



treatment, and respect for the honor, dignity, and individual rights of all employees. The Bank recognizes the need for safety, occupational health and proper welfare for employees, and provides benefits such as provident funds, scholarships for employees and their children, annual medical check-ups, as well as safety procedures such as fire drills and the installation of disaster prevention systems, etc.

Customers:

The Bank aims to promote customer satisfaction by offering diverse, complete, and high-quality financial products and services, in response to the needs of customers. The Bank gives due attention to and holds itself accountable to customers to make our customers successful in their life and business. The Board approved a Market Conduct Policy to ensure fair and transparent treatments to customers. The Board also approved a Customer Data Privacy Policy that gives high priority to the protection of their confidential information. Customers are provided with explanations of the risks related to the use of various financial services. Nevertheless, the Bank monitors and measures customer satisfaction, and listens to customers' opinions for the development and improvement of products and services on a regular basis.

Counterparties:

The Bank respects compliance with contracted terms and conditions in trade, in fair and acceptable competition, and refrains from all mala fide practices. For supplier selection, the Bank has put in place a fair and equitable selection process. The Bank shall not enter into business matching with unlawful businesses, and suppliers should have the Corporate Social Responsibility Policy, avoid causing any environmental pollution and comply with the Bank's Supplier Code of Conduct. The Bank places emphasis on counterparties' transparent business operations, respect for human rights, fair treatment of labor and compliance with the standards related to safety, occupational health and environment. The Bank continuously organizes training to our suppliers, including monitoring, examining and assessing them.

Competitors:

The Bank observes fairness in competition and does not practice any mala fide methods that are deleterious to competitors. The Bank also supports free business operations and fair competition to ensure that its business operations are efficient and sustainable. In 2023, there were no lawsuits seen between the Bank and its subsidiaries and competitors.

Creditors:

The Bank abides by lending terms and conditions, including conditions related to guarantee, capital and liquidity management to ensure that the Bank has the stability, strength and is equipped to settle debts to creditors within the established timeframe. In compliance with related laws, accurate and appropriate explanations have been given to creditors on all of the possible risks involved with non-deposit financial services. In case the Bank is unable to comply with any established conditions, advance notification will be made to related creditors in order to jointly resolve the problems.

Communities, Environment and Society:

Guided by the Sustainable Development Policy, the Bank's social contributions aims to improve the quality of life of all Thais and ensure that their lifestyles are environmentally friendly. Our ESG activities are primarily based on the implementation of the Bank's Sustainable Development Policy (SD in Action) and issues related to the environment, society and governance, with measurable operational guidelines that meet the international Business for Societal Impact (B4SI) standard. Additionally, the Bank's ESG activities are based on the social return on investment (SROI) assessment to ensure that all of our activities, including those related to ESG, create positive impacts to society, meet the needs of all stakeholders and obtain a social license, while also helping expand our businesses in a sustainable manner. Details of implementations and operational results in accordance with the Global Reporting Initiative (GRI Standards) are included in Sustainability Report 2023.

The Bank also specified other procedural guidelines, as follows:

Fairness:

The Bank demonstrates fairness to all parties having business relationships with the Bank, and does its best to avoid any bias or events that would lead to conflicts of interest.

Ethics:

The Bank adheres to its Statement of Business Conduct and pursues every business endeavor with integrity.

Professionalism:

The Bank maintains professional standards, aiming high for superb quality integrated with modern and sophisticated technology.

**Responsiveness:**

The Bank has the readiness to respond to the needs of its customers and society, as well as changes in the economy and technology, both at present and in the future.

Discipline and Compliance:

The Bank is committed to discipline in the operation of its business and ensures that all business decisions and actions comply with all applicable laws and regulations and to observe the Bank's ethical standards and the Code of Conduct.

Protection of Intellectual Property Right and Copyright:

The Bank has included the violation of intellectual property in the Code of Conduct. Employees have the duty to protect data and must not violate intellectual property of the Bank through any method. The Bank has the policy of not supporting operations that violate intellectual property or copyrights of other entities, such as establishing a policy to ensure IT stability and safety; only copyrighted software is used in the Bank's information systems. Employees are prohibited from installing unauthorized software copies on the Bank's computer systems, and their software use is examined.

Human Rights Protection:

The Bank is committed to operating businesses in compliance with the laws and major international standards, such as the United Nations Guiding Principles on Business and Human Rights (UNGPs), principles of humanity and rights in accordance with International Labor Organization (ILO), International Bill of Human Rights and Principles of the United Nations Global Compact (UNGC). The Bank established the Human Rights Policy related to employees, customers, suppliers and business partners, and incorporated respect of human rights in the Code of Conduct, with regard to support and respect of human rights by refraining from human rights violations. The Bank also provides related knowledge for employees for use in their operations, while arranging channels to receive information and complaints on human rights violations. The policy is reviewed annually. In 2023 the policy was reviewed to comply with international standards and there were no complaints on human rights violations.

8.6 Disclosure and Transparency

Information Disclosure

The Bank has authorized the Chief Executive Officer, Presidents, Chief Financial Officer, or executive who is responsible for Chief Investor Relations Officer function to consider and make decisions on the contents of significant information for public disclosure. Any one of these persons may disclose information by him/herself, or assign relevant parties to handle this task. Corporate Secretary who is responsible for Chief Investor Relations Officer function has the authority to hold press conferences or to disseminate significant information related to the Bank, and to answer questions raised by shareholders, investors, and securities analysts. The unit responsible for corporate communications activities was assigned to coordinate with information owners in disseminating significant information related to the Bank. The Bank has a well-defined KASIKORNBANK Disclosure Policy, approved by the Board of Directors, to ensure that disclosures of the Bank's financial and non-financial information to shareholders, investors, analysts, regulatory agencies, and the general public are accurate, complete, timely, equal, transparent, consistent, and in accordance with all applicable laws, regulatory requirements, and regulations.

In 2023, the Bank adequately disclosed important financial information in its financial statements and notes to the financial statements. The disclosures were in line with regulations of the Bank of Thailand, The Stock Exchange of Thailand, the Office of the Securities and Exchange Commission, and Financial Reporting Standards. Such information was also disseminated via the SET Community Portal and the Bank's website. The financial statements were reviewed/audited by an independent certified public accountant. The Board of Directors also disclosed its report of the responsibilities for financial reports in the annual registration statement and annual report (Form 56-1 One Report). Moreover, the Bank has published unreviewed/unaudited quarterly financial statements, reviewed/audited quarterly financial statements that were reviewed/audited by an independent certified public accountant and Basel III Pillar 3 Disclosure, as well as other non-financial information such as the Management Discussion and Analysis (MD&A) and information on the Bank's corporate



governance and sustainable development for the benefit of shareholders, investors and analysts. In addition, the Bank has periodically evaluated the effectiveness of its disclosure procedures. Over the 5 year-period (2019 - 2023), the Bank received 1 fine from the Office of the Securities and Exchange Commission in 2019 due to the violation of section 114 of SEC Act. The fine amount was not significant, and the Bank has already improved its operations.

The Bank has disseminated its information through various channels and mass media on a regular basis so that shareholders and stakeholders can receive information thoroughly. Information outlets include, for example, The Stock Exchange of Thailand, the Office of the Securities and Exchange Commission, the Ministry of Commerce, newspapers, magazines and journals, television, the Bank IR/PR news, the Bank website (www.kasikornbank.com), company visits, press conferences, and notice and meeting documents sent by mail to shareholders. In addition, the Bank provided information to shareholders and investors in various forms, e.g., Investor Presentation, Monthly Economic Information, quarterly Shareholder Newsletter and K-IR News which can be accessed via the Bank's website. In compliance with the Statement of Corporate Governance Principles, the Bank enforces a 7-day silent period before the quarterly operating results are reported to The Stock Exchange of Thailand. During this period, no information related to the Bank's performance is revealed to outsiders via all channels, such as one-on-one meetings, conference calls, video conference calls, group analyst meetings and replies to questions related to the Bank's operating results.

Investor Relations

The Investor Relations Unit is responsible for investor relations management, preparation of annual investor relations plan in line with the sustainable development guidelines and K-Strategy, and systemic disclosure of the Bank's information per regulatory requirements, for the benefits of shareholders, investors, analysts and credit rating agencies, both local and international. These included acknowledgment of opinion, recommendations and anticipations of shareholders, investors and securities analysts, in order to submit them to executives and the Board of Directors of the Bank (Two-way Communications), which will lead to the setting of consistent long-term targets. The Unit is also responsible for managing and supervising shareholders' rights and benefits, in accordance with all applicable laws, as well as creating, maintaining and promoting cordial relationships with the Bank's shareholders. This will in turn enhance the Bank's image and credibility, thus creating higher value to shareholders in a sustainable manner over time. The Bank also regularly conducts investor relations satisfaction survey. The survey results are analyzed to optimize the efficiency and effectiveness of the investor relations policies, functions and activities in accordance with international standards. In this regard, shareholders can contact ordinary shares registrar at the Thailand Securities Depository Company Limited. The Bank's business operations place emphasis on actions in accordance with the Good Corporate Governance Principles and the Bank has devised an Investor Relations Code of Conduct to ensure that our investor relations function is accurate, complete, and transparent in compliance with the laws, regulatory requirements, and the Bank's regulations.

In the previous year, the Bank conducted investor relations activities, wherein the executives and the Investor Relations Unit met with various groups and provided information through various channels, such as phone calls and virtual conferencing via MS Teams and Zoom on various occasions, as follows:



KBank held a Virtual Non-deal Roadshow to meet with investors online. The meeting was attended by fund managers, investors, and analysts worldwide.



Type of Meeting	Online Virtual Meeting			Physical Meeting		
	No. of Events	No. of Companies	No. of Persons	No. of Events	No. of Companies	No. of Persons
1. One-on-One Meeting	103	103	167	52	54	97
2. Group Meeting	7	132	156	-	-	-
3. Analyst and Fund Manager Meeting	5	404	607	-	-	-
4. Investor Conference	13	223	262	9	76	93
5. Non-deal Roadshow	4	112	120	-	-	-
6. Company Site Visit	-	-	-	-	-	-
Total	132	974	1,312	61	130	190

There were 26 events, out of the above, wherein a total of 263 persons from 191 companies met with the Bank's Chief Executive Officer or Presidents. Some companies met with the Bank on more than one occasion through more than one meeting format.

Moreover, the Investor Relations Unit has improved its operations towards a digital format by organizing the meeting via electronic media, reducing the use of paper and delivering documents via digital channels. If printing of documents or reports is mandatory, environmentally-friendly paper, printing ink and printing processes were used to achieve Net Zero target per the Bank's Sustainable Development Policy.

Investors and shareholders may contact the Bank at:

Corporate Secretary who is responsible for
Chief Investor Relations Officer function

Investor Relations Unit, Corporate Communications Department:

- Individual Investors and Shareholders
E-mail : Shareholder_IR@kasikornbank.com
Tel. : +662-4706116
- Institutional Investors and Shareholders
E-mail : IR@kasikornbank.com
Tel. : +662-4706900 to 1 and +662-4702660 to 1

Address:

KASIKORNBANK PUBLIC COMPANY LIMITED
Investor Relations Unit,
Corporate Communications Department,
Rat Burana Building, 33rd Floor,
1 Soi Rat Burana 27/1, Rat Burana Road,
Rat Burana Sub-District, Rat Burana District,
Bangkok 10140, Thailand
Website: www.kasikornbank.com

Ordinary shares registrar:

- The Thailand Securities Depository Company Limited
Tel. : +662-0099999



9. Internal Control and Related Party Transactions

9.1 Internal Control and Auditing Systems

The Board of Directors and the Bank's management have placed particular emphasis on an efficient internal control system and promotion of an appropriate business culture, recognizing the importance of risk management and the internal control system in every business undertaking of the Bank and companies within KASIKORNBANK FINANCIAL CONGLOMERATE. Internal Control Policy, in compliance with Internal Control – Integrated Framework recently revised by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), was introduced requiring all units to comply with the policy for all business operations and employees' practices to ensure that the goals and objectives of the Bank and companies within KASIKORNBANK FINANCIAL CONGLOMERATE will be met and the operations will be effective and efficient to achieve long-term profitability including maintaining reliable financial and managerial reporting. Such a system can also help to ensure compliance with laws and regulations as well as policies, plans, and internal rules and procedures, and prevent the risk of unexpected losses or damage to assets and reputation of the KASIKORNBANK FINANCIAL CONGLOMERATE.

The Bank demonstrates a commitment to integrity and ethical values to create awareness on the importance of risk management and internal control system. To create an appropriate control environment, executives and employees at all levels have the roles, duties and responsibilities for internal control. In order to achieve so, the Bank has established written policies and operational procedures. The Bank still places emphasis on Asset Quality Management that may be affected by the economic conditions, as well as sales and the provision of services to customers, based on Market Conduct, plus personal data maintenance and protection, together with maintenance of cybersecurity, to ensure that customers use services with confidence and safety. In addition, the Bank places emphasis on responsible lending and conducts business with consideration for environmental, social, and governance dimensions.

The Bank shall ensure the adequacy of staff. Also, training and orientation programs are provided for skill enhancement, accurate practices, and efficient and effective performance are established in line with the business structure and competition in current environment. An operational manual with information on rules and regulations, a professional Code of Conduct, and penalties against disciplinary actions and gross offenses have also been provided to ensure common understanding as well as capabilities that will lead to efficient, transparent and fair operations for the benefit of customers, suppliers and other stakeholders. In addition, to strengthen the supervision aspect and promote a risk culture that is consistent at all levels of the organization, the Bank has cultivated a risk culture by communicating through executives and organizing a course on "Governance, Risk Management and Compliance", which has been incorporated into the executive and branch manager training course, and e-Learning on "Internal Control" is developed for all staff.

The Bank identifies and analyzes risks to the achievement of its objectives across the Bank, companies within KASIKORNBANK FINANCIAL CONGLOMERATE, departments and functions. Risk Management unit and a clear risk management policy are set up.

Control activities are an integral part of day-to-day operations. Appropriate segregation of duties is embedded to create a proper "check-and-balance" system for operating staff, supervisors, and performance assessment. Any possible conflict of interest is identified and subject to careful monitoring, in accordance with regulatory requirements and the Bank's regulations.

Information systems have continuously been upgraded to provide accurate, up-to-date, and adequate information for timely decision-making by the management and the Board of Directors. Information systems include the financial data, as well as operational and compliance data, to monitor the effectiveness of the internal control system for prompt corrective action against significant deficiencies. The Bank also provides varied and



effective communication channels to ensure that all executives and employees understand and adhere to the policies and procedures affecting their duties and responsibilities and to receive useful information for business undertaking or recommendations from external stakeholders such as customers, counterparties and regulators.

The Bank establishes monitoring activities, both ongoing monitoring and separate evaluations, to ascertain whether the internal control is present and functioning as designed that contributes to the mitigation of risks at different periods. The internal control deficiencies will be communicated to responsible persons and serious matters will be reported to the Board of Directors, Audit Committee and/or executives in a timely manner.

Recognizing the importance of its roles and responsibilities towards Corporate Governance, the Board oversees that the Bank is equipped with appropriate and effective systems of risk management, internal control, internal auditing and governance. The Audit Committee, comprising independent directors, has been assigned to review the effectiveness and appropriateness of such processes, and to consider important audit results of the Internal Audit Department, the Bank of Thailand and other regulatory agencies, as well as acknowledging risk reports including emerging risk and new threats in Thailand and other countries, and action against those risks. The Bank's management is responsible for managing tasks and activities, and monitoring the operations of employees at all levels with regard to risk management, including the effectiveness of internal control system, and compliance with laws, regulations and related policies. The Board is of the view that the Bank has maintained an effective internal control system at an adequate and appropriate level of protection.

Internal auditing is conducted by the Internal Audit Department which is independent in its tasks and reports directly to the Audit Committee. The audit is risk-based and aimed at assessing the adequacy and effectiveness of the risk management and internal control system, the efficiency of resource management, the accuracy and reliability of information, and compliance with regulatory requirements, the Bank's operational procedures, and the Statement of Business Conduct. The audit plan has been reviewed and revised on a regular basis as well as emphasized on proactive assurance so that it is flexible and responsive to key risks during a specific period. The Internal Audit Department has constantly applied the principles of continuous audit, data analytics and integrated audit in its operations. The efficiency

of data analytics has been enhanced through the development of automated data analytics rules. Moreover, the Internal Audit Department provides consulting services to the audited units, in accordance with the nature and scope of tasks as agreed upon by both parties, with the objective of increasing the value and improving the operations of the KASIKORNBANK FINANCIAL CONGLOMERATE. In addition, preparations have been made to audit new technologies, such as blockchain, biometrics and AI/ML by developing audit guidelines for those particular technologies. Internal auditors have been encouraged to acquire new knowledge and skills in areas of technology and financial innovation to brace for the digital banking age, as well as matters related to sustainability development and climate-related risk so that they can provide related recommendations in line with the Bank's strategic directions. An audit on sustainability-related matters is made on a regular basis.

The Internal Audit Department acts in conformance with the International Standards for the Professional Practice of Internal Auditing. The Department constantly evaluates and improves the quality of its work as measured against the generally accepted international auditing standards. In addition, there is an external assessment by independent auditors every 5 years, showing the recent assessment results by the independent external auditors that the Internal Audit Department's internal audit activities were in line with the required international standards.

The Internal Audit Department, which is an independent unit, has also been assigned as another whistle-blowing reporting channel. This ensures that the Bank has a transparent and fair whistle-blowing process and complies with good corporate governance standards. The Audit Committee resolved to appoint Mr. Surasak Dudsdeemaytha as Internal Audit Head, in view of his suitable knowledge, qualifications and experience to perform this function.

The Compliance Department, Enterprise Risk Management Division, is tasked with ensuring that our operations are in compliance with the regulatory requirements and regulations of the Bank. It is also required to devise policies and procedures in alignment with the regulatory requirements, communicate regulatory requirements to the relevant employees, provide consultation concerning the regulatory requirements, monitor and review regulatory compliance, and report it to high-level executives, the Risk Oversight Committee or the Board of Directors. Mr. Phaisarn Vorasetsiri is the Compliance Head.



9.2 Related Party Transactions

Significant Related Party Transactions

- Deposits, loans and contingencies made to directors, key executive officers, and close members of their families, which are fairly charged at market price as with other normal business or the price as stipulated in the agreement as of 31 December 2023 and 2022, are summarized, as follows:

(Unit : Million Baht)

	<u>2023</u>	<u>2022</u>
Deposits	27,798	24,716
Loans	246	243
Contingencies	-	-

- Additional transactions occurring between the Bank, its subsidiaries, associated companies and joint ventures, which are charged at market price as with other normal business or the price as stipulated in the agreement as of 31 December 2023 and 2022 are, as follows:

- Loans, deposits and contingencies between the Bank, its subsidiaries, associated companies and joint ventures are summarized as follows:

(Unit : Million Baht)

	2023			2022			Percentage of shares held (%)	Director/ Key executive officer
	Loans	Deposits	Contingencies	Loans	Deposits	Contingencies		
Subsidiaries								
KASIKORN ASSET MANAGEMENT CO., LTD.	-	4,854	1	-	4,151	1	100	Dr. Pipatpong Poshyanonda Mr. Pipavat Bhadranaevik Mr. Vasin Vanichvoranun Mr. Suradech Kietthanakorn Dr. Wichai Narongwanich
KASIKORN RESEARCH CENTER CO., LTD.	-	175	-	-	159	-	100	Mr. Pipit Aneaknithi Dr. Adit Laixuthai
KASIKORN SECURITIES PCL	-	8,834	-	-	10,974	-	99.99	Dr. Pipatpong Poshyanonda Mr. Thiti Tantikulanan Dr. Anuwat Sriudom
KASIKORN LEASING CO., LTD.	139,749	3,643	-	124,542	3,362	-	100	Mr. Rungruang Sukkirdkijpi boon Mr. Nathapol Luepromchai Mr. Panya Kongkapaaisal Mr. Siriwat Visoldilokpun
KASIKORN FACTORY & EQUIPMENT CO., LTD.	18,988	164	3	20,375	83	3	100	Mr. Rungruang Sukkirdkijpi boon Mr. Nathapol Luepromchai Mr. Pongpichet Nananukool Ms. Monta Voraprasit
KASIKORN TECHNOLOGY GROUP SECRETARIAT CO., LTD.	-	168	-	-	143	-	100	Mr. Ruangroj Poonpol Ms. Wasana Surakit Mr. Sastra Mungkornusawakul



	2023			2022			Percentage of shares held (%)	Director/ Key executive officer
	Loans	Deposits	Contingencies	Loans	Deposits	Contingencies		
KASIKORN LABS CO., LTD.	-	90	114	-	69	90	100	Mr. Ruangroj Poonpol Ms. Natcha Argasreog
KASIKORN SOFT CO., LTD.	-	998	2,977	-	904	2,268	100	Mr. Ruangroj Poonpol Ms. Wasana Surakit Ms. Natcha Argasreog
KASIKORN INFRA CO., LTD.	-	174	-	-	171	-	100	Mr. Ruangroj Poonpol Ms. Wasana Surakit Ms. Natcha Argasreog
KASIKORN SERVE CO., LTD. ¹⁾	-	-	-	-	12	-	-	-
KASIKORN X CO., LTD.	-	136	-	-	323	-	100	Mr. Chongrak Rattanapian Mr. Ruangroj Poonpol Dr. Karin Boonlertvanich Dr. Anuwat Sriudom
Muang Thai Group Holding Co., Ltd.	-	1,340	-	-	1,534	-	51	Ms. Sujitpan Lamsam Mr. Pipit Aneaknithi Dr. Pipatpong Poshyanonda Mr. Sara Lamsam Mr. Dithichai Limpodom Ms. Sansana Sukhanunth
KASIKORNTHAI BANK SOLE LIMITED (Formerly: KASIKORNTHAI BANK Limited)	-	1,132	1,134	-	554	519	100	Mr. Photjanart Sangpruaksa Ms. Natcha Argasreog Ms. Sunan Siriaksom Dr. Anuwat Sriudom
KASIKORNBANK (CHINA) COMPANY LIMITED	-	54	254	-	83	281	100	Mr. Pipit Aneaknithi Mr. Pattarapong Kanhasuwan Mr. Worawit Kiatthawee-anand Ms. Jaripom Kijcharoenpaisan Ms. Khajarin Maintaka
K-SME Venture Capital Co., Ltd.	-	163	-	-	164	-	100	Mr. Thawee Teerasoontornwong Mr. Worawit Kiatthawee-anand
BEACON VENTURE CAPITAL COMPANY LIMITED	-	339	-	-	767	-	100	Mr. Pipit Aneaknithi Mr. Chongrak Rattanapian Ms. Sansana Sukhanunth Mr. Chat Luangarpa Dr. Karin Boonlertvanich Mr. Thanapong Na Ranong
KASIKORN VISION COMPANY LIMITED	-	6,407	-	-	2,280	-	100	Mr. Pattarapong Kanhasuwan Mr. Chat Luangarpa Mr. Photjanart Sangpruaksa Ms. Siripom Reangjit
KASIKORN VISION FINANCIAL COMPANY PTE. LTD.	-	1,612	-	-	-	-	100	Mr. Pattarapong Kanhasuwan Mr. Chat Luangarpa



	2023			2022			Percentage of shares held (%)	Director/ Key executive officer
	Loans	Deposits	Contingencies	Loans	Deposits	Contingencies		
Unita Capital Company Limited	-	294	-	-	2,576	-	100	Mr. Porvarate Chetphongphan Ms. Sansana Sukhanunth Dr. Karin Boonlertvanich Mr. Vasin Vanichvoranun
KASIKORN INVESTURE COMPANY LIMITED	-	729	-	-	80	-	100	Mr. Patchara Samalapa Ms. Sansana Sukhanunth Mr. Phaisarn Vorasetsiri Mr. Sastra Mungkornusawakul
KOP50 CO., LTD. ²⁾	-	10	-	-	-	-	100	Dr. Karin Boonlertvanich Dr. Wichai Narongwanich Ms. Marisa Waththaphanich Ms. Wasana Surakit Mr. Rawin Benjatuntikul
Phethai Asset Management Co., Ltd.	-	23	-	-	51	-	100	Mr. Atipat Asawachinda
PROGRESS PLUS CO., LTD.	-	33	-	-	32	-	100	Mr. Pornchai Yongnoppakul
PROGRESS APPRAISAL CO., LTD.	-	265	-	-	242	-	100	Ms. Nisanat Ouvuthipong Mr. Chidchod Loyprasert
PROGRESS GUNPAI SECURITY GUARD CO., LTD.	5	315	-	5	256	-	100	Ms. Nisanat Ouvuthipong Ms. Usa Coasol Mr. Sorrasak Pheongrattana
PROGRESS MANAGEMENT CO., LTD.	-	26	-	-	34	-	100	Ms. Panlapa Srisogsai Ms. Sawakon Makasawat
PROGRESS FACILITIES MANAGEMENT CO., LTD.	-	64	-	-	64	-	100	Mr. Pornchai Yongnoppakul
PROGRESS SERVICE SECURITY GUARD CO., LTD.	-	114	-	-	106	-	100	Mr. Pornchai Yongnoppakul
PROGRESS STORAGE CO., LTD.	-	57	-	-	58	-	100	Ms. Nisanat Ouvuthipong Mr. Chidchod Loyprasert
PROGRESS H R CO., LTD.	-	116	-	-	107	-	100	Ms. Sunan Siriaksorn Ms. Hataiporn Chiemprasert
PROGRESS SERVICE SUPPORT CO., LTD.	-	152	-	-	134	-	100	Dr. Ketchayong Skowratananont Ms. Satinee Srirattanapong Ms. Onthida Boonpiamsak
PROGRESS COLLECTION CO., LTD.	-	62	-	-	62	-	100	Ms. Panlapa Srisogsai Ms. Sawakon Makasawat
PROGRESS TRAINING CO., LTD.	-	22	-	-	33	-	100	Ms. Hataiporn Chiemprasert Mr. Sastra Mungkornusawakul
KHAO KLA Venture Capital Management Co., Ltd.	-	30	-	-	29	-	100	-



	2023			2022			Percentage of shares held (%)	Director/ Key executive officer
	Loans	Deposits	Contingencies	Loans	Deposits	Contingencies		
Muang Thai Life Assurance PCL	-	1,859	802	-	1,965	1,050	38.25	Ms. Sujitpan Lamsam Mr. Sara Lamsam Mr. Pipavat Bhadravanik
Muang Thai Broker Co., Ltd.	1	35	1	-	53	2	50.99	-
FUCHSIA VENTURE CAPITAL COMPANY LIMITED	-	16	-	-	218	-	38.25	Ms. Sujitpan Lamsam Mr. Sara Lamsam
AI GEN COMPANY LIMITED	1	15	-	1	31	-	48.83	-
MT Insure Broker Co., Ltd.	-	1	-	-	1	-	38.25	-
BEACON INTERFACE COMPANY LIMITED	-	15	-	-	11	-	100	Mr. Ruangroj Poonpol
KUBIX DIGITAL ASSET CO., LTD.	-	123	-	-	69	-	100	Mr. Ruangroj Poonpol Mr. Silawat Santivisat Mr. Panop Anusinha Mr. Porvarate Chetphongphan Dr. Karin Boonlertvanich
KASIKORN X VENTURE CAPITAL CO., LTD. ²⁾	-	998	-	-	-	-	100	Mr. Ruangroj Poonpol Ms. Natcha Argasreog Dr. Anuwat Sriudom
PROGRESS MULTI INSURANCE BROKER CO., LTD.	-	127	-	-	154	-	100	Dr. Ketchayong Skowratananont
KASIKORN VISION INFORMATION TECHNOLOGY COMPANY LIMITED	-	-	-	-	-	-	100	Mr. Silawat Santivisat Ms. Natcha Argasreog Ms. Siriporn Reangjit
KBTG Vietnam Company Limited	-	102	77	-	207	103	100	Mr. Pattarapong Kanhasuwan Mr. Chat Luangarpa Ms. Natcha Argasreog
KASIKORN VISION ANALYTICS COMPANY LIMITED	-	31	-	-	34	-	100	-
KASIKORN VISION (SHANGHAI) PRIVATE FUND MANAGEMENT CO., LTD. ²⁾	-	-	-	-	-	-	100	Mr. Pattarapong Kanhasuwan Mr. Vasin Vanichvoranun Mr. Suradech Kietthanakorn
ORBIX CUSTODIAN COMPANY LIMITED	-	84	-	-	97	-	100	Mr. Pongpichet Nananukool
ORBIX INVEST COMPANY LIMITED ²⁾	-	73	-	-	-	-	100	Dr. Karin Boonlertvanich Mr. Vasin Vanichvoranun
ORBIX TECHNOLOGY AND INNOVATION CO., LTD. ²⁾	-	222	-	-	-	-	100	Mr. Silawat Santivisat Dr. Karin Boonlertvanich
ORBIX TRADE COMPANY LIMITED ²⁾	-	681	-	-	-	-	99.59	Dr. Karin Boonlertvanich Mr. Chanvit Rungruanglada
PT Bank Maspion Indonesia Tbk	-	5	-	-	1	-	84.55	Mr. Chat Luangarpa



	2023			2022			Percentage of shares held (%)	Director/ Key executive officer
	Loans	Deposits	Contingencies	Loans	Deposits	Contingencies		
PT KASIKORN VISION FINANCIAL INDONESIA ²⁾	-	-	-	-	-	-	99.99	Mr. Pattarapong Kanhasuwan
NGERN HAI JAI CO., LTD. ²⁾	-	201	-	-	-	-	100	Mr. Akaranant Thitasirivit Mr. Surapong Siwalai Ms. Khajarin Maintaka
KAPTURE ONE COMPANY LIMITED ²⁾	-	19	-	-	-	-	70	Ms. Sarinya Piyawongsomboon Ms. Arporn Sirisrisakunchai
KASIKORN GLOBAL PAYMENT COMPANY LIMITED	-	606	-	-	270	-	100	-
Marco Technology Co., Ltd. ²⁾	15	3	-	-	-	-	75	-
KENERGYPLUS CO., LTD. ²⁾	-	70	-	-	-	-	100	Ms. Prapasra Uttamavetin
Associated companies and joint ventures								
Processing Center Co., Ltd.	-	88	-	-	85	-	30	Dr. Pipatpong Poshyanonda Ms. Siriporn Wongtriphop
National ITMX Co., Ltd.	-	3,129	-	-	2,252	-	27.94	Dr. Pipatpong Poshyanonda
BCI (THAILAND) CO., LTD.	-	16	-	-	15	-	22.17	Ms. Siriporn Wongtriphop
Thai Payment Network Co., Ltd.	-	3	-	-	27	-	33.33	Mr. Pattarapong Kanhasuwan
Sovannaphum Life Assurance PLC	-	-	-	-	-	-	18.74	Mr. Sara Lamsam
Lich Viet Development Joint Stock Company ²⁾	-	-	-	-	-	-	36	-
Robowealth Security Brokerage Co., Ltd. ²⁾	-	10	-	-	-	-	53.05	Mr. Thanapong Na Ranong
T2P Holding Co., Ltd. ²⁾	-	-	-	-	-	-	36.26	-
SERCH ENGIN OF TIMISETION CO., LTD. ²⁾	-	47	-	-	-	-	30.02	Mr. Thanapong Na Ranong
KASIKORN LINE CO., LTD.	13,500	3,114	3	14,000	963	3	50	Mr. Patchara Samalapa Ms. Natcha Argasreog
JK Asset Management Company Limited	4,900	316	1,050	500	505	-	55	Mr. Thawee Teerasoontornwong
Kasikorn Carabao Company Limited	-	82	-	-	69	-	50	Mr. Patchara Samalapa
Benix Company Limited ²⁾	-	-	-	-	-	-	12.24	-
MUANGTHAI RUTNIN COMPANY LIMITED ²⁾	-	50	-	-	-	-	24.86	-

¹⁾ 2023 the company was not related to the Bank.²⁾ 2023 the company was related to the Bank.



- 2.2 Certain subsidiaries have entered into 1-2 years building lease and service agreements with the Bank. As of 31 December 2023 and 2022, the remaining tenures amounting to Baht 10 million and Baht 80 million, respectively.
- 2.3 The Bank has entered into a 1 year Information Technology service agreement with Kasikorn Business-Technology Group and BEACON INTERFACE COMPANY LIMITED. As of 31 December 2023 and 2022, the Bank has commitment to pay total service fees amounting to Baht 2,837 million and Baht 2,233 million, respectively.
- 2.4 The Bank has entered into the 10-year term Bancassurance Agreement with Muang Thai Life Assurance PCL (“MTL”), which come into effect from January 1, 2022. The Bank derive the Exclusivity fee of Baht 12,700 million for distribution of life insurance products of MTL in an exclusive manner via distribution channels of the Bank and its subsidiaries and also derive other performance bonus as stipulated in the agreement. As of 31 December 2023, the Bank has deferred income from Bancassurance Agreement amounting to Baht 10,160 million.
- 2.5 The Bank has entered into 1-9 years service agreements with associated company and other related entities. As of 31 December 2023 and 2022, the Bank has commitment to pay total service fees amounting to Baht 161 million and Baht 168 million, respectively.
- 2.6 Revenue and expenses between the Bank and related persons or entities for the year ended 31 December 2023 and 2022 is summarised as follows:

	<u>Consolidated</u>		<u>The Bank</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
(Unit : Million Baht)				
<u>Subsidiaries</u>				
Revenue:				
Interest income	-	-	5,371	3,777
Dividend income	-	-	4,571	5,637
Fees income	-	-	3,218	3,258
Other income	-	-	5,840	5,885
Expenses:				
Interest expenses	-	-	220	97
Fees expenses	-	-	6,294	5,331
Other expenses	-	-	2,586	2,719
<u>Associated companies and joint ventures</u>				
Revenue:				
Interest income	744	219	744	219
Dividend income	310	182	310	182
Fees income	39	2	39	2
Other income	78	82	78	82
Expenses:				
Interest expenses	15	5	15	5
Fees expenses	5	4	5	4
Other expenses	1,034	709	1,034	709



(Unit : Million Baht)

	<u>Consolidated</u>		<u>The Bank</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<u>Related persons and other related entities</u>				
Revenue:				
Interest income	316	117	316	117
Expenses:				
Interest expenses	531	221	530	221
Other expenses	920	350	920	350

3. Loans, deposits and contingencies between the Bank and other business entities where the directors, key executive officers and close members of their families have managing authority and/or hold 10% or more of their paid-up capital, in which market price as charged as with other normal business as of 31 December 2023 and 2022, are summarized as follows:

(Unit : Million Baht)

	2023			2022			Percentage of shares held (%)	Director/ Key executive officer/ Shareholder and Relationship
	Loans	Deposits	Contingencies	Loans	Deposits	Contingencies		
159 CAPITALS COMPANY LIMITED	-	-	-	-	-	-	85	Director's related persons
THE RED BULL CO., LTD.	-	16	-	-	10	-	100	Mr. Saravoot Yoovidhya and related persons
KRATINGDAENG EXCELLENCE CENTER COMPANY LIMITED	-	29	-	-	20	-	95	Indirect holding through related entity
GREEN NATURAL PRODUCTS COMPANY LIMITED	-	2	-	-	3	-	84.85	Indirect holding through related entity
KASIKORN LINE INSURANCE BROKER COMPANY LIMITED	-	9	-	-	2	-	100	Indirect holding through related entity
KARNTHARUEA F.C. COMPANY LIMITED ²⁾	-	1	-	-	-	-	80	Director's related persons
GIFFARINE SKYLINE UNITY CO., LTD.	-	396	-	-	568	-	80	Indirect holding through related entity Sq.N.Ldr. Nalinee Paiboon, M.D.
GOODSERVE CO., LTD.	-	1	-	-	1	-	12	Director's related persons
GREAT GREEN RABBIT COMPANY LIMITED ²⁾	-	2	-	-	-	-	47	Director's related persons
KANABANA CO., LTD.	-	2	-	-	2	-	80	Mr. Saravoot Yoovidhya and related persons
CAR CONVENIE COMPANY LIMITED	-	9	-	-	4	-	25	Indirect holding through related entity
CAVALLINO SERVICES CO., LTD.	-	12	-	-	14	-	21	Director's related persons
CAVALLINO MOTORS COMPANY LIMITED	1	271	97	1	193	76	21	Director's related persons
KTD PROPERTY DEVELOPMENT LTD.	-	44	-	-	85	-	100	Mr. Saravoot Yoovidhya and related persons
THE RED BULL BEVERAGE CO., LTD.	-	1,126	-	-	173	-	99.97	Mr. Saravoot Yoovidhya and related persons
KSS 2020 COMPANY LIMITED ²⁾	-	1	-	-	-	-	50	Director's related persons
KAERAI GOLF COMPANY LIMITED	-	2	-	-	2	-	100	Mr. Saravoot Yoovidhya and related persons
KOSHIN TRADING (THAILAND) CO., LTD. ²⁾	-	14	2	-	-	-	13.33	Director's related persons
JARNDEN CO., LTD.	-	1	-	-	1	-	45	Key executive officer's related persons
JTB (THAILAND) CO., LTD.	-	65	-	-	56	-	24	Mr. Chanin Donavanik
							24	Director's related persons



	2023			2022			Percentage of shares held (%)	Director/ Key executive officer/ Shareholder and Relationship
	Loans	Deposits	Contingencies	Loans	Deposits	Contingencies		
CHALERMSUK RUAMPATANA CO., LTD.	-	2	-	-	2	-	36	Director's related persons
CHANA PORN CO., LTD.	-	-	-	-	4	-	94	Indirect holding through related entity Director's related persons
SAWAFUJI ELECTRIC (THAILAND) COMPANY LIMITED	-	10	-	-	10	-	26	Indirect holding through related entity
SIMPORT COMPANY LIMITED	-	17	-	-	20	-	100	Indirect holding through related entity
CENTRAL GOLF CO., LTD.	-	7	-	-	7	-	100	Mr. Saravoot Yoovidhya and related persons
CIRCURE HERBAL MED CO., LTD.	-	3	-	-	7	-	71.40	Mr. Saravoot Yoovidhya and related persons
NAPHAN 2015 COMPANY LIMITED ²⁾	-	1	-	-	-	-	85.20	Director's related persons
DATA MINING CO., LTD.	-	6	-	-	3	-	100	Indirect holding through related entity Mr. Suroj Lamsam
DURBELL CO., LTD.	-	785	-	-	888	-	98	Mr. Saravoot Yoovidhya and related persons
THE CONSERVATORY COMPANY LIMITED ²⁾	-	7	-	-	-	-	60	Director's related persons
THE NEST MANAGEMENT CO., LTD. ²⁾	-	1	-	-	-	-	98	Director's related persons
THE PENINSULA TRAVEL SERVICE CO., LTD.	3	4	-	3	4	-	12	Indirect holding through related entity
TALADNOI CHAOPHRAYA VIEW PROPERTIES CO., LTD.	-	2	-	-	2	-	100	Mr. Saravoot Yoovidhya and related persons
TOSHIBA THAILAND CO., LTD. ¹⁾	-	-	-	-	3	-	-	-
MUANG THAI ASSET CO., LTD.	-	18	-	-	3	-	14.61	Indirect holding through related entity
							10.59	Director's related persons
THAJEEN GOLF CO., LTD.	-	7	-	-	6	-	100	Mr. Saravoot Yoovidhya and related persons
TC-BANGKOK CONDO CO., LTD.	-	20	-	-	16	-	100	Mr. Saravoot Yoovidhya and related persons
T.C. SATHORN CONDO CO., LTD.	-	160	-	-	11	-	100	Mr. Saravoot Yoovidhya and related persons
T.G. VENDING AND SHOWCASE INDUSTRIES CO., LTD.	-	21	-	-	32	-	93.75	Mr. Saravoot Yoovidhya and related persons
T.C. CONDO AND DEPARTMENT STORE CO., LTD.	-	4	-	-	2	-	100	Mr. Saravoot Yoovidhya and related persons
T.C. PAKNAM CONDO CO., LTD.	-	2	-	-	1	-	100	Mr. Saravoot Yoovidhya and related persons
T.C. PINKLAO PROPERTIES CO., LTD.	-	11	-	-	12	-	90	Mr. Saravoot Yoovidhya and related persons
T.C. SAMUTPRAKAN CONDO CO., LTD.	-	102	-	-	120	-	100	Mr. Saravoot Yoovidhya and related persons
T.C. PHARMA-CHEM. CO., LTD.	-	146	-	1	185	1	16.67	Director's related persons
T.C. PHARMACEUTI CAL INDUSTRIES CO., LTD.	-	4,022	-	-	3,219	-	96.80	Mr. Saravoot Yoovidhya and related persons
T.C. ROMGLAO CONDO CO., LTD.	-	2	-	-	1	-	100	Mr. Saravoot Yoovidhya and related persons
T.C. SUKHUMWIT CONDO 101 AND CONSULTANT CO., LTD.	-	158	-	-	26	-	71.45	Mr. Saravoot Yoovidhya and related persons
TC-TRADING & LEASING CO., LTD.	-	16	-	-	24	-	100	Mr. Saravoot Yoovidhya and related persons
TCP INCUBATOR COMPANY LIMITED	-	4	-	-	4	-	100	Indirect holding through related entity
TC-MYCIN CO., LTD.	-	15	-	-	3	-	71.45	Mr. Saravoot Yoovidhya and related persons
TC-MYCIN INDUSTRIES CO., LTD.	-	14	-	-	15	-	71.45	Mr. Saravoot Yoovidhya and related persons



	2023			2022			Percentage of shares held (%)	Director/ Key executive officer/ Shareholder and Relationship
	Loans	Deposits	Contingencies	Loans	Deposits	Contingencies		
THAI GATEWAY COMPANY LIMITED	-	4	-	-	5	1	100 -	Indirect holding through related entity Mr. Suroj Lamsam
THAI DIGITAL ID CO., LTD.	-	6	-	-	9	-	100	Indirect holding through related entity
THAI REPRE GERATION COMPONANT CO., LTD.	-	1	-	-	1	-	31.71	Indirect holding through related entity
THANACHOT APARTMENT COMPANY LIMITED	-	1	-	-	1	-	12.50	Mr. Tipakorn Saiphatana
THANTHIYA TECHNOLOGY CO., LTD.	-	8	-	-	3	-	30	Indirect holding through related entity
NAKHONCHAI SRI GOLF CO., LTD.	-	2	-	-	2	-	100	Mr. Saravoot Yoovidhya and related persons
TOMATO JUICE PRODUCT (THAILAND) CO., LTD.	-	13	-	-	17	-	100	Mr. Saravoot Yoovidhya and related persons
NETONE NETWORK SOLUTION CO., LTD.	-	10	1	-	1	3	100	Indirect holding through related entity
BRITANIA RAYONG COMPANY LIMITED ²⁾	-	10	-	-	-	-	49	Indirect holding through related entity
BANGKOK ARCHITECTURAL RESEARCH CO., LTD.	-	6	-	-	-	-	99.97	Key executive officer's related persons
BANGBON FRUIT COMPANY LIMITED ²⁾	-	1	-	-	-	-	98.25	Mr. Saravoot Yoovidhya and related persons
BANGBON FOOD PRODUCTION CO., LTD.	-	1	-	-	1	-	100	Mr. Saravoot Yoovidhya and related persons
BANGPAKONG FRUIT CO., LTD.	-	1	-	-	1	-	100	Mr. Saravoot Yoovidhya and related persons
BANGPAKONG FOOD PRODUCTION CO., LTD.	-	1	-	-	1	-	100	Mr. Saravoot Yoovidhya and related persons
B.GRIMM BIP POWER 1 LIMITED	-	213	213	-	317	213	26	Indirect holding through related entity
B.GRIMM BIP POWER 2 LIMITED	-	279	232	-	424	230	26	Indirect holding through related entity
BP-CASTROL (THAILAND) COMPANY LIMITED	-	298	-	-	328	-	40	Indirect holding through related entity
BURAPHA GOLF PCL.	-	70	3	-	61	3	66.24	Mr. Saravoot Yoovidhya and related persons
BENJAKHUN CO., LTD. ²⁾	-	31	-	-	-	-	79.90	Ms. Sujitpan Lamsam and related persons
BOLD ONE CO., LTD. ²⁾	-	4	-	-	-	-	27.50	Director's related persons
PRABKAYA SOLUTION CO., LTD. ²⁾	-	1	-	-	-	-	20	Director's related persons
BERYL 8 PLUS PUBLIC COMPANY LIMITED ¹⁾	-	-	-	-	39	34	-	-
PIYASIRI COMPANY LIMITED	-	1	-	-	-	-	26.99 19.33	Indirect holding through related entity Director's related persons
PREM GREEN COMPANY LIMITED ²⁾	-	7	-	-	-	-	95.48	Director's related persons
PAED RIU FRUIT COMPANY LIMITED	-	3	-	-	2	-	100	Mr. Saravoot Yoovidhya and related persons
PAED RIU FOOD PRODUCTION COMPANY LIMITED	-	2	-	-	2	-	100	Mr. Saravoot Yoovidhya and related persons
PROFESSIONAL COMPUTER COMPANY LIMITED	-	21	49	-	18	65	100	Indirect holding through related entity
THAI FRUIT PRODUCT CO., LTD.	-	43	-	-	35	-	100	Mr. Saravoot Yoovidhya and related persons
PITAK LAND CO., LTD.	-	6	-	-	5	-	61.06	Mr. Saravoot Yoovidhya and related persons



	2023			2022			Percentage of shares held (%)	Director/ Key executive officer/ Shareholder and Relationship
	Loans	Deposits	Contingencies	Loans	Deposits	Contingencies		
P LANDSCAPE CO., LTD.	18	29	-	22	28	-	98 -	Director's related persons Director's related persons
P I A INTERIOR COMPANY LIMITED ²⁾	-	57	18	-	-	-	87.49 12.50	Director's related persons Indirect holding through related entity
PCC CAPITAL CO.,LTD. ²⁾	-	1	-	-	-	-	100	Indirect holding through related entity
PHETKASEM GREEN HOLDING COMPANY LIMITED	-	-	-	-	3	-	99.98	Indirect holding through related entity
FOSEGO (THAILAND) COMPANY LIMITED	-	6	-	-	8	-	26	Indirect holding through related entity
PATR SAMPHAN COMPANY LIMITED	-	51	-	-	4	-	13.50	Indirect holding through related entity
MAHACHAI FOOD PRODUCTION COMPANY LIMITED	-	1	-	-	-	-	100	Mr. Saravoot Yoovidhya and related persons
MADAME PIA COMPANY LIMITED ²⁾	-	5	-	-	-	-	75	Director's related persons
MY DNA CO., LTD. ²⁾	-	6	-	-	-	-	47.28	Director's related persons
MISSION SUCCESS 2005 COMPANY LIMITED ²⁾	-	1	-	-	-	-	23.33	Director's related persons
MEDICAMAX (THAILAND)CO., LTD. ²⁾	-	2	-	-	-	-	30	Director's related persons
MUANG THAI REAL ESTATE PUBLIC COMPANY LIMITED	-	18	-	-	19	-	79.97	Indirect holding through related entity
MUANG THAI INSURANCE PUBLIC COMPANY LIMITED	-	811	-	-	627	-	20 -	Indirect holding through related entity Director's related persons
MOBILE INNOVATION CO., LTD.	-	12	-	-	8	-	27.39	Indirect holding through related entity
YUPONG CO., LTD.	-	13	-	-	6	-	98.65	Mr. Sara Lamsam and related persons
YUPAYONG CO., LTD.	-	-	-	-	1	-	47.93 47.10	Indirect holding through related entity Mr. Sara Lamsam and related persons
YOU TECHNOLOGIES GROUP (THAILAND) COMPANY LIMITED	-	8	-	-	4	-	51	Director's related persons
RUAM SAMPHANT COMPANY LIMITED	-	3	-	-	4	-	50 20 -	Mr. Suroj Lamsam and related persons Indirect holding through related entity Director's related persons
MUANG THAI MANAGEMENT SECURITY GUARD COMPANY LIMITED	-	15	-	-	23	-	99.99	Indirect holding through related entity
M&A GUARD SERVICE CO., LTD.	-	8	-	-	4	-	35	Director's related persons
ASM SECURITY MANAGEMENT COMPANY LIMITED	-	1	-	-	3	-	100	Indirect holding through related entity
REAL FOCUS COMPANY LIMITED ²⁾	-	7	-	-	-	-	47	Director's related persons
RAI PORPLA LIMITED PARTNERSHIP ²⁾	-	1	-	-	-	-	25	Director's related persons
LOXBIT PUBLIC COMPANY LIMITED	-	9	36	-	10	36	100	Indirect holding through related entity
LOXBIT PA PUBLIC COMPANY LIMITED	-	1	-	-	3	-	100	Indirect holding through related entity
LOXLEY PUBLIC COMPANY LIMITED	-	108	126	-	145	166	26.29 -	Indirect holding through related entity Mr. Suroj Lamsam



	2023			2022			Percentage of shares held (%)	Director/ Key executive officer/ Shareholder and Relationship
	Loans	Deposits	Contingencies	Loans	Deposits	Contingencies		
LOXLEY JOINT & HOLD CO., LTD.	-	16	-	-	1	-	100	Indirect holding through related entity
LOXLEY SIMULATION TECHNOLOGY COMPANY LIMITED	-	1	-	-	1	-	100	Indirect holding through related entity
LOXLEY SYSTEM INTEGRATOR COMPANY LIMITED	-	44	111	-	102	149	100	Indirect holding through related entity
LOXLEY TRADING CO., LTD.	-	100	-	-	72	-	94.99	Indirect holding through related entity
LOXLEY BUSINESS INNOVATION COMPANY LIMITED	-	24	-	-	19	-	100	Indirect holding through related entity
LOXLEY PROPERTY DEVELOPMENT CO., LTD.	-	8	-	-	5	-	92.95 -	Indirect holding through related entity Mr. Suroj Lamsam
LOXLEY POWER SYSTEMS COMPANY LIMITED	-	19	186	-	74	233	100	Indirect holding through related entity
LOXLEY WIRELESS PUBLIC COMPANY LIMITED	-	8	-	-	7	-	85.33	Indirect holding through related entity
LOXLEY EVOLUTION TECHNOLOGY COMPANY LIMITED	-	9	-	-	14	-	80	Indirect holding through related entity
LOXLEY ENGINEERING COMPANY LIMITED	-	3	-	-	5	-	100	Indirect holding through related entity
LILY CHAENGWATTANA CO., LTD. ²⁾	-	2	-	-	-	-	99.63	Director's related persons
VONTARN CO., LTD.	-	4	-	-	3	-	56.39 15.83 -	Mr. Suroj Lamsam and related persons Indirect holding through related entity Director's related persons
WANWARIN & ASSOCIATE CO., LTD. ²⁾	-	11	-	-	-	-	20	Director's related persons
WABI SABI STUDIO CO., LTD.	-	18	-	-	15	-	99.98 -	Director's related persons Director's related persons
VESCO PHARMACEUTI CAL CO., LTD.	-	53	1	-	44	1	19.40	Director's related persons
VESTA P.V.C. CO., LTD. ²⁾	-	3	-	-	-	-	39.17	Director's related persons
SALANA ORGANIC VILLAGE (SOCIAL ENTERPRISE) COMPANY LIMITED ²⁾	-	15	-	-	-	-	99.41	Director's related persons
SALAYA GOLF CO., LTD.	-	2	-	-	2	-	100	Mr. Saravoot Yoovidhya and related persons
STORMBREAKER VENTURE COMPANY LIMITED	-	1	-	-	2	-	60 30	Indirect holding through related entity Mr. Saravoot Yoovidhya
STILLWATER STUDIO LTD.	4	2	-	4	1	-	40	Key executive officer's related persons
SATHIRA PHATTANA CO., LTD.	-	17	-	-	3	-	12.50	Indirect holding through related entity
SOMTHAKHOY COMPANY LIMITED	-	-	-	-	1	-	99.98	Mr. Saravoot Yoovidhya and related persons
SAMUTSONGKRAM SUPERMARKET AND FOOD CENTER CO., LTD.	-	13	-	-	11	-	100	Mr. Saravoot Yoovidhya and related persons
SAMUTSAKORN FRUIT CO., LTD.	-	2	-	-	1	-	100	Mr. Saravoot Yoovidhya and related persons
SAMUI DARLAND LTD.	-	1	-	-	1	-	25.50	Director's related persons
SIAM BEVERAGE COMPANY LIMITED	-	2	-	-	7	-	99.67	Indirect holding through related entity
SIAM WINERY COMPANY LIMITED	-	318	51	-	509	6	100	Indirect holding through related entity



	2023			2022			Percentage of shares held (%)	Director/ Key executive officer/ Shareholder and Relationship
	Loans	Deposits	Contingencies	Loans	Deposits	Contingencies		
SIAM WINERY TRADING PLUS COMPANY LIMITED	-	108	2	-	74	2	74.66 25.34	Indirect holding through related entity Director's related persons
SIAM WINERY COMMERCIAL COMPANY LIMITED	2	125	-	2	131	-	98.85	Indirect holding through related entity
SIAM WINERY HOLDING COMPANY LIMITED	-	2	-	-	21	-	77.67	Director's related persons
SIAM AIRNET COMPANY LIMITED	-	-	-	-	-	3	98.57	Indirect holding through related entity
SIAMSAMUT WARIN CO., LTD.	-	4	-	-	6	-	60	Indirect holding through related entity
BAN SANG OPENING ZOO CO., LTD.	-	34	-	-	8	-	99.97	Mr. Saravoot Yoovidhya and related persons
PUNYARIDDHI LAW OFFICE COMPANY LIMITED	-	3	-	-	4	-	99.99	Ms. Chonchanum Soonthornsaratoon
SURUDEE CO., LTD.	-	3	-	-	11	-	55 25 -	Mr. Suroj Lamsam and related persons Indirect holding through related entity Director's related persons
SUWINTHAWONG GOLF CO., LTD.	-	2	-	-	1	-	100	Mr. Saravoot Yoovidhya and related persons
NHONGPLATAPHIEN GOLF COMPANY LIMITED	-	7	-	-	6	-	100	Mr. Saravoot Yoovidhya and related persons
NONGPHO GOLF COMPANY LIMITED	-	2	-	-	2	-	100	Mr. Saravoot Yoovidhya and related persons
HAADKAEOW GOLDEN SAND CO., LTD.	-	4	1	-	3	1	11.24	Director's related persons
ALUMET CO., LTD.	597	2	12	629	-	11	48 52	Indirect holding through related entity Director's related persons
ARRUTHAI COMPANY LIMITED	-	-	-	-	3	-	99.98	Indirect holding through related entity
INTER SAUCE PRODUCT CO., LTD.	-	1	-	-	1	-	100	Mr. Saravoot Yoovidhya and related persons
INSPIRATION SIAM CO., LTD.	-	128	-	1	116	-	99.99	Indirect holding through related entity
EXIMNET COMPANY LIMITED	-	1	-	-	13	-	18.33	Indirect holding through related entity
H.R. SERVICES COMPANY LIMITED	-	3	-	-	3	-	99.93	Indirect holding through related entity
NS BLUESCOPE LYSAGHT (THAILAND) CO., LTD.	-	133	-	-	13	-	20	Indirect holding through related entity
M & A ACCOUNTING AND TAX CO., LTD. ²⁾	-	37	-	-	-	-	32.56	Director's related persons
M&A CONSULTANTS SERVICE CO., LTD.	-	1	-	-	1	-	63.97	Director's related persons
M&A ADVISORY CO., LTD. ²⁾	-	19	-	-	-	-	38.41	Director's related persons
M O CAP COMPANY LIMITED	-	5	-	-	8	-	24.64	Indirect holding through related entity
STR PROPERTY DEVELOPMENT CO., LTD.	-	8	-	-	6	-	100	Director's related persons
ERB ASIA COMPANY LIMITED ¹⁾	-	-	-	-	1	-	-	-
L SOLAR 3 COMPANY LIMITED	-	2	-	-	1	-	74	Indirect holding through related entity
L FOOD SOLUTIONS CO., LTD.	-	4	-	-	4	-	100	Indirect holding through related entity
L ELEVATOR & ENGINEERING COMPANY LIMITED	-	3	-	-	8	-	99.99	Indirect holding through related entity



	2023			2022			Percentage of shares held (%)	Director/ Key executive officer/ Shareholder and Relationship
	Loans	Deposits	Contingencies	Loans	Deposits	Contingencies		
L HARD WARE AND SERVICES CO., LTD.	-	21	-	-	25	-	100	Indirect holding through related entity
LB EV COMPANY LIMITED	-	10	-	-	10	-	100	Indirect holding through related entity Mr. Suroj Lamsam
HEALTHVEN COMPANY LIMITED	-	25	-	-	2	-	99.99	Indirect holding through related entity
HAPPY GIFT CO., LTD.	-	2	-	-	2	-	80	Indirect holding through related entity
HI-GEAR CO., LTD.	-	56	-	-	52	-	100	Mr. Saravoot Yoovidhya and related persons

¹⁾ 2023 the entity was not related to the Bank.

²⁾ 2023 the entity was related to the Bank.

In accordance with the SEC's directive number TorJor. 79/2561, titled "Rules, Conditions and Procedures for Disclosure of Financial and Non-financial Information of Securities Issuers (No.15)", requires to disclose the related party transactions in the past 3 years, were as follows:

Location of disclosure

Through the website under the investor relations section Date of disclosure

"<https://www.kasikornbank.com/en/IR/FinanInfoReports/Pages/financial-reports.aspx>"





Part

3

Financial Statements

(Financial Statements for the Past 3 Years)





Financial Statements

Summary of Independent Auditor's Report for the Past 3 years

An auditor is KPMG Phoomchai Audit Limited who has audited the financial statements for the year 2023, 2022 and 2021.

Summary of Independent Auditor's Report 2023

An auditor expressed an unqualified opinion on the consolidated financial statement and the Bank-only financial statement for the year ended 31 December 2023.

Summary of Independent Auditor's Report 2022

An auditor expressed an unqualified opinion on the consolidated financial statement and the Bank-only financial statement for the year ended 31 December 2022.

Summary of Independent Auditor's Report 2021

An auditor expressed an unqualified opinion on the consolidated financial statement and the Bank-only financial statement for the year ended 31 December 2021.

For the financial statements and notes to the financial statement for the year ending 31 December 2023, details can be found on the Attachment 7 Financial Reports page 176 - 332.



Summary Statements of Financial Position, Statements of Profit or Loss and Other Comprehensive Income and Statements of Cash Flows

Statements of Financial Position

KASIKORNBANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Thousand Baht

	<i>Consolidated</i>		
	As of 31 December		
	2023	2022	2021
ASSETS			
Cash	48,689,687	57,114,801	59,971,933
Interbank and money market items - net	569,008,240	502,535,945	420,493,772
Financial assets measured at fair value through profit or loss	48,295,155	47,263,976	63,499,563
Derivative assets	44,697,550	65,032,151	38,057,114
Investments - net	963,305,284	973,358,035	1,030,533,667
Investments in subsidiaries, associates and joint ventures - net	11,279,267	8,818,550	3,838,740
Loans to customers and accrued interest receivables - net	2,371,491,768	2,377,773,934	2,293,639,598
Properties foreclosed - net	54,752,757	51,007,012	42,313,680
Premises and equipment - net	59,945,507	60,098,414	54,870,969
Goodwill and other intangible assets - net	28,405,107	26,996,479	24,936,336
Deferred tax assets	10,174,107	8,536,452	11,130,020
Other assets - net	73,511,952	67,833,133	60,113,128
Total Assets	4,283,556,381	4,246,368,882	4,103,398,520



Statements of Financial Position

KASIKORNBANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Thousand Baht

	<i>Consolidated</i>		
	As of 31 December		
	2023	2022	2021
LIABILITIES AND EQUITY			
Deposits	2,699,562,045	2,748,684,528	2,598,629,803
Interbank and money market items	179,206,713	155,239,770	186,449,469
Liabilities payable on demand	31,119,145	24,887,230	25,349,542
Financial liabilities measured at fair value through profit or loss	364,126	670,081	1,613,857
Derivative liabilities	42,061,983	53,959,439	37,927,060
Debts issued and borrowings	81,572,464	67,897,113	103,885,868
Provisions	33,798,704	31,683,474	43,053,019
Deferred tax liabilities	359,640	271,591	1,576,205
Insurance contract liabilities	529,301,474	513,477,884	498,789,728
Customer balance from security business	23,089,459	20,993,893	20,712,299
Other liabilities	66,285,316	61,524,445	48,736,650
Total Liabilities	3,686,721,069	3,679,289,448	3,566,723,500
Equity			
Share capital			
Authorized share capital			
3,024,682,097 common shares, Baht 10 par value	30,246,821	30,246,821	30,246,821
Issued and paid-up share capital			
2,369,327,593 common shares, Baht 10 par value	23,693,276	23,693,276	23,693,276
Premium on common shares	18,103,110	18,103,110	18,103,110
Other equity instruments	15,549,174	15,549,174	15,549,174
Other reserves	17,566,303	20,889,729	23,554,842
Retained earnings			
Appropriated			
Legal reserve	3,050,000	3,050,000	3,050,000
Unappropriated	454,322,906	421,984,592	392,763,308
Total Equity attributable to equity holders of the Bank	532,284,769	503,269,881	476,713,710
Non-controlling interests	64,550,543	63,809,553	59,961,310
Total Equity	596,835,312	567,079,434	536,675,020
Total Liabilities and Equity	4,283,556,381	4,246,368,882	4,103,398,520



Statements of Financial Position

KASIKORNBANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Thousand Baht

	<i>The Bank</i>		
	As of 31 December		
	2023	2022	2021
ASSETS			
Cash	48,465,208	56,852,284	59,920,148
Interbank and money market items - net	575,410,771	513,260,804	416,758,217
Financial assets measured at fair value through profit or loss	25,026,087	20,423,350	35,758,359
Derivative assets	41,461,971	60,475,712	36,385,317
Investments - net	360,979,078	393,408,762	482,158,069
Investments in subsidiaries, associates and joint ventures - net	88,111,542	64,234,879	41,937,622
Loans to customers and accrued interest receivables - net	2,246,758,096	2,269,748,835	2,219,172,926
Properties foreclosed - net	53,805,584	50,083,425	42,291,283
Premises and equipment - net	44,482,081	45,520,901	43,696,083
Goodwill and other intangible assets - net	17,182,746	18,132,732	18,084,928
Deferred tax assets	7,779,396	6,814,924	8,795,553
Other assets - net	41,885,422	42,456,635	32,545,455
Total Assets	3,551,347,982	3,541,413,243	3,437,503,960



Statements of Financial Position

KASIKORNBANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Thousand Baht

	<i>The Bank</i>		
	As of 31 December		
	2023	2022	2021
LIABILITIES AND EQUITY			
Deposits	2,671,734,442	2,719,710,100	2,590,806,959
Interbank and money market items	166,282,327	157,992,319	200,949,040
Liabilities payable on demand	31,119,145	24,887,230	25,349,542
Derivative liabilities	41,725,172	53,837,360	36,361,614
Debts issued and borrowings	71,788,822	54,047,731	90,397,985
Provisions	30,766,343	29,002,961	40,695,840
Other liabilities	62,032,134	55,254,323	33,940,185
Total Liabilities	3,075,448,385	3,094,732,024	3,018,501,165
Equity			
Share capital			
Authorized share capital			
3,024,682,097 common shares, Baht 10 par value	30,246,821	30,246,821	30,246,821
Issued and paid-up share capital			
2,369,327,593 common shares, Baht 10 par value	23,693,276	23,693,276	23,693,276
Premium on common shares	18,103,110	18,103,110	18,103,110
Other equity instruments	15,549,174	15,549,174	15,549,174
Other reserves	19,052,894	19,897,560	18,877,268
Retained earnings			
Appropriated			
Legal reserve	3,050,000	3,050,000	3,050,000
Unappropriated	396,451,143	366,388,099	339,729,967
Total Equity attributable to equity holders of the Bank	475,899,597	446,681,219	419,002,795
Total Liabilities and Equity	3,551,347,982	3,541,413,243	3,437,503,960



Statements of Profit or Loss and Other Comprehensive Income

KASIKORNBANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Thousand Baht

	<i>Consolidated</i>		
	For the year ended 31 December		
	2023	2022	2021
Interest income	183,608,339	151,332,681	135,414,597
Interest expenses	35,164,393	18,334,326	16,024,111
Interest income - net	148,443,946	132,998,355	119,390,486
Fees and service income	48,620,493	48,345,142	48,627,900
Fees and service expenses	17,439,684	15,462,889	13,311,515
Fees and service income - net	31,180,809	32,882,253	35,316,385
Gain on financial instrument measured at fair value through profit or loss	12,123,319	5,053,081	5,539,225
(Loss) Gain on investments	(587,625)	(130,479)	817,188
Share of (loss) profit from investments using equity method	(35,464)	114,723	(694,344)
Dividend income	3,569,347	3,445,695	3,309,622
Net premiums earned	67,673,532	66,056,237	69,359,913
Other operating income	3,057,715	2,122,501	1,289,344
Total operating income	265,425,579	242,542,366	234,327,819
Underwriting expenses	72,771,958	69,284,761	70,978,874
Total operating income - net	192,653,621	173,257,605	163,348,945
Other operating expenses			
Employee expenses	40,274,282	34,602,347	34,480,637
Directors' remuneration	163,110	154,280	146,356
Premises and equipment expenses	11,387,865	11,407,579	11,345,266
Taxes and duties	6,744,367	5,967,475	5,443,210
Others	26,398,790	22,621,261	19,628,397
Total other operating expenses	84,968,414	74,752,942	71,043,866
Expected credit loss	51,840,495	51,919,456	40,332,238
Operating profit before income tax expense	55,844,712	46,585,207	51,972,841
Income tax expense	10,777,828	8,632,532	9,728,519
Net profit	45,066,884	37,952,675	42,244,322



Statements of Profit or Loss and Other Comprehensive Income

KASIKORNBANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Thousand Baht

	<i>Consolidated</i>		
	For the year ended 31 December		
	2023	2022	2021
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss			
Gain (Loss) on investments in debt instruments measured at fair value through other comprehensive income	1,168,050	(5,700,230)	(2,802,074)
(Loss) Gain on cash flow hedges	(1,989,673)	7,561,285	364,049
(Loss) Gain arising from translating the financial statements of a foreign operation	(649,848)	315,228	1,736,224
Income taxes relating to components of other comprehensive income	170,060	(526,083)	218,552
Items that will not be reclassified subsequently to profit or loss			
Changes in revaluation surplus	937,853	3,261,118	9,848
(Loss) Gain on investments in equity instruments designated at fair value through other comprehensive income	(6,096,104)	(10,193,304)	9,788,583
Actuarial (loss) gain on defined benefit plans	(1,020,354)	1,579,290	1,336,236
Income taxes relating to components of other comprehensive income	1,129,673	653,142	(2,302,534)
Total other comprehensive income - net	(6,350,343)	(3,049,554)	8,348,884
Total comprehensive income	38,716,541	34,903,121	50,593,206
Net profit attributable to :			
Equity holders of the Bank	42,405,035	35,769,490	38,052,722
Non-controlling interests	2,661,849	2,183,185	4,191,600
Total comprehensive income attributable to :			
Equity holders of the Bank	38,588,102	34,581,998	42,688,718
Non-controlling interests	128,439	321,123	7,904,488
Earnings per share of equity holders of the Bank			
Basic earnings per share (Baht)	17.58	14.78	15.77
Weighted average number of common shares (Thousand shares)	2,369,328	2,369,328	2,369,328



Statements of Profit or Loss and Other Comprehensive Income

KASIKORNBANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Thousand Baht

	<i>The Bank</i>		
	For the year ended 31 December		
	2023	2022	2021
Interest income	152,347,495	123,993,202	110,368,852
Interest expenses	32,453,404	16,802,179	15,283,649
Interest income - net	119,894,091	107,191,023	95,085,203
Fees and service income	44,803,858	44,018,899	42,439,762
Fees and service expenses	16,168,294	14,398,950	12,200,743
Fees and service income - net	28,635,564	29,619,949	30,239,019
Gain on financial instrument measured at fair value through profit or loss	11,550,997	7,848,245	2,892,793
Loss (Gain) on investments	(545,410)	(194,615)	775,773
Dividend income	5,883,664	6,764,357	6,105,074
Other operating income	4,053,451	3,807,905	2,838,069
Total operating income	169,472,357	155,036,864	137,935,931
Other operating expenses			
Employee expenses	27,670,536	23,824,934	24,331,484
Directors' remuneration	104,302	95,400	91,358
Premises and equipment expenses	12,454,831	12,262,847	11,992,177
Taxes and duties	5,982,490	5,284,250	4,783,372
Others	24,594,937	21,916,944	18,557,982
Total other operating expenses	70,807,096	63,384,375	59,756,373
Expected credit loss	49,387,488	51,641,361	38,534,778
Operating profit before income tax expense	49,277,773	40,011,128	39,644,780
Income tax expense	8,456,950	6,294,538	6,751,392
Net profit	40,820,823	33,716,590	32,893,388



Statements of Profit or Loss and Other Comprehensive Income

KASIKORNBANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Thousand Baht

	<i>The Bank</i>		
	For the year ended 31 December		
	2023	2022	2021
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss			
Gain (Loss) on investments in debt instruments measured at fair value through other comprehensive income	1,183,482	(5,405,987)	(2,605,884)
(Loss) Gain on cash flow hedges	(579,563)	3,977,695	960,762
(Loss) Gain arising from translating the financial statements of a foreign operation	(264,887)	720,426	1,723,546
Income taxes relating to components of other comprehensive income	(103,386)	138,619	22,849
Items that will not be reclassified subsequently to profit or loss			
Changes in revaluation surplus	-	3,252,643	-
(Loss) Gain on investments in equity instruments designated at fair value through other comprehensive income	(988,839)	(997,541)	2,100,395
Actuarial (loss) gain on defined benefit plans	(1,018,305)	1,471,592	1,136,504
Income taxes relating to components of other comprehensive income	401,429	(745,339)	(647,380)
Total other comprehensive income - net	(1,370,069)	2,412,108	2,690,792
Total comprehensive income	39,450,754	36,128,698	35,584,180
Earnings per share of equity holders of the Bank			
Basic earnings per share (Baht)	16.91	13.91	13.59
Weighted average number of common shares (Thousand shares)	2,369,328	2,369,328	2,369,328



Statements of Cash Flows

KASIKORNBANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Thousand Baht

	<i>Consolidated</i>		
	For the year ended 31 December		
	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating profit before income tax expense	55,844,712	46,585,207	51,972,841
Adjustments to reconcile profit from operating before income tax expense to cash receipts (payments) from operating activities			
Depreciation and amortisation	8,764,165	8,583,601	7,328,530
Expected credit loss	55,640,738	56,541,162	44,080,429
(Gain) Loss on foreign exchange translation of long-term borrowings	(213,851)	472,411	-
(Gain) Loss on revaluation of financial assets measured at fair value through profit or loss	(2,019,026)	2,613,222	3,397,555
Loss on impairment of properties foreclosed	1,281,560	1,080,504	1,222,028
Loss (Reversal of loss) on impairment of premises and equipment	47,893	(624)	(57,449)
Loss on impairment of other assets	975,592	40,534	272,938
Reversal of loss on revaluation of premises	(3,253)	(29,601)	-
Provision for other assets	(31,508)	(298,223)	(230,548)
Provisions	1,012,467	1,458,781	(610,367)
Loss (Gain) on disposal of investments	586,555	175,261	(817,026)
Loss on the investment in subsidiaries and associates	6,852	600	-
(Gain) loss on disposal of premises and equipment	(13,477)	1,623	(17,772)
Loss on write off of premises and equipment	32,609	30,468	27,393
Loss on write off of other assets	107,511	53	3,696
Share of loss (profit) from investments using equity method	35,464	(114,723)	694,344
	122,055,003	117,140,256	107,266,592
Interest income - net	(148,443,946)	(132,998,355)	(119,390,486)
Dividend income	(3,569,347)	(3,445,695)	(3,309,622)
Proceeds from interest	184,421,568	151,022,885	125,866,147
Interest paid	(29,147,479)	(16,384,632)	(15,037,976)
Proceeds from dividends	3,859,783	3,633,080	3,413,688
Income tax paid	(8,358,083)	(10,615,477)	(12,735,812)
Operating profit before changes in operating assets and liabilities	120,817,499	108,352,062	86,072,531



Statements of Cash Flows

KASIKORNBANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Thousand Baht

	<i>Consolidated</i>		
	For the year ended 31 December		
	2023	2022	2021
(Increase) Decrease in operating assets			
Interbank and money market items (assets)	(67,176,003)	(69,608,246)	8,795,204
Financial assets measured at fair value through profit or loss	969,176	14,135,056	(20,078,583)
Derivative assets	20,334,601	(26,975,037)	21,929,232
Loans to customers	(63,623,137)	(157,210,711)	(218,361,822)
Properties foreclosed	9,011,435	12,752,340	6,294,211
Other assets	(311,076)	(8,180,210)	(6,346,829)
Increase (Decrease) in operating liabilities			
Deposits	(49,562,989)	125,080,049	251,175,049
Interbank and money market items (liabilities)	22,598,553	(37,361,307)	92,055,927
Liabilities payable on demand	6,230,756	(411,077)	(1,093,944)
Financial liabilities measured at fair value through profit or loss	(305,955)	(943,776)	1,327,041
Derivative liabilities	(11,459,515)	16,686,937	(11,498,756)
Short-term debts issued and borrowings	10,335,710	(11,896,275)	13,334,872
Other accrued expenses	1,908,614	139,255	3,436,386
Other liabilities	9,773,641	35,944,868	14,706,279
Net cash provided by operating activities	9,541,310	503,928	241,746,798
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of investments measured at fair value through other comprehensive income	129,899,388	218,706,413	276,129,282
Proceeds from redemption of investments measured at amortised cost	84,082,291	85,829,724	36,638,346
Proceeds from capital decrease and disposal of investments in subsidiaries and associates	18,440	5,640	78
Purchase of investments measured at fair value through other comprehensive income	(107,398,867)	(149,194,157)	(371,528,740)
Purchase of investments measured at amortised cost	(102,129,833)	(107,928,769)	(184,492,499)
Purchase of investments in subsidiaries, associates and joint ventures	(3,597,223)	(11,721,873)	(2,578,291)
Proceeds from disposal of premises and equipment	15,492	50,818	34,618
Purchase of premises and equipment	(3,968,643)	(5,153,118)	(920,674)
Purchase of leasehold	(55,450)	(18,286)	(3,314)
Purchase of intangible assets	(4,873,967)	(4,799,079)	(4,503,185)
Net cash (used in) provided by investing activities	(8,008,372)	25,777,313	(251,224,379)



Statements of Cash Flows

KASIKORNBANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Thousand Baht

	<i>Consolidated</i>		
	For the year ended 31 December		
	2023	2022	2021
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long-term debts issued and borrowings	23,445,181	2,928,947	31,929,703
Repayment of long-term debts issued and borrowings	(21,695,195)	(21,504,326)	(14,499,950)
Cash payment for acquisition of non-controlling interests	31,668	-	-
Dividend paid to shareholders	(9,477,310)	(7,700,315)	(7,107,983)
Dividend paid to non-controlling interests	(493,445)	(489,134)	(466,749)
Cash payment for distribution of other equity instruments	(450,735)	(941,370)	(857,762)
Cash payment for lease liabilities	(1,260,882)	(1,422,014)	(1,515,599)
Net cash (used in) provided by financing activities	(9,900,718)	(29,128,212)	7,481,660
Effect of exchange rate changes on balances held in foreign currencies at the end of the year	(57,334)	(10,161)	5,826
Net decrease in cash	(8,425,114)	(2,857,132)	(1,990,095)
Cash at the beginning of the year	57,114,801	59,971,933	61,962,028
Cash at the end of the year	48,689,687	57,114,801	59,971,933



Statements of Cash Flows

KASIKORNBANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Thousand Baht

	<i>The Bank</i>		
	For the year ended 31 December		
	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating profit before income tax expense	49,277,773	40,011,128	39,644,780
Adjustments to reconcile profit from operating before income tax expense to cash			
receipts (payments) from operating activities			
Depreciation and amortisation	7,411,095	7,350,113	6,305,805
Expected credit loss	52,887,002	56,014,183	42,078,041
(Gain) Loss on revaluation of financial assets measured at fair value through profit or loss	(1,605,230)	(61,288)	4,220,078
Reversal of loss on impairment of investments	(50,000)	-	-
Loss on impairment of properties foreclosed	1,158,555	1,048,381	1,215,149
Loss (Reversal of loss) on impairment of premises and equipment	42,734	(624)	(57,449)
Loss on impairment of other assets	951,854	38,109	272,938
Reversal of loss on revaluation of premises	-	(29,601)	-
Provision for other assets	(32,555)	(304,040)	(230,548)
Provisions	650,369	1,220,627	(816,425)
Loss (Gain) on disposal of investments	589,628	194,616	(775,773)
Loss on the investment in subsidiaries and associates	5,782	-	-
(Gain) Loss on disposal of premises and equipment	(18,100)	1,538	(12,772)
Loss on write off of premises and equipment	17,295	20,187	23,910
Loss on write off of other assets	83,219	53	3,696
	111,369,421	105,503,382	91,871,430
Interest income - net	(119,894,091)	(107,191,023)	(95,085,203)
Dividend income	(5,883,664)	(6,764,357)	(6,105,074)
Proceeds from interest	156,069,369	125,939,756	102,071,797
Interest paid	(26,079,861)	(14,998,191)	(14,651,804)
Proceeds from dividends	5,873,193	6,776,398	6,105,730
Income tax paid	(5,868,189)	(6,892,972)	(9,056,943)
Operating profit before changes in operating assets and liabilities	115,586,178	102,372,993	75,149,933



Statements of Cash Flows

KASIKORNBANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Thousand Baht

	<i>The Bank</i>		
	For the year ended 31 December		
	2023	2022	2021
(Increase) Decrease in operating assets			
Interbank and money market items (assets)	(62,457,591)	(93,182,874)	12,404,901
Financial assets measured at fair value through profit or loss	(2,986,855)	15,707,291	(15,232,792)
Derivative assets	19,646,237	(23,866,791)	17,324,968
Loans to customers	(45,735,992)	(141,224,285)	(201,883,011)
Properties foreclosed	6,691,114	11,304,087	5,535,008
Other assets	4,612,646	(14,630,009)	(4,490,922)
Increase (Decrease) in operating liabilities			
Deposits	(47,892,422)	128,863,005	250,117,751
Interbank and money market items (liabilities)	8,827,732	(44,265,667)	90,715,012
Liabilities payable on demand	6,230,756	(462,077)	(1,093,944)
Derivative liabilities	(12,119,024)	17,226,258	(10,782,742)
Short-term debts issued and borrowings	10,337,714	(11,785,363)	13,831,602
Other accrued expenses	1,419,888	325,125	2,899,901
Other liabilities	(4,929,515)	25,100,544	(7,657,050)
Net cash (used in) provided by operating activities	(2,769,134)	(28,517,763)	226,838,615
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of investments measured at fair value through other comprehensive income	53,185,992	143,634,713	174,990,815
Proceeds from redemption of investments measured at amortised cost	38,330,735	54,519,301	17,460,947
Proceeds from capital decrease and disposal of investments in subsidiaries and associates	4,262,848	-	-
Purchase of investments measured at fair value through other comprehensive income	(19,437,719)	(72,690,450)	(270,241,968)
Purchase of investments measured at amortised cost	(41,544,570)	(44,073,325)	(137,368,964)
Purchase of investments in subsidiaries, associates and joint ventures	(28,727,789)	(22,520,861)	(3,993,690)
Proceeds from disposal of premises and equipment	12,018	8,166	11,038
Purchase of premises and equipment	(2,563,037)	(1,968,207)	(654,595)
Purchase of leasehold	(6,258)	(15,896)	(2,260)
Purchase of intangible assets	(3,231,867)	(2,969,254)	(3,795,459)
Net cash provided by (used in) investing activities	280,353	53,924,187	(223,594,136)



Statements of Cash Flows

KASIKORNBANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Thousand Baht

	<i>The Bank</i>		
	For the year ended 31 December		
	2023	2022	2021
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long-term debts issued and borrowings	23,445,181	2,928,947	18,563,725
Repayment of long-term debts issued and borrowings	(18,356,195)	(21,504,326)	(14,499,950)
Dividend paid to shareholders	(9,477,310)	(7,700,315)	(7,107,983)
Cash payment for distribution of other equity instruments	(450,735)	(941,370)	(857,762)
Cash payment for lease liabilities	(1,053,890)	(1,261,192)	(1,351,596)
Net cash used in by financing activities	(5,892,949)	(28,478,256)	(5,253,566)
Effect of exchange rate changes on balances held in foreign currencies at the end of the year	(5,346)	3,968	9,185
Net decrease in cash	(8,387,076)	(3,067,864)	(1,999,902)
Cash at the beginning of the year	56,852,284	59,920,148	61,920,050
Cash at the end of the year	48,465,208	56,852,284	59,920,148





Attachment

Attachment 1

Details on Board of Directors, Executives,
Controlling Persons, Corporate Secretary
and Chief Financial Officer

Attachment 2

Details on Directorship of Directors
and Executives in Subsidiaries,
Associated Companies, Joint Ventures
and Related Companies

Attachment 3

Details on Internal Audit Head and Compliance Head

Attachment 4

Business Assets
and Details on Asset Valuation

Attachment 5

Policies and Guidelines for Corporate Governance
and Business Ethics (Full Version)

Attachment 6

Report of Board Committees

KBank discloses a full report of attachment of Form 56-1 One Report on the Bank's website, www.kasikornbank.com. It can be viewed in the Investor Relations section, subsection on Financial Information & Reports, category of Financial Reports or scan QR Code.





Attachment 7 Financial Reports

Report of the Board of Directors' Responsibilities for Financial Reports

The Board of Directors of KASIKORNBANK PUBLIC COMPANY LIMITED has reviewed the appropriateness and effectiveness of risk management, internal control, internal audit, and supervision, to be reasonably assured that the financial records are accurate, complete, and adequate to protect the Bank's assets and to prevent any significant operational risk. The Board of Directors has appointed an Audit Committee entirely comprised of independent directors responsible for the quality of the Bank's financial reporting and internal control systems, as well as complete and appropriate disclosure of connected transactions and other processes.

The opinion of the Audit Committee with regard to these matters appears in the Report of the Audit Committee in this Annual Registration Statement and Annual Report 2023 (Form 56-1 One Report). The Board of Directors places importance on fulfilling its duties and responsibilities in supervising the business undertakings of the Bank in compliance with the Statement of Corporate Governance Principles. The Board is held accountable for the consolidated and Bank-only financial statements, including the financial data disclosed in the Form 56-1 One Report.

The Board of Directors is of the view that the Bank has maintained an effective internal control system at an adequate and appropriate level of protection to assure the credibility of the consolidated and Bank-only financial statements presenting the financial positions as of December 31, 2023, as well as the financial performance for the year ending December 31, 2023, in accordance with Thai Financial Reporting Standards and relevant laws and regulations. The financial statements for the year ending December 31, 2023 and the notes to the financial statements have been prepared in accordance with Thai Financial Reporting Standards. Proper accounting policies have been employed and consistently adhered to in the preparation of these financial statements, including careful consideration together with prudent and reasonable estimations. These are transparent and reasonable presentations that reflect a true and fair financial position and performance that is useful to shareholders, investors and analysts. Moreover, the financial statements have been audited by an independent certified public accountant whose unqualified opinions are stated therein.

(Ms. Kattiya Indaravijaya)
Chief Executive Officer

(Mr. Pipit Aneaknithi)
President



Independent Auditor's Report

To the Shareholders of KASIKORNBANK PUBLIC COMPANY LIMITED

Audit Report

Opinion

I have audited the consolidated and the Bank-only financial statements of KASIKORNBANK PUBLIC COMPANY LIMITED and its subsidiaries ("the Bank and its subsidiaries"), and of KASIKORNBANK PUBLIC COMPANY LIMITED ("the Bank"), respectively, which comprise the consolidated and the Bank-only statements of financial position as at 31 December 2023, the consolidated and the Bank-only statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and the Bank-only financial statements present fairly, in all material respects, the financial position of the Bank and its subsidiaries and of the Bank, respectively, as at 31 December 2023 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs) and the regulations of the Bank of Thailand.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and the Bank-only Financial Statements* section of my report. I am independent of the Bank and its subsidiaries and of the Bank in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the consolidated and the Bank-only financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and the Bank-only financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and the Bank-only financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters



Allowance for expected credit loss on loans to customers

For disclosures related to credit risk, loans to customers and allowance for expected credit loss, refer to notes to consolidated and the Bank-only financial statements 3.3.(2), 5, 14 and 16

The Key Audit Matter

As at 31 December 2023, loans to customers represented 58.49% and 66.81% of consolidated and the Bank-only total assets respectively, against which an allowance for expected credit losses of Baht 133,876 million and Baht 126,044 million respectively was provided.

Thai Financial Reporting Standard 9 - Financial Instruments requires the Bank and its subsidiaries to estimate and recognise the impairment of loans to customers using an Expected Credit Loss ("ECL") approach. Management's estimation of ECL on loans to customers measured at amortised cost is based on complex credit models which are dependent on significant management judgements and estimates including the criteria for identifying significant increase in credit risk (SICR), the assessment of probabilities of default (PD), loss given default (LGD) and exposure at default (EAD), the use of macroeconomic factors and qualitative adjustments including the management overlay. In particular, the ongoing economic situation adds further complexity to management's estimation process. Accordingly, it is considered a Key Audit Matter.

How the matter was addressed in my audit

In planning my audit procedures I performed a risk assessment by considering internal and external factors which could affect the performance of individual customers, industry sectors or customer segments, or which could influence the judgments and estimates.

My audit procedures included testing the design and operating effectiveness of selected controls responding to key elements of risk in the credit and impairment process. In particular, I assessed the key controls over the assessment of PD, LGD and EAD assumptions and the development of SICR, macroeconomic factor and qualitative adjustment.

I performed credit review procedures for a sample of loans, including a detailed review of the individual credit profile and other relevant information, from which I formed my own independent assessment. My sample included individually large exposures, loans subject to restructuring and reschedule as well as a selection of loans identified in my risk assessment.

For staging and identification of credit exposures with SICR, I assessed and tested the reasonableness of the transfer criteria applied by the Bank and its subsidiaries for different types of credit exposures. I evaluated if the transfer criteria are consistent with the Bank and its subsidiaries' credit risk management practices.



For the measurement of ECL, I assessed and tested reasonableness of the Bank and its subsidiaries' ECL models, including model input, model design and model performance for significant portfolios. I assessed the reasonableness of macroeconomic factors used and probability-weighted multiple scenarios.

I assessed methodology and data used by the management in the identification and estimation of qualitative adjustments.

I involved our financial risk management specialists in the performance of these procedures where their specific expertise was required including assessment of assumptions and method to derive model parameters.

I involved with IT specialist to test completeness and accuracy of underlying data.

I assessed whether the financial statement disclosures are adequate and appropriately reflect the Bank and its subsidiaries' exposures to credit risk in accordance with Thai Financial Reporting Standards and the regulations of Bank of Thailand.

Valuation of financial instruments in the statements of financial position

For disclosures related to financial instruments and fair values, refer to notes to consolidated and the Bank-only financial statements 3.15, 5 and 29

The Key Audit Matter

As at 31 December 2023, financial instruments recorded at fair value in the consolidated financial statements amounted to Baht 395,629 million for assets and Baht 94,884 million for liabilities. In the Bank-only financial statements, these two accounts amounted to 265,995 million and Baht 94,385 million respectively.

Of these amounts, as at 31 December 2023, financial assets and liabilities designated at level 2 and 3 fair value in the consolidated financial statements amounted to Baht 294,359 million and Baht 94,845 million respectively, and in the Bank-only financial statements, they amounted to Baht 236,758 million and Baht 94,385 million respectively, for which the fair value is based upon inputs other than quoted prices in active markets or valuation techniques incorporating those inputs. Therefore, judgment is applied in the estimation of fair values. This can lead to a higher risk that the amounts of financial instruments shown in the statement of financial position may be mispriced. Accordingly, it is considered a Key Audit Matter.



How the matter was addressed in my audit

In planning my audit procedures, I performed a risk assessment by considering the factors which could affect the fair value of financial instruments, both in terms of the inputs used for valuation and the appropriateness of valuation techniques applied.

For financial instruments I checked for a selection that pricing inputs, for example interest rate, foreign exchange rate, and equity price, used were externally sourced and were correctly input into pricing models. I used my own valuation specialists to assess that the models were appropriate, and they valued a selection of the Bank and its subsidiaries' equity securities, debt securities, and derivative positions independently and compared their valuation to the Bank and its subsidiaries' valuation.

I assessed whether the financial statement disclosures are adequate in accordance with Thai Financial Reporting Standards and the regulations of Bank of Thailand.

Valuation of life insurance policy reserves

For disclosures related to life insurance policy reserves, refer to notes to consolidated financial statements 3.14, 5 and 26.

The Key Audit Matter

As at 31 December 2023, insurance contract liabilities recorded in respect of a subsidiary in the consolidated financial statements amounted to Baht 529,301 million, mainly the long-term technical reserves (approximately 98.71% of insurance contract liabilities). The valuation of these reserves is based on actuarial methodologies and assumptions that involve significant complex judgments about future events which could materially affect the amount of the recorded liability and expense. Accordingly it is considered a Key Audit Matter.

How the matter was addressed in my audit

In planning my audit procedures, I performed a risk assessment by considering factors which could affect the major valuation assumptions and controls framework. These major assumptions include economic assumptions such as investment returns and discount rates and non-economic assumptions such as mortality and persistency.

My audit procedures, with the assistance of my actuarial specialists, include assessments of the methodology and assumptions used in calculating the reserves and testing the significant inputs included evaluating the design, implementation and operating effectiveness of selected controls over the actuarial assumptions, data and the valuation process.



I considered, in particular, the validity of management's liability adequacy testing, including assessing the reasonableness of the discount rate adopted, projected cash flows, and of the assumptions adopted in the context of the subsidiary's experience, specific product features and industry practice. The discount rates adopted by management are consistent with market practice.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and the Bank-only financial statements and my auditor's report thereon.

My opinion on the consolidated and the Bank-only financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and the Bank-only financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and the Bank-only financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.

Responsibilities of Management and Those Charged with Governance for the Consolidated and the Bank-only Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and the Bank-only financial statements in accordance with TFRSs and the regulations of Bank of Thailand, and for such internal control as management determines is necessary to enable the preparation of consolidated and the Bank-only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and the Bank-only financial statements, management is responsible for assessing the Bank and its subsidiaries' and the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank and its subsidiaries and the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank and its subsidiaries' and the Bank's financial reporting process.

*Auditor's Responsibilities for the Audit of the Consolidated and the Bank-only Financial Statements*

My objectives are to obtain reasonable assurance about whether the consolidated and the Bank-only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and the Bank-only financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and the Bank-only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank and its subsidiaries' and of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank and its subsidiaries' and the Bank's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and the Bank-only financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Bank and its subsidiaries and the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and the Bank-only financial statements, including the disclosures, and whether the consolidated and the Bank-only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Bank and its subsidiaries to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and the Bank-only financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



KPMG Phoomchai Audit Ltd.

Bangkok

29 February 2024

(Sureerat Thongarunsang)

Certified Public Accountant

Registration No. 4409



Financial Statements and Notes to the Financial Statements

Statements of Financial Position

KASIKORNBANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Thousand Baht

	Note	Consolidated		The Bank	
		31 December 2023	31 December 2022	31 December 2023	31 December 2022
ASSETS					
Cash		48,689,687	57,114,801	48,465,208	56,852,284
Interbank and money market items - net	9	569,008,240	502,535,945	575,410,771	513,260,804
Financial assets measured at fair value through profit or loss	10	48,295,155	47,263,976	25,026,087	20,423,350
Derivative assets	11	44,697,550	65,032,151	41,461,971	60,475,712
Investments - net	12	963,305,284	973,358,035	360,979,078	393,408,762
Investments in subsidiaries, associates and joint ventures - net	13	11,279,267	8,818,550	88,111,542	64,234,879
Loans to customers and accrued interest receivables - net	14	2,371,491,768	2,377,773,934	2,246,758,096	2,269,748,835
Properties foreclosed - net	17	54,752,757	51,007,012	53,805,584	50,083,425
Premises and equipment - net	18	59,945,507	60,098,414	44,482,081	45,520,901
Goodwill and other intangible assets - net	19	28,405,107	26,996,479	17,182,746	18,132,732
Deferred tax assets	20	10,174,107	8,536,452	7,779,396	6,814,924
Other assets - net		73,511,952	67,833,133	41,885,422	42,456,635
Total Assets		4,283,556,381	4,246,368,882	3,551,347,982	3,541,413,243



Statements of Financial Position

KASIKORNBANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Thousand Baht					
		Consolidated		The Bank	
	Note	31 December 2023	31 December 2022	31 December 2023	31 December 2022
LIABILITIES AND EQUITY					
Deposits	21	2,699,562,045	2,748,684,528	2,671,734,442	2,719,710,100
Interbank and money market items	22	179,206,713	155,239,770	166,282,327	157,992,319
Liabilities payable on demand		31,119,145	24,887,230	31,119,145	24,887,230
Financial liabilities measured at fair value through profit or loss	23	364,126	670,081	-	-
Derivative liabilities	11	42,061,983	53,959,439	41,725,172	53,837,360
Debts issued and borrowings	24	81,572,464	67,897,113	71,788,822	54,047,731
Provisions	25	33,798,704	31,683,474	30,766,343	29,002,961
Deferred tax liabilities	20	359,640	271,591	-	-
Insurance contract liabilities	26	529,301,474	513,477,884	-	-
Customer balance from security business		23,089,459	20,993,893	-	-
Other liabilities		66,285,316	61,524,445	62,032,134	55,254,323
Total Liabilities		<u>3,686,721,069</u>	<u>3,679,289,448</u>	<u>3,075,448,385</u>	<u>3,094,732,024</u>
Equity					
Share capital					
Authorized share capital					
3,024,682,097 common shares, Baht 10 par value		<u>30,246,821</u>	<u>30,246,821</u>	<u>30,246,821</u>	<u>30,246,821</u>
Issued and paid-up share capital					
2,369,327,593 common shares, Baht 10 par value		23,693,276	23,693,276	23,693,276	23,693,276
Premium on common shares		18,103,110	18,103,110	18,103,110	18,103,110
Other equity instruments	31	15,549,174	15,549,174	15,549,174	15,549,174
Other reserves		17,566,303	20,889,729	19,052,894	19,897,560
Retained earnings					
Appropriated					
Legal reserve	32	3,050,000	3,050,000	3,050,000	3,050,000
Unappropriated		454,322,906	421,984,592	396,451,143	366,388,099
Total Equity attributable to equity holders of the Bank		<u>532,284,769</u>	<u>503,269,881</u>	<u>475,899,597</u>	<u>446,681,219</u>
Non-controlling interests		64,550,543	63,809,553	-	-
Total Equity		<u>596,835,312</u>	<u>567,079,434</u>	<u>475,899,597</u>	<u>446,681,219</u>
Total Liabilities and Equity		<u>4,283,556,381</u>	<u>4,246,368,882</u>	<u>3,551,347,982</u>	<u>3,541,413,243</u>

(Ms. Kattiya Indaravijaya)
Chief Executive Officer

(Mr. Pipit Aneaknithi)
President



Statements of Profit or Loss and Other Comprehensive Income

KASIKORNBANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Thousand Baht

	Note	Consolidated		The Bank	
		For the year ended 31 December		For the year ended 31 December	
		2023	2022	2023	2022
Interest income	40	183,608,339	151,332,681	152,347,495	123,993,202
Interest expenses	41	35,164,393	18,334,326	32,453,404	16,802,179
Interest income - net		148,443,946	132,998,355	119,894,091	107,191,023
Fees and service income		48,620,493	48,345,142	44,803,858	44,018,899
Fees and service expenses		17,439,684	15,462,889	16,168,294	14,398,950
Fees and service income - net	42	31,180,809	32,882,253	28,635,564	29,619,949
Gain on financial instrument measured at fair value through profit or loss	43	12,123,319	5,053,081	11,550,997	7,848,245
Loss on investments	44	(587,625)	(130,479)	(545,410)	(194,615)
Share of (loss) profit from investments using equity method		(35,464)	114,723	-	-
Dividend income		3,569,347	3,445,695	5,883,664	6,764,357
Net premiums earned		67,673,532	66,056,237	-	-
Other operating income		3,057,715	2,122,501	4,053,451	3,807,905
Total operating income		265,425,579	242,542,366	169,472,357	155,036,864
Underwriting expenses		72,771,958	69,284,761	-	-
Total operating income - net		192,653,621	173,257,605	169,472,357	155,036,864
Other operating expenses					
Employee expenses		40,274,282	34,602,347	27,670,536	23,824,934
Directors' remuneration		163,110	154,280	104,302	95,400
Premises and equipment expenses		11,387,865	11,407,579	12,454,831	12,262,847
Taxes and duties		6,744,367	5,967,475	5,982,490	5,284,250
Others		26,398,790	22,621,261	24,594,937	21,916,944
Total other operating expenses		84,968,414	74,752,942	70,807,096	63,384,375
Expected credit loss	45	51,840,495	51,919,456	49,387,488	51,641,361
Operating profit before income tax expense		55,844,712	46,585,207	49,277,773	40,011,128
Income tax expense	46	10,777,828	8,632,532	8,456,950	6,294,538
Net profit		45,066,884	37,952,675	40,820,823	33,716,590



Statements of Profit or Loss and Other Comprehensive Income

KASIKORNBANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

	Thousand Baht				
	Consolidated		The Bank		
	For the year ended 31 December		For the year ended 31 December		
Note	2023	2022	2023	2022	
Other comprehensive income					
Items that will be reclassified subsequently to profit or loss					
Gain (Loss) on investments in debt instruments measured at fair value through other comprehensive income		1,168,050	(5,700,230)	1,183,482	(5,405,987)
(Loss) Gain on cash flow hedges		(1,989,673)	7,561,285	(579,563)	3,977,695
(Loss) Gain arising from translating the financial statements of a foreign operation		(649,848)	315,228	(264,887)	720,426
Income taxes relating to components of other comprehensive income		170,060	(526,083)	(103,386)	138,619
Items that will not be reclassified subsequently to profit or loss					
Changes in revaluation surplus		937,853	3,261,118	-	3,252,643
Loss on investments in equity instruments designated at fair value through other comprehensive income		(6,096,104)	(10,193,304)	(988,839)	(997,541)
Actuarial (loss) gain on defined benefit plans	25	(1,020,354)	1,579,290	(1,018,305)	1,471,592
Income taxes relating to components of other comprehensive income		1,129,673	653,142	401,429	(745,339)
Total other comprehensive income - net		(6,350,343)	(3,049,554)	(1,370,069)	2,412,108
Total comprehensive income		38,716,541	34,903,121	39,450,754	36,128,698
Net profit attributable to :					
Equity holders of the Bank		42,405,035	35,769,490	40,820,823	33,716,590
Non-controlling interests		2,661,849	2,183,185	-	-
Total comprehensive income attributable to :					
Equity holders of the Bank		38,588,102	34,581,998	39,450,754	36,128,698
Non-controlling interests		128,439	321,123	-	-
Earnings per share of equity holders of the Bank					
Basic earnings per share (Baht)		17.58	14.78	16.91	13.91
Weighted average number of common shares (Thousand shares)		2,369,328	2,369,328	2,369,328	2,369,328

(Ms. Kattiya Indaravijaya)
Chief Executive Officer

(Mr. Pipit Aneaknithi)
President



Statements of Changes in Equity

KASIKORNBANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Note	Thousand Baht Consolidated													
	Issued and Paid-up Share Capital	Premium on Share Capital	Other Equity Instruments (Note 31)	Appraisal (Deficit) Surplus on Asset Revaluation	Revaluation Surplus (Deficit) on Investments Measured at Fair Value through Other Comprehensive Income	Revaluation Surplus (Deficit) on Investments in Equity Instruments Designated at Fair Value through Other Comprehensive Income	Other Reserves	Cash Flow Hedge Reserve	Gain (Loss) from Translating the Financial Statements of Foreign Operation	Total Reserves	Appropriated Legal Reserve	Unappropriated Reserve	Total Equity Attributable to Equity Holders of the Bank	Non-controlling Interests
	23,693,276	18,103,110	15,546,174	16,628,046	1,115,245	5,124,932	12,676	673,423	23,554,442	3,050,000	392,763,308	476,713,710	59,961,310	536,675,020
33	-	-	-	-	-	-	-	-	-	-	(7,700,315)	(7,700,315)	(489,134)	(8,189,449)
31	-	-	-	-	-	-	-	-	-	-	(753,096)	(753,096)	-	(753,096)
	-	-	-	-	-	-	-	-	-	-	3,257,069	3,257,069	-	3,257,069
	-	-	-	-	-	-	-	-	-	-	35,769,490	35,769,490	2,183,185	37,952,675
	-	-	-	2,898,884	(4,426,579)	(5,048,128)	4,278,247	183,172	(2,424,394)	1,236,902	-	(1,187,492)	(1,962,902)	(3,649,554)
	-	-	-	2,898,884	(4,426,579)	(5,048,128)	4,278,247	183,172	(2,424,394)	37,006,392	-	34,581,998	32,1123	34,903,121
	-	-	-	(240,719)	-	-	-	-	(240,719)	-	-	240,719	-	-
	-	-	-	-	-	-	-	-	-	-	427,584	427,584	793,185	1,196,769
	23,693,276	18,103,110	15,546,174	18,982,221	(3,311,034)	76,824	4,291,123	836,995	20,889,729	3,050,000	421,984,592	503,289,881	63,809,553	567,079,434
	23,693,276	18,103,110	15,546,174	18,982,221	(3,311,034)	76,824	4,291,123	836,995	20,889,729	3,050,000	421,984,592	503,289,881	63,809,553	567,079,434
33	-	-	-	-	-	-	-	-	-	-	(9,477,310)	(9,477,310)	(493,445)	(9,970,755)
31	-	-	-	-	-	-	-	-	-	-	(746,279)	(746,279)	-	(746,279)
	-	-	-	-	-	-	-	-	-	-	-	-	38,206	38,206
	-	-	-	-	-	-	-	-	-	-	42,405,035	42,405,035	2,661,849	45,066,884
	-	-	-	283,650	963,281	(2,724,321)	(898,493)	(630,417)	(2,986,900)	-	(650,053)	(3,636,953)	(2,553,410)	(6,590,363)
	-	-	-	283,650	963,281	(2,724,321)	(898,493)	(630,417)	(2,986,900)	-	41,585,002	38,589,102	128,439	38,718,541
	-	-	-	(326,526)	-	-	-	-	(326,526)	-	326,526	-	-	-
	-	-	-	-	-	-	-	-	-	-	650,375	650,375	1,067,790	1,718,165
	23,693,276	18,103,110	15,546,174	18,982,745	(2,347,753)	(2,647,497)	3,392,630	206,178	17,566,303	3,050,000	454,322,996	532,884,769	64,550,543	596,935,312

The accompanying notes are an integral part of these financial statements.



Statements of Changes in Equity

KASIKORNBANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

	Thousand Baht											
	The Bank											
	Issued and Paid-up Share Capital	Premium on Share Capital	Other Equity Instruments (Note 31)	Appraisal Surplus on Asset Revaluation	Revaluation Surplus (Deficit) on Investments in Debt Instruments Measured at Fair Value through Other Comprehensive Income	Revaluation Surplus (Deficit) on Investments in Equity Instruments Designated at Fair Value through Other Comprehensive Income	Cash Flow Hedge Reserve	Gain (Loss) from Translating the Financial Statements of Foreign Operation	Total Reserves	Retained Earnings		Total
Appropriated Legal Reserve										Unappropriated		
Year ended 31 December 2022												
Balance at 1 January 2022	23,693,276	18,103,110	15,549,174	15,325,488	974,852	1,646,848	(56,550)	986,638	18,877,268	3,050,000	339,729,967	419,002,795
Dividend paid	-	-	-	-	-	-	-	-	-	-	(7,700,315)	(7,700,315)
Distribution of other equity instruments	-	-	-	-	-	-	-	-	-	-	(753,096)	(753,096)
Net profit	-	-	-	-	-	-	-	-	-	-	33,716,590	33,716,590
Other comprehensive income	-	-	-	2,602,114	(4,324,789)	(796,032)	3,182,156	573,385	1,234,834	-	1,177,274	2,412,108
Total comprehensive income	-	-	-	2,602,114	(4,324,789)	(796,032)	3,182,156	573,385	1,234,834	-	34,893,864	36,126,698
Transferred to retained earnings	-	-	-	(214,542)	-	-	-	-	(214,542)	-	214,542	-
Others	-	-	-	-	-	-	-	-	-	-	3,137	3,137
Balance at 31 December 2022	23,693,276	18,103,110	15,549,174	17,713,060	(3,349,937)	848,816	3,125,598	1,560,023	19,897,560	3,050,000	366,386,099	446,881,219
Year ended 31 December 2023												
Balance at 1 January 2023	23,693,276	18,103,110	15,549,174	17,713,060	(3,349,937)	848,816	3,125,598	1,560,023	19,897,560	3,050,000	366,386,099	446,881,219
Dividend paid	-	-	-	-	-	-	-	-	-	-	(9,477,310)	(9,477,310)
Distribution of other equity instruments	-	-	-	-	-	-	-	-	-	-	(746,279)	(746,279)
Net profit	-	-	-	-	-	-	-	-	-	-	40,820,823	40,820,823
Other comprehensive income	-	-	-	-	946,785	(791,071)	(463,651)	(247,489)	(555,426)	-	(614,643)	(1,370,069)
Total comprehensive income	-	-	-	-	946,785	(791,071)	(463,651)	(247,489)	(555,426)	-	40,006,180	39,450,754
Transferred to retained earnings	-	-	-	(289,240)	-	-	-	-	(289,240)	-	289,240	-
Others	-	-	-	-	-	-	-	-	-	-	(8,787)	(8,787)
Balance at 31 December 2023	23,693,276	18,103,110	15,549,174	17,423,820	(2,403,152)	57,745	2,661,947	1,312,534	19,052,894	3,050,000	396,451,143	475,895,597

(Ms. Kattiya Indaravijaya)
Chief Executive Officer

(Mr. Pipit Aneaknithi)
President



Statements of Cash Flows

KASIKORNBANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Thousand Baht

Note	Consolidated		The Bank	
	For the year ended 31 December		For the year ended 31 December	
	2023	2022	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating profit before income tax expense	55,844,712	46,585,207	49,277,773	40,011,128
<i>Adjustments to reconcile profit from operating before income tax expense to cash receipts (payments) from operating activities</i>				
Depreciation and amortisation	8,764,165	8,583,601	7,411,095	7,350,113
Expected credit loss	55,640,738	56,541,162	52,887,002	56,014,183
(Gain) Loss on foreign exchange translation of long-term borrowings	(213,851)	472,411	-	-
(Gain) Loss on revaluation of financial assets measured at fair value through profit or loss	(2,019,026)	2,613,222	(1,605,230)	(61,288)
Reversal of loss on impairment of investments	-	-	(50,000)	-
Loss on impairment of properties foreclosed	1,281,560	1,080,504	1,158,555	1,048,381
Loss (Reversal of loss) on impairment of premises and equipment	47,893	(624)	42,734	(624)
Loss on impairment of other assets	975,592	40,534	951,854	38,109
Reversal of loss on revaluation of premises	(3,253)	(29,601)	-	(29,601)
Provision for other assets	(31,508)	(298,223)	(32,555)	(304,040)
Provisions	1,012,467	1,458,781	650,369	1,220,627
Loss on disposal of investments	586,555	175,261	589,628	194,616
Loss on the investment in subsidiaries and associates	6,852	600	5,782	-
(Gain) Loss on disposal of premises and equipment	(13,477)	1,623	(18,100)	1,538
Loss on write off of premises and equipment	32,609	30,468	17,295	20,187
Loss on write off of other assets	107,511	53	83,219	53
Share of loss (gain) from investments using equity method	35,464	(114,723)	-	-
	122,055,003	117,140,256	111,369,421	105,503,382
Interest income - net	(148,443,946)	(132,998,355)	(119,894,091)	(107,191,023)
Dividend income	(3,569,347)	(3,445,695)	(5,883,664)	(6,764,357)
Proceeds from interest	184,421,568	151,022,885	156,069,369	125,939,756
Interest paid	(29,147,479)	(16,384,632)	(26,079,861)	(14,998,191)
Proceeds from dividends	3,859,783	3,633,080	5,873,193	6,776,398
Income tax paid	(8,358,083)	(10,615,477)	(5,868,189)	(6,892,972)
Operating profit before changes in operating assets and liabilities	120,817,499	108,352,062	115,586,178	102,372,993
(Increase) Decrease in operating assets				
Interbank and money market items (assets)	(67,176,003)	(69,608,246)	(62,457,591)	(93,182,874)
Financial assets measured at fair value through profit or loss	969,176	14,135,056	(2,986,855)	15,707,291
Derivative assets	20,334,601	(26,975,037)	19,646,237	(23,866,791)
Loans to customers	(63,623,137)	(157,210,711)	(45,735,992)	(141,224,285)
Properties foreclosed	9,011,435	12,752,340	6,691,114	11,304,087
Other assets	(311,076)	(8,180,210)	4,612,646	(14,630,009)



Statements of Cash Flows

KASIKORNBANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

	Thousand Baht			
	Consolidated		The Bank	
	For the year ended 31 December		For the year ended 31 December	
Note	2023	2022	2023	2022
Increase (Decrease) in operating liabilities				
Deposits	(49,562,989)	125,080,049	(47,892,422)	128,863,005
Interbank and money market items (liabilities)	22,598,553	(37,361,307)	8,827,732	(44,265,667)
Liabilities payable on demand	6,230,756	(411,077)	6,230,756	(462,077)
Financial liabilities measured at fair value through profit or loss	(305,955)	(943,776)	-	-
Derivative liabilities	(11,459,515)	16,686,937	(12,119,024)	17,226,258
Short-term debts issued and borrowings	10,335,710	(11,896,275)	10,337,714	(11,785,363)
Other accrued expenses	1,908,614	139,255	1,419,888	325,125
Other liabilities	9,773,641	35,944,868	(4,929,515)	25,100,544
Net cash provided by (used in) operating activities	9,541,310	503,928	(2,769,134)	(28,517,763)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from disposal of investments measured at fair value through other comprehensive income	129,899,388	218,706,413	53,185,992	143,634,713
Proceeds from redemption of investments measured at amortised cost	84,082,291	85,829,724	38,330,735	54,519,301
Proceeds from capital decrease and disposal of investments in subsidiaries and associates	18,440	5,640	4,262,848	-
Purchase of investments measured at fair value through other comprehensive income	(107,398,867)	(149,194,157)	(19,437,719)	(72,690,450)
Purchase of investments measured at amortised cost	(102,129,833)	(107,928,769)	(41,544,570)	(44,073,325)
Purchase of investments in subsidiaries, associates and joint ventures	(3,597,223)	(11,721,873)	(28,727,789)	(22,520,861)
Proceeds from disposal of premises and equipment	15,492	50,818	12,018	8,166
Purchase of premises and equipment	(3,968,643)	(5,153,118)	(2,563,037)	(1,968,207)
Purchase of leasehold	(55,450)	(18,286)	(6,258)	(15,896)
Purchase of intangible assets	(4,873,967)	(4,799,079)	(3,231,867)	(2,969,254)
Net cash (used in) provided by investing activities	(8,008,372)	25,777,313	280,353	53,924,187
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from long-term debts issued and borrowings	23,445,181	2,928,947	23,445,181	2,928,947
Repayment of long-term debts issued and borrowings	(21,695,195)	(21,504,326)	(18,356,195)	(21,504,326)
Cash payment for acquisition of non-controlling interests	31,668	-	-	-
Dividend paid to shareholders	(9,477,310)	(7,700,315)	(9,477,310)	(7,700,315)
Dividend paid to non-controlling interests	(493,445)	(489,134)	-	-
Cash payment for distribution of other equity instruments	(450,735)	(941,370)	(450,735)	(941,370)
Cash payment for lease liabilities	(1,260,882)	(1,422,014)	(1,053,890)	(1,261,192)
Net cash used in financing activities	(9,900,718)	(29,128,212)	(5,892,949)	(28,478,256)
Effect of exchange rate changes on balances held in foreign currencies at the end of the year	(57,334)	(10,161)	(5,346)	3,968
Net decrease in cash	(8,425,114)	(2,857,132)	(8,387,076)	(3,067,864)
Cash at the beginning of the year	57,114,801	59,971,933	56,852,284	59,920,148
Cash at the end of the year	48,689,687	57,114,801	48,465,208	56,852,284

(Ms. Kattiya Indaravijaya)
Chief Executive Officer

(Mr. Pipit Aneaknithi)
President



Notes to the Financial Statements

KASIKORNBANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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Notes to the Financial Statements

KASIKORNBANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEARS ENDED 31 DECEMBER 2023 AND 2022

These notes to the financial statements form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorized for issue by the Board of Directors on 29 February 2024.

1 GENERAL INFORMATION

KASIKORNBANK PUBLIC COMPANY LIMITED, (“the Bank”), is a registered public company located in the Kingdom of Thailand and listed on the Stock Exchange of Thailand on 9 February 1976. The registered office of the Bank is at 400/22 Phahon Yothin Road, Sam Sen Nai Sub-District, Phaya Thai District, Bangkok.

The principal activity of the Bank is commercial banking and the Bank conducts its businesses through a network of branches covering all parts of Thailand, branches in Hong Kong Special Administrative Region of the People's Republic of China, Cayman Islands, Kingdom of Cambodia and the Socialist Republic of Vietnam and subsidiaries companies in Thailand, People's Republic of China, Lao People's Democratic Republic, Republic of Singapore, the Socialist Republic of Vietnam and Indonesia. Details of the Company's subsidiaries, associated companies and joint ventures as 31 December 2023 and 2022 are given in note 13.

2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”), guidelines promulgated by the Thailand Federation of Accounting Professions (“TFAC”), applicable rules and regulations of the Thai Securities and Exchange Commission (“SEC”) and Stock Exchange of Thailand (“SET”) and with the Bank of Thailand (“BOT”) notification number SOR NOR SOR 21/ 2561, directive dated 31 October 2018, regarding the “Preparation and announcement of the financial statements of commercial banks and holding companies which are a parent company of a group of companies offering financial services”, any other supplementary BOT notifications.

b) Basis of measurement

The financial statements have been prepared on the historical cost basis except the following material items in the statements of financial position:

- derivatives* are measured at fair value;
- financial instruments at fair value through profit or loss are measured at fair value;
- financial assets measured at fair value through other comprehensive income are measured at fair value;
- premises are measured at revalued amounts;
- employee retirement benefit have been measured at their present value.

* except for derivatives used for dynamic hedge



c) **Functional and presentation currencies**

The financial statements are prepared and presented in Thai Baht, which is the Bank's functional currency.

d) **Use of estimates and judgements**

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

The Bank and its subsidiaries' expected credit loss calculations are based on models with a series of underlying assumptions. The significant management judgements and estimates in determining expected credit loss include criteria for assessing if there has been a significant increase in credit risk and development of expected credit loss models, including the choice of inputs relating to macroeconomic variables.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in note 3 "significant accounting policies" and in the following notes:

Note	4	Business combinations
	10	Financial assets measured at fair value through profit or loss
	11	Derivatives
	12	Investments - net
	16	Allowance for expected credit loss
	23	Financial liabilities measured at fair value through profit or loss
	26	Insurance contract liabilities
	29	Fair value of assets and liabilities



3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Basis of consolidation

The consolidated financial statements relate to the Bank and its subsidiaries (“the Group”) and the Group interests in associates and joint ventures.

Business combinations

The Group apply the acquisition method for all business combinations when control is transferred to the Group, other than those with entities under common control.

Business combinations are accounted for under the acquisition method. The cost of an acquisition is measured at the fair value of the assets transferred, equity securities issued and identifiable liabilities assumed at the date of exchange.

Control is the power to govern the financial and operating policies of an entity that expose it to variable returns. In assessing control, the Bank and its subsidiaries take into consideration potential voting rights that currently are exercisable.

Step acquisition

When a business combination is achieved in stages, the Bank and its subsidiaries’ previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

Goodwill in a business combination

Goodwill in a business combination represents the excess of the cost of acquisition over the fair value of the Bank’s share of the identifiable net assets acquired, all measured as of the acquisition date. Any gain on bargain purchase is recognised in profit or loss immediately.

Acquisitions from entities under common control

Business combination under common control are accounted for using a method similar to the pooling of interest method. Under that method the acquirer recognizes assets and liabilities of the acquired businesses at their carrying amounts in the consolidated financial statements of the Bank at the moment of the transaction. The difference between the carrying amount of the acquired net assets and the consideration transferred is recognized as surplus or discount



from business combinations under common control in shareholder's equity. The surplus or discount will be transferred to retained earnings upon divestment of the businesses acquired.

The results from operations of the acquired businesses will be included in the consolidated financial statements of the acquirer from the beginning of the comparative period or the moment the businesses came under common control, whichever date is later, until control ceases.

Subsidiaries

Subsidiaries are entities controlled by the Bank and its subsidiaries. Control exists when the Bank and its subsidiaries is exposed to, or has rights to, variable returns from their involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date that control ceases. The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Bank.

Non-controlling interest (NCI)

At the acquisition date, the Bank and its subsidiaries measures any non-controlling interest at its proportionate interest in the identifiable net asset of the acquiree.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

The Bank holds less than half of the voting rights in Muang Thai Life Assurance PCL, a consolidated subsidiary. The company is consolidated on the basis of formal agreements in place which provide the Bank with the power to govern the financial and operating policies of the company that expose it to variable returns.

Associated companies and joint venture

Associated companies are those entities in which the Bank and its subsidiaries have significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interest in associated companies and joint venture are accounted for in the consolidated financial statements using the equity method and are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and other comprehensive income of the Item, until the date that significant influence or joint control ceases. When the Bank and its subsidiaries' share of losses exceeds its interest in an associate and joint venture, the Bank and its subsidiaries' carrying amount together with any long-term interests is reduced to nil and recognition of further losses is discontinued except to the extent that the Bank and its subsidiaries have incurred legal or constructive obligations or made payments on behalf of the associated company and joint venture.

*Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates are eliminated against the investment to the extent of the Bank and its subsidiaries' interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

The consolidated financial statements include the accounts of the Head Office, all domestic and overseas branches and subsidiaries. All inter-company transactions and balances within this Group have been eliminated.

3.2 Cash

Cash represents cash in hand and cash on collection.

The Bank recognises and derecognises such items in these financial statements on the settlement date.

3.3 Financial instruments

1) Financial assets and financial liabilities

Recognition and initial measurement

The Bank and its subsidiaries initially recognise non-derivative financial assets and liabilities on the settlement date, except for securities subsidiaries which initially recognise on trade date, under the regular way of purchases and sales with the delivery within time period established by regulation or market convention which account for changes in the fair value and interest calculation of financial asset or liability on the settlement date while derivative is recognised on trade date.

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL).

A debt instrument will be classified as financial asset measured at amortised cost if it meets both of the following conditions:

- The Bank and its subsidiaries held the financial asset within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



In case the Bank and its subsidiaries do not designate a debt instrument as at fair value through profit or loss, it is measured at fair value through other comprehensive income only if it meets both of the following conditions;

- The Bank and its subsidiaries held the financial asset within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Bank and its subsidiaries may irrevocably elect to present subsequent changes in fair value in other comprehensive income and gain or loss from selling cannot be recognized in profit or loss. This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at fair value through profit or loss. In addition, on initial recognition, the Bank and its subsidiaries may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

The Bank and its subsidiaries makes an assessment of the objective of a business model in which an asset is held at a portfolio level because these best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies objectives and strategy for the portfolio and the operation of those policies in practice;
- Evaluation the performance of the portfolio and reported to the management;
- The risks that affect the performance of the business model and the financial assets held within that business model and how those risks are managed; and
- The frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity.

Business model of financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL.



Assessment whether contractual cash flows are solely payments of principal and interest

Principal is defined as the fair value of the financial asset on initial recognition. Interest is defined as consideration for the time value of money, credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs e.g. liquidity risk and administrative costs. In assessing whether the contractual cash flows are solely payments of principal and interest, the Bank and its subsidiaries considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Reclassification

Financial assets do not classify after initial recognition except financial assets which is debt instruments. The Bank and its subsidiaries will reclassify a debt instrument when they change business model for managing financial assets resulted from a change in operating structure.

Financial liabilities

Financial liabilities are debts issued that have contractual obligation to pay principal or interest before liquidation. The Bank and its subsidiaries classify its financial liabilities, other than financial guarantees and loan commitments, as measured at amortised cost or FVTPL.

2) Impairment of financial asset

Measurement

Expected credit losses are computed as unbiased, probability-weighted amounts which are determined by evaluating a range of reasonably possible outcomes, the time value of money, and considering all reasonable and supportable information. This includes macroeconomic forward-looking information.

The estimate of expected cash shortfalls is determined by multiplying the probability of default (PD) with the loss given default (LGD) with the expected exposure at the time of default (EAD).

Forward-looking macroeconomic factors are incorporated into the PD, LGD and EAD where relevant and where they have been identified to influence credit risk, such as GDP growth rates, interest rates and house price indices among others. These factors are determined using all reasonable and supportable information.

Cash shortfalls are discounted using the effective interest rate on the acquired date of financial assets.



Expected Credit Loss Recognition – Staging

Stage 1 Performing

Performing assets are financial assets that are initially recognised or have no significant increase in credit risk (SICR) since recognised or have no credit impaired or financial instruments which considered to have low credit risk at reporting date. Nevertheless, these do not include financial assets that are credit-impaired on initial recognition (POCI). Expected credit losses represent the lifetime cash shortfalls arising from possible default events up to 12 months into the future from the reporting date.

Stage 2 Under-performing

SICR is assessed by comparing the risk of default of an exposure at the reporting date to the risk of default at recognition date, the significance of which being determined by using a number of quantitative and qualitative factors.

Financial assets that exceed 30 days past due and not credit-impaired will always be considered to have experienced a significant increase in credit risk.

Quantitative factors include the number of days past due and a comparison of credit risk indicators with predetermined thresholds. Qualitative factors assessed include those linked to current credit risk management processes, such as lending placed on internal watch-lists and subject to closer monitoring. Indicators could include weak operating results or observed liquidity issues among a number of other qualitative factors.

Stage 3 Non-performing

Financial assets that are credit impaired or in default represent those that exceed 90 days past due in respect of principal or interest or the customers are unlikely to pay.

Evidence that a financial asset is credit impaired includes observable data about the following events:

- Significant financial difficulty of the issuer or borrower;
- Breach of contract such as default or a past due event;
- It is becoming highly probable that the borrower will enter bankruptcy or other financial reorganization;
- The disappearance of an active market for the applicable financial asset due to financial difficulties of the borrower; or
- Purchase or origination of a financial asset at a deep discount that reflects incurred credit losses.

Stage 2 and stage 3 financial assets can be reclassified to performing assets when there is no indicator to be classified as stage 2 and stage 3 financial assets. Expected credit losses of stage 2 and stage 3 represent the lifetime cash shortfalls arising from possible default events from the reporting date.

*Expert credit judgement*

Estimation of expected credit loss requires assumptions and forecasting macroeconomic factors. This may result in an ambiguity or may be a recent event that is not captured in the models. In case the Bank and its subsidiaries consider that the recent event affects customers' ability to pay debt, their managements will estimate increase in expected credit loss based on their judgement and experiences.

Modified financial instruments

Where the original contractual terms of a financial asset have been modified for credit reasons and the instrument has not been derecognised, the resulting modification gain or loss is recognised within credit impairment in the statement of profit or loss and other comprehensive income with a corresponding increase or decrease in the gross carrying value of the asset.

The Bank and its subsidiaries classify financial assets and estimate expected credit loss based on customers' ability to pay debt under new contractual terms.

For troubled debt restructuring under stage 3, it is able to change to stage 2 when a debtor repays loan for 3 consecutive times and to stage 1 after 9-month monitoring with no debt overdue in its account.

For pre-emptive debt restructuring under stage 2 and previously never be under stage 3, it is able to change to stage 1 when a debtor repays loan for 3 consecutive times or when there is a confidence that a debtor can comply with the new contractual terms. When change to stage 1, credit rating at origination will be reset to new credit rating on the stage changing date.

Write-offs of credit impaired instruments and reversal of impairment

A financial asset is considered irrecoverable when it is decided that there is no realistic probability of recovery, the applicable portion of the gross carrying value is written off against the related loan allowance for expected credit loss in the statement of profit or loss.

If, in a subsequent period, the amount of the credit impairment loss decreases, the previously recognised credit impairment loss is reversed. For example, there is an improvement in the debtor's credit rating, the amount of the reversal is recognised in expected credit loss in the statement of profit or loss.

3) Derivatives held for risk management and hedge accounting

Derivatives held for risk management purposes include all derivative assets and liabilities that are not classified as trading assets or liabilities. They have to be continuously assessed whether they have economic relationship with hedged assets or liabilities that the Bank and its subsidiaries specified the risk.

*Fair value hedges*

The Bank and its subsidiaries' fair value hedge mainly is a hedge of interest rate risk and foreign exchange rate risk with derivatives which mainly are FX Swap and Interest Rate Swap and foreign currency assets/liabilities.

When a derivative or financial assets/liabilities is designated as the hedging instrument in a hedge of the change in fair value of a recognised asset or liability, changes in the fair value of the derivative together with changes in the fair value of the hedged item that are attributable to the hedged risk are recognised immediately in profit or loss including fair value change of ineffective portion.

When a hedge relationship is discontinued, fair value of hedged assets or liabilities will be new carrying amount as presented at amortised cost for which income and expenses are recognised by using the effective interest method or other similar methods.

Cash flow hedges

The Bank and its subsidiaries' cash flow risk management is in the same way as fair value risk management that is to prevent volatility of cash in/out flow in the future resulted from interest rate and foreign currency risk by using derivatives which mainly are FX Swap and Interest Rate Swap changing cash in/out flow to fixed cash amount.

When a derivative or financial assets/liabilities is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income (OCI) and presented in the hedging reserve within equity. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss. The amount recognised in OCI is reclassified to profit or loss as a reclassification adjustment in the same period as the hedged cash flows affect profit or loss, and in the same line item in the statement of profit or loss and OCI.

Net investment hedges

The Bank and its subsidiaries' net investment hedge is to hedge a foreign currency risk in foreign bank branches or subsidiaries whose functional currency are not Thai Baht which is the Bank's functional currency. FX Swap and foreign assets/liabilities are main instruments used in net investment hedge.

When a derivative instrument or a non-derivative financial liability is designated as the hedging instrument in a hedge of a net investment in a foreign operation, the effective portion of changes in the fair value of the hedging instrument is recognised in OCI and presented in the translation reserve within equity. Any ineffective portion of the changes in the fair value of the derivative is recognised immediately in profit or loss. The amount recognised in OCI is reclassified to profit or loss as a reclassification adjustment on disposal of the foreign operation.



The effective portion of the gain or loss derived from spot revaluation of the hedging instrument is recognised directly in equity and netted with the translation of financial statements of the Bank's foreign branches and subsidiaries in the foreign currency translation reserve in other comprehensive income. When the investment is disposed the relevant amount in the foreign currency translation reserve is transferred to profit or loss. Previously, all such transactions were recognised in profit or loss. Income or expense relating to forward point of a hedging instrument is recognised on an accrual basis in profit or loss.

For derivatives used to dynamic hedge of assets or liabilities, the Bank and its subsidiaries continue using an accrual basis for derivatives.

However, the Bank and its subsidiaries are able to apply hedge accounting when it is qualified an assessment that hedging instruments and hedged assets/liabilities have economic relationship indicating profit or loss attributable to hedged risk can be offset. Assessment methods include quantitative methods such as ratio analysis and qualitative methods such as a comparison between terms (Critical term match), e.g. notional amount and maturity of hedging instruments and hedged assets/liabilities. Results of assessment methods are used to define the notional of hedging instruments and hedged assets/liabilities (Hedge Ratio). The Bank and its subsidiaries monitor hedge effectiveness on a regular basis. Hedge ineffectiveness is expected to arise from hedge relationships due to different terms of hedging instrument and hedged assets/liabilities such as difference of each counterparty's credit risk.

Although there is an interest rate reform, the Bank continues applying current hedge strategies as there will be a pricing adjustment such as spread adjustment that will make old and new contract terms economically equivalent. However, the Bank and its subsidiaries amend hedge relationship to reflect new interest rates as hedged risk and amend description of hedged item and designated of hedging instrument.

Trading derivatives

Trading derivatives include derivatives that are not hedging derivatives, then all changes in its fair value are recognised immediately in profit or loss.

4) Investments – net

Investments – net in the statement of financial position includes:

- Debt investment securities measured at amortised cost; these are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method;
- Debt securities measured at FVOCI; and
- Equity investment securities designated as at FVOCI.



For debt securities measured at FVOCI, change in fair value and expected credit loss are recognised in OCI, except for the following, which are recognised in profit or loss in the same manner as for financial assets measured at amortised cost:

- interest revenue using the effective interest method;
- ECL and reversals; and
- foreign exchange gains and losses.

When a debt security measured at FVOCI is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss.

Cumulative gains or losses from change in revaluation of equity securities measured at FVOCI are recognised in OCI and transferred to retained earnings on disposal of an investment. Dividends are recognised in profit or loss, on accrual basis at the date which the Bank and its subsidiaries earns the rights to receive the dividend.

3.4 Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint ventures in the separate financial statements of the Bank are accounted for using cost method less allowance for impairment. Investments in associates and joint ventures in the consolidated financial statements are accounted for using equity method.

3.5 Properties foreclosed

Properties foreclosed are presented at the lower of cost or market value. The market value is estimated by using the latest appraisal value after deduction of estimated disposal expenses and holding cost.

Properties foreclosed transferred under the Bank of Thailand's supportive measure to acquire collateral assets for debt repayment, the customers have the right to buy back the assets at transferring price added with maintenance expenses within the agreed period but not exceed 5 years since transferring date and the customers have the right to rent the assets for doing their business. Rental fee from properties foreclosed will be recognized as other income.

The Bank and its subsidiaries regularly assess impairment of assets on a yearly basis. Losses on impairment are charged to profit or loss.

Gains or losses on disposal of properties foreclosed are recorded as other operating income or other operating expenses upon disposal.



3.6 Premises and equipment

Recognition and measurement

Owned assets

Land and buildings are stated at their revalued amounts. Revalued amount is fair value determined on the basis of the property's existing use at the date of revaluation less any subsequent accumulated depreciation and impairment losses. Equipment is stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of premises and equipment have different useful lives, they are accounted for as separate items of premises and equipment.

Gains and losses on disposal of an item of premises and equipment are determined by comparing the proceeds from disposal with the carrying amount of premises and equipment, and are recognised net in other income or other expense in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings and are not taken into account in calculating the gain or loss on disposal.

Revalued assets

Revaluation of land and buildings is performed by independent professional valuers according to the Bank of Thailand's criteria with sufficient regularity to ensure that the carrying amount of these assets do not differ materially from that which would be determined using fair values at the reporting date.

Any increase in value, on revaluation, is recognised in other comprehensive income as "appraisal surplus on asset revaluation" unless it offsets a previous decrease in value recognised loss in profit or loss in respect of the same asset.

A decrease in value is recognised in profit or loss to the extent that it exceeds an increase previously recognised in other comprehensive income in respect of the same asset.

The appraisal surplus cost on asset revaluation is utilised by reference to the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost and transferred directly to retained earnings.

*Subsequent expenditure*

Subsequent expenditure relating to an item of premises and equipment is added to the carrying amount of the asset when it is probable that the Bank and its subsidiaries will receive future economic benefits embodied within the asset and the cost of the item can be measured reliably. Other subsequent expenditures are recognised in expenses as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each item of premises and equipment.

Depreciation on buildings acquired before July 1996 is computed using the declining balance method. Depreciation on buildings acquired after July 1996 and on equipment is computed using the straight-line method. The estimated useful lives are as follows:

Buildings	10-50 years
Buildings on rented land	over rental contract
Equipment, furniture, fixtures, office equipment and vehicle	3-20 years
Right-of-use assets	over rental contract

Depreciation methods, useful lives and residual values are reviewed each year and adjusted if appropriate.

3.7 Goodwill and intangible assets

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in goodwill and intangible assets. The measurement of goodwill at initial recognition is described in note 3.1. Subsequent to initial recognition, goodwill is measured at cost less impairment losses. Impairment assessment of goodwill is described in note 3.8.

Other intangible assets

Other intangible assets that have finite useful lives are presented at cost less accumulated amortisation and accumulated impairment losses.



Subsequent expenditure

Subsequent expenditure is capitalised as intangible assets only when it is highly probable that the Bank and its subsidiaries will receive future economic benefits related to the item and cost of the item can be measured reliably. Otherwise, it will be recognised as expense when incurred.

Amortisation

Amortisation is charged to profit or loss on a straight-line basis which closely reflects the pattern and period of time of future economic benefits expected to flow to the bank, excluding goodwill. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

Software licenses	5-15 years
Advisory fee licenses	10 years

Intangible assets with an indefinite useful life are systematically tested for impairment at each reporting date.

Amortisation methods, useful lives and residual values are reviewed each year and adjusted if appropriate.

3.8 Impairment of non-financial assets

The Bank and its subsidiaries' assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

Calculation of recoverable amount

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, calculated by the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss in respect of goodwill is not reversed. Impairment losses recognised in prior periods in respect of non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable



amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.9 Deferred tax assets and Deferred tax liabilities

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they are reversed, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Bank and its subsidiaries expect, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

The Bank and its subsidiaries take into account the impact of uncertain tax positions in determining the amount of income tax. The Bank and its subsidiaries believe that its accruals for tax liabilities are adequate for all tax to be paid in the future based on its assessment of many factors, including interpretations of tax law, prior experiences and series of judgements about future events; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that they are no longer probable that the related tax benefit will be realised.

3.10 Leasehold

Leasehold is presented at cost net accumulated amortisation. The amortisation is calculated using the straight-line method over the lease periods and is recognised as expense in profit or loss.

3.11 Investment property

Investment property which consists of buildings and areas for rent of the Bank and its subsidiaries is measured at cost on initial recognition and subsequently at fair value and is presented as part of other assets. Changes in fair value are recognised in profit or loss.



3.12 Provisions

Provision is recognised when the Bank and its subsidiaries have a present legal or a constructive obligation as a result of a past event that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. When the time value of money has significant impact to provisions, they are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions for commitments, credit limit and letter of indemnity which not recognised in the statements of financial position consider from the credit risk of the transactions.

The Bank and its subsidiaries review provisions on a regular basis, and recognise changes in the provisions as increase or decrease in other operating expenses.

3.13 Employee benefits

Short-term employee benefits

Recognised amount expected to be paid as expense in profit or loss as the related service is provided.

Post-employment benefits : Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Bank and its subsidiaries pay fixed contributions into the provident fund, a separate entity, and will have no legal or constructive obligation to pay further amounts. Contributions paid by the Bank and its subsidiaries are recognised as expense in profit or loss in the periods during which services are rendered by employees.

Post-employment benefits : Defined benefit plans

Under the labor laws and the Bank and its subsidiaries' employment policy, all employees are entitled to severance pay upon retirement.

The Bank and its subsidiaries determine the net obligation in respect of defined retirement by using historical data in estimating the amount of future benefits that employees have earned in return for their services in the current and prior periods discounting to present value by using market yield of government bonds with a maturity consistent with the estimated term of the post-employment benefit obligations. The retirement benefit is calculated by actuary using Projected Unit Credit Method and presented as part of provision, and the Bank and its subsidiaries recognised all current service cost and interest cost related to provision for retirement benefits as personnel expenses in profit or loss.

All actuarial gains and losses are based on updated assumptions in other comprehensive income in the period in which they arise.



When the benefits of plan are changed or when a plan is curtailed, the resulting change in benefit that related to the past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Bank and its subsidiaries recognise gain and loss on the settlement of a defined benefit plan when the settlement occurs.

3.14 Insurance contract liabilities

(a) *Classification of insurance and investment contracts*

The subsidiary issues contracts that transfer insurance risk or both insurance risk and financial risk.

Insurance contracts are those contracts under which the subsidiary accepts significant insurance risk from the insured by agreeing to compensate the policyholders or other beneficiaries if a specified uncertain future event adversely affects the policyholders. Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period.

The subsidiary defines as significant insurance risk as the possibility of having to pay benefits on the occurrence of an insured event that are at least significant level more than the benefits payable if the insured event did not occur.

Investment contracts are those contracts that transfer financial risk with no significant insurance risk.

The subsidiary issues only insurance contracts.

The subsidiary does not unbundle any insurance contracts as its accounting policy recognises all insurance revenues and expenses through the profit or loss.

(b) *Recognition and measurement of insurance contract liabilities*

Long-term technical reserves

Long-term technical reserves are liabilities for contractual benefits and claims that are expected to be incurred in the future. They are recorded when the premiums are recognised and are released when benefit and claims are incurred. Such reserves are measured using assumptions considered to be appropriate for the policies in force and calculated by internal actuary of the subsidiary using an actuarial method of "Net Level Premium Valuation" based on assumptions for mortality, morbidity and discounted interest rate. The change in long-term technical reserves is recognised in profit and loss.

Loss reserves and outstanding claims

Provision for loss reserves and outstanding claims are recorded for the estimated cost of all claims notified but not settled at the reporting date. Provision is also made for the cost of claims incurred, but not reported, based



on the subsidiary's experience and historical data. Differences between the provision for outstanding claims and subsequent revisions and settlements are included in profit or loss in later years.

Premium reserve

Premium reserve is unearned premium reserve that are outstanding balances of written premiums for short-term insurance contracts over the remaining period of coverage.

(c) *Liability adequacy test*

The liability of the subsidiary is tested for adequacy by comparing the aggregated best current estimate of future contractual cash flows by using current assumptions with the aggregated carrying amount of gross insurance contract provisions.

An additional provision for liability inadequacy is made where the reserves calculated by "Gross Premium Valuation Method" exceeds the liabilities calculated by Net Level Premium Valuation method. However, the liability adequacy test is performed based on aggregation of total insurance contract liabilities including loss reserves and outstanding claims and premium reserve for policies in force at the reporting date.

The assumptions used in the Gross Premium Valuation are in accordance with the Notification of the Office of Insurance Commission regarding Assessment of Assets and Liabilities of Life Insurance B.E. 2554 except for discounted interest rate which the subsidiary uses the adjusted current risk-free interest rate for purpose of liability adequacy test in accordance with industry practice.

3.15 Fair value of assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal market at the measurement date. In the absence of a principal market, the most advantageous market would be considered if the Bank and its subsidiaries are able to access that market at the measurement date.

The Bank and its subsidiaries measure fair value of non-financial assets based on highest and best use assumption. A transfer between the hierarchy occurs when the source or level of observability of input data in fair value measurement has changed.

The Bank and its subsidiaries measure fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

Level 1 Quoted prices in active markets for identical assets or liabilities.

Level 2 Inputs other than quoted prices included within level 1 that are observable, either directly or indirectly. This category includes instruments valued using quoted prices in active markets for similar instruments, quoted



prices for similar assets or liabilities in markets that are less than active, or other valuation techniques which are directly or indirectly observable from market data.

Level 3 Inputs that are unobservable. This category includes assets or liabilities for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant impact on the valuation.

Fair value of financial assets and liabilities referenced with a new benchmark rate resulted from interest rate reform will be classified in level 2.

3.16 Other equity instruments

Subordinated perpetual debenture is recognized as equity when the Bank and its subsidiaries has the sole right and discretion to early redemption as stipulated in terms and conditions of debentures, and the interest is unconditionally deferred without limitation of time and the number of deferrals and payable at the Bank and its subsidiaries's discretion. Accordingly, any interest payments are recognized similar as dividends and directly in equity when payment obligation arises. Interest payments are presented in the statement of cash flows at the same way as dividends paid to ordinary shareholders.

3.17 Interest income and expense

Interest income and expense are recognised in profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments for principal and interest excluding expected credit loss through the expected life of the financial instrument to derive the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

The calculation of the effective interest rate, the Bank and its subsidiaries includes transaction costs and fees paid or received that are directly attributable to the acquisition or issue of a financial asset or financial liability.

From interest rate reform, the effective interest rate of financial assets or liabilities referenced with new benchmark rates is calculated as same as a calculation of effective interest rate for floating rate contracts. The new effective interest rate will be calculated on the first date that the benchmark rate has been changed and effective. This is not considered term modification because it is an adjustment to be economically equivalent such as spread adjustment.

The amortised cost of a financial instrument is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount of financial assets, adjusted for any expected credit loss allowance.



The 'gross carrying amount of a financial asset' is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

Calculation of interest income and expense

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of financial asset when the asset is not credit-impaired or to the amortised cost of the financial liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross carrying amount basis.

Presentation

Interest income and expense presented in the statement of profit or loss and OCI include:

- interest on financial assets and financial liabilities measured at amortised cost calculated on an effective interest basis;
- interest on debt instruments measured at FVOCI calculated on an effective interest basis;
- the effective portion of fair value changes in qualifying hedging derivatives designated in cash flow hedges of variability in interest cash flows, in the same period as the hedged cash flow affect interest income or expense; and
- the effective portion of fair value changes in qualifying hedging derivatives designated in fair value hedges of interest rate risk.

3.18 Fees and service income and expenses

Fees and service income and expenses that are directly attributable to the acquisition or issue of a financial asset or financial liability are recognised in profit or loss using the effective interest method under interest income or expense.

Other fee and service income are recognised when a customer obtains services in an amount that reflects the consideration to which the Bank and its subsidiaries expect to be entitled to. In addition, judgment is required in determining the timing of revenue recognition.

3.19 Recognition of net premium earned

Short-term insurance contracts

Premium written is recognised on the inception date and presented gross of commissions and brokerage expenses.

Premium earned comprises of premium written and change in unearned premium reserves and is recognised as revenue proportionally over the period of coverage.

*Long-term insurance contracts*

First year premium written is recognised as revenue when premium is received and insurance policy is approved. Renewal premium income is recognised as revenue when premium is due and is estimated taking into account the historical lapse experience of the subsidiary. First year premium written and renewal premium income are presented gross of commissions and brokerage expenses.

Premium received in advance is not recognised as revenue until the due date.

3.20 Underwriting expenses*Commissions and brokerage expenses*

Commissions and brokerage expenses are recognised as expenses when incurred.

Benefit payments and insurance claims

Benefit payments and insurance claims consist of benefits, claims and loss adjustment expenses during the years, net of subrogation recoveries and changes in provision for short-term insurance claims. They are recognised as expenses when incurred or approved.

3.21 Income tax expense

Income tax expense for the year comprise of current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

On 28 December 2023, The Group has adopted International Tax Reform-Pillar Two Model Rules-Amendments of TAS12. The amendments provide a temporary mandatory exception from deferred tax accounting for the top-up tax, which is effective immediately, and accounts for a current tax when it is incurred.

3.22 Earnings per share

Basic earnings per share is calculated by the profit or loss attributable to equity holders of the Bank on ordinary shareholders of the Bank deduct with distribution of other equity instruments after income tax and dividing by the weighted average number of ordinary shares in issued and held by outside party.



3.23 Hybrid Instruments for financial liabilities

Hybrid Instruments for financial liabilities: include a non-derivative host contract and an embedded derivative. The host contract shall be accounted for under the classification of the host contract. The embedded derivative shall be separated from the host contract and accounted for as a derivative which is carried at fair value, if and only if:

1. The economic characteristics and risks of the host contract and the embedded derivative are not closely related;
2. A separate instruments with the same terms as the embedded derivative would meet the definition of a stand-alone derivative; and
3. The hybrid instrument is not recognised at fair value through profit or loss.

If an embedded derivative is not separated, the hybrid instrument shall be accounted for under the classification of the host contract.

Changes in the fair value of separated embedded derivative are recognised in profit or loss.

Structured Notes: are hybrid instruments, which consist of borrowing (Host Contract) transaction and an embedded derivative. The Bank's management approach with regards to the accounting and assessment of fair value of borrowing transactions with embedded derivative (Structured Note) is consistent with those of Thai Financial Reporting Standard No. 9 (IFRS 9). The Bank has an option to classify the structured note as financial liabilities designated at fair value through profit or loss when

1. It eliminates or significantly reduces an inconsistency of measurement or recognition that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on a different basis; or
2. It is a management tool for risk management and investment, in accordance with
 - Documented risk management or investment strategy; and
 - Group of financial assets or financial liabilities managed and their performance evaluated on a fair value basis.
3. It relates to financial instruments containing one or more embedded derivatives that significantly modify the cash flows resulting from those financial instruments and meets the above criteria for separation of the embedded derivative from the host contract.

Changes in the fair value of financial liabilities designated at fair value through profit or loss are recognised in profit or loss as gain or loss on financial liabilities designated at fair value through profit or loss with the corresponding entry to liabilities in the statements of financial position. The fair value designation, once made, is irrevocable.

The Bank will comply with the requirements of hybrid instrument if the Bank does not choose the option of fair value through profit or loss or the criteria for fair value through profit or loss upon designation are not met.



Day One Profit or Loss: Gains or losses from trading derivatives are recognised at inception in profit or loss when the fair value of those derivatives are determined based upon observable market data or supported by comparison to other observable market transactions, or based upon a valuation technique incorporating observable market data. The Bank amortises initial gains or losses on trading transactions on a straight-line basis or on an effective interest rate basis over the life of the contract when the fair value of those trading derivatives are based upon unobservable market data or when they gains or losses on hybrid instruments. The unamortised gains or losses are recognised in profit or loss when the market data becomes observable.

3.24 Assets and liabilities in foreign currencies

1. *Foreign currency transactions*

Assets and liabilities denominated in foreign currencies are translated into the currency of the primary economic environment in which the Bank, its foreign branches and its subsidiaries operate (the functional currency) at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the reference rates announced by the BOT on that date. Non-monetary assets and liabilities that are measured at historical cost in a foreign currency are translated into the functional currency using the exchange rate at the date of the initial transaction except for the non-monetary assets and liabilities designated as hedged item of fair value hedge in foreign exchange risk that are translated into the functional currency using the reference rate announced by the BOT.

Exchange gains or losses on translation are recognised in profit or loss, exchange gains or losses on transaction are directly recognised in equity and other comprehensive income.

2. *Foreign operations*

The statements of financial position of the Bank's foreign branches whose functional currency is not Thai Baht are translated into Thai Baht at the reference rates announced by the BOT on the reporting date. The statements of comprehensive income of the Bank's foreign branches are translated into Thai Baht at the reference rates announced by the BOT at the transaction date.

Exchange gains or losses on retranslation of financial statements of the Bank's foreign branches are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity.



3.25 Segment information

Segment results that are reported to the chief operating decision maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated transactions are not included in reporting segment operating results but shown in total.

Information about geographical areas is presented according to the domestic and overseas of the Bank and its subsidiaries transaction.

3.26 Leases

Lease contract that the Bank and its subsidiaries act as a lessee and have the right to control the use of the specific assets for a specified period of time, a right-of-use asset and a lease liability will be recognized at the lease commencement date and will periodically recognize depreciation expense on straight line basis and recognized interest expense using EIR method over the lease term. Except for lease contract with short term lease and low-value assets lease contract, rental expense will be recognized on straight line basis over lease term.

Lease contract that the Bank and its subsidiaries act and lessor and substantially transfer all of the risks and rewards incidental to ownership of the underlying asset to lessee, this lease contract will be classified as finance lease. For finance lease, lease receivable will be recognized at the lease commencement date and interest income using EIR method will be periodically recognized over the lease term. Lease contract that does not substantially transfer all of the risks and rewards incidental to ownership of the underlying asset to lessee, this lease contract will be classified as operating lease and rental income will be recognized on accrual basis.



4 BUSINESS COMBINATIONS

a) *The Acquisition of PT Bank Maspion Indonesia Tbk*

On 25 November 2022, the Group has obtained control over Maspion Bank (PT Bank Maspion Indonesia Tbk) by acquiring an additional interest of Maspion Bank of 30.01% on 28 October 2022 of 27.50% on 25 November 2022 which combined to be 67.50% of the total share capital in Maspion Bank ("Transaction") at average price of IDR 546 per share. The transaction value for the acquisition of 67.50% of the total shares in Maspion Bank is IDR 3,178,103 million (approximately THB 7,368 million). The Group incurred acquisition-related costs of Baht 4 million in other operating expenses.

The Group has completed mandatory tender offer ("MTO") for the remaining shares in Maspion Bank held by minority shareholders in accordance with applicable laws and regulations of Indonesia in April 2023. As a result, the Group has obtained 67.68% of the total issued and paid-up share capital of Maspion Bank. The MTO is determined "a linked transaction" which is accounted for as a single business combination.

In June 2023, the fair value measurement of Net Asset Value related to a business combination has been completed. There are no any items need to be adjusted from the financial statements presented on 31 December 2022.

(Unit : Million Baht)

Consolidated

Goodwill arising from the step acquisition as follows;

Net purchase consideration	7,418
Non controlling interest	3,251
<u>Less</u> Fair value of net assets acquired	<u>(10,002)</u>
Goodwill	<u>667</u>

b) *The Acquisition of Marco Technology Co., Ltd.*

On 3 April 2023, the Group has obtained control over Marco Technology Co., Ltd. by acquiring an interest of Marco Technology Co., Ltd. 75% of the total issued and paid-up share capital at average price of Baht 38 per share. The transaction value is Baht 24 million, compare with the fair value of net assets acquired is Baht 23 million less non controlling interest is Baht 6 million, resulting in a goodwill is Baht 7 million.

During the period from 3 April 2023 to 31 December 2023, the business total net operating income of Baht 93 million and net loss of Baht 6 million to the Group's results. If the acquisition had occurred on 1 January 2023, management estimates that total net operating income and consolidated net profit for the year would have increased by Baht 140 million and increased by Baht 2 million, respectively. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2023.



The purchase under this condition is in accordance with TFRS 3 Business Combinations, requires the recognition of assets, liabilities and contingent liabilities acquired at the acquisition date at fair value. The Group is determine the fair value of assets and liabilities acquired from the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date.

c) *The Acquisition of ORBIX TRADE COMPANY LIMITED (Formerly: SATANG CORPORATION COMPANY LIMITED)*

On 27 October 2023, the Group has obtained control over SATANG CORPORATION COMPANY LIMITED (Renamed as ORBIX TRADE COMPANY LIMITED on October 31, 2023) by acquiring an interest of ORBIX TRADE COMPANY LIMITED 97% of the total issued and paid-up share capital share capital at average price of Baht 89 per share. The transaction value is Baht 1,585 million. The Group incurred acquisition-related costs of Baht 38 million in other operating expenses.

Fair vale of identifiable assets and liabilities acquired on the acquisiton date are show as follow;

	(Unit : Million Baht)
	<u>Consolidated</u>
Assets	
Interbank and money market items - net	202
Premises and equipment – net	8
Intangible assets	469
Other assets	<u>19</u>
Total assets acquired	<u>698</u>
Liabilities	
Deferred tax liabilities	91
Other liabilities	<u>205</u>
Total assets acquired	<u>296</u>

	(Unit : Million Baht)
	<u>Consolidated</u>
Goodwill arising from the step acquisition as follows;	
Net purchase consideration	1,585
Non controlling interest	12
<u>Less</u> Fair value of net assets acquired	<u>(402)</u>
Goodwill	<u>1,195</u>



During the period from 27 October 2023 to 31 December 2023, the business total net operating income of Baht 4 million and net loss of Baht 56 million to the Group's results. If the acquisition had occurred on 1 January 2023, management estimates that total net operating income and consolidated net loss for the year would have increased by Baht 20 million and increased by Baht 148 million, respectively. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2023.

The purchase under this condition is in accordance with TFRS 3 Business Combinations, requires the recognition of assets, liabilities and contingent liabilities acquired at the acquisition date at fair value. The Group is determine the fair value of assets and liabilities acquired during the measurement period, which must not exceed one year from the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date. However, the determination of fair value have not been completed as of the date of approval of these financial statements. Therefore, fair value of assets acquired and liabilities assumed and the allocation of the purchase price will subject to be adjusted when the determination of fair value and other calculation process is complete.



5 FINANCIAL RISK MANAGEMENT

Credit risk

Credit risk refers to the risk that a counterparty or a borrower may default on its contractual obligations and agreements. Such default may be caused by the counterparty's inability to pay due to financial encumbrances or their intention not to abide by the contractual agreements, resulting in a loss to the Bank.

The Bank determines the target of loan growth and its desirable credit portfolio composition that strives for the highest possible risk-adjusted return within acceptable risk levels, by taking into account economic outlook including under stress conditions, potential market opportunities, and the Bank's strategic direction. In assessing medium and large corporate customers' credit risk level, the Bank utilizes credit risk rating tools to enhance the quality of loans granted decisions. To manage medium business and large corporate business portfolios following the approval process, including portfolio allocation to each business sectors within acceptable risk framework, the Bank annually reviews customers' credits rating based on updated qualitative and quantitative factors. For retail portfolio, credit scoring has been adopted to assess customers' risk level resulting in the Bank's capability in determining risk-adjusted returns or interest rates. Moreover, the Bank has employed collection scoring to define risk-based collection strategies and optimize collection efficiency. In addition, the Bank has conducted the stress tests to assess potential impacts from economic uncertainties to formulate appropriate credit policy and credit risk management.

In the credit approval process, the Bank considers the customer's ability to repay and the loan objectives as key factors in making credit decisions, and may obtain sufficient collateral or other securities, where appropriate, as a means of mitigating the risk of financial losses from default. To maximize the effectiveness of the credit approval process, credit underwriting and approval functions are separated from the business units responsible for maintaining customer relationship. The Bank has also setup the process for regularly customer credit reviewing and monitoring. For non-performing loans (NPL), the Bank has closely and continuously monitored, resolved and/or restructured them to retain maximum benefits for the Bank.

The consideration of the customer's ability to repay loan depends on the impact of overall economic situation. In the 2023, Thai economy's recovery remain continued to grow in an uneven manner (K-shaped Recovery). The tourism sector has recovered while other economic activities remained pressured by rising costs, household debt burdens and living expenses that subsequently affected inflation and liquidity of the clients.

The Bank and its subsidiaries offers assistances to clients by providing long-term debt restructuring programmes according to the BoT's measures in order to be in line with the ability to repay and/or cash flow estimation. For the loan staging and provisioning of affected debtor is reflected by the debtor's ability to repay loan. The Bank and its subsidiaries classify financial assets and estimate expected credit loss to higher stage when there is a confidence that a debtor can comply with the new contractual terms. The Bank and its subsidiaries also increase ECL through Management Overlay to readily cope with the uncertainty that may affect uneven Thailand's economic recovery and global economic slowdown.



To manage non-performing loans (NPL), the Bank and its subsidiaries have set up the JK asset management Co., Ltd. (JK AMC) to acquire or transfer NPL in order to efficiently facilitate the NPL management through strong ecosystem under a partnership model with J assets management (J AMC). In 2023, KBank has transferred of Baht 35 billion NPL to JK AMC which substantially transferred all the risks and rewards of the underlying portfolio to JK AMC, in collaboration with J AMC resulting in derecognition in Consolidated financial statements.

Credit risk analysis

The Bank and its subsidiaries classified credit quality, from low risk to high risk, based on a range of credit rating for medium business and large corporate business lending and on credit scoring for retail lending to reflect borrowers' capacity to meet financial obligations where:

- Low-risk borrowers are those that have a good capacity to meet financial obligations. Demonstrated strong financial position and stable financial structure, and high capacity in profitability and liquidity management.
- Medium-risk borrowers are those that have a fairly acceptable capacity to meet financial obligations. Demonstrated reasonable financial position, and fair to sound capacity in profitability and liquidity management.
- High-risk borrowers are those that have uncertain capability to meet financial obligations. Demonstrated vulnerable financial position and limited capacity in profitability and liquidity management.
- Non-performing borrowers are those that fall into credit impaired primarily from more than 90 days overdue or other indications reflecting unlikely to pay.

Each stage contains varied risk of default, reflecting through aforementioned four credit quality classifications because they are assessed in relative to credit risk at initial recognition and at a facility level whereby exposures in stage 2 does not always contain higher risk than stage 1 exposures, especially once the exposures are acquired at different points in times.

These classifications also apply to government and corporate bond which mostly could be mapped to external credit rating. For government bond which is a major investment of the bank, we considered it as low-risk financial assets as a result of "investment grade" investment policies. Corporate bond in non-investment grade can be in our investment portfolio only from rating migration which currently is less than 1% of total debt investments.



The following tables set out information about the credit quality as of 31 December 2023 and 2022 of loans to customers and accrued interest receivables.

(Unit : Million Baht)

	Consolidated			Total
	31 December 2023			
	Stage 1 (Performing)	Stage 2 (Under - performing)	Stage 3 (Non - performing)	
Low	1,796,773	32,483	-	1,829,256
Medium	359,942	68,298	-	428,240
High	71,258	84,550	-	155,808
Non - performing	-	-	92,064	92,064
Total	2,227,973	185,331	92,064	2,505,368
Less Allowance for expected credit loss	(45,546)	(43,822)	(44,508)	(133,876)
Carrying amount	<u>2,182,427</u>	<u>141,509</u>	<u>47,556</u>	<u>2,371,492</u>

(Unit : Million Baht)

	Consolidated			Total
	31 December 2022			
	Stage 1 (Performing)	Stage 2 (Under - performing)	Stage 3 (Non - performing)	
Low	1,778,141	15,378	-	1,793,519
Medium	408,372	69,268	-	477,640
High	43,143	103,657	-	146,800
Non - performing	-	-	93,344	93,344
Total	2,229,656	188,303	93,344	2,511,303
Less Allowance for expected credit loss	(46,612)	(46,075)	(40,842)	(133,529)
Carrying amount	<u>2,183,044</u>	<u>142,228</u>	<u>52,502</u>	<u>2,377,774</u>



(Unit : Million Baht)

	The Bank			
	31 December 2023			
	Stage 1	Stage 2	Stage 3	
	(Performing)	(Under - performing)	(Non - performing)	Total
Low	1,731,489	28,722	-	1,760,211
Medium	335,778	65,427	-	401,205
High	53,585	71,640	-	125,225
Non - performing	-	-	86,161	86,161
Total	2,120,852	165,789	86,161	2,372,802
Less Allowance for expected credit loss	(42,495)	(42,004)	(41,545)	(126,044)
Carrying amount	<u>2,078,357</u>	<u>123,785</u>	<u>44,616</u>	<u>2,246,758</u>

(Unit : Million Baht)

	The Bank			
	31 December 2022			
	Stage 1	Stage 2	Stage 3	
	(Performing)	(Under - performing)	(Non - performing)	Total
Low	1,734,774	13,097	-	1,747,871
Medium	369,477	66,881	-	436,358
High	30,102	93,454	-	123,556
Non - performing	-	-	88,862	88,862
Total	2,134,353	173,432	88,862	2,396,647
Less Allowance for expected credit loss	(43,856)	(44,529)	(38,513)	(126,898)
Carrying amount	<u>2,090,497</u>	<u>128,903</u>	<u>50,349</u>	<u>2,269,749</u>



Collateral

Collateral is used to mitigate credit exposure along the entire credit process especially for credit approval, ECL estimation and repossession upon default. Collateral of the Bank and its subsidiaries comprises both non-financial and financial assets. Non-financial collateral ranges from land, premises, machinery and vehicles whose values are appraised by the valuers approved by the SEC on a timely basis while financial collaterals cover bank deposits, receivables and securities. As at 31 December 2023 and 31 December 2022, for stage 3 facilities, the major collateral is land with premises which covers 82% and 80% of all collaterals of stage 3 facilities, respectively.

As at 31 December 2023 and 31 December 2022, loan-to-value ratio of total secured loan, which are commercial and mortgage loan, are approximately 77% and 72%, respectively.

Input, assumptions and techniques used for estimating impairment

ECL Inputs & Measurement

The key inputs used in ECL measurement are PD, LGD and EAD where 12-Month ECL estimate is the product of 12-month PD, LGD, and EAD discounted by an effective interest rate to the reporting date and lifetime ECL estimate is the product of lifetime PD, LGD, and EAD discounted to the reporting date in the similar manner.

The above risk parameters are modelled based on three macroeconomic scenarios of “Base”, “Upside”, and “Downside” expectations of the economic variables that highly correlates to our portfolio to provide unbiased probabilities-weighted ECL results whereby our key factors ranges from the growth of Thai GDP, export and hospitality sectors as well as household debt burden at the probability of 60%, 10% and 30%, respectively. These macro-scenarios are reflected in ECL calculation by incorporate into the estimation of these risk parameters such as considering the correlation of risk of default to the scenarios. These variables are closely and regularly monitored especially during the economic uncertainties including pandemic and war resulting in limited availability of reasonable forward-looking information. The Bank and its subsidiaries consider apply long-term macroeconomic forecasts instead of point-in-time forecasts.

ECL governance

To ensure integrity and transparency of ECL measurement process, the Bank and its subsidiaries establishes TFRS9 Impairment Working Group. The Group is responsible for overseeing the total ECL process which includes justifying reasonable ECL inputs and outputs. The ECL inputs consist of risk parameters, macroeconomic scenarios, and their associated probability weights. The justification of ECL outputs includes post model adjustment and expert judgment when deemed appropriate. The Group consists of cross-functional senior management, department representatives, and credit experts.



Market risk

Market risk is the risk arising from changes in interest rates, foreign exchange rates, equity prices, commodity prices, and credit spreads which affects the Bank's operation and financial performance consist of:

1. Interest rate risk

Interest rate risk is the risk arising from changes in interest rates which may affect the value of the Bank's financial instruments, or may cause volatility in the Bank's earnings, capital, financial assets and liabilities, both in the current reporting period and in the future. The Bank has employed various tools to manage interest rate risk, such as interest rate gap, assessing net interest income sensitivity over the next 12 months and economic value sensitivity.

The Bank monitors interest rate risk in banking book activities on a regular basis. In addition, we prepare an interest rate risk gap report to monitor interest rate risk and assess net interest income sensitivity over the coming 12 months, based on an assumption of a 1.00 % change in interest rates on all types of assets and liabilities at their various re-pricing periods. The results of interest rate risk assessment are shown below:

(Unit : Million Baht)

	<u>+100 bps</u>			
	<u>Consolidated*</u>		<u>The Bank</u>	
	<u>31 December 2023</u>	<u>31 December 2022</u>	<u>31 December 2023</u>	<u>31 December 2022</u>
THB	3,465	2,444	3,343	2,308
Foreign Currencies	<u>(117)</u>	<u>(707)</u>	<u>(175)</u>	<u>(739)</u>
Total Effect of Interest Rate Change	<u>3,348</u>	<u>1,737</u>	<u>3,168</u>	<u>1,569</u>

*Excluding insurance subsidiary



The average balances of the interest-bearing financial assets and liabilities of the Bank and its subsidiaries, calculated by using monthly average, and the average interest rates for the years ended 31 December 2023 and 2022 are as follows:

(Unit : Million Baht)

	Consolidated					
	2023			2022		
	Average Balance	Interest Income/ Expense	Average Rate (%)	Average Balance	Interest Income/ Expense	Average Rate (%)
Interest-bearing Financial Assets						
Interbank and money market items	591,000	10,861	1.84	479,951	4,914	1.02
Investments	888,462	26,345	2.97	914,821	23,447	2.56
Loans to customers	<u>2,327,498</u>	<u>146,402</u>	6.29	<u>2,332,411</u>	<u>122,971</u>	5.27
Total	<u>3,806,960</u>	<u>183,608</u>	4.82	<u>3,727,183</u>	<u>151,332</u>	4.06
Interest-bearing Financial Liabilities						
Deposits	2,705,744	14,078	0.52	2,661,119	7,748	0.29
Interbank and money market items	220,492	3,719	1.69	219,260	1,325	0.60
Debts issued and borrowings	<u>83,895</u>	<u>4,794</u>	5.71	<u>74,034</u>	<u>2,859</u>	3.86
Total	<u>3,010,131</u>	<u>22,591</u>	0.75	<u>2,954,413</u>	<u>11,932</u>	0.40

(Unit : Million Baht)

	The Bank					
	2023			2022		
	Average Balance	Interest Income/ Expense	Average Rate (%)	Average Balance	Interest Income/ Expense	Average Rate (%)
Interest-bearing Financial Assets						
Interbank and money market items	597,195	12,365	2.07	479,053	4,834	1.01
Investments	378,378	7,257	1.92	434,089	5,668	1.31
Loans to customers	<u>2,210,435</u>	<u>132,725</u>	6.00	<u>2,248,219</u>	<u>113,491</u>	5.05
Total	<u>3,186,008</u>	<u>152,347</u>	4.78	<u>3,161,361</u>	<u>123,993</u>	3.92
Interest-bearing Financial Liabilities						
Deposits	2,680,189	12,484	0.47	2,651,125	7,311	0.28
Interbank and money market items	214,497	3,273	1.53	223,294	967	0.43
Debts issued and borrowings	<u>71,662</u>	<u>4,291</u>	5.99	<u>59,980</u>	<u>2,219</u>	3.70
Total	<u>2,966,348</u>	<u>20,048</u>	0.68	<u>2,934,399</u>	<u>10,497</u>	0.36



Financial assets and liabilities, classified by maturity of interest repricing, as of 31 December 2023 and 2022 are shown below:

(Unit : Million Baht)

	Consolidated						Non-interest Bearing	Total
	Immediate Repricing	Within 6 Months	Over 6 Months to 1 Year	Over 1 Year to 5 Years	Over 5 Years			
Financial Assets								
Cash	-	-	-	-	-	48,690	48,690	
Interbank and money market items	49,339	507,601	1,892	734	-	9,725	569,291	
Financial assets measured at fair value through profit or loss	7,649	4,527	162	1,397	13,546	21,014	48,295	
Investments	-	190,864	58,117	205,999	417,974	92,228	965,182	
Loans to customers and accrued interest receivables	<u>1,714,498</u>	<u>265,575</u>	<u>94,603</u>	<u>298,499</u>	<u>117,174</u>	<u>15,019</u>	<u>2,505,368</u>	
Total Financial Assets	<u>1,771,486</u>	<u>968,567</u>	<u>154,774</u>	<u>506,629</u>	<u>548,694</u>	<u>186,676</u>	<u>4,136,826</u>	
Financial Liabilities								
Deposits	1,999,620	354,173	164,027	28,857	-	152,885	2,699,562	
Interbank and money market items	23,668	66,259	14,930	62,625	-	11,725	179,207	
Liabilities payable on demand	-	-	-	-	-	31,119	31,119	
Financial liabilities measured at fair value through profit or loss	-	351	5	8	-	-	364	
Debts issued and borrowings	<u>-</u>	<u>9</u>	<u>15,219</u>	<u>23,186</u>	<u>43,034</u>	<u>124</u>	<u>81,572</u>	
Total Financial Liabilities	<u>2,023,288</u>	<u>420,792</u>	<u>194,181</u>	<u>114,676</u>	<u>43,034</u>	<u>195,853</u>	<u>2,991,824</u>	
Items recognised on the statements of financial position	<u>(251,802)</u>	<u>547,775</u>	<u>(39,407)</u>	<u>391,953</u>	<u>505,660</u>	<u>(9,177)</u>	<u>1,145,002</u>	



(Unit : Million Baht)

	<u>Consolidated</u>						
	<u>2022</u>						
	<u>Immediate</u>	<u>Within</u>	<u>Over 6 Months</u>	<u>Over 1 Year</u>	<u>Over</u>	<u>Non-interest</u>	
<u>Repricing</u>	<u>6 Months</u>	<u>to 1 Year</u>	<u>to 5 Years</u>	<u>5 Years</u>	<u>Bearing</u>	<u>Total</u>	
<u>Financial Assets</u>							
Cash	-	-	-	-	-	57,115	57,115
Interbank and money market items	44,746	440,654	10,834	364	-	6,331	502,929
Financial assets measured at fair							
value through profit or loss	9,338	655	197	1,296	10,381	25,397	47,264
Investments	-	174,433	15,346	278,533	421,426	85,049	974,787
Loans to customers and accrued							
interest receivables	<u>1,758,254</u>	<u>235,033</u>	<u>79,543</u>	<u>263,140</u>	<u>159,051</u>	<u>16,282</u>	<u>2,511,303</u>
Total Financial Assets	<u>1,812,338</u>	<u>850,775</u>	<u>105,920</u>	<u>543,333</u>	<u>590,858</u>	<u>190,174</u>	<u>4,093,398</u>
<u>Financial Liabilities</u>							
Deposits	2,091,075	359,454	119,649	26,825	-	151,682	2,748,685
Interbank and money market items	23,411	60,107	5,788	59,084	-	6,850	155,240
Liabilities payable on demand	-	-	-	-	-	24,887	24,887
Financial liabilities measured at fair							
value through profit or loss	-	651	19	-	-	-	670
Debts issued and borrowings	<u>-</u>	<u>3,942</u>	<u>15,977</u>	<u>2,929</u>	<u>44,664</u>	<u>385</u>	<u>67,897</u>
Total Financial Liabilities	<u>2,114,486</u>	<u>424,154</u>	<u>141,433</u>	<u>88,838</u>	<u>44,664</u>	<u>183,804</u>	<u>2,997,379</u>
Items recognised on the							
statements of financial position	<u>(302,148)</u>	<u>426,621</u>	<u>(35,513)</u>	<u>454,495</u>	<u>546,194</u>	<u>6,370</u>	<u>1,096,019</u>



(Unit : Million Baht)

	The Bank						
	2023						
	Immediate	Within	Over 6 Months	Over 1 Year	Over	Non-interest	Total
	Repricing	6 Months	to 1 Years	to 5 Years	5 Years	Bearing	
Financial Assets							
Cash	-	-	-	-	-	48,465	48,465
Interbank and money market items	37,544	499,929	16,088	15,519	-	6,832	575,912
Financial assets measured at fair value through profit or loss	-	3,989	44	1,302	5,380	14,311	25,026
Investments	-	165,318	42,799	65,310	80,272	7,948	361,647
Loans to customers and accrued interest receivables	<u>1,706,655</u>	<u>193,977</u>	<u>63,795</u>	<u>239,689</u>	<u>154,708</u>	<u>13,978</u>	<u>2,372,802</u>
Total Financial Assets	<u>1,744,199</u>	<u>863,213</u>	<u>122,726</u>	<u>321,820</u>	<u>240,360</u>	<u>91,534</u>	<u>3,383,852</u>
Financial Liabilities							
Deposits	1,996,242	326,195	158,275	27,057	-	163,965	2,671,734
Interbank and money market items	28,985	58,092	4,374	61,855	-	12,976	166,282
Liabilities payable on demand	-	-	-	-	-	31,119	31,119
Debts issued and borrowings	<u>-</u>	<u>-</u>	<u>15,219</u>	<u>23,697</u>	<u>32,749</u>	<u>124</u>	<u>71,789</u>
Total Financial Liabilities	<u>2,025,227</u>	<u>384,287</u>	<u>177,868</u>	<u>112,609</u>	<u>32,749</u>	<u>208,184</u>	<u>2,940,924</u>
Items recognised on the statements of financial position	<u>(281,028)</u>	<u>478,926</u>	<u>(55,142)</u>	<u>209,211</u>	<u>207,611</u>	<u>(116,650)</u>	<u>442,928</u>



(Unit : Million Baht)

	The Bank							Total
	2022							
	Immediate Repricing	Within 6 Months	Over 6 Months to 1 Years	Over 1 Year to 5 Years	Over 5 Years	Non-interest Bearing		
Financial Assets								
Cash	-	-	-	-	-	56,852	56,852	
Interbank and money market items	34,773	431,656	22,191	21,424	-	3,870	513,914	
Financial assets measured at fair value through profit or loss	-	88	32	1,237	2,785	16,281	20,423	
Investments	-	150,022	6,085	165,770	61,769	10,288	393,934	
Loans to customers and accrued interest receivables	<u>1,751,694</u>	<u>188,763</u>	<u>64,428</u>	<u>220,171</u>	<u>156,316</u>	<u>15,275</u>	<u>2,396,647</u>	
Total Financial Assets	<u>1,786,467</u>	<u>770,529</u>	<u>92,736</u>	<u>408,602</u>	<u>220,870</u>	<u>102,566</u>	<u>3,381,770</u>	
Financial Liabilities								
Deposits	2,090,856	331,083	113,625	27,257	-	156,889	2,719,710	
Interbank and money market items	34,339	56,789	347	58,804	-	7,713	157,992	
Liabilities payable on demand	-	-	-	-	-	24,887	24,887	
Debts issued and borrowings	<u>-</u>	<u>3,931</u>	<u>15,977</u>	<u>2,929</u>	<u>30,826</u>	<u>385</u>	<u>54,048</u>	
Total Financial Liabilities	<u>2,125,195</u>	<u>391,803</u>	<u>129,949</u>	<u>88,990</u>	<u>30,826</u>	<u>189,874</u>	<u>2,956,637</u>	
Items recognised on the statements of financial position	<u>(338,728)</u>	<u>378,726</u>	<u>(37,213)</u>	<u>319,612</u>	<u>190,044</u>	<u>(87,308)</u>	<u>425,133</u>	



2. Foreign exchange rate risk

Foreign exchange rate risk is the risk that occurs from changes in exchange rates which may affect the value of the Bank's financial instruments or may cause volatility in the Bank's earnings, capital, financial assets and liabilities, both in the current reporting period and in the future. Example of the tools adopted for managing foreign exchange rate risk are, for instance, open position and VaR.

Foreign currency positions in Baht equivalent, as of 31 December 2023 and 2022 were as follows:

(Unit : Million Baht)

	<u>Consolidated</u>						
	<u>2023</u>						
	<u>Currency</u>						
	<u>US Dollar</u>	<u>Yen</u>	<u>Pound</u>	<u>Euro</u>	<u>Yuan</u>	<u>Others</u>	<u>Total</u>
<u>Assets</u>							
Cash	949	199	75	452	39	856	2,570
Interbank and money market items - net	89,614	674	200	1,150	31,600	13,765	137,003
Financial assets measured at fair value							
through profit or loss	16,965	-	-	-	-	26	16,991
Investments - net	91,311	3,854	2,234	19,663	21,183	21,547	159,792
Investments in subsidiaries and associates - net	275	-	-	-	-	65	340
Loans to customers and accrued interest receivables	71,366	836	123	3,633	59,504	37,779	173,241
Other assets	<u>16,785</u>	<u>265</u>	<u>82</u>	<u>910</u>	<u>644</u>	<u>814</u>	<u>19,500</u>
Total	<u>287,265</u>	<u>5,828</u>	<u>2,714</u>	<u>25,808</u>	<u>112,970</u>	<u>74,852</u>	<u>509,437</u>
<u>Liabilities</u>							
Deposits	57,566	1,349	411	2,836	22,169	28,074	112,405
Interbank and money market items	14,123	-	-	161	20,838	12,477	47,599
Liabilities payable on demand	18,855	491	59	887	663	501	21,456
Financial liabilities measured at fair value							
through profit or loss	50	-	-	-	-	-	50
Debts issued and borrowings	64,945	16,495	-	-	-	-	81,440
Other liabilities	<u>13,969</u>	<u>2,166</u>	<u>165</u>	<u>519</u>	<u>1,070</u>	<u>1,157</u>	<u>19,046</u>
Total	<u>169,508</u>	<u>20,501</u>	<u>635</u>	<u>4,403</u>	<u>44,740</u>	<u>42,209</u>	<u>281,996</u>
Foreign currency position of items recognised on the statements							
of financial position - net	<u>117,757</u>	<u>(14,673)</u>	<u>2,079</u>	<u>21,405</u>	<u>68,230</u>	<u>32,643</u>	<u>227,441</u>
Foreign currency position of items not recognised on the statements							
of financial position* - net	<u>(105,909)</u>	<u>15,505</u>	<u>20</u>	<u>(15,548)</u>	<u>(51,165)</u>	<u>(17,260)</u>	<u>(174,357)</u>

* Forward exchange contracts, cross currency swaps and FX options



(Unit : Million Baht)

	<u>Consolidated</u>						<u>Total</u>
	<u>2022</u>						
	<u>Currency</u>						
	<u>US Dollar</u>	<u>Yen</u>	<u>Pound</u>	<u>Euro</u>	<u>Yuan</u>	<u>Others</u>	
<u>Assets</u>							
Cash	1,330	262	78	476	33	1,027	3,206
Interbank and money market items - net	85,740	711	269	613	26,877	7,586	121,796
Financial assets measured at fair value							
through profit or loss	19,834	312	106	-	-	285	20,537
Investments - net	102,873	3,640	1,949	19,015	17,016	22,153	166,646
Investments in subsidiaries and associates - net	222	-	-	-	-	-	222
Loans to customers and accrued interest receivables	90,255	846	130	4,605	46,817	24,461	167,114
Other assets	<u>11,498</u>	<u>47</u>	<u>58</u>	<u>480</u>	<u>387</u>	<u>986</u>	<u>13,456</u>
Total	<u>311,752</u>	<u>5,818</u>	<u>2,590</u>	<u>25,189</u>	<u>91,130</u>	<u>56,498</u>	<u>492,977</u>
<u>Liabilities</u>							
Deposits	64,723	1,715	457	2,718	19,353	24,895	113,861
Interbank and money market items	3,886	2	-	225	7,360	3,327	14,800
Liabilities payable on demand	13,313	280	57	632	421	332	15,035
Financial liabilities measured at fair value							
through profit or loss	53	-	-	-	-	-	53
Debts issued and borrowings	64,081	3,420	-	-	-	-	67,501
Other liabilities	<u>8,226</u>	<u>816</u>	<u>133</u>	<u>98</u>	<u>793</u>	<u>728</u>	<u>10,794</u>
Total	<u>154,282</u>	<u>6,233</u>	<u>647</u>	<u>3,673</u>	<u>27,927</u>	<u>29,282</u>	<u>222,044</u>
Foreign currency position of items recognised on the statements							
of financial position - net	<u>157,470</u>	<u>(415)</u>	<u>1,943</u>	<u>21,516</u>	<u>63,203</u>	<u>27,216</u>	<u>270,933</u>
items not recognised on the statements							
of financial position* - net	<u>(143,850)</u>	<u>1,217</u>	<u>(147)</u>	<u>(16,795)</u>	<u>(61,198)</u>	<u>(11,916)</u>	<u>(232,689)</u>

* Forward exchange contracts, cross currency swaps and FX options



(Unit : Million Baht)

	<u>The Bank</u>						
	<u>2023</u>						
	<u>Currency</u>						
	<u>US Dollar</u>	<u>Yen</u>	<u>Pound</u>	<u>Euro</u>	<u>Yuan</u>	<u>Others</u>	<u>Total</u>
<u>Assets</u>							
Cash	930	199	75	452	39	676	2,371
Interbank and money market items - net	107,250	673	200	1,149	34,267	4,263	147,802
Financial assets measured at fair value							
through profit or loss	12,440	-	-	-	-	-	12,440
Investments - net	39,587	-	-	309	-	1,260	41,156
Investments in subsidiaries and associates - net	18,473	-	-	-	12,635	1,769	32,877
Loans to customers and accrued interest receivables	67,736	836	123	3,633	3,056	11,459	86,843
Other assets	<u>9,882</u>	<u>231</u>	<u>57</u>	<u>82</u>	<u>2</u>	<u>111</u>	<u>10,365</u>
Total	<u>256,298</u>	<u>1,939</u>	<u>455</u>	<u>5,625</u>	<u>49,999</u>	<u>19,538</u>	<u>333,854</u>
<u>Liabilities</u>							
Deposits	55,612	1,349	411	2,836	797	4,174	65,179
Interbank and money market items	14,472	-	-	161	440	9,017	24,090
Liabilities payable on demand	18,855	491	59	887	663	501	21,456
Debts issued and borrowings	55,170	16,495	-	-	-	-	71,665
Other liabilities	<u>7,484</u>	<u>2,143</u>	<u>142</u>	<u>171</u>	<u>2</u>	<u>423</u>	<u>10,365</u>
Total	<u>151,593</u>	<u>20,478</u>	<u>612</u>	<u>4,055</u>	<u>1,902</u>	<u>14,115</u>	<u>192,755</u>
Foreign currency position of items recognised on the statements							
of financial position - net	<u>104,705</u>	<u>(18,539)</u>	<u>(157)</u>	<u>1,570</u>	<u>48,097</u>	<u>5,423</u>	<u>141,099</u>
items not recognised on the statements							
of financial position* - net	<u>(74,256)</u>	<u>18,532</u>	<u>20</u>	<u>(1,996)</u>	<u>(51,165)</u>	<u>(17,260)</u>	<u>(126,125)</u>

* Forward exchange contracts, cross currency swaps and FX options



(Unit : Million Baht)

	<u>The Bank</u>						<u>Total</u>
	<u>2022</u>						
	<u>Currency</u>						
	<u>US Dollar</u>	<u>Yen</u>	<u>Pound</u>	<u>Euro</u>	<u>Yuan</u>	<u>Others</u>	
<u>Assets</u>							
Cash	1,305	262	78	476	33	811	2,965
Interbank and money market items - net	86,541	710	269	613	45,444	2,200	135,777
Financial assets measured at fair value							
through profit or loss	14,422	312	106	-	-	280	15,120
Investments - net	55,608	574	-	768	497	2,679	60,126
Investments in subsidiaries and associates - net	9,403	-	-	-	12,635	1,688	23,726
Loans to customers and accrued interest receivables	87,052	846	130	4,605	666	3,861	97,160
Other assets	<u>9,503</u>	<u>7</u>	<u>42</u>	<u>38</u>	<u>6</u>	<u>74</u>	<u>9,670</u>
Total	<u>263,834</u>	<u>2,711</u>	<u>625</u>	<u>6,500</u>	<u>59,281</u>	<u>11,593</u>	<u>344,544</u>
<u>Liabilities</u>							
Deposits	62,451	1,715	457	2,718	620	1,817	69,778
Interbank and money market items	4,103	2	-	225	-	939	5,269
Liabilities payable on demand	13,313	280	57	632	421	332	15,035
Debts issued and borrowings	50,243	3,420	-	-	-	-	53,663
Other liabilities	<u>6,595</u>	<u>781</u>	<u>119</u>	<u>67</u>	<u>7</u>	<u>138</u>	<u>7,707</u>
Total	<u>136,705</u>	<u>6,198</u>	<u>633</u>	<u>3,642</u>	<u>1,048</u>	<u>3,226</u>	<u>151,452</u>
Foreign currency position of items recognised on the statements							
of financial position - net	<u>127,129</u>	<u>(3,487)</u>	<u>(8)</u>	<u>2,858</u>	<u>58,233</u>	<u>8,367</u>	<u>193,092</u>
items not recognised on the statements							
of financial position* - net	<u>(107,275)</u>	<u>3,522</u>	<u>(147)</u>	<u>(3,273)</u>	<u>(61,198)</u>	<u>(11,916)</u>	<u>(180,287)</u>

* Forward exchange contracts, cross currency swaps and FX options



3. Equity price risk

Equity price risk is the risk arising from changes in the price of equities or common stocks that may affect the value of the Bank's financial instruments or may cause volatility in the Bank's earnings, capital, financial assets and liabilities, both in the current reporting period and in the future.

The Bank and/or its subsidiaries manages equity position mainly for supporting equity underwriting business and non-directional equity trading business to serve customers' demand, as well as investing in equity securities, either directly or indirectly, under relevant applicable regulations.

4. Commodity price risk

Commodity price risk is the risk arising from changes in the price of commodities that may affect the value of the Bank's financial instruments, or may cause volatility in the Bank's earnings, capital, financial assets and liabilities, both in the current reporting period and in the future.

The Bank mainly focuses on managing risk arising from commodity trading business to serve customers' demand under back-to-back risk management and relevant applicable regulations.

5. Credit spread risk

Credit spread risk is the risk arising from changes in credit spreads which may affect the value of the Bank's financial instruments or may cause volatility in the Bank's earnings, capital, financial assets and liabilities, both in the current reporting period and in the future.

The Bank manages credit spread risk arising from bond underwriting, bond investment, and bond trading business mainly to serve customers' demand under relevant applicable regulations.

6. Interest rate reform

Interest rate reform arises as the Financial Conduct Authority (FCA), the regulator of London Interbank Offered Rate (LIBOR) of the five major currencies (USD, EUR, GBP, JPY, and CHF) announced the future cessation or loss of representativeness of LIBOR by end 2021 for all EUR, GBP, JPY, and CHF LIBOR tenors and 1-week and 2-month USD LIBOR tenors and by mid 2023 for the remaining USD LIBOR tenors. This impacts to financial transactions referenced with those interest rates and Thai Baht Interest Rate Fixing (THBFIX) because USD LIBOR is a component in the calculation of THBFIX. The Bank and its subsidiaries have financial assets and liabilities and derivatives referenced with those interest rates.



In order to smoothly transition from existing reference rates to new interest benchmark rates, the Bank and its subsidiaries have established IBOR Working Group whose key tasks are to manage, supervise and monitor interest rate transition processes within the Bank and its subsidiaries. The managing processes cover communication with customers and counterparties, amendments of contracts, improvements of operating systems and related working processes and financial risk managements.

The Bank and its subsidiaries' financial transactions affected from interest rate reform comprise of:

1. Transactions in banking book

Transactions referenced with LIBOR of the five major currencies and THBFIX affected from interest rate reform are investments, lending, borrowing and hedging derivatives (cross currency swaps and interest rate swaps). From hedge policy for banking book transactions, impacts to profit or loss will arise when there is a term mismatch between hedged transactions and hedging derivatives such as timing of cashflow, start date of a contract and maturity date of a contract. This results in immaterial impact to the Bank and its subsidiaries' statements of financial position and statements of profit or loss.

2. Transaction in trading book

Transactions referenced with LIBOR of the five major currencies and THBFIX affected from interest rate reform are cross currency swaps, interest rate swaps and interest rate options. The Bank and its subsidiaries have risk control and monitoring processes within a predetermined limit. Therefore, a transition to new benchmark rate causes immaterial impacts to the Bank and its subsidiaries.

The Bank and its subsidiaries have completed the amendment / negotiation with counterparties to change reference interest rates from existing benchmark rates to new or other benchmark rates or have communicated to add fallback provision in a contract or for derivatives, to adhere ISDA IBOR protocol, including the preparation of relevant IT systems and applications and risk management processes to appropriately manage the transitions.

In addition, the Bank has closely monitored risk status and market situations in order to pursue prudent management and control risk under the limits.



Liquidity risk

Liquidity risk is the risk that the Bank will be unable to meet its obligations as they fall due because of an inability to liquidate assets or obtain sufficient funding in a timely manner at an appropriate cost which could result in losses.

The Bank manages its liquidity risk under the Bank of Thailand's liquidity reserve regulations and other applicable regulations by sourcing for short-term and long-term funding, investing in highly liquid assets in both domestic and foreign currencies, maintaining Liquidity Coverage Ratio (LCR) in order to ensure that the Bank has sufficient liquidity to support net cash outflows under liquidity stress scenario, and setting up various tools and limits for risk measurement, monitoring and control, and reporting. The Bank also ensures that its liquidity position is suitable and sufficient for operations under both normal and critical situations.

In accordance with the BOT's directive number SOR NOR SOR 2/2561, dated 25 January 2018, titled "The Disclosure of Liquidity coverage ratio disclosure standards", requires KASIKORNBANK FINANCIAL CONGLOMERATE to disclose the liquidity requirements, were as follows:

Location of disclosure	Through the website under the investor relations section	Date of disclosure
	https://www.kasikornbank.com/en/IR/FinanInfoReports/Pages/financial-reports.aspx	
Date of disclosure	Within 4 months after the period end date as indicated in the notification	
Information as of	30 June 2023	

The disclosure for the years ended 31 December 2023 will be provided on or before 30 April 2024 on the Bank's website as noted above.



Financial assets and liabilities, classified by remaining contractual maturity analysis, as of 31 December 2023 and 2022 were as follows:

(Unit : Million Baht)

	Consolidated						
	2023						
	<u>At call</u>	<u>Within 6 Months</u>	<u>Over 6 Months to 1 Year</u>	<u>Over 1 Year to 5 Years</u>	<u>Over 5 Years</u>	<u>No Maturity</u>	<u>Total</u>
Financial Assets							
Cash	-	-	-	-	-	48,690	48,690
Interbank and money market items	56,704	491,549	10,470	8,601	1,967	-	569,291
Financial assets measured at							
fair value through profit or loss	1,542	4,527	162	1,397	13,976	26,691	48,295
Investments*	568	43,069	67,127	190,980	86,375	17,544	405,663
Loans to customers and accrued							
interest receivables	<u>298,522</u>	<u>601,953</u>	<u>206,039</u>	<u>591,513</u>	<u>807,341</u>	<u>-</u>	<u>2,505,368</u>
Total Financial Assets	<u>357,336</u>	<u>1,141,098</u>	<u>283,798</u>	<u>792,491</u>	<u>909,659</u>	<u>92,925</u>	<u>3,577,307</u>
Financial Liabilities							
Deposits	2,152,505	354,173	164,027	28,857	-	-	2,699,562
Interbank and money market items	35,393	66,012	15,030	62,772	-	-	179,207
Liabilities payable on demand	31,119	-	-	-	-	-	31,119
Financial liabilities measured at							
fair value through profit or loss	35	316	5	8	-	-	364
Debts issued and borrowings	<u>-</u>	<u>77</u>	<u>15,264</u>	<u>23,196</u>	<u>32,390</u>	<u>10,645</u>	<u>81,572</u>
Total Financial Liabilities	<u>2,219,052</u>	<u>420,578</u>	<u>194,326</u>	<u>114,833</u>	<u>32,390</u>	<u>10,645</u>	<u>2,991,824</u>
Liquidity - net	<u>(1,861,716)</u>	<u>720,520</u>	<u>89,472</u>	<u>677,658</u>	<u>877,269</u>	<u>82,280</u>	<u>585,483</u>
Liquidity - cumulative net	(1,861,716)	(1,141,196)	(1,051,724)	(374,066)	503,203	585,483	585,483

*Investments of the life insurance subsidiary which are held primarily in relation to the insurance contract liabilities, are not presented in the table.



(Unit : Million Baht)

	Consolidated						
	2022						
	At call	Within 6 Months	Over 6 Months to 1 Year	Over 1 Year to 5 Years	Over 5 Years	No Maturity	Total
Financial Assets							
Cash	-	-	-	-	-	57,115	57,115
Interbank and money market items	50,321	420,575	20,728	9,061	2,244	-	502,929
Financial assets measured at							
fair value through profit or loss	1,552	655	197	1,296	10,569	32,995	47,264
Investments*	553	16,652	8,635	319,149	71,983	15,409	432,381
Loans to customers and accrued							
interest receivables	<u>291,702</u>	<u>583,540</u>	<u>202,902</u>	<u>614,164</u>	<u>818,995</u>	<u>-</u>	<u>2,511,303</u>
Total Financial Assets	<u>344,128</u>	<u>1,021,422</u>	<u>232,462</u>	<u>943,670</u>	<u>903,791</u>	<u>105,519</u>	<u>3,550,992</u>
Financial Liabilities							
Deposits	2,242,757	359,454	119,649	26,825	-	-	2,748,685
Interbank and money market items	30,260	59,829	64,204	947	-	-	155,240
Liabilities payable on demand	24,887	-	-	-	-	-	24,887
Financial liabilities measured at							
fair value through profit or loss	328	323	19	-	-	-	670
Debts issued and borrowings	<u>-</u>	<u>145</u>	<u>20,021</u>	<u>3,067</u>	<u>34,382</u>	<u>10,282</u>	<u>67,897</u>
Total Financial Liabilities	<u>2,298,232</u>	<u>419,751</u>	<u>203,893</u>	<u>30,839</u>	<u>34,382</u>	<u>10,282</u>	<u>2,997,379</u>
Liquidity - net	<u>(1,954,104)</u>	<u>601,671</u>	<u>28,569</u>	<u>912,831</u>	<u>869,409</u>	<u>95,237</u>	<u>553,613</u>
Liquidity - cumulative net	(1,954,104)	(1,352,433)	(1,323,864)	(411,033)	458,376	553,613	553,613

*Investments of the life insurance subsidiary which are held primarily in relation to the insurance contract liabilities, are not presented in the table.



(Unit : Million Baht)

	The Bank						
	2023						
	At call	Within 6 Months	Over 6 Months to 1 Year	Over 1 Year to 5 Years	Over 5 Years	No Maturity	Total
Financial Assets							
Cash	-	-	-	-	-	48,465	48,465
Interbank and money market items	41,078	495,091	16,289	21,487	1,967	-	575,912
Financial assets measured at fair value through profit or loss	1,478	3,989	44	1,302	5,380	12,833	25,026
Investments	568	33,137	65,650	174,640	80,272	7,380	361,647
Loans to customers and accrued interest receivables	<u>282,132</u>	<u>574,480</u>	<u>160,204</u>	<u>555,940</u>	<u>800,046</u>	<u>-</u>	<u>2,372,802</u>
Total Financial Assets	<u>325,256</u>	<u>1,106,697</u>	<u>242,187</u>	<u>753,369</u>	<u>887,665</u>	<u>68,678</u>	<u>3,383,852</u>
Financial Liabilities							
Deposits	2,160,207	326,195	158,275	27,057	-	-	2,671,734
Interbank and money market items	41,397	58,410	4,473	62,002	-	-	166,282
Liabilities payable on demand	31,119	-	-	-	-	-	31,119
Debts issued and borrowings	<u>-</u>	<u>68</u>	<u>15,264</u>	<u>23,707</u>	<u>22,105</u>	<u>10,645</u>	<u>71,789</u>
Total Financial Liabilities	<u>2,232,723</u>	<u>384,673</u>	<u>178,012</u>	<u>112,766</u>	<u>22,105</u>	<u>10,645</u>	<u>2,940,924</u>
Liquidity - net	<u>(1,907,467)</u>	<u>722,024</u>	<u>64,175</u>	<u>640,603</u>	<u>865,560</u>	<u>58,033</u>	<u>442,928</u>
Liquidity - cumulative net	(1,907,467)	(1,185,443)	(1,121,268)	(480,665)	384,895	442,928	442,928



(Unit : Million Baht)

	<u>The Bank</u>						<u>Total</u>
	<u>At call</u>	<u>Within 6 Months</u>	<u>Over 6 Months to 1 Year</u>	<u>Over 1 Year to 5 Years</u>	<u>Over 5 Years</u>	<u>No Maturity</u>	
<u>2022</u>							
<u>Financial Assets</u>							
Cash	-	-	-	-	-	56,852	56,852
Interbank and money market items	37,141	423,551	22,386	28,592	2,244	-	513,914
Financial assets measured at							
fair value through profit or loss	1,499	88	32	1,237	2,785	14,782	20,423
Investments	553	5,866	6,595	305,338	65,847	9,735	393,934
Loans to customers and accrued							
interest receivables	<u>284,455</u>	<u>539,995</u>	<u>149,191</u>	<u>571,575</u>	<u>851,431</u>	<u>-</u>	<u>2,396,647</u>
Total Financial Assets	<u>323,648</u>	<u>969,500</u>	<u>178,204</u>	<u>906,742</u>	<u>922,307</u>	<u>81,369</u>	<u>3,381,770</u>
<u>Financial Liabilities</u>							
Deposits	2,247,745	331,083	113,625	27,257	-	-	2,719,710
Interbank and money market items	41,896	56,668	58,761	667	-	-	157,992
Liabilities payable on demand	24,887	-	-	-	-	-	24,887
Debts issued and borrowings	<u>-</u>	<u>134</u>	<u>20,021</u>	<u>3,067</u>	<u>20,544</u>	<u>10,282</u>	<u>54,048</u>
Total Financial Liabilities	<u>2,314,528</u>	<u>387,885</u>	<u>192,407</u>	<u>30,991</u>	<u>20,544</u>	<u>10,282</u>	<u>2,956,637</u>
Liquidity - net	<u>(1,990,880)</u>	<u>581,615</u>	<u>(14,203)</u>	<u>875,751</u>	<u>901,763</u>	<u>71,087</u>	<u>425,133</u>
Liquidity - cumulative net	(1,990,880)	(1,409,265)	(1,423,468)	(547,717)	354,046	425,133	425,133



Operational Risk Management

“Operational risk” is defined as the risk of loss resulting from inadequate or failed processes, people, operating and IT systems, or from external events/factors. Operational risk could result in direct or indirect impacts to the Bank and customers including impacts on the Bank’s earnings and capital funds.

The Bank’s operational risk management has been implemented, through systematic and effective risk identification, assessment, monitoring, control, and reporting of operational risk level related to products and processes continuously. All units of the Bank are required to report their operational risk exposures, loss data and to establish controls to mitigate the risks. Various operational risk management tools – such as Risk and Control Self-Assessment (RCSA), Key Risk Indicators (KRI), and other IT systems - have been employed to ensure that operational risks are monitored and managed within an acceptable level, in order to prevent and mitigate impacts to the Bank and customers, achieve customers’ trustworthiness towards the Bank’s products and services, and comply with relevant laws and regulations.

Insurance Risk Management

Insurance risk is the risk arising from fluctuation of claim frequency, claim severity and time of claim occurrence that deviates from the pricing and reserving assumptions.

Pricing risk refers to the risk that the prices charged by the subsidiary for insurance contracts will ultimately be inadequate to support the future obligations arising from those insurance contracts. This risk is applicable for newly launched products. Pricing risk may occur where setting price assumptions are not appropriate, or having risk that the contracts expose it to risks that were not anticipated in the design of pricing of those products, or selecting pricing model is not appropriate. These mentioned outcomes may result to the financial loss of the subsidiary. The subsidiary manages the risk through the product approval process where products are regularly reviewed against pricing, design and profitability tests agreed by the product development sub-committee.

Reserving risk refers to risks that the provisions presented in the subsidiary’s financial statements for its policyholder obligations will be inadequate. The adequacy of the reserves is considered by the Board of Directors of the subsidiary at each reporting date based on advice from the subsidiary’s actuaries and analysis of the sensitivity to key assumptions, in particular interest rate.

Additionally, to ensure that the subsidiary holds adequate reserves for future obligations, the control process on the quality of the in force policy data and the actuarial models are taken into consideration. The subsidiary’s internal audit department verifies the correctness and completeness of the in force policy data at least twice a year.



Concentration of insurance risk

Concentration of risk may arise where a particular event or a series of events could impact heavily upon the subsidiary company's insurance contract liabilities.

Most of the subsidiary company's contracts are life insurance non-par contracts with guaranteed benefits. The amount of risk to which the subsidiary company is exposed depends on the level of guarantees inherent in the contracts and the current interest rate. The changes in interest rate will not cause a change to the amount of the liability, unless the change is material enough to trigger a liability adequacy test adjustment.

As at 31 December 2023, the discount interest rates for the purpose of the liability adequacy test, in accordance with industry practice, are depending on the yield curve corresponding to the estimated timing of the net expected cash flows from insurance contracts. Management monitors the sensitivity to changes in rates on an ongoing basis. A decrease of 100 basis points from current market interest rates would not trigger a liability adequacy test adjustment.



6 CAPITAL REQUIREMENTS

The capital funds and the ratios of capital to risk weighted assets (Capital Adequacy Ratio) of KASIKORNBANK FINANCIAL CONGLOMERATE and the Bank as at 31 December 2023 and 2022 are set out below. The Bank has chosen to adopt the Standardised Approach in accordance with BOT requirements, which is in line with the requirements of Basel III.

(Unit : Million Baht)

	<u>KASIKORNBANK FINANCIAL</u>	
	<u>CONGLOMERATE</u>	
	<u>2023</u>	<u>2022</u>
Tier 1 Capital		
Common Equity Tier 1 Capital (CET1)		
Issued and paid-up share capital, premium on common shares	41,796	41,796
Legal reserve	3,050	3,050
Net profit after appropriation	433,706	409,110
Other comprehensive income	17,280	20,534
Capital adjustment items on CET1	(3,359)	(4,254)
<u>Less</u> Capital deduction items on CET1	<u>(35,999)</u>	<u>(34,574)</u>
Total Common Equity Tier 1 Capital (CET1)	456,474	435,662
Additional Tier 1 Capital		
Additional Tier 1 Capital instruments	27,317	27,317
<u>Less</u> Capital deduction items on Additional Tier 1	<u>(392)</u>	<u>(543)</u>
Total Additional Tier 1 Capital	<u>26,925</u>	<u>26,774</u>
Total Tier 1 Capital Base	<u>483,399</u>	<u>462,436</u>
Tier 2 Capital		
Tier 2 Capital instrument	24,508	24,508
General Provision	31,010	30,869
<u>Less</u> Capital deduction items on Tier 2	<u>(1,142)</u>	<u>(1,225)</u>
Total Tier 2 Capital Base	<u>54,376</u>	<u>54,152</u>
Total Capital Base	<u>537,775</u>	<u>516,588</u>
Total Risk-Weighted Assets	2,771,128	2,746,673



(Percentage)

KASIKORNBANK FINANCIAL CONGLOMERATEMinimum requirements including

<u>Capital Adequacy Ratio</u>	<u>Buffer requirements*</u>	<u>2023</u>	<u>2022</u>
Tier 1 Capital ratio	9.50	17.44	16.84
<i>Common Equity Tier 1 ratio</i>	8.00	16.47	15.86
Tier 2 Capital ratio	-	1.97	1.97
Capital adequacy ratio	12.00	19.41	18.81

* Bank of Thailand (BOT) required the Bank to maintain 2 capital buffers as follows:

- Conservation buffer: BOT required the Bank to maintain an additional Common Equity Tier 1 at more than 2.50 Percent.
- Domestic Systemically Important Banks Buffer (D-SIBs Buffer): BOT required the D-SIBs to maintain an additional Common Equity Tier 1 at 1 Percent.

(Unit : Million Baht)

	<u>The Bank</u>	
	<u>2023</u>	<u>2022</u>
Tier 1 Capital		
Common Equity Tier 1 Capital (CET1)		
Issued and paid-up share capital, premium on common shares	41,796	41,796
Legal reserve	3,050	3,050
Net profit after appropriation	376,949	356,356
Other comprehensive income	18,992	19,800
Capital adjustment items on CET1	(2,668)	(3,167)
<u>Less Capital deduction items on CET1</u>	<u>(29,459)</u>	<u>(30,070)</u>
Total Common Equity Tier 1 Capital (CET1)	408,660	387,765
Additional Tier 1 Capital		
Additional Tier 1 Capital instruments	27,317	27,317
<u>Less Capital deduction items on Additional Tier 1</u>	<u>(392)</u>	<u>(543)</u>
Total Additional Tier 1 Capital	<u>26,925</u>	<u>26,774</u>
Total Tier 1 Capital Base	<u>435,585</u>	<u>414,539</u>
Tier 2 Capital		
Tier 2 Capital instrument	24,508	24,508
General Provision	<u>29,205</u>	<u>29,252</u>
Total Tier 2 Capital Base	<u>53,713</u>	<u>53,760</u>
Total Capital Base	<u>489,298</u>	<u>468,299</u>
Total Risk-Weighted Assets	2,613,978	2,598,068



		(Percentage)	
		<u>The Bank</u>	
	<u>Minimum requirements</u>		
	<u>including Buffer</u>		
<u>Capital Adequacy Ratio</u>	<u>requirements*</u>	<u>2023</u>	<u>2022</u>
Tier 1 Capital ratio	9.50	16.66	15.96
<i>Common Equity Tier 1 ratio</i>	<i>8.00</i>	<i>15.63</i>	<i>14.93</i>
Tier 2 Capital ratio	-	2.06	2.06
Capital adequacy ratio	12.00	18.72	18.02

* Bank of Thailand (BOT) required the Bank to maintain 2 capital buffers as follows:

- Conservation buffer: BOT required the Bank to maintain an additional Common Equity Tier 1 at more than 2.50 Percent.
- Domestic Systemically Important Banks Buffer (D-SIBs Buffer): BOT required the D-SIBs to maintain an additional Common Equity Tier 1 at 1 Percent.

As at 31 December 2023 and 2022, the Bank and KASIKORNBANK FINANCIAL CONGLOMERATE have no add-on arising from Single Lending Limit.

In accordance with the BOT's directive number SOR NOR SOR 14/2562, dated 28 June 2019, titled "The Disclosure of Capital Requirements of Commercial Banks (No.2)" and the BOT's directive number SOR NOR SOR 15/2562, dated 28 June 2019, titled "The Disclosure of Capital Requirements of Commercial Banks on Consolidated Basis (No. 2)", requires KASIKORNBANK FINANCIAL CONGLOMERATE to disclose the capital requirements, were as follows:

Location of disclosure	Through the website of the Bank under the investor relations section Date of disclosure https://www.kasikornbank.com/en/IR/FinanInfoReports/Pages/financial-reports.aspx
Date of disclosure	Within 4 months after the period end date as indicated in the notification
Information as of	30 June 2023

The disclosure for the years ended 31 December 2023 will be provided on or before 30 April 2024 on the Bank's website as noted above.



7 CLASSIFICATION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial assets and financial liabilities as of 31 December 2023 and 2022 is as follows:

(Unit : Million Baht)

	<u>Consolidated</u>					<u>Total</u>
	<u>2023</u>					
	Financial instrument measured at fair value through profit or loss	Financial instrument designated at fair value through profit or loss	Investment in debt measured at fair value through other comprehensive income	Investment in equity designated at fair value through other comprehensive income	Financial instrument measured at amortised cost	
<u>Financial Assets</u>						
Cash	-	-	-	-	48,690	48,690
Interbank and money market items - net	-	-	-	-	569,008	569,008
Financial assets measured at fair value through profit or loss	47,969	326	-	-	-	48,295
Derivative assets	42,163	-	-	-	2,535	44,698
Investments - net	-	-	213,511	91,660	658,134	963,305
Loans to customers and accrued interest receivables - net	-	-	-	-	<u>2,371,492</u>	<u>2,371,492</u>
Total	<u>90,132</u>	<u>326</u>	<u>213,511</u>	<u>91,660</u>	<u>3,649,859</u>	<u>4,045,488</u>
<u>Financial Liabilities</u>						
Deposits	-	-	-	-	2,699,562	2,699,562
Interbank and money market items	-	-	-	-	179,207	179,207
Liabilities payable on demand	-	-	-	-	31,119	31,119
Financial liabilities measured at fair value through profit or loss	35	329	-	-	-	364
Derivative liabilities	40,890	-	-	-	1,172	42,062
Debts issued and borrowings	-	-	-	-	<u>81,572</u>	<u>81,572</u>
Total	<u>40,925</u>	<u>329</u>	<u>-</u>	<u>-</u>	<u>2,992,632</u>	<u>3,033,886</u>



(Unit : Million Baht)

	<u>Consolidated</u>					
	<u>2022</u>					
	Financial instrument measured at fair value through <u>profit or loss</u>	Financial instrument designated at fair value through <u>profit or loss</u>	Investment in debt measured at fair value through other comprehensive <u>income</u>	Investment in equity designated at fair value through other comprehensive <u>income</u>	Financial instrument measured at <u>amortised cost</u>	<u>Total</u>
<u>Financial Assets</u>						
Cash	-	-	-	-	57,115	57,115
Interbank and money market items - net	-	-	-	-	502,536	502,536
Financial assets measured at fair value through profit or loss	46,924	340	-	-	-	47,264
Derivative assets	55,773	-	-	-	9,259	65,032
Investments - net	-	-	247,983	84,496	640,879	973,358
Loans to customers and accrued interest receivables - net	-	-	-	-	2,377,774	2,377,774
Total	<u>102,697</u>	<u>340</u>	<u>247,983</u>	<u>84,496</u>	<u>3,587,563</u>	<u>4,023,079</u>
<u>Financial Liabilities</u>						
Deposits	-	-	-	-	2,748,685	2,748,685
Interbank and money market items	-	-	-	-	155,240	155,240
Liabilities payable on demand	-	-	-	-	24,887	24,887
Financial liabilities measured at fair value through profit or loss	328	342	-	-	-	670
Derivative liabilities	52,272	-	-	-	1,687	53,959
Debts issued and borrowings	-	-	-	-	67,897	67,897
Total	<u>52,600</u>	<u>342</u>	<u>-</u>	<u>-</u>	<u>2,998,396</u>	<u>3,051,338</u>



(Unit : Million Baht)

	<u>The Bank</u>				<u>Total</u>
	<u>2023</u>				
	Financial instrument measured at fair value through <u>profit or loss</u>	Investment in debt measured at fair value through other comprehensive <u>income</u>	Investment in equity designated at fair value through other comprehensive <u>income</u>	Financial instrument measured at <u>amortised cost</u>	
<u>Financial Assets</u>					
Cash	-	-	-	48,465	48,465
Interbank and money market items - net	-	-	-	575,411	575,411
Financial assets measured at fair value through profit or loss	25,026	-	-	-	25,026
Derivative assets	39,244	-	-	2,218	41,462
Investments - net	-	194,345	7,380	159,254	360,979
Loans to customers and accrued interest receivables - net	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,246,758</u>	<u>2,246,758</u>
Total	<u>64,270</u>	<u>194,345</u>	<u>7,380</u>	<u>3,032,106</u>	<u>3,298,101</u>
<u>Financial Liabilities</u>					
Deposits	-	-	-	2,671,734	2,671,734
Interbank and money market items	-	-	-	166,282	166,282
Liabilities payable on demand	-	-	-	31,119	31,119
Derivative liabilities	40,755	-	-	970	41,725
Debts issued and borrowings	<u>-</u>	<u>-</u>	<u>-</u>	<u>71,789</u>	<u>71,789</u>
Total	<u>40,755</u>	<u>-</u>	<u>-</u>	<u>2,941,894</u>	<u>2,982,649</u>



(Unit : Million Baht)

	<u>The Bank</u>				<u>Total</u>
	<u>Financial instrument measured at fair value through profit or loss</u>	<u>Investment in debt measured at fair value through other comprehensive income</u>	<u>Investment in equity designated at fair value through other comprehensive income</u>	<u>Financial instrument measured at amortised cost</u>	
<u>2022</u>					
<u>Financial Assets</u>					
Cash	-	-	-	56,852	56,852
Interbank and money market items - net	-	-	-	513,261	513,261
Financial assets measured at fair value through profit or loss	20,423	-	-	-	20,423
Derivative assets	52,185	-	-	8,291	60,476
Investments - net	-	227,400	9,735	156,274	393,409
Loans to customers and accrued interest receivables - net	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,269,749</u>	<u>2,269,749</u>
Total	<u>72,608</u>	<u>227,400</u>	<u>9,735</u>	<u>3,004,427</u>	<u>3,314,170</u>
<u>Financial Liabilities</u>					
Deposits	-	-	-	2,719,710	2,719,710
Interbank and money market items	-	-	-	157,992	157,992
Liabilities payable on demand	-	-	-	24,887	24,887
Derivative liabilities	52,143	-	-	1,694	53,837
Debts issued and borrowings	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,048</u>	<u>54,048</u>
Total	<u>52,143</u>	<u>-</u>	<u>-</u>	<u>2,958,331</u>	<u>3,010,474</u>



8 SUPPLEMENTARY INFORMATION OF CASH FLOWS

Significant non-cash items for the years ended 31 December 2023 and 2022 are as follows:

(Unit : Million Baht)

	<u>Consolidated</u>		<u>The Bank</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Change in foreign exchange for long-term debts issued and borrowings*	(1,015)	2,363	(290)	1,891
Amortisation cost for long-term debts issued and borrowings	5	250	5	250

* The Bank and its subsidiaries manage its banking exposures through the use of derivatives



9 INTERBANK AND MONEY MARKET ITEMS - NET (ASSETS)

Interbank and money market items - net (assets) as of 31 December 2023 and 2022 consisted of:

(Unit : Million Baht)

	<u>Consolidated</u>		<u>The Bank</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
1. <u>Domestic</u>				
The BOT and FIDF	322,716	293,313	322,716	293,313
Commercial banks	91,118	66,973	87,639	64,179
Specialised financial institutions	17,411	21,120	16,871	20,851
Other financial institutions	<u>3,487</u>	<u>2,611</u>	<u>3,456</u>	<u>2,580</u>
Total	434,732	384,017	430,682	380,923
<u>Add</u> Accrued interest receivable and undue interest income	402	138	379	123
<u>Less</u> Allowance for expected credit loss	<u>(77)</u>	<u>(63)</u>	<u>(45)</u>	<u>(26)</u>
Total domestic	<u>435,057</u>	<u>384,092</u>	<u>431,016</u>	<u>381,020</u>
2. <u>Foreign</u>				
US Dollars	85,839	82,006	103,307	82,776
Chinese Yuan	31,270	26,759	33,403	44,825
Japanese Yen	674	711	674	710
Euro	1,148	613	1,147	613
Other currencies	<u>14,845</u>	<u>8,139</u>	<u>4,978</u>	<u>2,640</u>
Total	133,776	118,228	143,509	131,564
<u>Add</u> Accrued interest receivable and undue interest income	381	546	1,342	1,304
<u>Less</u> Allowance for expected credit loss	<u>(192)</u>	<u>(211)</u>	<u>(442)</u>	<u>(508)</u>
Total foreign	<u>133,965</u>	<u>118,563</u>	<u>144,409</u>	<u>132,360</u>
3. <u>Fair value hedge adjustments</u>				
Fair value hedge adjustments	<u>(14)</u>	<u>(119)</u>	<u>(14)</u>	<u>(119)</u>
Total fair value hedge adjustments	<u>(14)</u>	<u>(119)</u>	<u>(14)</u>	<u>(119)</u>
Total domestic foreign and fair value hedge adjustments	<u>569,008</u>	<u>502,536</u>	<u>575,411</u>	<u>513,261</u>



10 FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets measured at fair value through profit or loss as of 31 December 2023 and 2022 consisted of;

10.1 Trading financial assets :

	(Unit : Million Baht)			
	<u>Consolidated</u>		<u>The Bank</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Government and state enterprise securities	8,965	2,907	8,770	2,757
Private enterprise debt instruments	2,131	1,579	2,055	1,497
Marketable equity securities - domestic	3,568	7,151	22	21
Other	<u>136</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>14,800</u>	<u>11,637</u>	<u>10,847</u>	<u>4,275</u>

10.2 Financial assets designated at fair value through profit or loss :

	(Unit : Million Baht)	
	<u>Consolidated</u>	
	<u>2023</u>	<u>2022</u>
Private enterprise debt instruments	269	288
Foreign debt instruments	<u>57</u>	<u>52</u>
Total	<u>326</u>	<u>340</u>

10.3 Financial assets - others :

	(Unit : Million Baht)			
	<u>Consolidated</u>		<u>The Bank</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Private enterprise debt instruments	14,361	14,069	-	320
Foreign debt instruments	5,921	7,372	3,067	3,691
Marketable equity securities – domestic	305	314	305	314
Marketable equity securities – overseas	9,373	11,028	9,373	11,028
Others	<u>3,209</u>	<u>2,504</u>	<u>1,434</u>	<u>795</u>
Total	<u>33,169</u>	<u>35,287</u>	<u>14,179</u>	<u>16,148</u>
Total Financial assets measured at fair value				
through profit or loss	<u>48,295</u>	<u>47,264</u>	<u>25,026</u>	<u>20,423</u>



11 DERIVATIVES

11.1 Trading derivatives

Fair value and notional amount classified by type of risks as of 31 December 2023 and 2022 consisted of:

(Unit : Million Baht)

Type of risk	Consolidated									
	Fair value				Notional amount classified by maturity					
	Assets		Liabilities		Up to 1 year		Over 1 year		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Exchange rate	25,987	35,604	23,677	30,767	1,250,563	1,347,949	187,653	174,074	1,438,216	1,522,023
Interest rate	7,058	9,382	7,054	9,410	120,421	157,892	391,335	393,829	511,756	551,721
Others										
- Commodities	943	419	936	404	12,363	15,692	-	-	12,363	15,692
- Equities	299	178	47	71	4,186	3,261	6,211	5,140	10,397	8,401
- Debts	-	-	14	-	280	-	200	-	480	-
- Others	(494)	(664)	-	-	-	-	-	-	-	-
Total	33,793	44,919	31,728	40,652	1,387,813	1,524,794	585,399	573,043	1,973,212	2,097,837

(Unit : Million Baht)

Type of risk	The Bank									
	Fair value				Notional amount classified by maturity					
	Assets		Liabilities		Up to 1 year		Over 1 year		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Exchange rate	25,946	36,198	24,126	31,336	1,236,049	1,347,636	198,754	187,086	1,434,803	1,534,722
Interest rate	7,058	9,382	7,054	9,410	120,421	157,892	391,335	393,829	511,756	551,721
Others										
- Commodities	943	419	936	404	12,363	15,692	-	-	12,363	15,692
- Equities	176	120	176	120	-	-	8,248	6,138	8,248	6,138
- Debts	2	-	14	18	580	950	200	-	780	950
- Others	(494)	(664)	-	-	-	-	-	-	-	-
Total	33,631	45,455	32,306	41,288	1,369,413	1,522,170	598,537	587,053	1,967,950	2,109,223



11.2 Hedging derivatives

11.2.1 Fair value hedge

Fair value hedge is used to manage the exposure of changes in fair value of fixed rate and/or foreign currency rate banking book instruments, mainly are interbank and money market items - net (assets), investments and borrowings where their carrying amount of assets and liabilities, attributable to the hedged risk as of 31 December 2023 are Baht 21,653 million and Baht 59,891 million, respectively. They are hedged by interest rate swap or FX swap as per table below which arose ineffectiveness which recognised loss in the profit or loss for the year ended 31 December 2023 of Baht 185 million.

Fair value and notional amount classified by type of risks as of 31 December 2023 and 2022 consisted of

(Unit : Million Baht)

Type of risks	Consolidated and The Bank					
	Fair value				Notional Amount	
	Assets		Liabilities		2023	2022
	2023	2022	2023	2022	2023	2022
Exchange rate	-	21	-	125	-	2,096
Interest rate	1,110	1,555	7,743	9,568	147,229	134,838
Total	1,110	1,576	7,743	9,693	147,229	136,934

11.2.2 Cash flow hedge

Cash flow hedge is used to manage the variability in future cash flows on a floating rate and/or foreign currency rate banking book instruments, mainly are investments and borrowings which are hedged by interest rate swap, FX swap or cross currency interest rate swap with total fair value as per table below.

Cash flow hedge reserve is cumulative amount of effective portion of fair value of hedging instruments which is recognised in other reserves. Cash flow hedge balances for the consolidated financial statements as of 31 December 2023 has gain for Baht 5,759 million which comprises decrease in recognised fair value changes amounting to Baht 440 million and transferred to profit or loss amounting to Baht 1,558 million. Cash flow hedge balances for the Bank financial statements as of 31 December 2023 has gain for Baht 3,322 million which comprises increase in recognised fair value changes amounting to Baht 989 million and transferred to profit or loss amounting to Baht 1,577 million while the ineffective portion that are recognised immediately in the profit or loss of the consolidated and the Bank for the year ended 31 December 2023 have gain of Baht 272 million and gain of Baht 232 million, respectively.



Fair value and notional amount classified by type of risks as of 31 December 2023 and 2022 consisted of

(Unit : Million Baht)

Type of risks	Consolidated					
	Fair value				Notional Amount	
	Assets		Liabilities		2023	2022
	2023	2022	2023	2022	2023	2022
Exchange rate	2,794	4,197	768	834	44,636	48,181
Interest rate	4,445	5,019	650	1,093	98,316	76,395
Others						
- Debts	21	62	1	-	1,192	1,738
Total	7,260	9,278	1,419	1,927	144,144	126,314

(Unit : Million Baht)

Type of risks	The Bank					
	Fair value				Notional Amount	
	Assets		Liabilities		2023	2022
	2023	2022	2023	2022	2023	2022
Exchange rate	58	135	56	69	2,633	3,652
Interest rate	4,445	5,019	650	1,093	98,316	76,395
Total	4,503	5,154	706	1,162	100,949	80,047

11.2.3 Net Investment hedge

The Bank and its subsidiaries have designated net investment hedge to hedge the spot fluctuation of foreign currency assets and liabilities of oversea subsidiaries and oversea branches that have different functional currencies from Thai Baht, the bank's functional currency. The hedge relationship was closely monitored and promptly adjust a hedge position through a mixture of derivatives and financial liabilities which are foreign currencies to ensure highly effective for the total hedging period.



11.3 Dynamic Hedging derivatives

Carrying amount and notional amount classified by type of risks as of 31 December 2023 and 2022 consisted of

(Unit : Million Baht)

Type of risks	<u>Carrying amount</u>				<u>Notional amount classified by maturity</u>					
	<u>Assets</u>		<u>Liabilities</u>		<u>Up to 1 year</u>		<u>Over 1 year</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Exchange rate	2,535	9,259	1,172	1,687	182,586	224,744	28,487	27,897	211,073	252,641
Interest rate	-	-	-	-	185,249	54,929	234,829	327,105	420,078	382,034
Total	2,535	9,259	1,172	1,687	367,835	279,673	263,316	355,002	631,151	634,675

(Unit : Million Baht)

Type of risks	<u>Carrying amount</u>				<u>Notional amount classified by maturity</u>					
	<u>Assets</u>		<u>Liabilities</u>		<u>Up to 1 year</u>		<u>Over 1 year</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Exchange rate	2,218	8,291	970	1,694	153,655	202,103	28,487	27,897	182,142	230,000
Interest rate	-	-	-	-	185,249	54,929	234,829	327,105	420,078	382,034
Total	2,218	8,291	970	1,694	338,904	257,032	263,316	355,002	602,220	612,034



12 INVESTMENTS - NET

12.1 Type of investments

Investments as of 31 December 2023 and 2022 consisted of:

	(Unit : Million Baht)			
	<u>Consolidated</u>			
	<u>Amortised Cost</u>			
	<u>2023</u>		<u>2022</u>	
1. <u>Investments in debt instruments measured at amortised cost value</u>				
1.1 Government and state enterprise securities	458,328		448,826	
1.2 Private enterprise debt instruments	148,578		143,660	
1.3 Foreign debt instruments	<u>53,105</u>		<u>49,822</u>	
Total	660,011		642,308	
<u>Less</u> Allowance for expected credit loss	<u>(1,877)</u>		<u>(1,429)</u>	
Total	<u>658,134</u>		<u>640,879</u>	
	(Unit : Million Baht)			
	<u>Consolidated</u>			
	<u>Fair value</u>			
	<u>2023</u>		<u>2022</u>	
2. <u>Investments in debt instruments measured at fair value through other comprehensive income</u>				
2.1 Government and state enterprise securities	142,166		157,625	
2.2 Private enterprise debt instruments	20,348		23,709	
2.3 Foreign debt instruments	<u>50,997</u>		<u>66,649</u>	
Total	<u>213,511</u>		<u>247,983</u>	
Allowance for expected credit loss	(184)		(306)	
	(Unit : Million Baht)			
	<u>Consolidated</u>			
	<u>Fair value</u>		<u>Dividend income</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
3. <u>Investments in equity instruments designated at fair value through other comprehensive income</u>				
3.1 Marketable equity securities - domestic	48,755	51,937	2,065	2,026
3.2 Marketable equity securities - overseas	32,226	26,245	645	617
3.3 Others	<u>10,679</u>	<u>6,314</u>	<u>113</u>	<u>361</u>
Total	<u>91,660</u>	<u>84,496</u>	<u>2,823</u>	<u>3,004</u>
Total Investments - net	<u>963,305</u>	<u>973,358</u>		



(Unit : Million Baht)

	<u>The Bank</u>	
	<u>Amortised Cost</u>	
	<u>2023</u>	<u>2022</u>
<u>1. Investments in debt instruments measured at amortised cost value</u>		
1.1 Government and state enterprise securities	155,392	151,694
1.2 Private enterprise debt instruments	<u>4,530</u>	<u>5,105</u>
Total	159,922	156,799
<u>Less</u> Allowance for expected credit loss	<u>(668)</u>	<u>(525)</u>
Total	<u>159,254</u>	<u>156,274</u>

(Unit : Million Baht)

	<u>The Bank</u>	
	<u>Fair value</u>	
	<u>2023</u>	<u>2022</u>
<u>2. Investments in debt instruments measured at fair value through other comprehensive income</u>		
2.1 Government and state enterprise securities	135,032	148,882
2.2 Private enterprise debt instruments	18,990	21,660
2.3 Foreign debt instruments	<u>40,323</u>	<u>56,858</u>
Total	<u>194,345</u>	<u>227,400</u>
Allowance for expected credit loss	(179)	(295)

(Unit : Million Baht)

	<u>The Bank</u>			
	<u>Fair value</u>		<u>Dividend income</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<u>3. Investments in equity instruments designated at fair value through other comprehensive income</u>				
3.1 Marketable equity securities - domestic	5,925	5,708	322	327
3.2 Marketable equity securities - overseas	821	3,248	37	65
3.3 Others	<u>634</u>	<u>779</u>	<u>85</u>	<u>315</u>
Total	<u>7,380</u>	<u>9,735</u>	<u>444</u>	<u>707</u>
Total Investments - net	<u>360,979</u>	<u>393,409</u>		



12.2 Derecognised investments

Derecognised investments in equities instrument designated at fair value through other comprehensive income mainly arising from sale during the years ended 31 December 2023 and 2022 as following;

(Unit : Million Baht)

	<u>Consolidated</u>					
	<u>Fair value at</u>		<u>Dividend income</u>		<u>Gain/(Loss)</u>	
	<u>derecognised date</u>					
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Derecognised investments	35,256	38,256	236	283	701	826

(Unit : Million Baht)

	<u>The Bank</u>					
	<u>Fair value at</u>		<u>Dividend income</u>		<u>Gain/(Loss)</u>	
	<u>derecognised date</u>					
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Derecognised investments	2,095	1,680	29	65	(17)	5



12.3 Investments in other companies having a going concern uncertainty

As of 31 December 2023 and 2022, investments held by the Bank and its subsidiaries in companies whose ability to continue as a going concern is uncertain, or unlisted companies whose financial position and operating results are the same as companies which meet SET's criteria for delisting, were as follows:

(Unit : Million Baht)

	<u>Consolidated</u>					
	<u>2023</u>			<u>2022</u>		
	Cost Value/ Book Value	Fair Value	Allowance for Expected Credit Loss	Cost Value/ Book Value	Fair Value	Allowance for Expected Credit Loss
- Equity Securities	23	-	-	23	-	-
- Debt Securities	568	-	(523)	553	-	(491)
Total	591	-	(523)	576	-	(491)

(Unit : Million Baht)

	<u>The Bank</u>					
	<u>2023</u>			<u>2022</u>		
	Cost Value/ Book Value	Fair Value	Allowance for Expected Credit Loss	Cost Value/ Book Value	Fair Value	Allowance for Expected Credit Loss
- Equity Securities	11	-	-	11	-	-
- Debt Securities	568	-	(523)	553	-	(491)
Total	579	-	(523)	564	-	(491)

12.4 Investments 10% or more held by the Bank and its subsidiaries

As of 31 December 2023 and 2022, investments held by the Bank and its subsidiaries that were 10% or more of those companies' shares and were not investments in subsidiaries and associated companies, classified by industry were as follows:

(Unit : Million Baht)

	<u>Consolidated</u>		<u>The Bank</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Agriculture and mining	5	5	-	-
Property development and construction	1,479	1,840	-	-
Infrastructure and services	155	156	155	156
Others	5,445	5,397	738	1,126
Total	7,084	7,398	893	1,282



13 INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES – NET

13.1 Type of investments in subsidiaries, associated companies and joint ventures

As of 31 December 2023 and 2022, investments in ordinary shares of subsidiaries, associated companies and joint ventures were as follows:

(Unit : Million Baht)

Type of Business	Country of Operation	Type of Share	Consolidated % Shareholding		Cost method		Equity method		
			Direct and indirect		2023	2022	2023	2022	
			2023	2022	2023	2022	2023	2022	
<u>Associated companies</u>									
Processing Center Co., Ltd.	Service	Thai	Ordinary	30.00%	30.00%	15	15	534	503
National ITMX Co., Ltd.	Service	Thai	Ordinary	27.94%	26.73%	182	133	1,392	1,064
BCI (THAILAND) CO.,LTD.	Service	Thai	Ordinary	22.17%	22.17%	118	118	60	72
Thai Payment Network Co., Ltd.	Service	Thai	Ordinary	33.33%	33.33%	262	262	219	237
Sovannaphum Life Assurance PLC ³⁾	Life Insurance	Kingdom of Cambodia	Ordinary	18.74%	18.74%	267	267	275	222
Goco Co., Ltd. ⁴⁾	Information and communication system development	Thai	Ordinary	22.65%	22.65%	4	4	-	-
Lawson-Marsh Events Co., Ltd. ⁴⁾	Professional conference organizer	Thai	Ordinary	35.71%	35.71%	5	5	-	-
O&H Honeycomb Paper Co., Ltd. ⁴⁾	Manufacture and sale of honeycomb paper	Thai	Ordinary	40.99%	40.99%	18	18	-	-
LD Restaurant Co., Ltd. ⁴⁾	Restaurant	Thai	Ordinary	-	32.14%	-	4	-	-
Lich Viet Development Joint Stock Company ⁵⁾	Service	Socialist Republic of Vietnam	Ordinary	36.00%	-	65	-	60	-
STORMBREAKER VENTURE COMPANY LIMITED ⁵⁾	Investment in other company	Thai	Ordinary	60.00%	-	10	-	-	-
Robowealth Security Brokerage Co., Ltd. ⁵⁾	Stock Broker	Thai	Ordinary	53.05%	-	171	-	134	-
T2P Holding Co., Ltd. ^{5), 8)}	Service	Thai	Preferred Stock	36.26%	-	275	-	263	-
Search Engine Optimization Co., Ltd. ⁵⁾	Service	Thai	Ordinary Preferred Stock	22.40% 7.62%	-	136	-	135	-



(Unit : Million Baht)

	Type of Business	Country of Operation	Type of Share	Consolidated % Shareholding		Cost method		Equity method	
				Direct and indirect		2023	2022	2023	2022
				2023	2022	2023	2022	2023	2022
<u>Joint ventures</u>									
KASIKORN LINE CO., LTD. ⁶⁾	Lending service	Thai	Ordinary	50.00%	50.00%	5,600	3,600	2,426	1,587
JK Asset Management Company Limited ⁶⁾	Asset Management	Thai	Ordinary	55.00%	50.00%	5,000	5,000	5,683	5,098
Kasikorn Carabao Company Limited ⁶⁾	Lending service	Thai	Ordinary	50.00%	50.00%	95	37	55	36
Benix Company Limited ⁷⁾	Insurance Broker	Thai	Ordinary	12.24%	-	11	-	11	-
MUANGTHAI RUTNIN COMPANY LIMITED ⁷⁾	Hospital	Thai	Ordinary	24.86%	-	<u>32</u>	<u>-</u>	<u>32</u>	<u>-</u>
Total Investments in Associated Companies and Joint Ventures						12,266	9,463	11,279	8,819
<u>Less</u> Allowance for impairment						<u>(37)</u>	<u>(31)</u>	<u>-</u>	<u>-</u>
Investments in Associated Companies and Joint Ventures - Net						<u>12,229</u>	<u>9,432</u>	<u>11,279</u>	<u>8,819</u>



(Unit : Million Baht)

	Type of Business	Country of Operation	Type of Share	The Bank		Cost method		Dividend income	
				% Shareholding		2023	2022	2023	2022
				Direct and indirect		2023	2022	2023	2022
<u>Direct subsidiaries</u>									
KASIKORN ASSET MANAGEMENT CO., LTD.	Fund Management	Thai	Ordinary	100.00%	100.00%	2,003	2,003	2,773	3,219
KASIKORN RESEARCH CENTER CO., LTD.	Service	Thai	Ordinary	100.00%	100.00%	10	10	-	-
KASIKORN SECURITIES PCL	Securities Business	Thai	Ordinary	99.99%	99.99%	1,512	1,512	1,000	1,500
KASIKORN LEASING CO., LTD.	Auto Leasing	Thai	Ordinary	100.00%	100.00%	900	900	400	410
KASIKORN FACTORY & EQUIPMENT CO., LTD.	Equipment Leasing	Thai	Ordinary	100.00%	100.00%	237	237	-	-
KASIKORN TECHNOLOGY GROUP SECRETARIAT CO., LTD. ¹⁾	Service	Thai	Ordinary	100.00%	100.00%	5	5	-	-
KASIKORN LABS CO., LTD. ¹⁾	Service	Thai	Ordinary	100.00%	100.00%	5	5	-	-
KASIKORN SOFT CO., LTD. ¹⁾	Service	Thai	Ordinary	100.00%	100.00%	5	5	-	-
KASIKORN INFRA CO., LTD. ¹⁾	Service	Thai	Ordinary	100.00%	100.00%	5	5	-	-
KASIKORN SERVE CO., LTD. ¹⁾	Service	Thai	Ordinary	-	100.00%	-	19	-	4
KASIKORN X CO., LTD. ¹⁾	Service	Thai	Ordinary	100.00%	100.00%	2,452	738	-	-
Muang Thai Group Holding Co., Ltd. ("MTGH") ²⁾	Investment in other Companies	Thai	Ordinary	51.00%	51.00%	7,575	7,575	217	298
KASIKORNTHAI BANK SOLE LIMITED (Formerly: KASIKORNTHAI BANK Limited)	Commercial Banking	Lao PDR	Ordinary	100.00%	100.00%	1,769	1,688	-	-
KASIKORNBANK (CHINA) COMPANY LIMITED	Commercial Banking	People's Republic of China	Ordinary	100.00%	100.00%	14,802	14,802	-	-
K-SME Venture Capital Co., Ltd.	Venture Capital	Thai	Ordinary	100.00%	100.00%	50	50	-	-
BEACON VENTURE CAPITAL COMPANY LIMITED	Venture Capital	Thai	Ordinary	100.00%	100.00%	6,920	6,020	-	-
KASIKORN VISION COMPANY LIMITED ("KVision")	Investment in other Companies	Thai	Ordinary	100.00%	100.00%	13,000	17,000	-	-
KASIKORN VISION FINANCIAL COMPANY PTE. LTD. ("KVF")	Investment in other Companies	Republic of Singapore	Ordinary	100.00%	100.00%	16,307	7,237	-	-
Unita Capital Company Limited	Investment in other Companies	Thai	Ordinary	100.00%	100.00%	2,976	2,976	-	-
KASIKORN INVESTURE COMPANY LIMITED	Investment in other Companies	Thai	Ordinary	100.00%	100.00%	16,914	80	-	-
KASIKORN GLOBAL PAYMENT COMPANY LIMITED	Payment service provider	Thai	Ordinary	-	100.00%	-	200	-	-
Phethai Asset Management Co., Ltd.	Asset Management	Thai	Ordinary	100.00%	100.00%	1,350	1,400	-	-



(Unit : Million Baht)

	Type of Business	Country of Operation	Type of Share	The Bank		Cost method		Dividend income	
				% Shareholding		2023	2022	2023	2022
				Direct and indirect		2023	2022	2023	2022
PROGRESS PLUS CO., LTD.	Service	Thai	Ordinary	100.00%	100.00%	1	1	-	-
PROGRESS APPRAISAL CO., LTD.	Service	Thai	Ordinary	100.00%	100.00%	5	5	10	-
PROGRESS GUNPAI SECURITY GUARD CO., LTD.	Service	Thai	Ordinary	100.00%	100.00%	21	21	26	39
PROGRESS MANAGEMENT CO., LTD.	Service	Thai	Ordinary	100.00%	100.00%	6	6	-	6
PROGRESS FACILITIES MANAGEMENT CO., LTD.	Service	Thai	Ordinary	100.00%	100.00%	5	5	17	6
PROGRESS SERVICE SECURITY GUARD CO., LTD.	Service	Thai	Ordinary	100.00%	100.00%	2	2	28	27
PROGRESS STORAGE CO., LTD.	Service	Thai	Ordinary	100.00%	100.00%	3	3	25	-
PROGRESS H R CO., LTD.	Service	Thai	Ordinary	100.00%	100.00%	1	1	30	55
PROGRESS SERVICE SUPPORT CO., LTD.	Service	Thai	Ordinary	100.00%	100.00%	4	4	45	64
PROGRESS COLLECTION CO., LTD.	Service	Thai	Ordinary	100.00%	100.00%	5	5	-	10
PROGRESS TRAINING CO., LTD.	Service	Thai	Ordinary	100.00%	100.00%	2	2	-	1
KOP50 CO., LTD.	Investment in other Companies	Thai	Ordinary	100.00%	-	80	-	-	-
<u>Indirect subsidiaries</u>									
<u>Subsidiary of KASIKORN</u>									
<u>ASSET MANAGEMENT CO., LTD.</u>									
KHAO KLA Venture Capital Management Co., Ltd.	Venture Capital Management	Thai	Ordinary	100.00%	100.00%	-	-	-	-
<u>Subsidiaries of Muang Thai</u>									
<u>Group Holding Co., Ltd.</u>									
Muang Thai Life Assurance PCL ("MTL") ²⁾	Life Insurance	Thai	Ordinary	38.25%	38.25%	-	-	-	-
Muang Thai Broker Co., Ltd. ²⁾	Insurance Broker	Thai	Ordinary	50.99%	50.99%	-	-	-	-
FUCHSIA VENTURE CAPITAL COMPANY LIMITED ²⁾	Venture Capital	Thai	Ordinary	38.25%	38.25%	-	-	-	-
AI GEN Company Limited ²⁾	Service	Thai	Ordinary	48.83%	49.94%	-	-	-	-
<u>Subsidiary of Muang Thai Life</u>									
<u>Assurance PCL</u>									
MT Insure Broker Co., Ltd.	Insurance Broker	Thai	Ordinary	38.25%	38.25%	-	-	-	-



(Unit : Million Baht)

	Type of Business	Country of Operation	Type of Share	The Bank		Cost method		Dividend income	
				% Shareholding		2023	2022	2023	2022
				Direct and indirect		2023	2022	2023	2022
<u>Subsidiaries of KASIKORN X CO., LTD.</u>									
BEACON INTERFACE COMPANY LIMITED ¹⁾	Service	Thai	Ordinary	100.00%	100.00%	-	-	-	-
KUBIX DIGITAL ASSET CO., LTD. ¹⁾	Service	Thai	Ordinary	100.00%	100.00%	-	-	-	-
KASIKORN X VENTURE CAPITAL CO., LTD.	Venture Capital	Thai	Ordinary	100.00%	-	-	-	-	-
<u>Subsidiary of KASIKORN LEASING CO., LTD.</u>									
PROGRESS MULTI INSURANCE BROKER CO., LTD.	Insurance Broker	Thai	Ordinary	100.00%	100.00%	-	-	-	-
<u>Subsidiaries of KASIKORN VISION COMPANY LIMITED</u>									
KASIKORN VISION INFORMATION TECHNOLOGY COMPANY LIMITED	Service	People's Republic of China	Ordinary	100.00%	100.00%	-	-	-	-
KBTG Vietnam Company Limited	Service	Socialist Republic of Vietnam	Ordinary	100.00%	100.00%	-	-	-	-
KASIKORN VISION ANALYTICS COMPANY LIMITED	Service	Socialist Republic of Vietnam	Ordinary	100.00%	100.00%	-	-	-	-
KASIKORN VISION (SHANGHAI) PRIVATE FUND MANAGEMENT CO., LTD.	Fund Management	People's Republic of China	Ordinary	100.00%	-	-	-	-	-
<u>Subsidiaries of Unita Capital Company Limited</u>									
ORBIX CUSTODIAN COMPANY LIMITED	Service	Thai	Ordinary	100.00%	100.00%	-	-	-	-
ORBIX INVEST COMPANY LIMITED	Digital Asset Fund Manager	Thai	Ordinary	100.00%	-	-	-	-	-
ORBIX TECHNOLOGY & INNOVATION COMPANY LIMITED	Service	Thai	Ordinary	100.00%	-	-	-	-	-
ORBIX TRADE COMPANY LIMITED	Service	Thai	Ordinary	99.59%	-	-	-	-	-



(Unit : Million Baht)

	Type of Business	Country of Operation	Type of Share	The Bank % Shareholding		Cost method		Dividend income	
				Direct and indirect		2023	2022	2023	2022
				2023	2022				
<u>Subsidiary of KASIKORN</u>									
<u>VISION FINANCIAL COMPANY PTE. LTD.</u>									
PT Bank Maspion Indonesia Tbk	Commercial Banking	Indonesia	Ordinary	84.55%	67.50%	-	-	-	-
PT KASIKORN VISION FINANCIAL INDONESIA	Service	Indonesia	Ordinary	99.99%	-	-	-	-	-
<u>Subsidiaries of KASIKORN</u>									
<u>INVESTURE COMPANY LIMITED</u>									
NGERN HAI JAI CO., LTD.	Service	Thai	Ordinary	100.00%	-	-	-	-	-
KAPTURE ONE COMPANY LIMITED	Service	Thai	Ordinary	70.00%	-	-	-	-	-
KASIKORN GLOBAL PAYMENT COMPANY LIMITED	Payment service provider	Thai	Ordinary	100.00%	-	-	-	-	-
<u>Subsidiary of KASIKORN SOFT CO., LTD.</u>									
Marco Technology Co., Ltd.	Service	Thai	Ordinary	75.00%	-	-	-	-	-
<u>Subsidiary of KOP50 CO., LTD.</u>									
KENERGYPLUS CO., LTD.	Service	Thai	Ordinary	100%	-	-	-	-	-
<u>Associated companies</u>									
Processing Center Co., Ltd.	Service	Thai	Ordinary	30.00%	30.00%	15	15	9	9
National ITMX Co., Ltd.	Service	Thai	Ordinary	27.94%	26.73%	182	133	301	173
BCI (THAILAND) CO., LTD.	Service	Thai	Ordinary	22.17%	22.17%	118	118	-	-
Thai Payment Network Co., Ltd.	Service	Thai	Ordinary	33.33%	33.33%	<u>262</u>	<u>262</u>	<u>-</u>	<u>-</u>
Total						89,509	65,050	4,881	5,821
<u>Less</u> Allowance for impairment						(1,350)	(1,400)	-	-
Fair value hedge adjustments						<u>(47)</u>	<u>585</u>	<u>-</u>	<u>-</u>
Investments in Subsidiaries and Associated Companies - Net						<u>88,112</u>	<u>64,235</u>	<u>4,881</u>	<u>5,821</u>

¹⁾ Companies under Kasikorn Business-Technology Group.

²⁾ The Bank holds 51% of total issued shares of MTGH and MTGH holds 99.99% of total shares issued by Muang Thai Broker Co., Ltd. and holds 95.74% (2022 : 97.92%) of total shares issued by AI GEN Company Limited and holds 75% of total shares issued by MTL and FUCHSIA VENTURE CAPITAL COMPANY LIMITED.

³⁾ The Bank holds shares indirectly through MTL.

⁴⁾ The Bank holds shares indirectly through K-SME Venture Capital Co., Ltd.

⁵⁾ The Bank holds shares indirectly through BEACON VENTURE CAPITAL COMPANY LIMITED.

⁶⁾ The Bank holds shares indirectly through KASIKORN INVESTURE COMPANY LIMITED.

⁷⁾ The Bank holds shares indirectly through FUCHSIA VENTURE CAPITAL COMPANY LIMITED.

⁸⁾ In October 2023, T2P Co., Ltd. executed authorized share capital exchange, wherein it swapped all of its authorized share capital with T2P Holding Co., Ltd.



The accounting for investments in associated companies and joint ventures using the equity method in the consolidated financial statements is based on financial information obtained from unaudited or unreviewed financial statements.

KASIKORN INVESTURE COMPANY LIMITED

In January to December 2023, the company additionally paid-up share capital by Baht 225 million to fully paid-up the authorized share capital of Baht 305 million. The company also increased its authorized share capital by Baht 17,445 million resulting in total authorized share capital of Baht 17,750 million and partially paid-up the newly issued share capital by Baht 16,609 million to totaling paid-up share capital of Baht 16,914 million.

In February 2023, the company acquired the ordinary shares in KASIKORN LINE CO., LTD., JK Asset Management Company Limited, Kasikorn Carabao Company Limited from KASIKORN VISION COMPANY LIMITED.

In March 2023, the company acquired 10% ordinary shares in J Asset Management Company Limited. As a result, increasing the Bank's ownership interest in JK Asset Management Company Limited both direct and indirect totaling from 50% to 55% without the change in control.

In April 2023, the company increased its investment in KASIKORN LINE COMPANY LIMITED by Baht 2,000 million, remaining the same shareholding.

In September 2023, the company increased its investment in Kasikorn Carabao Company Limited by Baht 300 million resulting in total authorized share capital increased to Baht 400 million and partially paid up the issued share capital by Baht 190 million and share held by KASIKORN INVESTURE COMPANY LIMITED to Baht 95 million.

In December 2023, the company acquired the ordinary shares in KASIKORN GLOBAL PAYMENT COMPANY LIMITED from the Bank.

KASIKORN X COMPANY LIMITED

In March to November 2023, the company increased its authorized share capital by Baht 1,210 million resulting in total authorized share capital of Baht 3,040 million and additionally paid-up share capital by Baht 1,714 million to totaling paid-up share capital of Baht 2,452 million.

KUBIX DIGITAL ASSET CO., LTD. (Indirect subsidiary)

In March 2023, the company increased its authorized share capital by Baht 210 million resulting in total authorized share capital of Baht 460 million and fully paid-up share capital.

*BEACON VENTURE CAPITAL COMPANY LIMITED*

In March to July 2023, the company increased its authorized share capital by Baht 1,800 million resulting in total authorized share capital of Baht 7,820 million and partially paid-up the newly issued share capital by Baht 900 million to totaling paid-up share capital of Baht 6,920 million.

KASIKORNTHAI BANK SOLE LIMITED

In March 2023, the company increased its authorized share capital by Baht 81 million resulting in total authorized share capital of Baht 1,769 million and fully paid-up share capital.

KASIKORN SERVE CO., LTD.

In March 2023, the company registered for the dissolution to the Ministry of Commerce on 29 March 2023. The company appointed and authorized a liquidator to carry out liquidation on 20 March 2023. The liquidator has already completed payment of taxes and expenses related to the company's dissolution returned investment of Baht 13 million shares to the company on 29 June 2023.

NGERN HAI JAI COMPANY LIMITED (Indirect subsidiary)

In April 2023, KASIKORN INVESTURE COMPANY LIMITED, a subsidiary of the Bank, established a new company under the name NGERN HAI JAI COMPANY LIMITED, of which 100% of shares are held by KASIKORN INVESTURE COMPANY LIMITED. The company has Baht 5 million of authorized share capital which was fully paid-up. In May 2023, the company increased its authorized share capital by Baht 260 million resulting in total authorized share capital of Baht 265 million and fully paid-up the newly share capital to totaling paid-up share capital of Baht 265 million.

KAPTURE ONE COMPANY LIMITED (Indirect subsidiary)

In May 2023, KASIKORN INVESTURE COMPANY LIMITED, a subsidiary of the Bank, established a new company under the name KAPTURE ONE COMPANY LIMITED, of which 70% of shares are held by KASIKORN INVESTURE COMPANY LIMITED. The company has Baht 35 million of authorized share capital which Baht 12 million has been paid-up.

ORBIX INVEST COMPANY LIMITED (Indirect subsidiary)

In May 2023, Unita Capital Company Limited, a subsidiary of the Bank, established a new company under the name ORBIX INVEST COMPANY LIMITED, of which 100% of shares are held by Unita Capital Company Limited. The company has Baht 5 million of authorized share capital which was fully has been paid-up. The company increased its authorized share capital by Baht 95 million resulting in total authorized share capital of Baht 100 million and fully paid-up the newly share capital to totaling paid-up share capital of Baht 100 million.



Phethai Asset Management Co., Ltd.

In July 2023, the company reduced its authorized, issued and paid up share capital by Baht 50 million, totaling fully paid up share capital of the Baht 1,350 million authorized share capital.

KASIKORN VISION FINANCIAL COMPANY PTE. LTD.

In July 2023, the company increased its authorized share capital by USD 272 million resulting in total authorized share capital of USD 500 million and partially paid up the newly issued share capital by USD 260 million to totaling paid-up share capital of USD 472 million.

ORBIX TECHNOLOGY & INNOVATION COMPANY LIMITED (Indirect subsidiary)

In July 2023, Unita Capital Company Limited, a subsidiary of the Bank, established new subsidiary company under the name ORBIX TECHNOLOGY & INNOVATION COMPANY LIMITED of which 100% of shares are held by Unita Capital Company Limited. The company has Baht 260 million of authorized share capital which was fully paid-up.

KASIKORN VISION (Shanghai) Private Fund Management Co., Ltd. (Indirect subsidiary)

In July 2023, KASIKORN VISION COMPANY LIMITED, a subsidiary of the Bank, established a new subsidiary company under the name KASIKORN VISION (Shanghai) Private Fund Management Co., Ltd. in the People's Republic of China (PRC), of which 100% of shares are held by KASIKORN VISION COMPANY LIMITED. The company has RMB 33 million of authorized share capital which was fully paid-up.

KASIKORN VISION COMPANY LIMITED

In September 2023, the company reduced its authorized, issued and paid up share capital by Baht 4,000 million resulting in total authorized share capital of Baht 16,000 million and total paid-up share capital by Baht 13,000 million

KASIKORN X VENTURE CAPITAL CO., LTD. (Indirect subsidiary)

In October 2023, KASIKORN X CO., LTD., a subsidiary of the Bank, established new subsidiary company under the name KASIKORN X VENTURE CAPITAL CO., LTD. of which 100% of shares are held by KASIKORN X CO., LTD. The company has Baht 5 million of authorized share capital which was fully paid-up. In November 2023, the company increased its authorized share capital by Baht 995 million resulting in total authorized share capital of Baht 1,000 million and fully paid-up share capital.

*PT KASIKORN VISION FINANCIAL INDONESIA (Indirect subsidiary)*

In October 2023, KASIKORN VISION FINANCIAL COMPANY PTE. LTD., a subsidiary of the Bank, established new subsidiary company under the name PT KASIKORN VISION FINANCIAL INDONESIA of which 99.99% of shares are held by KASIKORN VISION FINANCIAL COMPANY PTE. LTD. The company has IDR 75,000 million of authorized share capital which was fully paid-up.

KOP50 COMPANY LIMITED

In October 2023, the Bank established a new subsidiary company under the name KOP50 COMPANY LIMITED, of which 100% of shares are held by the Bank. The company has Baht 5 million of authorized share capital. In November 2023, the company increased its authorized share capital by Baht 75 million resulting in total authorized share capital of Baht 80 million and fully paid-up share capital.

ORBIX TRADE COMPANY LIMITED (Indirect subsidiary)

In October 2023, the Group acquired ORBIX TRADE COMPANY LIMITED by purchasing business. In November 2023, the company increased its authorized share capital by Baht 581 million resulting in total authorized share capital of Baht 673 million and fully paid-up share capital. As a result, increasing the Group's ownership interest in ORBIX TRADE COMPANY LIMITED both direct and indirect totaling from 97% to 99.59%.

KENERGYPLUS COMPANY LIMITED (Indirect subsidiary)

In November 2023, KOP50 COMPANY LIMITED, a subsidiary of the Bank, established new subsidiary company under the name KENERGYPLUS COMPANY LIMITED of which 100% of shares are held by KOP50 COMPANY LIMITED. The company has Baht 5 million of authorized share capital which Baht 1 million has been paid-up. In December 2023, the company increased its authorized share capital by Baht 65 million resulting in total authorized share capital of Baht 70 million and additionally paid-up share capital by Baht 69 million to totaling paid-up share capital of Baht 70 million.

PT Bank Maspion Indonesia Tbk (Indirect subsidiary)

In November 2023, the Group executed in right subscription of PT Bank Maspion Indonesia Tbk in the amount of USD 150 million. As a result, the Group has obtained 84.55% of the total issued and paid-up share capital of Maspion Bank.

**13.2 Non-controlling interests in subsidiaries**

The proportion of shareholding of non-controlling interests in subsidiaries that are material to the Bank is summarised as follows:

	<u>31 December 2023</u>	<u>31 December 2022</u>
Muang Thai Group Holding Co., Ltd.	49.00%	49.00%
Muang Thai Life Assurance PCL	61.75%	61.75%
Muang Thai Broker Co., Ltd.	49.01%	49.01%
MT Insure Broker Co., Ltd.	61.75%	61.75%
FUCHSIA VENTURE CAPITAL COMPANY LIMITED	61.75%	61.75%
AI GEN COMPANY LIMITED	51.17%	50.06%
PT Bank Maspion Indonesia Tbk	15.45%	32.50%
Marco Technology Co., Ltd.	25.00%	-
KAPTURE ONE COMPANY LIMITED	30.00%	-

13.3 Financial positions, results of operations and cash flows of the Bank's subsidiaries and associated companies

13.3.1 The summarised financial information of the subsidiaries that have non-controlling interests that are material to the Bank is set out below:

(Unit : Million Baht)

	Statements of Financial Position					
	<u>31 December 2023</u>			<u>31 December 2022</u>		
	(Unaudited)					
	Total	Total	Total	Total	Total	Total
	<u>Assets</u>	<u>Liabilities</u>	<u>Equity</u>	<u>Assets</u>	<u>Liabilities</u>	<u>Equity</u>
Companies in MTGH Group*	651,751	548,444	103,307	640,025	537,920	102,105

(Unit : Million Baht)

	Statements of Profit or Loss and Other Comprehensive Income					
	For the Year Ended 31 December					
	<u>2023</u>			<u>2022</u>		
	(Unaudited)					
	Operating			Operating		
	<u>Income - net</u>	<u>Expenses***</u>	<u>Net Profit</u>	<u>Income - net</u>	<u>Expenses***</u>	<u>Net Profit</u>
Companies in MTGH Group*	12,698**	7,582	5,116	10,246**	6,003	4,243

* The majority is contributed by Muang Thai Life Assurance PCL.

** Including dividend income among the group for 2023 and 2022 amounting to Baht 857 million and Baht 608 million, respectively.

*** Expenses comprise total other operating expenses, expected credit loss, impairment loss and income tax expense.



(Unit : Million Baht)

Statements of Cash Flows

For the Year Ended 31 December 2023

(Unaudited)

	Net Cash by <u>Operating Activities</u>	Net Cash by <u>Investing Activities</u>	Net Cash by <u>Financing Activities</u>
Companies in MTGH Group*	5,884	(842)	(5,042)

(Unit : Million Baht)

Statements of Cash Flows

For the Year Ended 31 December 2022

(Unaudited)

	Net Cash by <u>Operating Activities</u>	Net Cash by <u>Investing Activities</u>	Net Cash by <u>Financing Activities</u>
Companies in MTGH Group*	14,212	(13,397)	(815)

* The majority is contributed by Muang Thai Life Assurance PCL.

13.3.2 The summarised financial information of the immaterial associated companies is set out below:

(Unit : Million Baht)

Statements of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December

	2023		2022	
	(Unaudited)			
	Total		Total	
	<u>Net Profit</u>	<u>Comprehensive Income</u>	<u>Net Profit</u>	<u>Comprehensive Income</u>
Associated Companies	2,171	2,167	1,749	1,766



13.3.3 Disclosure of Statements of Cash Flows of Asset Management Company (“AMC”)

Phethai Asset Management Company Limited

Statements of Cash Flows

For the Years Ended 31 December 2023 and 2022

	(Unit : Million Baht)	
	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit (Loss) before income tax expense	15	(2)
Adjustments for		
(Reversal) Expected credit loss	(4)	-
Interest income - net	(16)	(1)
Proceeds from interest	16	1
Income tax paid	<u>(3)</u>	<u>(12)</u>
Profit (Loss) from operating before changes in operating assets and liabilities	8	(14)
Decrease (Increase) in operating assets		
Loans to customers	6	-
Properties foreclosed	(2)	2
Other assets	9	18
Increase (Decrease) in operating liabilities		
Other liabilities	<u>1</u>	<u>(3)</u>
Net cash provided by operating activities	<u>22</u>	<u>3</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash payment for treasury shares	<u>(50)</u>	<u>-</u>
Net cash (used in) provided by financing activities	<u>(50)</u>	<u>-</u>
Net (decrease) increase in cash	(28)	3
Cash at the beginning of the year	<u>51</u>	<u>48</u>
Cash at the end of the year	<u>23</u>	<u>51</u>

13.4 Interest in unconsolidated structured entities arising in the normal course of business

The Bank and its subsidiaries transact with unconsolidated structured entities, through involvement in establishment process, acting as the trustee, as well as providing source of funds. These entities may take the form of funds, trusts and REITs.

The provision of funds is in the form of loans which are disbursed under normal business terms. These loans are managed in the same way as all other loans and receivables. The outstanding loans to these structured entities as of 31 December 2023 and 2022 amounted to Baht 7,876 million and Baht 6,385 million, respectively.



14 LOANS TO CUSTOMERS AND ACCRUED INTEREST RECEIVABLES – NET

As of 31 December 2023 and 2022, loans to customers and accrued interest receivables - net consisted of:

14.1 Classified by Type of Loans

(Unit : Million Baht)

	<u>Consolidated</u>		<u>The Bank</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Overdrafts	295,263	302,248	291,719	298,753
Loans	1,345,220	1,417,551	1,370,993	1,445,816
Bills	554,454	496,462	558,194	502,031
Hire purchase receivables	137,774	123,970	-	-
Finance lease receivables	19,775	20,081	-	-
Others	<u>137,912</u>	<u>134,765</u>	<u>137,918</u>	<u>134,772</u>
Total loans to customers	2,490,398	2,495,077	2,358,824	2,381,372
<u>Add</u> Accrued interest receivables and undue interest income	<u>14,970</u>	<u>16,226</u>	<u>13,978</u>	<u>15,275</u>
Total loans to customers and accrued interest receivables	2,505,368	2,511,303	2,372,802	2,396,647
<u>Less</u> Allowance for expected credit loss	<u>(133,876)</u>	<u>(133,529)</u>	<u>(126,044)</u>	<u>(126,898)</u>
Total loans to customers and accrued interest receivables – net	<u>2,371,492</u>	<u>2,377,774</u>	<u>2,246,758</u>	<u>2,269,749</u>



14.2 Classified by Residency of Borrowers

(Unit : Million Baht)

	<u>Consolidated</u>		<u>The Bank</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Domestic	2,349,638	2,366,754	2,304,510	2,323,552
Foreign	<u>140,760</u>	<u>128,323</u>	<u>54,314</u>	<u>57,820</u>
Total	<u>2,490,398</u>	<u>2,495,077</u>	<u>2,358,824</u>	<u>2,381,372</u>

14.3 Classified by Type of Business

(Unit : Million Baht)

	<u>Consolidated</u>		<u>The Bank</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Agriculture and mining	39,565	37,789	29,406	29,477
Manufacturing and commerce	1,028,275	1,050,668	926,202	963,034
Property development and construction	231,011	208,652	214,010	192,812
Infrastructure and services	342,408	361,549	262,913	288,414
Housing loans	364,018	379,506	363,716	379,134
Others	<u>485,121</u>	<u>456,913</u>	<u>562,577</u>	<u>528,501</u>
Total	<u>2,490,398</u>	<u>2,495,077</u>	<u>2,358,824</u>	<u>2,381,372</u>

14.4 Classified by account status

(Unit : Million Baht)

	<u>Loans and Accrued Interest Receivables</u>			
	<u>Consolidated</u>		<u>The Bank</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Stage 1 Performing	2,227,973	2,229,656	2,120,852	2,134,353
Stage 2 Under-performing	185,331	188,303	165,789	173,432
Stage 3 Non-performing	<u>92,064</u>	<u>93,344</u>	<u>86,161</u>	<u>88,862</u>
Total	<u>2,505,368</u>	<u>2,511,303</u>	<u>2,372,802</u>	<u>2,396,647</u>

**14.5 Non-performing loans (NPL)**

The Bank and its subsidiaries showed non-performing loans (including financial institutions) to comply with BOT's regulations, summarised as follows:

As of 31 December 2023 and 2022, non-performing loans (NPL gross) are defined as Stage 3 Non-performing loan accounts in accordance with the BOT's directive number SOR NOR SOR 23/2561, dated 31 October 2018, regarding the "Classification and provision criteria of financial institution".

	(Unit : Million Baht)			
	<u>Consolidated</u>		<u>The Bank</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Non-performing loans	94,241	92,536	88,327	88,047
Total loans used for NPL gross ratio calculation	2,953,432	2,900,689	2,791,561	2,759,764
Ratio of total loans (%)	3.19	3.19	3.16	3.19

As at 31 December 2023 and 2022, Phethai Asset Management Co., Ltd. has non-performing loans (NPL gross) amounting to Baht 49 million and Baht 55 million, respectively.

14.6 Listed companies that meet SET's criteria for delisting

As of 31 December 2023 and 2022, loans to listed companies that meet SET's criteria for delisting were as follows:

	(Unit : Million Baht)					
	<u>Consolidated and The Bank</u>					
	<u>2023</u>			<u>2022</u>		
Loans and						
accrued			Allowance for	Loans and		Allowance for
interest	Collateral	expected	accrued interest	Collateral	expected	
<u>receivables</u>	<u>value</u>	<u>credit loss</u>	<u>receivables</u>	<u>value</u>	<u>credit loss</u>	
Listed companies which meet SET's						
criteria for delisting	485	485	260	598	598	310



14.7 Hire Purchase and Finance Lease Receivables

(Unit : Million Baht)

	<u>Consolidated</u>	
	<u>Portion due</u>	
	<u>2023</u>	<u>2022</u>
Gross receivables from hire purchase and finance leases	176,472	160,443
Up to 1 year	54,150	50,025
Over 1 - 5 Years	113,926	101,934
Over 5 Years	8,396	8,484
<u>Less</u> Unearned interest income	<u>(18,923)</u>	<u>(16,392)</u>
Present value of minimum lease payments	157,549	144,051
Allowance for expected credit loss	<u>(5,418)</u>	<u>(4,423)</u>
Total hire purchase and finance lease receivables - net	<u>152,131</u>	<u>139,628</u>

15 MODIFIED LOANS

The Bank and its subsidiaries engaged in modification contracts with the debtor. During the years ended 31 December 2023 and 2022, there were loans before modification amounting to Baht 10,673 million and Baht 21,626 million, respectively and incurred losses amounting to Baht 474 million and Baht 668 million, respectively.

For the years ended 31 December 2023 and 2022, customers with current carrying amount of Baht 4,336 million and Baht 1,582 million, respectively that have performed per new terms and conditions are moved from lifetime ECL to 12-month ECL.



16 ALLOWANCE FOR EXPECTED CREDIT LOSS

The movements in the allowance for expected credit loss of loans to customers and accrued interest receivables during the year were as follows:

(Unit : Million Baht)

	<u>Consolidated</u>			<u>Total</u>
	<u>2023</u>			
	Stage 1 (Performing)	Stage 2 (Under - performing)	Stage 3 (Non - performing)	
Balance at the beginning of the year	46,612	46,075	40,842	133,529
Stage transfer	13,207	(15,019)	1,812	-
Net remeasurement of loss allowance	(18,046)	21,609	35,182	38,745
New financial assets originated or purchased	20,769	320	215	21,304
Financial assets that have been derecognised	(16,996)	(9,163)	(21,242)	(47,401)
Write-offs	-	-	(12,301)	(12,301)
Balance at the end of the year	<u>45,546</u>	<u>43,822</u>	<u>44,508</u>	<u>133,876</u>

(Unit : Million Baht)

	<u>Consolidated</u>			<u>Total</u>
	<u>2022</u>			
	Stage 1 (Performing)	Stage 2 (Under - performing)	Stage 3 (Non - performing)	
Balance at the beginning of the year	47,459	51,060	46,253	144,772
Stage transfer	10,616	(20,529)	9,913	-
Net remeasurement of loss allowance	(18,165)	28,130	41,478	51,443
New financial assets originated or purchased	27,881	876	1,196	29,953
Financial assets that have been derecognised	(21,207)	(13,463)	(29,447)	(64,117)
Acquired from business acquisition	28	1	49	78
Write-offs	-	-	(28,600)	(28,600)
Balance at the end of the year	<u>46,612</u>	<u>46,075</u>	<u>40,842</u>	<u>133,529</u>



(Unit : Million Baht)

	The Bank			Total
	2023			
	Stage 1 (Performing)	Stage 2 (Under - performing)	Stage 3 (Non - performing)	
Balance at the beginning of the year	43,856	44,529	38,513	126,898
Stage transfer	13,260	(14,949)	1,689	-
Net remeasurement of loss allowance	(17,802)	21,077	33,934	37,209
New financial assets originated or purchased	19,370	103	39	19,512
Financial assets that have been derecognised	(16,189)	(8,756)	(20,703)	(45,648)
Write-offs	-	-	(11,927)	(11,927)
Balance at the end of the year	<u>42,495</u>	<u>42,004</u>	<u>41,545</u>	<u>126,044</u>

(Unit : Million Baht)

	The Bank			Total
	2022			
	Stage 1 (Performing)	Stage 2 (Under - performing)	Stage 3 (Non - performing)	
Balance at the beginning of the year	44,920	49,730	44,601	139,251
Stage transfer	10,693	(20,543)	9,850	-
Net remeasurement of loss allowance	(17,827)	27,659	40,677	50,509
New financial assets originated or purchased	26,358	584	793	27,735
Financial assets that have been derecognised	(20,288)	(12,901)	(29,006)	(62,195)
Write-offs	-	-	(28,402)	(28,402)
Balance at the end of the year	<u>43,856</u>	<u>44,529</u>	<u>38,513</u>	<u>126,898</u>



17 PROPERTIES FORECLOSED – NET

Properties foreclosed as of 31 December 2023 and 2022 consisted of:

(Unit : Million Baht)

Types of Properties Foreclosed	Beginning Balance	Consolidated 2023		Ending Balance
		Addition	Disposal	
1. Assets acquired from debt repayment				
1.1 Immovable assets	54,367	11,677	(7,392)	58,652*
1.2 Movable assets	<u>136</u>	<u>2,463</u>	<u>(2,269)</u>	<u>330</u>
Total	54,503	14,140	(9,661)	58,982
2. Others	<u>179</u>	<u>135</u>	<u>(213)</u>	<u>101</u>
Total properties foreclosed	54,682	14,275	(9,874)	59,083
Less Allowances for impairment	<u>(3,675)</u>	<u>(1,779)</u>	<u>1,124</u>	<u>(4,330)</u>
Total properties foreclosed - net	<u>51,007</u>	<u>12,496</u>	<u>(8,750)</u>	<u>54,753</u>

* Including Properties foreclosed transferred under the Bank of Thailand's supportive measure for debt settlement through collateral assets transfers with buy-back options (Asset Warehousing).

As of 31 December 2023, the value of immovable assets acquired from debt repayment was appraised by external appraisers and internal appraisers in the amount of Baht 27,393 million and Baht 31,259 million, respectively.

(Unit : Million Baht)

Types of Properties Foreclosed	Beginning Balance	Acquired from business acquisition	Consolidated 2022		Ending Balance
			Addition	Disposal	
1. Assets acquired from debt repayment					
1.1 Immovable assets	45,926	828	20,529	(12,916)	54,367**
1.2 Movable assets	<u>90</u>	<u>22</u>	<u>1,495</u>	<u>(1,471)</u>	<u>136</u>
Total	46,016	850	22,024	(14,387)	54,503
2. Others	<u>273</u>	<u>-</u>	<u>-</u>	<u>(94)</u>	<u>179</u>
Total properties foreclosed	46,289	850	22,024	(14,481)	54,682
Less Allowances for impairment	<u>(3,975)</u>	<u>-</u>	<u>(1,112)</u>	<u>1,412</u>	<u>(3,675)</u>
Total properties foreclosed - net	<u>42,314</u>	<u>850</u>	<u>20,912</u>	<u>(13,069)</u>	<u>51,007</u>

** Including Properties foreclosed transferred under the Bank of Thailand's supportive measure for debt settlement through collateral assets transfers with buy-back options (Asset Warehousing).

As of 31 December 2022, the value of immovable assets acquired from debt repayment was appraised by external appraisers and internal appraisers in the amount of Baht 22,632 million and Baht 31,735 million, respectively.



(Unit : Million Baht)

Types of Properties Foreclosed	The Bank			Ending Balance
	Beginning Balance	Addition	Disposal	
<u>2023</u>				
1. Assets acquired from debt repayment				
1.1 Immovable assets	53,488	11,671	(7,337)	57,822*
1.2 Movable assets	-	-	-	-
Total	53,488	11,671	(7,337)	57,822
2. Others	179	135	(213)	101
Total properties foreclosed	53,667	11,806	(7,550)	57,923
<u>Less</u> Allowances for impairment	<u>(3,583)</u>	<u>(1,143)</u>	<u>609</u>	<u>(4,117)</u>
Total properties foreclosed - net	<u>50,084</u>	<u>10,663</u>	<u>(6,941)</u>	<u>53,806</u>

* Including Properties foreclosed transferred under the Bank of Thailand's supportive measure for debt settlement through collateral assets transfers with buy-back options (Asset Warehousing).

As of 31 December 2023, the value of immovable assets acquired from debt repayment was appraised by external appraisers and internal appraisers in the amount of Baht 26,563 million and Baht 31,259 million, respectively.

(Unit : Million Baht)

Types of Properties Foreclosed	The Bank			Ending Balance
	Beginning Balance	Addition	Disposal	
<u>2022</u>				
1. Assets acquired from debt repayment				
1.1 Immovable assets	45,909	20,493	(12,914)	53,488**
1.2 Movable assets	24	-	(24)	-
Total	45,933	20,493	(12,938)	53,488
2. Others	273	-	(94)	179
Total properties foreclosed	46,206	20,493	(13,032)	53,667
<u>Less</u> Allowances for impairment	<u>(3,915)</u>	<u>(1,039)</u>	<u>1,371</u>	<u>(3,583)</u>
Total properties foreclosed - net	<u>42,291</u>	<u>19,454</u>	<u>(11,661)</u>	<u>50,084</u>

** Including Properties foreclosed transferred under the Bank of Thailand's supportive measure for debt settlement through collateral assets transfers with buy-back options (Asset Warehousing).

As of 31 December 2022, the value of immovable assets acquired from debt repayment was appraised by external appraisers and internal appraisers in the amount of Baht 21,753 million and Baht 31,735 million, respectively.

For the years ended 31 December 2023 and 2022, (loss) gains on sale of properties foreclosed were as follow:

	Consolidated		The Bank	
	2023	2022	2023	2022
(Loss) gain on sale of properties foreclosed	(234)	247	466	637

(Unit : Million Baht)



18 PREMISES AND EQUIPMENT - NET

Changes in premises and equipment for the years ended 31 December 2023 and 2022 are summarised as follows:

	(Unit : Million Baht)												
	Change of Cost				Change of Accumulated Depreciation				Impairment Allowance		Book Value		
	Acquired from business acquisition	Additions/ Transfer in	Disposal/ Transfer out	Ending Balance	Acquired from business acquisition	Disposal/ Transfer out	Others	Ending Balance	Beginning Balance	Increase/ Decrease	Ending Balance	Beginning Balance	Ending Balance
Land													
Cost	4,298	10	(25)	4,283	-	-	-	-	-	-	-	4,298	4,283
Appraisal increase*	21,928	312	(77)	22,163	-	-	-	-	-	-	-	21,928	22,163
Appraisal decrease*	(87)	9	-	(78)	-	-	-	-	-	-	-	(87)	(78)
Building													
Cost	21,552	1	3,059	24,515	9,741	454	5	10,142	10	16	26	11,801	14,347
Appraisal increase*	13,995	-	629	14,521	7,080	301	-	7,312	-	-	-	6,915	7,209
Appraisal decrease*	(225)	-	-	(225)	(159)	(2)	-	(161)	-	-	-	(66)	(64)
Right-of-use building	2,578	15	1,200	2,429	1,315	904	(21)	1,023	-	-	-	1,263	1,406
Equipment													
Cost	38,272	7	2,905	38,696	28,243	4	(8)	28,911	139	(5)	134	9,890	9,651
Right-of-use equipment	2,018	-	279	2,041	1,024	-	(1)	1,187	-	-	-	994	854
Others	3,162	-	1,011	175	-	-	-	-	-	-	-	3,162	175
Total	107,491	23	9,414	108,520	47,244	15	(25)	48,414	149	11	160	60,098	59,946

* Appraisal in year 2023 for its subsidiary



(Unit : Million Baht)

	Consolidated 2022													
	Change of Cost				Change of Accumulated Depreciation				Impairment Allowance		Book Value			
	Beginning Balance	Acquired from business acquisition	Additions/ Transfer in	Disposal/ Transfer-out	Ending Balance	Beginning Balance	Acquired from business acquisition	Disposal/ Transferout	Others	Ending Balance	Decrease	Ending Balance	Beginning Balance*	Ending Balance
Land														
Cost	3,850	449	-	(1)	4,298	-	-	-	-	-	-	-	3,850	4,298
Appraisal increase	19,109	306	2,527	(14)	21,928	-	-	-	-	-	-	-	19,109	21,928
Appraisal decrease	(109)	-	17	5	(87)	-	-	-	-	-	-	-	(109)	(87)
Building														
Cost	21,296	158	360	(262)	21,552	9,542	12	423	-	9,741	10	-	11,744	11,801
Appraisal increase	13,235	47	724	(11)	13,995	6,777	7	300	(4)	7,080	-	-	6,458	6,915
Appraisal decrease	(237)	-	12	-	(225)	(136)	-	(23)	-	(159)	-	-	(101)	(66)
Right-of-use building	3,501	34	736	(1,663)	2,578	1,856	12	1,018	(8)	1,315	-	-	1,645	1,263
Equipment														
Cost	37,675	199	1,926	(1,509)	38,272	26,501	164	3,041	(1,450)	28,243	151	(12)	11,023	9,890
Right-of-use equipment	1,917	-	398	(297)	2,018	851	-	459	(286)	1,024	-	-	1,066	994
Others	186	-	3,205	(228)	3,162	-	-	-	-	-	-	-	186	3,162
Total	<u>100,423</u>	<u>1,193</u>	<u>9,905</u>	<u>(3,980)</u>	<u>107,491</u>	<u>45,391</u>	<u>195</u>	<u>5,218</u>	<u>(3,539)</u>	<u>47,244</u>	<u>161</u>	<u>(12)</u>	<u>54,871</u>	<u>60,098</u>

* Already include impact from TFRS 16

As of 31 December 2023 and 2022, premises and equipment with original costs of Baht 15,128 million and Baht 18,644 million, respectively, were fully depreciated but still in use.



(Unit : Million Baht)

	Change of Cost				Change of Accumulated Depreciation				Impairment Allowance			Book Value	
	Beginning Balance	Additions/Transfer in	Disposal/Transfer out	Ending Balance	Beginning Balance	Depreciation	Disposal/Transfer out	Ending Balance	Beginning Balance	Increase/Decrease	Ending Balance	Beginning Balance	Ending Balance
Land													
Cost	3,178	10	(24)	3,164	-	-	-	-	-	-	-	3,178	3,164
Appraisal increase	17,197	2	(77)	17,122	-	-	-	-	-	-	-	17,197	17,122
Appraisal decrease	(68)	-	-	(68)	-	-	-	-	-	-	-	(68)	(68)
Building													
Cost	17,817	162	(65)	17,914	8,213	392	(39)	8,566	10	11	21	9,594	9,327
Appraisal increase	10,869	2	(101)	10,770	5,999	223	(69)	6,153	-	-	-	4,870	4,617
Appraisal decrease	(111)	-	-	(111)	(149)	(7)	-	(156)	-	-	-	38	45
Right-of-use building	2,036	952	(1,040)	1,948	1,013	724	(981)	756	-	-	-	1,023	1,192
Equipment													
Cost	32,033	2,342	(2,297)	32,076	23,307	2,598	(2,253)	23,651	139	(5)	134	8,587	8,291
Right-of-use equipment	1,790	208	(249)	1,749	919	371	(249)	1,041	-	-	-	871	708
Others	231	130	(278)	84	-	-	-	-	-	-	-	231	84
Total	84,972	3,808	(4,131)	84,648	39,302	4,301	(3,591)	40,011	149	6	155	45,521	44,482



(Unit : Million Baht)

	The Bank 2022		Change of Cost				Change of Accumulated Depreciation				Impairment Allowance		Book Value		
	Beginning Balance*	Ending Balance	Additions/Transfer in	Disposal/Transfer out	Others	Beginning Balance	Ending Balance	Disposal/Transfer out	Others	Beginning Balance	Ending Balance	Decrease	Balance	Beginning Balance*	Ending Balance
Land															
Cost	3,178	3,178	-	-	-	-	-	-	-	-	-	-	-	3,178	3,178
Appraisal increase	14,670	17,197	2,527	-	-	-	-	-	-	-	-	-	-	14,670	17,197
Appraisal decrease	(85)	(68)	17	-	-	-	-	-	-	-	-	-	-	(85)	(68)
Building															
Cost	17,708	17,817	345	(236)	-	8,047	379	(213)	-	8,213	10	-	10	9,651	9,594
Appraisal increase	10,154	10,869	715	-	-	5,787	212	-	-	5,999	-	-	-	4,367	4,870
Appraisal decrease	(123)	(111)	12	-	-	(128)	(21)	-	-	(149)	-	-	-	5	38
Right-of-use building	3,006	2,036	687	(1,657)	-	1,702	871	(1,560)	-	1,013	-	-	-	1,304	1,023
Equipment															
Cost	31,425	32,033	1,713	(1,107)	2	21,811	2,552	(1,057)	1	23,307	151	(12)	139	9,463	8,587
Right-of-use equipment	1,766	1,790	321	(297)	-	791	414	(286)	-	919	-	-	-	975	871
Others	168	231	255	(191)	(1)	-	-	-	-	-	-	-	-	168	231
Total	81,867	84,972	6,592	(3,488)	1	38,010	4,407	(3,116)	1	39,302	161	(12)	149	43,696	45,521

* Already include impact from TFRS 16

As of 31 December 2023 and 2022, premises and equipment with original costs of Baht 13,953 million and Baht 14,283 million, respectively, were fully depreciated but still in use.

The fair values of premises are determined by using market comparison approach and replacement cost approach based on highest and best use assumption. The fair values are appraised by independent appraisers who are qualified as professionals and have appropriate experience. The fair values of premises as of 31 December 2023 and 2022 are categorised as Level 3 in the fair value hierarchy.



19 GOODWILL AND OTHER INTANGIBLE ASSETS - NET

Changes in goodwill and other intangible assets for the years ended 31 December 2023 and 2022 are summarised as follows:

	Consolidated 2023										Book Value			
	Change of Cost					Change of Accumulated Amortisation						Impairment Allowance		
	Beginning Balance	Acquired from business acquisition	Additions/ Transfer in	Disposal/ Transfer out	Ending Balance	Beginning Balance	Acquired from business acquisition	Amortisation	Disposal/ Transfer out	Ending Balance	Beginning Balance	Ending Balance	Beginning Balance	Ending Balance
Application software*	49,605	18	6,476	(3,047)	53,000	28,110	6	3,513	(464)	31,147	589	825	1,414	20,439
Business purchased	270	-	-	-	270	270	-	-	-	270	-	-	-	-
Goodwill	4,441	-	1,252	-	5,693	-	-	-	-	-	-	-	4,441	5,693
Others	1,729	459	472	(262)	2,398	80	2	43	-	125	-	-	1,649	2,273
Total	56,045	477	8,200	(3,309)	61,361	28,460	8	3,556	(464)	31,542	589	825	1,414	28,405

(Unit : Million Baht)



(Unit : Million Baht)

	Consolidated 2022										Book Value				
	Change of Cost			Change of Accumulated Amortisation				Impairment Allowance							
	Acquired from business acquisition	Additions/ Transfer in	Disposal/ Transfer out	Ending Balance	Beginning Balance	Acquired from business acquisition	Amortisation	Transfer out	Others	Ending Balance	Beginning Balance	Increase	Ending Balance	Beginning Balance	Ending Balance
Application software*	20	6,274	(4,232)	49,605	26,523	15	3,231	(1,632)	(27)	28,110	567	22	589	20,499	20,906
Business purchased	-	-	-	270	270	-	-	-	-	270	-	-	-	-	-
Goodwill	-	617	-	4,441	-	-	-	-	-	-	-	-	-	3,824	4,441
Others	-	1,108	-	1,729	8	-	72	-	-	80	-	-	-	613	1,649
Total	20	7,999	(4,232)	56,045	26,801	15	3,303	(1,632)	(27)	28,460	567	22	589	24,936	26,996

* As of 31 December 2023 and 2022, the amount under development is Baht 4,127 million and Baht 3,806 million, respectively.

As of 31 December 2023 and 2022, intangible assets with original costs of Baht 13,556 million and Baht 12,829 million, respectively, were fully amortised but still in use.



(Unit : Million Baht)

	Change of Cost		Ending Balance		Change of Accumulated Amortisation		Beginning Balance		Ending Balance		Impairment Allowance		Book Value	
	Beginning Balance	Additions/Transfer in	Disposal/Transfer out	Other	Beginning Balance	Amortisation	Disposal/Transfer out	Other	Beginning Balance	Increase	Beginning Balance	Increase	Beginning Balance	Ending Balance
Application software*	43,783	5,310	(2,981)	(10)	46,102	3,080	(458)	(2)	28,356	589	801	1,390	17,458	16,356
Others	676	415	(262)	-	829	1	-	-	2	-	-	-	675	827
Total	44,459	5,725	(3,243)	(10)	46,931	3,081	(458)	(2)	28,358	589	801	1,390	18,133	17,183

The Bank
2023

(Unit : Million Baht)

	Change of Cost		Ending Balance		Change of Accumulated Amortisation		Beginning Balance		Ending Balance		Impairment Allowance		Book Value	
	Beginning Balance	Additions/Transfer in	Disposal/Transfer out	Other	Beginning Balance	Amortisation	Disposal/Transfer out	Other	Beginning Balance	Increase	Beginning Balance	Increase	Beginning Balance	Ending Balance
Application software*	42,538	5,430	(4,191)	6	43,783	2,889	(1,632)	25,736	567	22	589	17,492	17,458	
Others	592	84	-	-	676	1	-	1	-	-	-	592	675	
Total	43,130	5,514	(4,191)	6	44,459	2,890	(1,632)	25,737	567	22	589	18,084	18,133	

The Bank
2022

* As of 31 December 2023 and 2022, the amount under development is Baht 2,274 million and Baht 2,225 million, respectively.

As of 31 December 2023 and 2022, intangible assets with original costs of Baht 12,621 million and Baht 11,960 million, respectively, were fully amortised but still in use.



20 DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

Deferred tax assets and liabilities as of 31 December 2023 and 2022 are as follows:

(Unit : Million Baht)

	<u>Consolidated</u>		<u>The Bank</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Deferred tax assets	10,174	8,536	7,779	6,815
Deferred tax liabilities	<u>(360)</u>	<u>(272)</u>	<u>-</u>	<u>-</u>
Net	<u>9,814</u>	<u>8,264</u>	<u>7,779</u>	<u>6,815</u>

Movements in total deferred tax assets and liabilities during the year were as follows:

(Unit : Million Baht)

	<u>As of</u> <u>1 January</u> <u>2023</u>	<u>Consolidated</u> <u>Charged / credited to:</u>				<u>As of</u> <u>31 December</u> <u>2023</u>
		<u>Acquired from</u> <u>business</u> <u>acquisition</u>	<u>Profit or loss</u> <u>(Note 46)</u>	<u>Other</u> <u>comprehensive</u> <u>income (Note 46)</u>	<u>Others</u>	
Deferred tax assets						
Financial assets measured at fair value through profit or loss	895	-	(485)	-	-	410
Derivative	7	-	9	-	-	16
Investments	1,149	-	60	(40)	1	1,170
Investments in subsidiaries, associates and joint ventures	279	-	(10)	-	-	269
Loans and accrued interest receivables - net	3,573	-	118	-	25	3,716
Properties foreclosed	813	-	165	6	-	984
Premises and equipment	62	-	(21)	-	-	41
Provisions	7,807	-	476	204	6	8,493
Life policy reserve	3,108	-	(750)	-	-	2,358
Others	<u>1,966</u>	<u>-</u>	<u>106</u>	<u>(33)</u>	<u>8</u>	<u>2,047</u>
Total	<u>19,659</u>	<u>-</u>	<u>(332)</u>	<u>137</u>	<u>40</u>	<u>19,504</u>
Deferred tax liabilities						
Derivative	2,957	-	(435)	(435)	56	2,143
Investments	1,283	-	(1)	(871)	-	411
Premises and equipment	5,490	-	(189)	166	(1)	5,466
Others	<u>1,665</u>	<u>91</u>	<u>(86)</u>	<u>-</u>	<u>-</u>	<u>1,670</u>
Total	<u>11,395</u>	<u>91</u>	<u>(711)</u>	<u>(1,140)</u>	<u>55</u>	<u>9,690</u>
Net	<u>8,264</u>	<u>(91)</u>	<u>379</u>	<u>1,277</u>	<u>(15)</u>	<u>9,814</u>



(Unit : Million Baht)

	<u>Consolidated</u>					<u>As of</u> <u>31 December</u> <u>2022</u>
	<u>Charged / credited to:</u>					
	<u>As of</u> <u>1 January</u> <u>2022</u>	<u>Acquired</u> <u>from business</u> <u>acquisition</u>	<u>Profit or loss</u> <u>(Note 46)</u>	<u>Other</u> <u>comprehensive</u> <u>income (Note 46)</u>	<u>Others</u>	
Deferred tax assets						
Financial assets measured at fair value through profit or loss	781	-	114	-	-	895
Derivative	(142)	-	98	51	-	7
Investments	584	2	(52)	615	-	1,149
Investments in subsidiaries, associates and joint ventures	279	-	-	-	-	279
Loans and accrued interest receivables - net	1,600	-	1,984	-	(11)	3,573
Properties foreclosed	832	-	(28)	9	-	813
Premises and equipment	42	(2)	21	1	-	62
Provisions	10,130	34	(2,055)	(307)	5	7,807
Life policy reserve	3,841	-	(733)	-	-	3,108
Others	<u>2,040</u>	<u>-</u>	<u>(72)</u>	<u>-</u>	<u>(2)</u>	<u>1,966</u>
Total	<u>19,987</u>	<u>34</u>	<u>(723)</u>	<u>369</u>	<u>(8)</u>	<u>19,659</u>
Deferred tax liabilities						
Financial assets measured at fair value through profit or loss	412	-	(412)	-	-	-
Derivative	21	-	1,314	1,622	-	2,957
Investments	3,430	-	32	(2,179)	-	1,283
Premises and equipment	4,902	-	(56)	644	-	5,490
Others	<u>1,668</u>	<u>-</u>	<u>29</u>	<u>-</u>	<u>(32)</u>	<u>1,665</u>
Total	<u>10,433</u>	<u>-</u>	<u>907</u>	<u>87</u>	<u>(32)</u>	<u>11,395</u>
Net	<u>9,554</u>	<u>34</u>	<u>(1,630)</u>	<u>282</u>	<u>24</u>	<u>8,264</u>



(Unit : Million Baht)

	The Bank			
	Charged / credited to:			
	As of		Other	As of
	1 January	Profit or loss	comprehensive	31 December
	2023	(Note 46)	income	2023
			(Note 46)	
Deferred tax assets				
Financial assets measured at fair value				
through profit or loss	768	(321)	-	447
Investments	960	1	(39)	922
Investments in subsidiaries,				
associates and joint ventures	277	(10)	-	267
Loans and accrued interest receivables - net	2,231	(41)	-	2,190
Properties foreclosed	702	107	6	815
Provisions	7,229	448	204	7,881
Others	<u>966</u>	<u>(52)</u>	<u>(33)</u>	<u>881</u>
Total	<u>13,133</u>	<u>132</u>	<u>138</u>	<u>13,403</u>
Deferred tax liabilities				
Derivative	2,086	(381)	(116)	1,589
Premises and equipment	<u>4,232</u>	<u>(176)</u>	<u>(21)</u>	<u>4,035</u>
Total	<u>6,318</u>	<u>(557)</u>	<u>(137)</u>	<u>5,624</u>
Net	<u>6,815</u>	<u>689</u>	<u>275</u>	<u>7,779</u>



(Unit : Million Baht)

	<u>The Bank</u>			
	<u>Charged / credited to:</u>			
	<u>As of</u>		<u>Other</u>	<u>As of</u>
	<u>1 January</u>	<u>Profit or loss</u>	<u>comprehensive</u>	<u>31 December</u>
	<u>2022</u>	<u>(Note 46)</u>	<u>income</u>	<u>2022</u>
			<u>(Note 46)</u>	
Deferred tax assets				
Financial assets measured at fair value				
through profit or loss	780	(12)	-	768
Derivative	(145)	94	51	-
Investments	327	8	625	960
Investments in subsidiaries, associates and joint ventures	277	-	-	277
Loans and accrued interest receivables - net	316	1,915	-	2,231
Properties foreclosed	759	(66)	9	702
Provisions	9,588	(2,065)	(294)	7,229
Others	<u>1,113</u>	<u>(147)</u>	<u>-</u>	<u>966</u>
Total	<u>13,015</u>	<u>(273)</u>	<u>391</u>	<u>13,133</u>
Deferred tax liabilities				
Financial assets measured at fair value				
through profit or loss	-	1,240	846	2,086
Investments	597	58	(655)	-
Premises and equipment	<u>3,622</u>	<u>(41)</u>	<u>651</u>	<u>4,232</u>
Total	<u>4,219</u>	<u>1,257</u>	<u>842</u>	<u>6,318</u>
Net	<u>8,796</u>	<u>(1,530)</u>	<u>(451)</u>	<u>6,815</u>



21 DEPOSITS

Deposits were classified as of 31 December 2023 and 2022 as follows:

21.1 Classified by Type of Deposits

(Unit : Million Baht)

	<u>Consolidated</u>		<u>The Bank</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Current	165,512	158,343	166,812	157,863
Savings	1,986,993	2,084,414	1,993,395	2,089,882
Term	<u>547,057</u>	<u>505,928</u>	<u>511,527</u>	<u>471,965</u>
Total	<u>2,699,562</u>	<u>2,748,685</u>	<u>2,671,734</u>	<u>2,719,710</u>

21.2 Classified by Currencies and Residency of Depositors

(Unit : Million Baht)

	<u>Consolidated</u>					
	<u>2023</u>			<u>2022</u>		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Baht	2,432,702	154,455	2,587,157	2,495,549	139,275	2,634,824
US Dollars	44,250	13,316	57,566	51,647	13,076	64,723
Other currencies	<u>4,987</u>	<u>49,852</u>	<u>54,839</u>	<u>4,776</u>	<u>44,362</u>	<u>49,138</u>
Total	<u>2,481,939</u>	<u>217,623</u>	<u>2,699,562</u>	<u>2,551,972</u>	<u>196,713</u>	<u>2,748,685</u>

(Unit : Million Baht)

	<u>The Bank</u>					
	<u>2023</u>			<u>2022</u>		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Baht	2,453,293	153,262	2,606,555	2,511,605	138,327	2,649,932
US Dollars	44,250	11,362	55,612	51,648	10,803	62,451
Other currencies	<u>4,987</u>	<u>4,580</u>	<u>9,567</u>	<u>4,775</u>	<u>2,552</u>	<u>7,327</u>
Total	<u>2,502,530</u>	<u>169,204</u>	<u>2,671,734</u>	<u>2,568,028</u>	<u>151,682</u>	<u>2,719,710</u>



22 INTERBANK AND MONEY MARKET ITEMS (LIABILITIES)

Interbank and money market items (liabilities) as of 31 December 2023 and 2022 consisted of:

(Unit : Million Baht)

	Consolidated		The Bank	
	2023	2022	2023	2022
1. <u>Domestic</u>				
The BOT and FIDF	61,085	63,802	61,085	63,802
Commercial banks	50,583	47,086	50,577	47,086
Specialised financial institutions	2,768	2,751	2,765	2,746
Other financial institutions	<u>15,298</u>	<u>23,902</u>	<u>25,290</u>	<u>36,086</u>
Total domestic	<u>129,734</u>	<u>137,541</u>	<u>139,717</u>	<u>149,720</u>
2. <u>Foreign</u>				
US Dollars	10,188	3,886	10,536	4,103
Chinese Yuan	20,838	7,360	440	-
Japanese Yen	-	2	-	2
Euro	161	225	161	225
Other currencies	<u>18,286</u>	<u>6,226</u>	<u>15,428</u>	<u>3,942</u>
Total foreign	<u>49,473</u>	<u>17,699</u>	<u>26,565</u>	<u>8,272</u>
Total domestic and foreign	<u>179,207</u>	<u>155,240</u>	<u>166,282</u>	<u>157,992</u>

**23 FINANCIAL LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS**

23.1 Trading financial liabilities as of 31 December 2023 and 2022 consisted of:

(Unit : Million Baht)

	<u>Consolidated</u>	
	<u>2023</u>	<u>2022</u>
Liabilities to deliver security	35	328

23.2 Financial liabilities designated at fair value through profit or loss as of 31 December 2023 and 2022 consisted of:

(Unit : Million Baht)

	<u>Consolidated</u>	
	<u>2023</u>	<u>2022</u>
Debts issued	329	342

23.2.1 The effects of changes in that liability's all risk in profit or loss as of 31 December 2023 and 2022 consisted of:

(Unit : Million Baht)

	<u>Consolidated</u>	
	<u>2023</u>	<u>2022</u>
The difference between the carrying amount and the amount would be contractually required to pay at maturity	(26)	(31)



24 DEBTS ISSUED AND BORROWINGS

Debts issued and borrowings as of 31 December 2023 and 2022 consisted of:

	Consolidated										(Unit : Million Baht)
	2023					2022					
	Currency	Maturity Date	Interest Rate	Domestic	Foreign	Total	Maturity Date	Interest Rate	Domestic	Foreign	
Tier II Subordinated Notes	US Dollar	2031	3.343%	-	22,104	22,104	2031	3.343%	-	20,544	20,544
Unsubordinated and unsecured debentures	US Dollar	2025-2028	5.34%-5.46%	-	21,910	21,910	2023-2025	3.256%-5.34%	-	19,417	19,417
Unsubordinated and unsecured debentures	Yen	2024-2025	0.06%-0.86%	-	16,495	16,495	2023-2025	Float*	-	3,420	3,420
Subordinated Instruments intended to qualify as Tier 1 Capital of KASIKORNBANK PCL	US Dollar	No fixed redemption date (Perpetual)	4.00%	-	10,645	10,645	No fixed redemption date (Perpetual)	4.00%	-	10,282	10,282
Subordinated Instruments of Muang Thai Life Assurance PCL	US Dollar	2037	3.552%	-	10,286	10,286	2037	3.552%	-	13,838	13,838
Debt issued and borrowings with embedded derivative that are not designated at fair value through profit or loss	Baht	2024	1.54%	8	-	8	2023	0.90%-0.93%	11	-	11
Others	Baht	2026	0.00%	124	-	124	2024	0.00%	385	-	385
Total				132	81,440	81,572			396	67,501	67,897



	(Unit : Million Baht)										
	The Bank					2022					
		2023				2022					
	Currency	Maturity Date	Interest Rate	Domestic	Foreign	Total	Maturity Date	Interest Rate	Domestic	Foreign	Total
Tier II Subordinated Notes	US Dollar	2031	3.343%	-	22,104	22,104	2031	3.343%	-	20,544	20,544
Unsubordinated and unsecured debentures	US Dollar	2025-2028	5.34%-5.46%	-	22,421	22,421	2023-2025	3.256%-5.34%	-	19,417	19,417
Unsubordinated and unsecured debentures	Yen	2024-2025	0.06%-0.86%	-	16,495	16,495	2023-2025	0.21%-0.86%	-	3,420	3,420
Subordinated Instruments intended to qualify as Tier 1 Capital of KASIKORNBANK PCL	US Dollar	No fixed redemption date	4.00%	-	10,645	10,645	No fixed redemption date	4.00%	-	10,282	10,282
Others	Baht	2026	0.00%	124	-	124	(Perpetual)	0.00%	385	-	385
Total				124	71,665	71,789			385	53,663	54,048

* 3-Month London Interbank Offered Rate (LIBOR) plus 95-100 bps.

** Qualified as Tier 2 Capital in accordance with Basel III.



25 PROVISION

Provision as of 31 December 2023 and 2022 consisted of:

	(Unit : Million Baht)			
	<u>Consolidated</u>		<u>The Bank</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Allowance for expected credit loss of loan commitment and financial guarantee contract	5,527	5,301	5,353	5,137
Employee retirement benefit	26,641	25,024	23,780	22,508
Other	<u>1,631</u>	<u>1,358</u>	<u>1,633</u>	<u>1,358</u>
Total	<u>33,799</u>	<u>31,683</u>	<u>30,766</u>	<u>29,003</u>

Employee retirement benefits as of 31 December 2023 and 2022 are as follows:

	(Unit : Million Baht)			
	<u>Consolidated</u>		<u>The Bank</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Balance at the beginning of the year	25,024	25,982	22,508	23,780
Acquired from business acquisition (Note 4)	2	135	-	-
Current service cost	1,776	1,418	1,517	1,158
Interest cost	655	474	579	423
Actuarial (gain) loss from updated assumptions				
- Financial assumptions	168	(1,867)	166	(1,839)
- Demographic assumptions	280	(128)	280	-
- Experience adjustment	572	417	572	367
Benefits paid	(1,955)	(1,452)	(1,842)	(1,381)
Other	<u>119</u>	<u>45</u>	<u>-</u>	<u>-</u>
Balance at the end of the year	<u>26,641</u>	<u>25,024</u>	<u>23,780</u>	<u>22,508</u>

Actuarial loss from updated assumptions recognised in other comprehensive income as of 31 December 2023 and 2022 consisted of:

	(Unit : Million Baht)			
	<u>Consolidated</u>		<u>The Bank</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Balance at the end of the year	(5,440)	(4,420)	(5,359)	(4,341)



Principal actuarial assumption used by actuary as of 31 December 2023 and 2022 consisted of:

	<u>Consolidated and The Bank</u>	
	<u>2023</u>	<u>2022</u>
Discount rate	0.52% - 6.64%	0.52% - 5.39%
Average salary increase	1% - 10%	1% - 8%
Average turnover	0% - 30%	0% - 30%
Normal retirement age	50 years - 60 years	50 years - 60 years

A sensitivity analysis for each significant actuarial assumption as of 31 December 2023 and 2022 consisted of:

	(Unit : Million Baht)			
	<u>Consolidated</u>		<u>The Bank</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<u>Effect on defined benefit obligations</u>				
+1% on discount rate	(2,429)	(2,177)	(2,179)	(1,952)
-1% on discount rate	2,869	2,557	2,577	2,295
+1% on average salary increase	2,962	2,615	2,648	2,359
-1% on average salary increase	(2,558)	(2,270)	(2,285)	(2,047)



26 INSURANCE CONTRACT LIABILITIES

Insurance contract liabilities as of 31 December 2023 and 2022 consisted of:

(Unit : Million Baht)

	<u>Consolidated</u>	
	<u>2023</u>	<u>2022</u>
Long-term technical reserves	522,476	507,152
Others	<u>6,825</u>	<u>6,326</u>
Total	<u>529,301</u>	<u>513,478</u>

The movements in long-term technical reserves during the year as follows:

(Unit : Million Baht)

	<u>Consolidated</u>	
	<u>2023</u>	<u>2022</u>
Balance at the beginning of the year	507,152	492,685
Reserve increase from new and inforce policies in the year	47,413	46,119
Reserve released for benefits payment, lapse and cancellation in the year	<u>(32,089)</u>	<u>(31,652)</u>
Balance at the end of the year	<u>522,476</u>	<u>507,152</u>

**27 LEASE LIABILITIES**

Lease liabilities as of 31 December 2023 and 2022 consisted of:

	(Unit : Million Baht)	
	<u>Consolidated</u>	
	<u>2023</u>	<u>2022</u>
Within 1 year	864	1,015
Later than 1 year but not later than 5 years	1,077	1,045
Later than 5 years	<u>110</u>	<u>123</u>
Total undiscounted lease liabilities	<u>2,051</u>	<u>2,183</u>
Lease liabilities include in the statement of financial position	2,108	2,107

	(Unit : Million Baht)	
	<u>The Bank</u>	
	<u>2023</u>	<u>2022</u>
Within 1 year	736	869
Later than 1 year but not later than 5 years	896	856
Later than 5 years	<u>83</u>	<u>100</u>
Total undiscounted lease liabilities	<u>1,715</u>	<u>1,825</u>
Lease liabilities include in the statement of financial position	1,796	1,772

28 ADVANCES RECEIVED FROM ELECTRONIC TRANSACTIONS

The BOT Notification No. SOR NOR CHOR 7/2561, dated 16 April 2018, regarding the “Regulations on Service Business Relating to Electronic Money (e-Money) Services” requires the Bank to disclose advances received from e-Money Services. As of 31 December 2023 and 2022, the Bank had advances received from e-Money Services, presented as other liabilities, amounting to Baht 4,129 million and Baht 2,227 million, respectively.

The BOT Notification No. SOR NOR CHOR 2/2562, dated 20 December 2019, regarding the “Regulations on Service Business Relating to Electronic Fund Transfer” requires the Bank to disclose advances received from electronic fund transfer transactions. As of 31 December 2023 and 2022, the Bank had those advances received from electronic fund transfer transactions, presented as liabilities amounting to Baht 237 million and Baht 249 million, respectively.

The bank has kept advance received from electronic transactions which is a part of cash in the statements of financial position as of 31 December 2023 and 2022 in the amount of Baht 6,145 million and Baht 4,248 million, respectively.



29 FAIR VALUE OF ASSETS AND LIABILITIES

29.1 Financial assets, financial liabilities, and derivatives measured at fair value

The fair value hierarchy of financial instruments measured at fair value on a recurring basis as of 31 December 2023 and 2022 are as follows:

(Unit : Million Baht)

	<u>Consolidated</u>							
	<u>2023</u>			<u>Total</u>	<u>2022</u>			<u>Total</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
<u>Financial Assets</u>								
Interbank and money								
market items – net								
(asset)	-	-	-	-	-	3,337	-	3,337
Financial assets								
measured at fair value								
through profit or loss	13,223	32,733	2,339	48,295	19,565	25,688	2,011	47,264
Derivative assets								
- Exchange rate	1	28,780	-	28,781	-	39,822	-	39,822
- Interest rate	-	12,119	-	12,119	-	15,292	-	15,292
- Others	3	1,260	-	1,263	12	647	-	659
Investments measured at								
fair value through other								
comprehensive income	<u>88,043</u>	<u>212,962</u>	<u>4,166</u>	<u>305,171</u>	<u>83,954</u>	<u>244,656</u>	<u>3,869</u>	<u>332,479</u>
Total Financial Assets	<u>101,270</u>	<u>287,854</u>	<u>6,505</u>	<u>395,629</u>	<u>103,531</u>	<u>329,442</u>	<u>5,880</u>	<u>438,853</u>
<u>Financial Liabilities</u>								
Financial liabilities								
measured at fair value								
through profit or loss	35	329	-	364	328	342	-	670
Derivative liabilities								
- Exchange rate	-	24,445	-	24,445	-	31,726	-	31,726
- Interest rate	-	15,447	-	15,447	-	20,071	-	20,071
- Others	4	994	-	998	4	471	-	475
Debts issued and								
borrowings	-	<u>53,630</u>	-	<u>53,630</u>	-	<u>48,169</u>	-	<u>48,169</u>
Total Financial Liabilities	<u>39</u>	<u>94,845</u>	<u>-</u>	<u>94,884</u>	<u>332</u>	<u>100,779</u>	<u>-</u>	<u>101,111</u>



(Unit : Million Baht)

	<u>The Bank</u>							
	<u>2023</u>				<u>2022</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial Assets</u>								
Interbank and money								
market items – net								
(assets)	-	-	-	-	-	3,337	-	3,337
Financial assets measured								
at fair value through								
profit or loss	9,677	13,982	1,367	25,026	12,345	6,691	1,387	20,423
Derivative assets								
- Exchange rate	1	26,003	-	26,004	-	36,354	-	36,354
- Interest rate	-	12,119	-	12,119	-	15,292	-	15,292
- Others	-	1,121	-	1,121	-	539	-	539
Investments measured at								
fair value through other								
comprehensive income	<u>19,559</u>	<u>182,166</u>	<u>-</u>	<u>201,725</u>	<u>17,849</u>	<u>219,286</u>	<u>-</u>	<u>237,135</u>
Total Financial Assets	<u>29,237</u>	<u>235,391</u>	<u>1,367</u>	<u>265,995</u>	<u>30,194</u>	<u>281,499</u>	<u>1,387</u>	<u>313,080</u>
<u>Financial Liabilities</u>								
Derivative liabilities								
- Exchange rate	-	24,182	-	24,182	-	31,530	-	31,530
- Interest rate	-	15,447	-	15,447	-	20,071	-	20,071
- Others	-	1,126	-	1,126	-	542	-	542
Debts issued and								
borrowings	<u>-</u>	<u>53,630</u>	<u>-</u>	<u>53,630</u>	<u>-</u>	<u>48,169</u>	<u>-</u>	<u>48,169</u>
Total Financial Liabilities	<u>-</u>	<u>94,385</u>	<u>-</u>	<u>94,385</u>	<u>-</u>	<u>100,312</u>	<u>-</u>	<u>100,312</u>

During the year ended 31 December 2023, due to changes in market conditions, there were transfers of financial assets measured at fair value of the Bank's subsidiary from level 1 to level 2 amounting to Baht 199 million and from level 2 to level 1 amounting to Baht 549 million.



As of 31 December 2023, level 3 of non-equity investments measured at fair value through profit or loss amounting to Baht 1,367 million due to unquoted market price. The Bank measures value of investment by using estimated cash flow of assets.

The valuation techniques for level 2 of recurring fair value measurements are as follows:

The fair values of derivatives and structured notes are determined based upon liquid (observable) market prices, reference to exchange traded prices, broker or dealer quotations, prices of other similar transactions or prices derived by using a valuation technique incorporating observable market data which is adjusted with counterparty credit risk (excluding own credit risk) and other risks to reflect true economic value.

Investments in marketable equity securities and listed unit trusts considered to be inactive classified as fair value through profit or loss (FVTPL) and fair value through other comprehensive income (FVOCI) are stated at fair value based on the last bid prices of the Stock Exchange of Thailand (SET) or the closing price of the Stock Exchange they are listed as of the reporting date.

Investments in unit trusts considered to be inactive are stated at fair value based on the net asset value as of the reporting date.

Investments in government debt securities and state enterprises debt securities guaranteed by the government, classified as fair value through profit or loss (FVTPL) and fair value through other comprehensive income (FVOCI), are stated at fair value based on the Thai Bond Market Association Government Bond Yield Curve as of the reporting date. State enterprises debt securities not guaranteed by the government and private debt instruments are stated at fair value based on bid prices from the Thai Bond Market Association as of the reporting date. If not available, the Government Bond Yield Curve for the same period is used, adjusted by an appropriate risk premium.

Investments in marketable foreign bonds classified as amortised cost and fair value through other comprehensive income (FVOCI) are stated at fair value based on bid prices from Bloomberg. If not available, indicative price from custodian is used.

The Bank and its subsidiaries measure the fair value of financial assets separately from financial liabilities. However, in cases where the Bank and its subsidiaries manage either market risk or credit risk on a portfolio basis, the Bank and its subsidiaries measure the fair value of those groups of financial instruments on a net basis.

The Bank and its subsidiaries determines level 3 fair value for unquoted equity investment by using adjusted net asset method or or latest bidding investment value.



29.2 Financial assets, financial liabilities and derivatives not measured at fair value

Fair value hierarchy of financial instruments which are not measured at fair value and for which there is a significant difference with carrying value as of 31 December 2023 and 2022 are as follows:

(Unit : Million Baht)

	<u>Consolidated</u>							
	<u>2023</u>				<u>2022</u>			
	<u>Carrying</u>	<u>Fair Value</u>		<u>Carrying</u>	<u>Fair Value</u>			
<u>Amount</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>	<u>Amount</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>	
<u>Financial Assets</u>								
Derivative assets (Dynamic hedge)								
- Exchange rate	2,535	38	2,130	2,168	9,259	-	8,372	8,372
- Interest rate	-	-	1,304	1,304	-	-	1,247	1,247
Investments in debt instruments measured at amortised cost	<u>658,134</u>	<u>4,553</u>	<u>662,246</u>	<u>666,799</u>	<u>640,879</u>	<u>4,591</u>	<u>632,385</u>	<u>636,976</u>
Total Financial Assets	<u>660,669</u>	<u>4,591</u>	<u>665,680</u>	<u>670,271</u>	<u>650,138</u>	<u>4,591</u>	<u>642,004</u>	<u>646,595</u>
<u>Financial Liabilities</u>								
Derivative liabilities (Dynamic hedge)								
- Exchange rate	1,172	-	1,754	1,754	1,687	14	2,019	2,033
- Interest rate	-	-	6,480	6,480	-	-	7,991	7,991
Debts issued and borrowings	<u>27,942</u>	<u>-</u>	<u>27,932</u>	<u>27,932</u>	<u>19,728</u>	<u>-</u>	<u>19,724</u>	<u>19,724</u>
Total Financial Liabilities	<u>29,114</u>	<u>-</u>	<u>36,166</u>	<u>36,166</u>	<u>21,415</u>	<u>14</u>	<u>29,734</u>	<u>29,748</u>



(Unit : Million Baht)

	<u>The Bank</u>							
	<u>2023</u>				<u>2022</u>			
	<u>Carrying</u>	<u>Fair Value</u>		<u>Total</u>	<u>Carrying</u>	<u>Fair Value</u>		<u>Total</u>
<u>Amount</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Amount</u>		<u>Level 1</u>	<u>Level 2</u>		
<u>Financial Assets</u>								
Derivative assets (Dynamic hedge)								
- Exchange rate	2,218	38	1,814	1,852	8,291	-	7,404	7,404
- Interest rate	-	-	1,304	1,304	-	-	1,247	1,247
Investments in debt instruments measured at amortised cost	<u>159,254</u>	<u>-</u>	<u>160,266</u>	<u>160,266</u>	<u>156,274</u>	<u>-</u>	<u>155,929</u>	<u>155,929</u>
Total Financial Assets	<u>161,472</u>	<u>38</u>	<u>163,384</u>	<u>163,422</u>	<u>164,565</u>	<u>-</u>	<u>164,580</u>	<u>164,580</u>
<u>Financial Liabilities</u>								
Derivative liabilities (Dynamic hedge)								
- Exchange rate	970	-	1,552	1,552	1,694	14	2,026	2,040
- Interest rate	-	-	6,480	6,480	-	-	7,991	7,991
Debts issued and borrowings	<u>18,159</u>	<u>-</u>	<u>18,148</u>	<u>18,148</u>	<u>5,879</u>	<u>-</u>	<u>5,874</u>	<u>5,874</u>
Total Financial Liabilities	<u>19,129</u>	<u>-</u>	<u>26,180</u>	<u>26,180</u>	<u>7,573</u>	<u>14</u>	<u>15,891</u>	<u>15,905</u>

The following methods and assumptions are used by the Bank in estimating fair values of above financial assets and liabilities as disclosed herein:

Investments in government debt securities and state enterprises debt securities guaranteed by the government, classified as Investment at amortised cost, are stated at fair value based on the Thai Bond Market Association Government Bond Yield Curve as of the reporting date. State enterprises debt securities not guaranteed by the government and private debt instruments are stated at fair value based on bid prices from the Thai Bond Market Association as of the reporting date. If not available, the Government Bond Yield Curve for the same period is used, adjusted by an appropriate risk premium.

The fair values of debts issued and borrowings are the market value or the present value of cash flows with discounting rates that reflect current interest rate risk and the Bank's credit risk.



The fair values of loans to customers approximates carrying value including accrued interest receivables and allowance for expected credit loss, as loans are at market rates of interest and the majority of fixed rate loans are short term. Furthermore, the allowance for expected credit loss is predominately determined on an expected loss basis.

The carrying amount of the following financial assets: cash, interbank and money market items – net, and other assets which core item is accrued interest receivables and that of the following financial liabilities: deposits, interbank and money market items, liabilities on demand, and other liabilities which core item is accrued interest payables are a reasonable approximation of fair value because they are mostly short term in nature, referent to floating interest rates index.



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30 OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Offsetting financial assets and financial liabilities as of 31 December 2023 and 2022 are as follows:

(Unit : Million Baht)

	<u>Consolidated</u>							<u>Note</u>
	<u>2023</u>							
	Gross amounts offset in statement of	Gross financial position	Net amounts of financial position	Amounts not offset in <u>statement of financial position</u> presented in Financial instruments	Financial collateral received	Net amount	Item in statement of financial position	
<u>Financial Assets</u>								
Reverse repurchase agreements	406,981	-	406,981	-	406,981	-	Interbank and money market items – net (assets)	9
Derivative assets	33,528	-	33,528	13,712	5,116	14,700	Derivative assets	11
Securities borrowing	130	-	130	-	44	86	Other assets - net	-
Securities business receivables	<u>1,895</u>	<u>356</u>	<u>1,539</u>	<u>-</u>	<u>1,539</u>	<u>-</u>	Other assets - net	-
Total	<u>442,534</u>	<u>356</u>	<u>442,178</u>	<u>13,712</u>	<u>413,680</u>	<u>14,786</u>		
<u>Financial Liabilities</u>								
Repurchase agreements	45,143	-	45,143	-	45,143	-	Interbank and money market items (liabilities)	22
Derivative liabilities	28,018	-	28,018	9,837	4,150	14,031	Derivative liabilities	11
Securities lending	195	-	195	-	88	107	Other liabilities	-
Securities business payables	<u>2,166</u>	<u>349</u>	<u>1,817</u>	<u>-</u>	<u>-</u>	<u>1,817</u>	Other liabilities	-
Total	<u>75,522</u>	<u>349</u>	<u>75,173</u>	<u>9,837</u>	<u>49,381</u>	<u>15,955</u>		



(Unit : Million Baht)

	<u>Consolidated</u>							<u>Note</u>
	<u>2022</u>							
	Gross amounts offset in statement of financial position	Gross financial position	Net amounts of financial position	Amounts not offset in statement of financial position Financial instruments	Financial collateral received	Net amount	Item in statement of financial position	
<u>Financial Assets</u>								
Reverse repurchase agreements	353,123	-	353,123	-	353,123	-	Interbank and money market items – net (assets)	9
Derivative assets	46,148	-	46,148	16,285	13,086	16,777	Derivative assets	11
Securities borrowing	359	-	359	-	359	-	Other assets - net	-
Securities business receivables	<u>2,322</u>	<u>392</u>	<u>1,930</u>	<u>-</u>	<u>1,930</u>	<u>-</u>	Other assets - net	-
Total	<u>401,952</u>	<u>392</u>	<u>401,560</u>	<u>16,285</u>	<u>368,498</u>	<u>16,777</u>		
<u>Financial Liabilities</u>								
Repurchase agreements	44,496	-	44,496	-	44,496	-	Interbank and money market items (liabilities)	22
Derivative liabilities	37,567	-	37,567	15,380	3,259	18,928	Derivative liabilities	11
Securities lending	19	-	19	-	11	8	Other liabilities	-
Securities business payables	<u>4,392</u>	<u>494</u>	<u>3,898</u>	<u>-</u>	<u>-</u>	<u>3,898</u>	Other liabilities	-
Total	<u>86,474</u>	<u>494</u>	<u>85,980</u>	<u>15,380</u>	<u>47,766</u>	<u>22,834</u>		



(Unit : Million Baht)

		The Bank						
		2023						
		Gross	Net amounts	Amounts not offset in				
		amounts	presented in	statement of financial position				
		offset in	statement	Financial	Financial	Net	Item in statement of	
		statement of	of financial	instruments	collateral	amount	financial position	Note
		financial	position		received			
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(Unit : Million Baht)

	<u>The Bank</u>							<u>Note</u>
	<u>2022</u>							
	Gross amounts offset in statement of	Gross financial position	Net amounts presented in statement of financial position	Amounts not offset in <u>statement of financial position</u>	Financial collateral received	Net amount	Item in statement of financial position	
	<u>amounts</u>	<u>position</u>	<u>position</u>	<u>instruments</u>	<u>received</u>	<u>amount</u>	<u>financial position</u>	<u>Note</u>
<u>Financial Assets</u>								
Reverse repurchase agreements	353,123	-	353,123	-	353,123	-	Interbank and money market items – net (assets)	9
Derivative assets	<u>41,580</u>	<u>-</u>	<u>41,580</u>	<u>15,591</u>	<u>9,517</u>	<u>16,472</u>	Derivative assets	11
Total	<u>394,703</u>	<u>-</u>	<u>394,703</u>	<u>15,591</u>	<u>362,640</u>	<u>16,472</u>		
<u>Financial Liabilities</u>								
Repurchase agreements	44,496	-	44,496	-	44,496	-	Interbank and money market items (liabilities)	22
Derivative liabilities	<u>38,313</u>	<u>-</u>	<u>38,313</u>	<u>15,625</u>	<u>3,750</u>	<u>18,938</u>	Derivative liabilities	11
Total	<u>82,809</u>	<u>-</u>	<u>82,809</u>	<u>15,625</u>	<u>48,246</u>	<u>18,938</u>		



31 OTHER EQUITY INSTRUMENTS

On 14 October 2020, the Bank issued subordinated financial instruments without a representative of the noteholders which intended to qualify as Additional Tier 1 capital pursuant to requirements of the Bank of Thailand and capable of loss absorption subject to the prescribed terms and conditions, in the amount of USD 500 million or Baht 15,580 Million. The expenses related to issuance of other equity instruments, net of income tax amounting to Baht 31 million, is presented as deduction from the proceeds from issuance of other equity instruments under shareholders' equity. The instruments have no fixed redemption date, provided that the Bank may redeem on the First Call Date, 14 October 2025 and every Distribution Payment Date thereafter, subject to the Bank of Thailand's approval. Distribution rate is fixed at 5.275 percent per annum, payable semi-annually, which resets every 5 years.

During the year ended 31 December 2023, the Bank paid out distribution of other equity instruments net of income tax amounting to Baht 746 million, presented as distribution of other equity instruments in the statements of changes in equity.

32 LEGAL RESERVE

Section 116 of the Public Companies Act B.E. 2535 requires that the Bank shall allocate not less than 5 percent of its annual net profit, less any accumulated losses brought forward (if any), to a reserve account ("legal reserve"), until this account reaches an amount not less than 10 percent of the registered authorized capital. In addition, the Civil and Commercial Code of Thailand require that subsidiaries shall allocate not less than 5 percent of their annual net profit each time a dividend is declared, to a reserve account ("legal reserve") until the reserve reaches 10 percent of authorized share capital. The legal reserve is not available for dividend distribution.



33 DIVIDEND PAYMENTS

On 31 August 2023, the Board of Directors Meeting of the Bank approved to pay an interim dividend from the first six-month operating results of 2023 at the rate of Baht 0.50 per share, totaling Baht 1,185 million, which was paid on 29 September 2023.

On 7 April 2023, the Annual General Meeting of Shareholders of the Bank approved to pay a dividend from the operating results of 2022 at the rate of Baht 4.00 per share, totaling Baht 9,477 million. The interim dividend was paid at the rate of Baht 0.50 per share, totaling Baht 1,185 million, on 23 September 2022 and the remaining dividend was paid at the rate of Baht 3.50 per share, totaling Baht 8,292 million, on 3 May 2023.

On 25 August 2022, the Board of Directors Meeting of the Bank approved to pay an interim dividend from the first six-month operating results of 2022 at the rate of Baht 0.50 per share, totaling Baht 1,185 million, which was paid on 23 September 2022.

On 7 April 2022, the Annual General Meeting of Shareholders of the Bank approved to pay a dividend from the operating results of 2021 at the rate of Baht 3.25 per share, totaling Baht 7,700 million. The interim dividend was paid at the rate of Baht 0.50 per share, totaling Baht 1,185 million, on 23 September 2021 and the remaining dividend was paid at the rate of Baht 2.75 per share, totaling Baht 6,515 million, on 6 May 2022.

34 ASSETS PLEDGED AS COLLATERAL AND UNDER RESTRICTION

The Bank and its subsidiaries has pledged deposits, government securities and foreign debt instruments as collateral for repurchase agreements, collateral for government agencies and pledged with the registrar as life assurance policy reserve. The carrying amount of the consolidated financial statements as of 31 December 2023 and 2022 amounting to Baht 218,817 million and Baht 211,781 million, respectively. The carrying amount of the financial statements of the Bank as of 31 December 2023 and 2022 amounting to Baht 45,562 million and Baht 43,716 million, respectively.



35 CONTINGENT LIABILITIES AND COMMITMENTS

Contingent liabilities and commitments 31 December 2023 and 2022 consisted of:

	(Unit : Million Baht)			
	<u>Consolidated</u>		<u>The Bank</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Avals to bills	1,561	1,458	1,559	1,455
Guarantees of loans	19,503	16,973	21,368	19,036
Liability under unmatured import bills	48,174	47,898	48,174	47,898
Letters of credit	25,054	38,491	24,962	38,463
Other contingencies				
- Unused credit line of overdraft	268,233	281,984	269,642	283,363
- Other guarantees	397,623	406,856	393,826	405,494
- Others*	<u>63,695</u>	<u>55,366</u>	<u>57,452</u>	<u>52,250</u>
Total	<u>823,843</u>	<u>849,026</u>	<u>816,983</u>	<u>847,959</u>

*Including items contracted but not provided.

Under normal business operations, the Bank is a defendant in various litigations. These include cases of wrongful acts brought against the Bank, with total claims amounting to Baht 3,664 million and Baht 3,946 million as of 31 December 2023 and 2022, respectively. The Management believes that any liability resulting from these litigations will not be material to the Bank's financial position or the results of its operations.

**36 RELATED PARTY TRANSACTIONS AND BALANCES**

Relationships between the Bank and related persons or entities consisted of subsidiaries, associated companies, joint ventures, key management personnel⁽¹⁾, any parties related to key management personnel and the entities of which key management personnel and any parties related have control and significant influence.

Transactions occurring between the Bank and related persons or entities are fairly charged at market price as normal business or the price as stipulated in the agreement.

Related party transactions and balances are as follows:

36.1 Assets, liabilities and contingencies between the Bank and related persons or entities as of 31 December 2023 and 2022 as follows:

	(Unit : Million Baht)			
	<u>Consolidated</u>		<u>The Bank</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<u>Interbank and Money Market Items (Assets)</u>				
Subsidiaries	-	-	54,009	55,439
<u>Loans (Including financial institutions)</u>				
Subsidiaries				
- KASIKORN LEASING CO., LTD.	-	-	139,749	124,542
- Others	-	-	19,010	20,381
Associated companies and joint ventures	18,400	14,500	18,400	14,500
Related persons and other related entities	8,590	3,368	8,587	3,364
<u>Other Assets</u>				
Subsidiaries	-	-	2,263	2,387
Associated companies and joint ventures	56	137	56	137
Related persons and other related entities	3	1	3	1
<u>Deposits (Including financial institutions)</u>				
Subsidiaries	-	-	37,881	32,708
Associated companies and joint ventures	6,855	3,916	6,855	3,916
Related persons and other related entities	54,335	42,538	54,250	42,449

⁽¹⁾ Key management means director, management who holds the title of at least First Senior Vice President including Department Head-Financial Accounting Management Department and Department Head-Financial Planning Department.



	(Unit : Million Baht)			
	<u>Consolidated</u>		<u>The Bank</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<u>Other Liabilities</u>				
Subsidiaries	-	-	11,358	12,471
Associated companies and joint ventures	139	94	139	94
Related persons and other related entities	40	15	40	15
<u>Contingencies</u>				
Subsidiaries	-	-	5,363	4,317
Associated companies and joint ventures	1,053	3	1,053	3
Related persons and other related entities	21,748	2,826	21,748	2,826
<u>Derivatives (notional amount)</u>				
Subsidiaries	-	-	15,371	17,234
Joint ventures	39	69	39	69
Other related entities	2,792	1,117	2,792	1,117

Certain subsidiaries have entered into 1-2 years building lease and service agreements with the Bank. As of 31 December 2023 and 2022, the remaining tenures amounting to Baht 10 million and Baht 80 million, respectively.

The Bank has entered into a 1 year Information Technology service agreement with Kasikorn Business-Technology Group and BEACON INTERFACE COMPANY LIMITED. As of 31 December 2023 and 2022, the Bank has commitment to pay total service fees amounting to Baht 2,837 million and Baht 2,233 million, respectively.

The Bank has entered into the 10-year term Bancassurance Agreement with Muang Thai Life Assurance PCL ("MTL"), which come into effect from January 1, 2022. The Bank derive the Exclusivity fee of Baht 12,700 million for distribution of life insurance products of MTL in an exclusive manner via distribution channels of the Bank and its subsidiaries and also derive other performance bonus as stipulated in the agreement. As of 31 December 2023, the Bank has deferred income from Bancassurance Agreement amounting to Baht 10,160 million.

The Bank has entered into 1-9 years service agreements with associated company and other related entities. As of 31 December 2023 and 2022, the Bank has commitment to pay total service fees amounting to Baht 161 million and Baht 168 million, respectively.



36.2 Revenue and expenses between the Bank and related persons or entities for the year ended 31 December 2023 and 2022 is summarised as follows:

	(Unit : Million Baht)			
	<u>Consolidated</u>		<u>The Bank</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<u>Interest income</u>				
Subsidiaries	-	-	5,371	3,777
Joint ventures	744	219	744	219
Related persons and other related entities	316	117	316	117
<u>Other income</u>				
Subsidiaries	-	-	13,629	14,780
Associated companies and joint ventures	427	266	427	266
<u>Interest expenses</u>				
Subsidiaries	-	-	220	97
Associated companies and joint ventures	15	5	15	5
Related persons and other related entities	531	221	530	221
<u>Other expenses</u>				
Subsidiaries	-	-	8,880	8,050
Associated companies and joint ventures	1,039	713	1,039	713
Other related entities	920	350	920	350

36.3 Key management personnel⁽¹⁾ compensation

	(Unit : Million Baht)			
	<u>Consolidated</u>		<u>The Bank</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Short-term employee benefits	2,791	2,488	1,424	1,403
Post-employment benefits	<u>147</u>	<u>127</u>	<u>110</u>	<u>94</u>
Total	<u>2,938</u>	<u>2,615</u>	<u>1,534</u>	<u>1,497</u>

⁽¹⁾ Key management means director, management who holds the title of at least First Senior Vice President including Department Head-Financial Accounting Management Department and Department Head-Financial Planning Department.

**37 BENEFITS OF DIRECTORS AND EXECUTIVES**

The Bank and its subsidiaries have not paid other benefits to directors and executives except for the benefits that are normally paid such as directors' fee, directors' bonus, executives' salary and bonus.

38 AGREEMENTS**38.1 Lease agreements**

The Bank and its subsidiaries have entered into building lease agreements for offices and branches and vehicle lease agreements. There were expenses and total cash outflow relating to leases for the year ended 31 December 2023 and 2022 which are summarised as follows:

(Unit : Million Baht)

	<u>Consolidated</u>		<u>The Bank</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Interest expense on lease liabilities	53	30	42	21
Expenses relating to short-term leases and low-value assets	676	487	562	380
Total cash outflow for leases	1,990	1,939	1,645	1,648

38.2 Service Agreement

The Bank and its subsidiaries entered into an Information Technology Service, under which the service agreement will be provided until 31 December 2028, The Bank and its subsidiaries were committed to pay total service fees, which are summarised as follows:

(Unit : Million Baht)

	<u>Consolidated</u>		<u>The Bank</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Contracted but not provided for	1,096	1,212	3,787	3,413



39 SEGMENT INFORMATION

39.1 Information about reportable segments

The Bank and its subsidiaries has identified 4 main business groups for management reporting purposes. The business groups offer different customers, different products and services, and the groups' performance is measured based on segment operating profit before expected credit loss and income tax expense.

Corporate Business

The Bank and its subsidiaries's Corporate Business Customers include registered companies and certain private individual business customers, government agencies, state enterprises, and financial institutions etc. The Bank and its subsidiaries provide a variety of financial products and services to these customers such as Long Term Loans, Working Capital, Letter of Indemnity, Trade Finance Solutions, Syndicated Loans, Cash Management Solutions, and Value Chain Solutions.

Retail Business

The Bank and its subsidiaries's Retail Business comprises individual customers who use the Bank and its subsidiaries's products and services such as Deposit Account, Debit Card, Credit Card, Personal Loan, Housing Loan, Investment Product and Financial Advisory Services, and Transactional Banking Services.

Treasury and Capital Markets Business and World Business Group

The Treasury and Capital Markets Business and World Business Group comprises the Bank and its subsidiaries's treasury and capital markets business with activities mainly including funding, centralised risk management, investing in liquid assets, financial instruments measured at fair value through profit or loss, investment measured at fair value through other comprehensive income and foreign currency exchange services. It also supervises the Bank and its subsidiaries' financial business in overseas countries.

Muang Thai Group Holding Business

Muang Thai Group Holding Business includes a group of companies that operates insurance and brokerage businesses.

Others represent other items which are not directly attributable to the main business groups.



(Unit : Million Baht)

	<u>Consolidated</u>							
	<u>31 December 2023</u>							
	Treasury and Capital Markets				Muang Thai			
	Corporate	Retail	World	Group	Group			
	<u>Business</u>	<u>Business</u>	<u>Business</u>	<u>Group</u>	<u>Business</u>	<u>Others</u>	<u>Elimination</u>	<u>Total</u>
Reportable segment - Loans ⁽²⁾	1,653,392	683,960	104,003	24,079	183,735	(158,771)		2,490,398
Unallocated assets								<u>1,793,158</u>
Total assets								<u>4,283,556</u>
Deposits and bills of exchange ⁽³⁾	944,181	1,720,176	58,849	-	-	(23,644)		2,699,562

(Unit : Million Baht)

	<u>Consolidated</u>							
	<u>31 December 2022</u>							
	Treasury and Capital Markets				Muang Thai			
	Corporate	Retail	World	Group	Group			
	<u>Business</u>	<u>Business</u>	<u>Business</u>	<u>Group</u>	<u>Business</u>	<u>Others</u>	<u>Elimination</u>	<u>Total</u>
Reportable segment - Loans ⁽²⁾	1,660,279	702,856	81,958	23,589	171,312	(144,917)		2,495,077
Unallocated assets								<u>1,751,292</u>
Total assets								<u>4,246,369</u>
Deposits and bills of exchange ⁽³⁾	967,534	1,749,658	49,073	-	-	(17,580)		2,748,685

⁽¹⁾ Net of underwriting expenses⁽²⁾ Loans = Loans to customers⁽³⁾ Excluding bills of exchange with embedded derivative



39.2 Information about geographical areas

(Unit : Million Baht)

	<u>Consolidated</u>		
	<u>For the Year Ended 31 December 2023</u>		
	<u>Domestic</u>	<u>Overseas</u>	<u>Total</u>
Total operating income - net	187,682 ⁽¹⁾	4,972	192,654
Total other operating expenses	81,385	3,583	84,968
Operating profit before income tax expense	55,052	793	55,845
Income tax expense	10,773	5	10,778

(Unit : Million Baht)

	<u>Consolidated</u>		
	<u>For the Year Ended 31 December 2022</u>		
	<u>Domestic</u>	<u>Overseas</u>	<u>Total</u>
Total operating income - net	169,507 ⁽¹⁾	3,751	173,258
Total other operating expenses	72,465	2,288	74,753
Operating profit before income tax expense	45,626	959	46,585
Income tax expense	8,651	(18)	8,633

(Unit : Million Baht)

	<u>Consolidated</u>		
	<u>31 December 2023</u>		
	<u>Domestic</u>	<u>Overseas</u>	<u>Total</u>
Non - current assets ⁽²⁾	144,881	6,847	151,728

(Unit : Million Baht)

	<u>Consolidated</u>		
	<u>31 December 2022</u>		
	<u>Domestic</u>	<u>Overseas</u>	<u>Total</u>
Non - current assets ⁽²⁾	138,269	6,274	144,543

⁽¹⁾ Net of underwriting expenses⁽²⁾ Non - current assets include investments in associates and joint ventures - net , properties foreclosed – net, premises and equipment – net, goodwill and other intangible assets – net, leasehold – net and investment property.



40 INTEREST INCOME

Interest income for the years ended 31 December 2023 and 2022 consisted of:

	<u>Consolidated</u>		<u>The Bank</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	(Unit : Million Baht)			
Interbank and money market items	10,861	4,914	12,365	4,834
Investments and trading transactions	443	182	301	136
Investments in debt securities	25,902	23,265	6,956	5,532
Loans to customers	138,693	116,043	132,725	113,491
Hire purchase and financial lease	<u>7,709</u>	<u>6,928</u>	<u>-</u>	<u>-</u>
Total	<u>183,608</u>	<u>151,332</u>	<u>152,347</u>	<u>123,993</u>

41 INTEREST EXPENSES

Interest expenses for the years ended 31 December 2023 and 2022 consisted of:

	<u>Consolidated</u>		<u>The Bank</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	(Unit : Million Baht)			
Deposits	14,078	7,748	12,484	7,311
Interbank and money market items	3,719	1,325	3,273	967
Contributions to Financial Institutions Development				
Fund and Deposit Protection Agency	12,471	6,317	12,405	6,305
Debts issued				
- Subordinated debentures	1,901	1,157	1,930	1,157
- Others	2,879	1,700	2,358	1,060
Borrowings	14	2	3	2
Others	<u>102</u>	<u>85</u>	<u>-</u>	<u>-</u>
Total	<u>35,164</u>	<u>18,334</u>	<u>32,453</u>	<u>16,802</u>



42 FEES AND SERVICE INCOME – NET

Fees and service income - net for the years ended 31 December 2023 and 2022 consisted of:

	<u>Consolidated</u>		<u>The Bank</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Fees and service income				
Acceptances, aval and guarantees	3,775	3,882	3,750	3,867
Others	<u>44,845</u>	<u>44,463</u>	<u>41,054</u>	<u>40,152</u>
Total Fees and service income	48,620	48,345	44,804	44,019
Fees and service expenses	<u>17,439</u>	<u>15,463</u>	<u>16,168</u>	<u>14,399</u>
Fees and service income - net	<u>31,181</u>	<u>32,882</u>	<u>28,636</u>	<u>29,620</u>



43 GAIN ON FINANCIAL INSTRUMENT MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

Gain on financial instrument measured at fair value through profit or loss for the years ended 31 December 2023 and 2022 consisted of:

	<u>Consolidated</u>		<u>The Bank</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	(Unit : Million Baht)			
1. Gain (loss) on trading and foreign exchange transactions				
- Foreign currencies and foreign currency related derivatives	10,477	8,131	10,002	8,221
- Interest rate related derivatives	345	469	345	469
- Debt instruments	87	(191)	75	(186)
- Equity instruments	(715)	(171)	-	(1)
- Financial liabilities	33	29	-	-
- Others	<u>497</u>	<u>(189)</u>	<u>214</u>	<u>(66)</u>
Total	<u>10,724</u>	<u>8,078</u>	<u>10,636</u>	<u>8,437</u>
2. Gain (loss) on financial instrument designated at fair value through profit or loss				
2.1 Change in fair value - net				
- Investment (Debt instrument only)	4	(36)	-	-
- Borrowings	(4)	36	-	-
- Others	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
2.2 Gain on derecognition and interest income and interest expense which is not included in 2.1	<u>10</u>	<u>28</u>	<u>-</u>	<u>-</u>
Total	<u>10</u>	<u>28</u>	<u>-</u>	<u>-</u>
3. Gain (Loss) from hedge accounting	(50)	566	(49)	310
4. Others	<u>1,439</u>	<u>(3,619)</u>	<u>964</u>	<u>(899)</u>
Total	<u>12,123</u>	<u>5,053</u>	<u>11,551</u>	<u>7,848</u>



44 LOSS ON INVESTMENTS

Loss on investments presented in the statements of profit or loss and other comprehensive income for the years ended 31 December 2023 and 2022 consisted of:

	(Unit : Million Baht)			
	<u>Consolidated</u>		<u>The Bank</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Loss from derecognition				
Investments in debt instruments at fair value through other comprehensive income	(587)	(200)	(589)	(200)
Investments in debt instruments at amortised cost	-	25	-	5
Investments in subsidiaries and associated company	(1)	45	(6)	-
Total	<u>(588)</u>	<u>(130)</u>	<u>(595)</u>	<u>(195)</u>
Reversal on impairment investments				
Investments in subsidiaries and associated company	-	-	50	-
Total	-	-	50	-
Total loss on investments	<u>(588)</u>	<u>(130)</u>	<u>(545)</u>	<u>(195)</u>

45 EXPECTED CREDIT LOSS

Expected credit loss for the years ended 31 December 2023 and 2022 consisted of:

	(Unit : Million Baht)			
	<u>Consolidated</u>		<u>The Bank</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Interbank and money market items	(6)	(105)	(47)	66
Investments	336	(570)	28	(254)
Loans to customers and accrued interest receivables	51,027	63,524	48,910	62,814
Loan commitments and financial guarantees	86	(11,386)	96	(11,441)
Others	<u>397</u>	<u>456</u>	<u>400</u>	<u>456</u>
Total	<u>51,840</u>	<u>51,919</u>	<u>49,387</u>	<u>51,641</u>



46 INCOME TAX EXPENSE

Revenue Code Amendment Act No. 42 B.E. 2559 dated 3 March 2016 grants a reduction of the corporate income tax rate to 20% of net taxable profit for accounting periods which begin on or after 1 January 2016.

46.1 Income tax recognised in profit or loss for the years ended 31 December 2023 and 2022 consisted of:

	<u>Consolidated</u>		<u>The Bank</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Current period	11,157	7,002	9,146	4,765
Movements in temporary differences	<u>(379)</u>	<u>1,630</u>	<u>(689)</u>	<u>1,530</u>
Total income tax expense	<u>10,778</u>	<u>8,632</u>	<u>8,457</u>	<u>6,295</u>

(Unit : Million Baht)

46.2 Income tax recognised in other comprehensive income for the years ended 31 December 2023 and 2022 consisted of:

	<u>Consolidated</u>		<u>The Bank</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Income taxes relating to components of other comprehensive income				
Movements in temporary differences	1,277	282	275	(451)
Other movements which recognised in other comprehensive income	<u>23</u>	<u>(155)</u>	<u>23</u>	<u>(155)</u>
Total	<u>1,300</u>	<u>127</u>	<u>298</u>	<u>(606)</u>

(Unit : Million Baht)



46.3 Reconciliation of effective tax rates consisted of:

(Unit : Million Baht)

	Consolidated			
	2023		2022	
	Rate (%)	Amount	Rate (%)	Amount
Operating profit before income tax expense		<u>55,845</u>		<u>46,585</u>
Income tax using the expected average tax rate*	19.99	11,163	19.98	9,308
Tax effect of income and expenses that are not taxable				
income or not deductible in determining taxable profit, net		<u>(385)</u>		<u>(676)</u>
Total	19.30	<u>10,778</u>	18.53	<u>8,632</u>

(Unit : Million Baht)

	The Bank			
	2023		2022	
	Rate (%)	Amount	Rate (%)	Amount
Operating profit before income tax expense		<u>49,278</u>		<u>40,011</u>
Income tax using the expected tax rate	20.00	9,856	20.00	8,002
Tax effect of income and expenses that are not taxable				
income or not deductible in determining taxable profit, net		<u>(1,399)</u>		<u>(1,707)</u>
Total	17.16	<u>8,457</u>	15.73	<u>6,295</u>

* Expected average tax rate corresponds to the weighted average tax rates by operating profit before income tax expense in those countries where the Bank operates.



47 THAI FINANCIAL REPORTING STANDARDS (TFRS) NOT YET ADOPTED

The Group has not yet adopted International Tax Reform-Pillar Two Model Rules-Amendments of TAS12 which is require the Group to disclose about the impact of Pillar Two rule, including tax legislation that implements qualified domestic minimum top-up taxes under the rule, before the effective date which will be on or after 1 January 2024.

The Group operates in the Socialist Republic of Vietnam, where the new tax legislation to implement the Pillar Two global minimum tax rule and a qualified domestic minimum top-up tax has been enacted. The Group is in the process of evaluating the impact and taking actions for relevant matters to ensure timely implementation.

In addition to the above revised TAS, the Group has not yet adopted TFRS 17 which will replace TFRS 4 - Insurance Contracts for the financial periods beginning on or after 1 January 2025.

TFRS 17 introduces the new measurement model which consists of fulfillment cash flows and a contractual service margin. The fulfillment cash flows represent the risk adjusted present value of the insurer's rights and obligations to the policyholders, comprising estimates of expected cash flows, discounting, and an explicit risk adjustment for non-financial risk. The contractual service margin represents the unearned profit from in-force contracts that the company will recognise as it provides services over the coverage period. The contractual service margin is earned based on a pattern of coverage units, reflecting the quantity of benefits provided. The simplified approach may be chosen to adopt when certain criteria are met.

TFRS 17 allows the company to recognise the cumulative negative impact on insurance contract liabilities from the adoption of TFRS 17 to retained earnings by applying the straight-line method within the period not exceeding 3 years from transition date and introduces substantial changes in both presentation of the statement of financial position and statement of comprehensive income, as well as more granular disclosure requirements.

The Group is presently considering the potential impact of adopting and initially applying those TFRSs on the financial statements.



48 EVENTS AFTER THE REPORTING PERIOD

In January 2024, Unita Capital Company Limited, a subsidiary of the Bank, additionally partially paid-up share capital of Baht 461 million to Baht 3,437 million of the Baht 3,705 million authorized share capital.

In January 2024, ORBIX INVEST COMPANY LIMITED, an indirect subsidiary of the Bank, of which 100% of shares are held by Unita Capital Company Limited, increased its authorized share capital by Baht 151 million resulting in total authorized share capital of Baht 251 million and fully paid-up share capital.

In January 2024, BEACON VENTURE CAPITAL COMPANY LIMITED, a subsidiary of the Bank, additionally partially paid-up share capital of Baht 180 million to Baht 7,100 million of the Baht 7,820 million authorized share capital.

In February 2024, KASIKORN X COMPANY LIMITED, a subsidiary of the Bank, increased its authorized share capital by Baht 1,000 million resulting in total authorized share capital of Baht 4,040 million and additionally partially paid-up share capital by Baht 600 million to totaling paid-up share capital of Baht 3,052 million.

In February 2024, NGERN HAI JAI CO., LTD. an indirect subsidiary of the Bank, of which 100% of shares are held by KASIKORN INVESTURE COMPANY LIMITED, increased its authorized share capital by Baht 6,735 million resulting in total authorized share capital of Baht 7,000 million and additionally partially paid-up share capital by Baht 1,684 million to totaling paid-up share capital of Baht 1,949 million.

On 29 February 2024, the Board of Directors Meeting of the Bank concurred to propose for the shareholders' approval of the dividend payment from 2023 operating results, at the rate of Baht 6.50 per share, of which the Bank paid interim dividend at the rate of Baht 0.50 per share in September 2023 and will pay the remaining dividend at the rate of Baht 6.00 per share. This resolution will be proposed for approval by the General Meeting of Shareholders of the Bank on 11 April 2024.





Awards and Commendations

KASIKORNBANK PUBLIC COMPANY LIMITED

In Recognition of Management

S&P Global by S&P Dow Jones Indices and SAM

- Selected as a member of the Dow Jones Sustainability Indices (DJSI), including DJSI World and DJSI Emerging Markets for the eighth consecutive year, and Top 5% of the S&P Global CSA score 2023 for the banking sector.



KBank has been selected as a member of the Dow Jones Sustainability Indices (DJSI), both in the DJSI World and Emerging Markets Indices, from S&P Global by S&P Dow Jones Indices and SAM.



KBank won the "Future Enterprise of the Year" award from International Data Corporation (IDC).

FTSE and Russell

- Selected as a member of the FTSE4Good Emerging Index for environmental, social and governance (ESG) for the eighth consecutive year

MSCI

- "AA" rating or Leadership Level in environment, social and governance (ESG) in the emerging markets banking industry

Carbon Disclosure Project (CDP)

- A List (Leadership Level) rating in assessment of climate change management

Bloomberg

- Selected as a member of Bloomberg Gender-Equality Index (GEI) for the fifth consecutive year

Corporate Governance Asia magazine

- Asia's Best CSR
- Asia's Best CEO (Investor Relations) - Ms. Kattiya Indaravijaya, Chief Executive Officer
- Asia's Best CFO (Investor Relations) - Mr. Chongrak Rattanapian, Senior Executive Vice President and Chief Financial Officer
- Best Investor Relations Professional - Dr. Adit Laixuthai, Corporate Secretary and Senior Executive Vice President
- Best Investor Relations Company (Thailand)
- Best Environmental Responsibility

International Data Corporation (IDC)

- Future Enterprise of the Year

Brandon Hall Group

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

Human Resources Online

- Employer of the Year (Gold Level)
- Excellence in Workforce Flexibility (Gold Level)
- Best Employer Branding (Gold Level)
- Best Excellence in Employer Branding (Silver Level)
- Best Skilling Strategy (Bronze Level)
- Excellence in Work-Life Harmony (Bronze Level)

**Business Media International (HR Asia)**

- Best Companies to Work for in Asia-Thailand Region

LinkedIn

- Best Employer Brand

Thai Library Association Under the Royal Patronage of Her Royal Highness Princess Maha Chakri Sirindhorn

- Outstanding Library in the category of Exclusive Library

Thai Institute of Directors (IOD) and The Stock Exchange of Thailand

- “Excellence” based on the Corporate Governance Report of Thai Listed Companies

Thai Investors Association, the Office of the Securities and Exchange Commission, and Thai Listed Companies Association

- “Excellence”, based on the AGM Assessment Program

Thaipat Institute

- Sustainability Disclosure Award
- ESG 100 Certificate as one of 100 companies that has outstanding environmental, social and governance (ESG) performance

The Stock Exchange of Thailand

- SET ESG Rating of “AAA”

The Stock Exchange of Thailand and Money & Banking magazine (SET Awards)

- Best Sustainability Awards

Investment Analysts Association (IAA)

- Best Investor Relations in Financial Sector award

WorkVenture

- Voted as one of the top 50 companies to work for in Thailand for 2023

Ministry of Labor

- Excellent Labor Relations and Welfare Award

Bureau Veritas Thailand

- Certified Standards of Environmental Management System (ISO 14001:2015)
- Certified Standards of Occupational Health and Safety Management System (ISO 45001:2018)



KBank received the “Best Sustainability” award; KAsset won the “Outstanding Asset Management Company” and “Outstanding Asset Management Company - ESG” awards; and KSecurities garnered the “Outstanding Securities Company - Retail Investors” and “Deal of the Year” awards from the Stock Exchange of Thailand and Money & Banking magazine (SET Awards).



KBank received an award as one of the top 50 companies to work for in Thailand for 2023, from WorkVenture.



KBank received “Best Employee Value Proposition (Gold Level)”, “Best Unique or Innovative Leadership Development Program (Silver Level)” and “Best Hybrid Learning Program (Silver Level)” from Brandon Hall Group.



In Recognition of Service

The Asset magazine

- Digital Private Banking of the Year
- Best Private Bank for HNWIs (Thailand)
- Triple A Best Private Bank, Thailand
- Triple A Best Private Banking - HNWIs
- Project Finance House of the Year
- Renewable Energy Deal of the Year - Rooftop Solar
- Transport Deal of the Year - Highway
- BTS Group Holding Baht 11 billion Multi-tranche Sustainability-linked Debentures
- Top Arranger - Investors' Choice for Primary Issues - Corporate Bonds (Baht, Rank 1)
- Top Sell-side Firm in the Secondary Market - Government Bonds (Baht, Rank 3)
- Best Sell-side Individual - Research (Thai Baht Bond, Rank 1)
- Best Sell-side Individual - Sale (Thai Baht Bond, Highly Commended)

The Asian Banker journal

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

Alpha Southeast Asia magazine

- Best Bond House in Thailand
- Best Trade Finance Bank in Thailand
- Best FX Bank for Corporates & FIS

- Best Wealth Management Bank in Thailand
- Best High Yield Bond Deal of the Year (B. Grimm Power PCL's Baht 8 billion (USD 234.19 million) Subordinated Perpetual Debt)
- Best Bond Deal for Retail Investors in Southeast Asia (Ek-Chai Distribution System Co. Ltd.'s Baht 30.15 billion (USD 878.24 million) Debt)
- Best Inaugural Bond Deal in Southeast Asia & Best Local Currency Bond Deal of the Year in Thailand (CP Aextra PCL's Baht 15 billion (USD 420.1 million) Multi-tranche Debt)

The Digital Banker magazine

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

Global Finance magazine

- The World's Best Trade Finance Providers
- Global Sub-Category Winners - Best Consumer Digital Bank: Best in Social Media Marketing and Services
- Best Consumer Regional Sub-Category Winners in Asia-Pacific: Best in Social Media Marketing and Services
- Best Consumer Digital Bank in Asia-Pacific by Country: Thailand
- Best Consumer Sub-Category Winners in Asia-Pacific - Thailand: Best in Mobile Banking App
- Best in Social Media Marketing and Services
- Best Open Banking APIs

Retail Banker International magazine

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

The Asian Banking & Finance magazine

- Consumer Finance Product of the Year - Thailand (Digital Shopee Co-Lending)
- Digital Wallet Initiative of the Year - Thailand (YouTrip)
- Thailand Domestic Digital Payment Initiative of the Year
- Thailand Domestic Cash Management Bank of the Year



KBank garnered the "Best Domestic Bank in Thailand" award from Asiamoney magazine.



Asian Power magazine

- Smart Grid Project of the Year - Thailand
- Power Project Finance House of the Year - Gold

Asiamoney magazine

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

Refinitiv - LSEG FX

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

Global Private Banking magazine

- Best Private Bank in Thailand

Global Brand magazine

- Best Private Banking Brand, Thailand

FinanceAsia magazine

- Best DCM House in Thailand

IFR Asia magazine

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

International Business magazine

- Best Private Bank in Thailand

Private Banker International magazine

- Outstanding Private Bank for Growth Strategy

World Economic magazine

- Best Private Banking Thailand

World Business Outlook magazine

- Best Private Bank in Thailand

Professional Wealth Management (PWM) Financial Times

- Best Private Bank for Building Client Communities, Asia

The Thai Bond Market Association (ThaiBMA)

- Best Bond House
- Top Underwriter
- Deal of the Year: Debentures of PTT Global Chemical PCL
- Most Innovative Deal: Debentures of Minor International PCL
- Corporate ESG Bond of the Year: Debentures of Global Power Synergy PCL



KBank received "Best Bond House", "Top Underwriter", "Deal of the Year", "Most Innovative Deal" and "Corporate ESG Bond of the Year" awards from the Thai Bond Market Association.



KBank won the "Best for High Net Worth in Thailand" award from Asiamoney magazine and the "Best Private Bank in Thailand" award from Global Private Banking magazine.



KBank won "Thailand Corporate Excellence Award - Distinguished Award" in the category of financial management, "Thailand Corporate Excellence Award - Distinguished Award" in the category of innovation excellence, "SMEs Excellence Award - Gold Award" and "SMEs Excellence Award - Silver Award" from Thailand Management Association (TMA).

**Thailand Management Association (TMA)**

- Thailand Corporate Excellence Award - Distinguished Awards in the category of Financial Management
- Thailand Corporate Excellence Award - Distinguished Awards in the category of Innovation Excellence
- SMEs Excellence Award - Gold Award in the category of Retail and Wholesale Business, jointly earned with Aga Agro Co., Ltd.
- SMEs Excellence Award - Silver Award in the category of Service Business, jointly earned with K-nex Corporation Co., Ltd.

Thai Contact Center Trade Association

- The Best Contract Center QA Support Professional of the Year



KBTG received six accolades in the fields of technology and personnel from the Asian regional stage.



KBank won the "Best Design Excellence Award for its large exhibition booth" while KAsset garnered the "Best Mutual Fund Award in the Mixed Fund category, for its K-PLAN2". Additionally, KSecurities won the "Best Securities Company of the Year Award" and KLeasing received the "Best Service Provider Award in the Auto Loan and Car Registration Loan categories". All of awards were granted by Money & Banking magazine.

Money & Banking magazine

- Best Design Excellence for KBank's large exhibition booth

BrandAge magazine

- Thailand's Most Admired Brand in the category of Banking and Finance - Mobile Banking (K PLUS)

Marketeer magazine

- Marketeer No. 1 Brand Thailand in the category of Banking and Credit Card

**KASIKORN ASSET MANAGEMENT
COMPANY LIMITED****Asia Asset Management magazine**

- Best Fund House

Alpha Southeast Asia magazine

- Best Online & Mobile Platform (Asset Manager)
- Best Overall Asset & Fund Manager
- Best Fund Manager for Pension Mandates & Private Retirement Schemes

The Asset magazine

- Top Investment Houses in Asian Local Currency Bonds

Thai Bond Management Association

- Most Prominent Fund House in Corporate Bond Market

**The Stock Exchange of Thailand and Money & Banking
magazine (SET Awards)**

- Outstanding Asset Management Company
- Outstanding Asset Management Company - ESG

Marketeer magazine

- Marketeer No.1 Brand Thailand in the category of Mutual Funds

Money & Banking magazine

- Best Mutual Fund in category of Mixed Fund for K-PLAN2

**KASIKORN SECURITIES
PUBLIC COMPANY LIMITED****Asiamoney magazine**

- Best Analyst for Telecommunication Services - Thailand (Rank 1)
- Best Domestic Brokerages - Thailand (Rank 2)
- Best Domestic Brokerages for Research - Thailand (Rank 2)
- Best Domestic Brokerages for Sales - Thailand (Rank 3)



Investment Analysts Association (IAA)

- Outstanding Research Team
- Best Analyst Awards - Financials
- Best Analyst Awards - Energy and Petrochemicals
- Best Analyst Awards - Property and Construction
- Best Analyst Awards - Agriculture and Food Industry
- Best Analyst Awards - Industrial Products (excluding Petrochemicals)
- Best Analyst Awards - Small-cap Stocks (including MAI-listed stocks)
- Outstanding Rising Star Award
- Outstanding Analyst Award - Technology
- Outstanding Analyst Award - Services
- Outstanding Fundamental Strategist Award
- Outstanding Technical Analyst Award

The Stock Exchange of Thailand and Money & Banking magazine (SET Awards)

- Outstanding Securities Company Award - Retail Investors
- Deal of the Year Awards: Initial Public Offering (IPO) of Aurora Design PCL's shares
- Deal of the Year Awards: Initial Public Offering (IPO) of Moshi Moshi Retail Corporation PCL's shares

Money & Banking magazine

- Best Securities Company of the Year

KASIKORN LEASING COMPANY LIMITED

International Finance magazine

- Fastest Growing Leasing Finance Company

Money & Banking magazine

- Best Service Provider Award in the categories of Auto Loans and Car Registration Loans

KASIKORN BUSINESS-TECHNOLOGY GROUP

Human Resources Online

- Excellence in Employer Branding (Gold Level)
- Excellence in Recovery and Rebound Strategy (Gold Level)
- Excellence in Women Empowerment Strategy (Silver Level)
- Best Remote Management Strategy (Silver Level)

Business Media International (HR Asia)

- Best Companies to Work for in Asia - Thailand Region

The Asian Business Review magazine

- Asian Technology Excellence Awards in the category of AI - Financial Technology (AI-Car Detection)

VMware User Group (VMUG)

- VMware Customer Achievement Awards in the category of Cloud Infrastructure Innovator

ASEAN Innovation Business Platform (AIBP)

- AIBP Enterprise Innovation Awards (KBTG Transformation Program)

Japan Institute of Design Promotion

- Good Design Award in the category of System & Service (K PLUS Vietnam)

MongoDB

- MongoDB APAC Innovation Award in the category of Customer Focused (MAKE by KBank)

KASIKORN LINE COMPANY LIMITED

Retail Banker International journal

- Best Open Banking Initiative
- Most Dynamic Third-Party Collaboration
- Best Loan Offering

The Asian Banker journal

- Best Digital-Only Bank

The Digital Banker magazine

- Best Digital Bank for CX in Thailand
- Best Fintech for Digital CX - Consumer Lender

KASIKORN GLOBAL PAYMENT COMPANY LIMITED

The Asian Banking & Finance magazine

- Strategic Partnership of the Year - Thailand (Ultimate Approach for Managing Fragmented Merchants Project)

The Digital Banker magazine

- Best Financial Inclusion Initiative (Digital Payment)

KBTG VIETNAM COMPANY LIMITED

Enterprise Asia

- Asia Pacific Enterprise Awards (APEA) - Vietnam in the category of Fast Enterprise



Certain statements shown in this report are forward-looking statements in respect of the financial position or the performance of KASIKORNBANK PUBLIC COMPANY LIMITED ("KBank"). KBank has prepared such forward-looking statements based on several assumptions, and has relied on financial and other information available from public sources as of the date such statements were made. Statements containing words such as "expect", "believe", "estimate", etc. and other similar expressions, are considered as forward-looking statements which involve uncertainties and are subject to changes at any time due to future events, including but not limited to, changes in global/national economic, political and regulatory environment. Accordingly, the readers or the recipients of information shall carefully review this report and make their own independent decision as well as thoroughly evaluate such fact or information which may have changed prior to making any investment or entering into any transaction.



Statement of
the Board of Directors

Statement of
the Chief Executive Officer

Part 1
Business Operations
and Performance

Part 2
Corporate Governance

Part 3
Financial Statements

Attachment

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For environmentally reason, this report is printed on paper
made from trees grown in sustainably managed forest
and processed reduces greenhouse gas emissions.



Statement of
the Board of Directors

Statement of
the Chief Executive Officer

Part 1
Business Operations
and Performance

Part 2
Corporate Governance

Part 3
Financial Statements

Attachment



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