



KASIKORNBANK PCL – HO CHI MINH CITY BRANCH

CAPITAL ADEQUACY RATIO DISCLOSURE

December 2025



Contents

1. Scope of measurement of capital adequacy ratio	3
2. Equity capital structure	3
3. Capital adequacy ratio	4
4. Credit risk	5
5. Operational risk.....	8
6. Market risk	10



1. Scope of measurement of capital adequacy ratio

The disclosure of capital adequacy ratio for KASIKORNBANK Public company limited - Ho Chi Minh City Branch (KBank HCMC) is the period ended 31 December 2025 and this disclosure complies with regulations, for capital adequacy ratios of foreign bank branches.

As of 31 December 2025, KBank HCMC has no subsidiaries and associates; therefore, the branch has calculated capital adequacy ratio as foreign bank branch only.

2. Equity capital structure

As of 31 December 2025, KBank HCMC's own capital consists mainly of contributed capital from KASIKORNBANK Public company limited (KBank) as the parent bank and has no financial instruments such as subordinated debt. The following table presents the capital components.

Table 1 - Structure of Capital

Unit : Million VND

Capital Information		Amount 31 December 2025
1	Tier 1 capital	7,430,087
2	Tier 2 capital	81,546
3	Deductions from capital	1,014,740
	Total Capital = (1) + (2) – (3)	6,496,893



3. Capital adequacy ratio

3.1. Capital adequacy ratio assessment

KBank HCMC has the standard operational process to calculate capital adequacy ratio ranging from data collection, calculation, result validation to reporting with the support of KBank as the parent bank. This standard procedure ensures capital calculation process is accurate and aligned with effective management oversight.

3.2. Capital planning

KBank HCMC manages capital adequacy ratio dynamically through capital and RWA management and controls both capital and RWA to be in line with business growth and strategies in order to maintain the capital adequacy ratio above SBV's requirements. In addition, the branch assesses capital projection in the future to ensure sufficient capital for business operation as usual.

As of 31 December 2025, the capital adequacy ratio of KBank HCMC was shown as below:

Table 2 - CAR, Risk weighted assets and required capital by type of risks

Unit: Million VND

Items	31 December 2025	
	Capital requirement	Risk Weighted Asset
Credit risk		19,732,341
Counterparty credit risk		105,525
Market risk	20,427	255,331
Operational risk	121,624	1,520,295
Total risk		21,613,492
Capital Ratios		
Tier 1 Capital ratio	29.68%	
Capital adequacy ratio	30.06%	



4. Credit risk

4.1 . Qualitative disclosures

Credit risk refers to the risk whereby a counterparty or borrower may default on contractual obligations or agreements, or have an intention to not abide by an agreement, resulting in losses. Therefore, the branch places significance on credit risk management compatible with international standards and regulatory requirements to ensure sustainable growth and reasonable returns to shareholders and investors.

KBank HCMC has established credit policies and related credit procedures that comply with SBV's requirements. The branch carries out credit risk management throughout the credit review, appraisal, approval and management processes. The branch's strategies focus on proactive risk management by monitoring external risk drivers and enabling timely and effective credit actions. The branch also develops appropriate credit risk rating tools, which are used to assess and monitor creditworthiness of customers. The credit risk rating is also applied across credit processes, including approval process, risk based pricing.

Besides, KBank HCMC shall control risk positions, transactions and activities according to our risk limits and timely handling of risks to ensure compliance to the risk limits .

For capital adequacy ratio calculation, the branch has used the credit rating from Moody's, S&P and Fitch rating agencies for financial institutions and sovereign to assign credit risk weight. As of 31 December 2025, the branch uses term deposits and standby Letters of Credit (SBLC) at the bank as credit risk mitigation for risk weighted asset calculation.

4.2. Quantitative disclosures

- Risk-weighted assets for credit risk and counterparty credit risk, broken down by subjects having credit risk weights;



Table 3 - RWA for Credit risk and Counterparty Credit risk corresponding to credit ratings by External Credit Rating Agencies

Unit: Million VND

Type of Claim	External rating	Credit risk weight (%)	RWA Credit	RWA CCR	Total
Overseas Financial Institutions	AAA to AA-	20%	113,147	-	113,147
	A+ to A-	50%	935,097	434	935,531
	BBB+ to BBB-	50%	2,599,516	-	2,599,516
	BB+ to BB-	100%	-	-	-
	B+ to B-	100%	-	-	-
	Below B-	150%	-	-	-
Domestic Financial Institutions (<3M)	AAA to AA-	10%	-	-	-
	A+ to A-	20%	-	-	-
	BBB+ to BBB-	20%	-	-	-
	BB+ to BB-	40%	741,286	2,735	744,021
	B+ to B-	50%	-	-	-
	Below B-	70%	-	-	-
Domestic Financial Institutions (>=3M)	AAA to AA-	20%	-	-	-
	A+ to A-	50%	-	-	-
	BBB+ to BBB-	50%	-	-	-
	BB+ to BB-	80%	130,360	93,088	223,448
	B+ to B-	100%	205,560	2,624	208,184
	Below B-	150%	-	-	-
Total			4,724,966	98,881	4,823,847

Table 4 - RWA for Credit risk and Counterparty Credit risk by asset classes

Unit: Million VND

Seq.	Type of Claim	RWA Credit	RWA CCR	Total
1	Claims on government	-	-	-
2	Claims on the financial institutions	4,724,966	98,881	4,823,847
3	Claims on the enterprise	14,084,893	6,644	14,091,537
4	Claims secured by real estates	-	-	-
5	Claims secured by residential property	165,016	-	165,016
6	Claims on retail customers	110,619	-	110,619
7	Non-performing loans	2,275	-	2,275
8	Other assets	644,572	-	644,572



Seq.	Type of Claim	RWA Credit	RWA CCR	Total
Total		19,732,341	105,525	19,837,866

- Risk-weighted assets for credit risk and counterparty credit risk, broken down by industry sector;

Table 5 - RWA for Credit risk and Counterparty Credit risk by Industry

Unit: Million VND

Seq.	Industry	RWA Credit	RWA CCR	Total
1	Manufacturing	5,720,243	-	5,720,243
2	Water Supply; Waste And Wastewater Management And Treatment Activities	292,838	3,632	296,470
3	Construction	65,659	-	65,659
4	Wholesale And Retail Trade; Repair Of Motor Vehicles, Motorcycles And Other Motor Vehicles	4,460,586	3,012	4,463,598
5	Transportation And Warehouse	380,688	-	380,688
6	Hotels And Restaurants	260,359	-	260,359
7	Financial, Banking, Insurance activities	4,724,966	98,881	4,823,847
8	Real Estate Business	1,954,266	-	1,954,266
9	Professional, Scientific and Technological activities	74,077	-	74,077
10	Retail	277,731	-	277,731
11	Agriculture, Forestry and Fishing	159,538	-	159,538
12	Information And Communication	544,012	-	544,012
13	Others	817,378	-	817,378
Total		19,732,341	105,525	19,837,866

- Risk-weighted assets for credit risk exposure, including on-balance and off-balance sheet and the effect of credit risk mitigations.

As of 31 December 2025, the branch uses term deposits and standby Letters of Credit (SBLC) as credit risk mitigation tools for the calculation of risk weighted asset, the amount of risk-weighted assets for credit risk exposures both before and after the



application of on-balance-sheet netting by term deposits and third-party guarantees via standby Letters of Credit (SBLC) are as follows:

Table 6 - Credit Risk Assets Before and After Applying Risk Mitigations

Unit: Million VND

	Risk weighted assets before risk mitigations	Risk weighted assets after risk mitigations
On Balance Sheet	21,169,653	18,305,647
Off Balance Sheet	1,642,686	1,532,219
Total	22,812,339	19,837,866

5. Operational risk

5.1. Quantitative disclosures

Operational risk is defined as the risk of direct or indirect losses to a bank's revenue or capital resulting from incorrect or inadequate processes, personal, operating and/or IT systems or external events. KBank HCMC has established operational risk management policies in compliance with SBV's requirements, which consist of two main parts as follows:

- Policy on administration of risk management
- Policy to tackle cases of emergency (BCM)

KBank HCMC implements comprehensive risk management framework that the operational risk is controlled under risk limits and all employees are aware and accountable for operational risk management as per KBank-wide organization culture . KBank HCMC adopts the KBank-wide concept of transparent and efficient operational risk management framework as follows:

- The three lines of defense: to clarify and specialization of duties clearly defined according to the internal control principles among organization
 - o 1st Line of Defense: The business units identify, control of risk limit on day to day under the authority's body approval, and mitigate risks.



- 2nd Line of Defense: The risk controlling unit designs and deploys the overall risk management framework, provides interpretation of regulation, and monitors the adherence to risk strategy, and advises regulatory issues to ensure compliance with relevant laws, regulations and internal risk policies.
- 3rd Line of Defense: Internal audit independently assesses the effectiveness of internal control and provides recommendations for improvements.
- BCM will mitigate possible impacts from a disaster on KBank HCMC's product and service processes. Apart from specifying the IT recovery methods, the BCM plan is aimed to ensure that all critical business functions / mission critical activities will be rapidly restored for fulfillment of KBank HCMC's obligations. The purpose of BCM can be summarized as follows:
 - Minimizing any period of service disruption.
 - Restoring critical business functions/ mission critical activities within an acceptable period after a service disruption.
 - Limiting damages to the Branch's operations and capital that may be caused by a disruptive event.
 - Protecting KBank HCMC's reputation and image.

Operational risk management framework: to ensure the product or service launched to market within acceptable level and appropriate with market practice.

5.2. Quantitative disclosures

Table 7 - Capital requirement and RWA for operational risk

Unit : Million VND

No.	Business Indicator	Amount	Capital Requirement (*)	RWA (**)
1	Interest component (IC)	392,039	58,806	735,074
2	Service component (SC)	235,417	35,313	441,406
3	Financial component (FC)	183,368	27,505	343,815
Total		810,824	121,624	1,520,295



(*) Regulatory capital using coefficient 15% multiplying with average value of 12 consecutive quarters

(**) Risk weighted asset using coefficient 12.5

6. Market risk

6.1 . Qualitative disclosures

Market risk may arise from adverse fluctuations in interest rates, foreign exchange, equity and commodity prices prices. These changes may impact financial instrument valuation, affecting bank's profit and loss. According to the current business structure, KBank HCMC is emerging only interest rate risk and exchange rate risk.

KBank HCMC market risk policy is formulated with regulations of State Bank of Vietnam (SBV) and must be reviewed at least once a year. Main objective of the policy is an operational guideline for all stakeholders under the risk framework of the branch. Also, it is to identify and differentiate the transactions of the bank into trading book or banking book. The main strategy of the trading book is to support customers' need and not for proprietary trading.

KBank HCMC ensures that proper risk management process, which comprises risk identification, measurement, monitoring & control, and reporting, is in place, considering both external and internal factors, qualitatively and quantitatively .The process is done by risk units, which are independent from business units to ensure segregation of duties.

KBank performs FX buying and selling with tenor less than 1 year, including FX spot, forward and swap; and with tenor more than 1 year for CCS (Cross currency swap).

6.2. Quantitative disclosures

Table 8 - Capital requirement for market risk

Unit : Million VND

No.	Risk Types	Capital Requirement	Remark



1	Interest rate risk	2,570	
2	Foreign exchange risk	17,857	
3	Equity risk	-	The bank does not have position related to equity risk
4	Commodities risk	-	The bank does not have position related to commodities risk
5	Option risk	-	The bank does not have position related to option risk
Total for market risk		20,427	

Ho Chi Minh city, May 05, 2026

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