

STRIVING FOR MORE

MAKE IT BETTER



Krungthai Card Public Company Limited

ANNUAL
REPORT 2014



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Chairman

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Mrs. Kittiya
Todhanakasem

Message from Chairman

I am delighted to report another year of KTC's burgeoning performance, despite political turmoil and challenging economic conditions in 2014. KTC's net profits continued to grow by 69% to reach 1,755 Million Baht, implying a Return on Equity (ROE) of 26.0%.

Message from Chairman

Dear Shareholders,

I am delighted to report another year of KTC's burgeoning performance, despite political turmoil and challenging economic conditions in 2014. KTC's net profits continued to grow by 69% to reach 1,755 Million Baht, implying a Return on Equity (ROE) of 26.0%.

This recorded high return was resulted from a concerted improvement along all key profit drivers. Our credit card portfolio grew 6.6% in 2014, as compared to 3.8% in 2013, achieving through more aggressive acquisition, extensive promotion, and new product launch. KTC's personal loan portfolio expanded by 10.1%, a higher growth rate than that of the industry average. The 2014 net interest margin increased to 14.3% from 13.4% in 2013, as the portfolio composition slightly shifted towards the higher yield personal loan. Besides the boost on the revenue side, all key expenses also declined. Despite a strong portfolio growth, our overall portfolio quality enhanced. Thus, the provisioning expense-to-income ratio dropped to 35% in 2014 from 39% previously. The operating cost-to-income ratio also reduced to 27.3% from 28.0% in the previous

year. Last but not least, a lower cost of fund at 4.4% was witnessed in 2014, as compared to 4.8% in an earlier year.

A celebrating story does not end at the astonishing profitability result. We also exhibited a strong balance sheet that positioned KTC for an elevated and sustainable growth. We provisioned an augmented level of allowance for loan loss, providing us with cushion for economic uncertainty. Furthermore, our debt-to-equity leverage ratio also noticeably dropped as our equity base organically grew, opening opportunity for portfolio growth.

Equipped with the financial strength, we are confident that KTC will deliver an even greater performance in terms of both profit and growth. The confidence ensued from having invested significant amount of time and energy not only in preparing more advanced infrastructure but also in cultivating our team with proactive and entrepreneurial spirit over the past year.

Message from Chairman

A cross-functional collaborative plan has been furnished to ensure performance delivery along four key pillars: branding and innovative marketing, customer-centric service excellence, operational effectiveness, and prudent enterprise risk management. On the marketing front, building on last year momentum, we plan for more new products and digital service launches. Enabled by upgraded systems, we will regain a leadership role in innovating valued promotion and loyalty programs. We consider repositioning our brand to extend opportunity and support a sustainable growth as well. Second, our customer service performance has been notably improved. A plan to employ more analytical tools with segmented approach will further enhance our service quality, while creating meaningful impact to customer experience. Next, our operation has been considerably streamlined to achieve cost-effectiveness performance. Yet, we aim for leaner operation by building a culture that encourages continual improvement. Last, our credit risk management approach has been proven most effective as evidenced by our low NPL level, as compared to the industry average. While industry NPL

ascended in 2014, KTC's credit quality improved. With a progressive mindset, however, we plan for more sophisticated credit models to permit penetration into more segments.

I am very enthusiastic about a vast growth potential of KTC. With deep customer insights, agile infrastructure, and most importantly, a committed and energetic team, I am thrilled to take part in bringing KTC to its next frontier.

On behalf of the Board of Directors, I would like to thank our management and staffs for their dedication. We are thankful for shareholders' strong and continual supports. We are fully committed to operating in full energy to deliver even greater results in the coming years.



Mrs. Kittiya Todhanakasem
Chairperson

Financial Highlight

	Unit	2012	2013 ⁽³⁾	2014
Profitability Ratio				
Gross Profit Margin	%	80.1%	81.2%	83.1%
Net Profit Margin	%	2.0%	8.0%	12.2%
ROE	%	5.1%	18.3%	26.0%
Average Interest Received ⁽¹⁾	%	18.2%	18.2%	18.7%
Average Cost of Fund	%	5.0%	4.8%	4.4%
Net Interest Margin	%	13.2%	13.4%	14.3%
Efficiency Ratio				
Interest Revenue to Total Asset ⁽¹⁾	%	12.5%	12.7%	13.7%
ROA	%	0.5%	2.1%	3.3%
Asset Turnover	เท่า	0.26	0.26	0.27
Financial Ratio				
Debt to Equity	เท่า	8.47	7.47	6.40
Loan to Borrowing	%	124.1%	129.9%	132.3%
Dividend Payout Ratio	%	40.4%	40.2%	40.4% ⁽²⁾
Asset Quality Ratio				
Allowance for Doubtful Account to Total Receivables	%	7.3%	8.8%	8.9%
Bad Debt to Total Receivables	%	9.0%	8.0%	8.4%
%NPL	%	3.8%	3.0%	2.4%
%NPL Credit Card	%	2.7%	2.2%	1.7%
%NPL Personal Loan	%	2.5%	1.5%	1.2%

(1) Credit usage fee is calculated

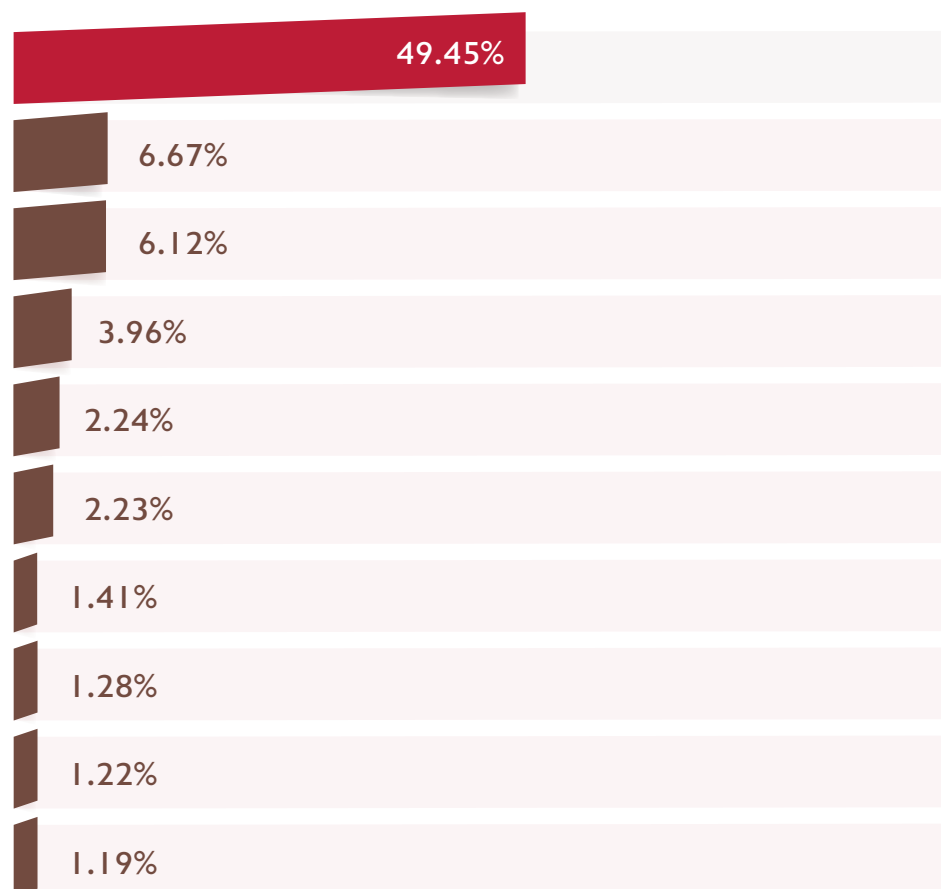
(2) The right to receive dividends is not confirmed until approved by the Annual General Shareholders Meeting 2015

(3) Excluding extra ordinary items from sale of the investment

Shareholder Structure

As of December 31, 2014, Total Number of Authorized Capital and Paid-Up Capital are 257,833,407 shares, top ten shareholders consist of

(No. of Shares)

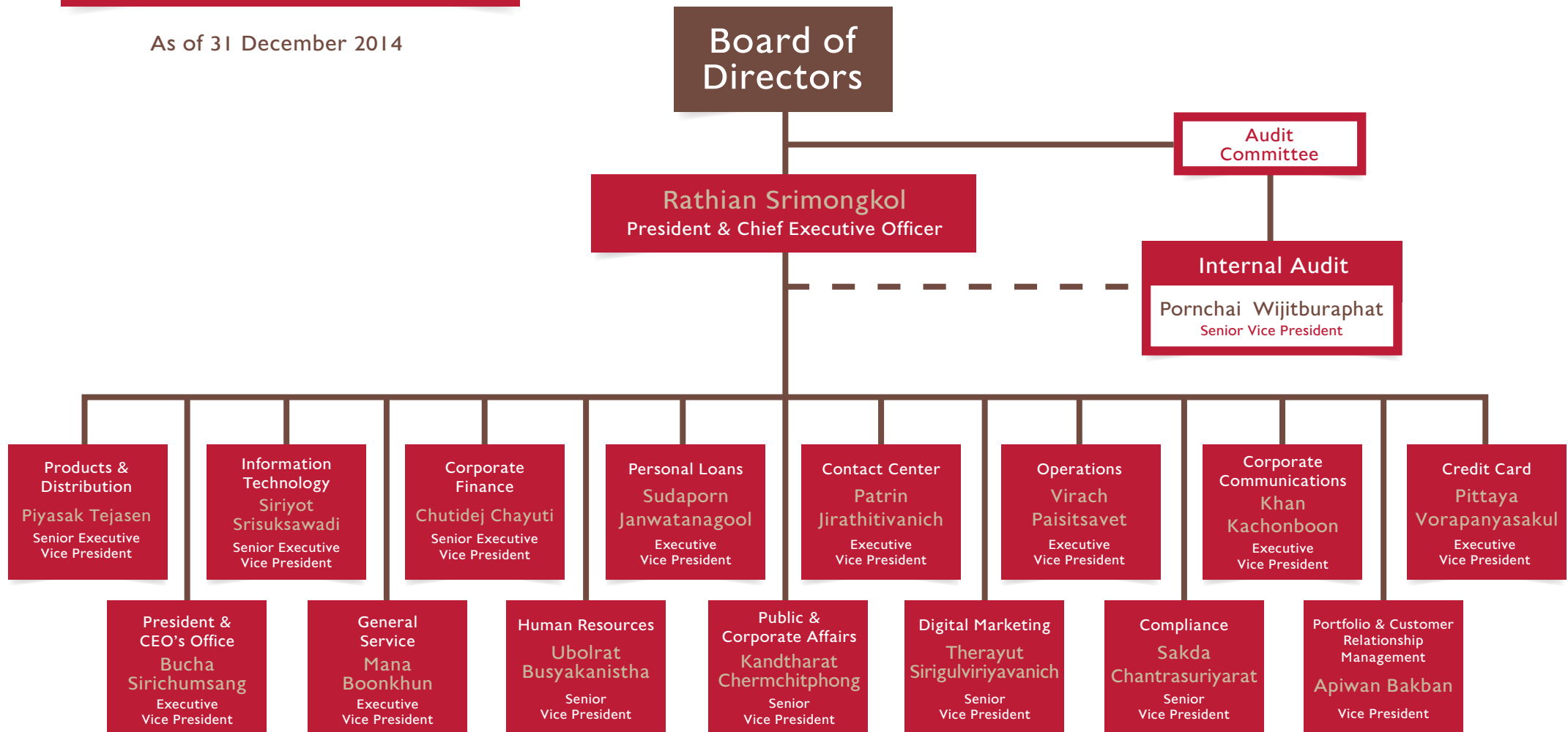


(No. of Shares)

Krung Thai Bank Public Co., Ltd.	127,500,000
Mr. Mongkol Prakitchaiwattana	17,200,000
Thai NVDR	15,775,150
Thailand Securities Depository Company Limited for Depositors	10,206,100
Ms. Chantana Jirattitepat	5,762,100
Mr. Sataporn Ngamruengphong	5,739,500
Mr. Yue Kwok-Leung	3,638,800
HSBC Bank PLC-Saudi Arabia Monetary Agency	3,288,400
Thai Value Focus Equity-Dividend Fund	3,145,300
State Street Bank and Trust Company	3,070,600

Organization Chart Structure

As of 31 December 2014



Board of Directors



**Mrs. Kittiya
Todhanakasem**

**Chairman / Chairman of Nomination and
Remuneration Committee / Chairman of
Corporate Governance Committee**

Date of appointment : 26 April 2005
Age : 56

Education

- Master's Degree, MBA, University of Illinois, Champaign - Urbana, USA
- Bachelor's Degree, Accounting (Honor), Thammasat University

Training

- 2014 Bhumipalung Pandin, Class 3
- 2013 Certificate, Role of the Nomination and Governance Committee (RNG)
Thai Institute of Directors Association (IOD)
- 2013 ASEAN Executive Management Programme, Class 2
- 2012 Top Executive Program in Commerce and Trade (TEPCoT), Class 6
- 2011 Certificate, Leader Program, Capital Market Academy (Class 13)
- 2008 Diploma, National Defence College, The Joint State-Private Sector Course Class 51/21
Thailand National Defence College
- 2006 Certificate, Director Certification Program (DCP)
Thai Institute of Directors Association (IOD)
- 2005 Certificate, Director Accreditation Program (DAP)
Thai Institute of Directors Association (IOD)

% of KTC Shares Held 0%

Family Relationship None

**Mrs. Kittiya
Todhanakasem**

Work Experience

2011 - Present	First Senior Executive Vice President - Managing Director Financial Management Group / Krung Thai Bank Public Company Limited / Banking
2005 - 2010	Senior Executive Vice President - Managing Director Financial Management Group / Krung Thai Bank Public Company Limited / Banking
2014 - Present	Chairman of Corporate Governance Committee Krungthai Card Public Company Limited / Consumer Finance
2012 - Present	Chairman Krungthai Card Public Company Limited / Consumer Finance
2011 - Present	Chairman of Nomination and Remuneration Committee Krungthai Card Public Company Limited / Consumer Finance
2005 - 2012	Director Krungthai Card Public Company Limited / Consumer Finance
2014 - Present	Director Krungthai-AXA Life Insurance Public Company Limited / Life Insurance
2012 - Present	Chairman Krungthai Panich Insurance Public Company Limited / Insurance
2011 - 2012	Chairman Krungthai Panich Insurance Company Limited / Insurance
2001 - 2011	Director Krungthai Panich Insurance Company Limited / Insurance
2012 - 2014	Chairman KTB Advisory Company Limited / Financial Advisory
2009 - 2012	Chairman KTB Advisory Company Limited / Financial Advisory

Board of Directors



**Mr. Akarat
Na Ranong**

**Independent Director / Chairman of
Audit Committee / Nominating and
Remuneration Committee /
Corporate Governance Committee**

Date of appointment : 2 July 2002
Age : 61

Education

- Master's Degree, Business Administration (Management),
Marshall University, USA
- Bachelor's Degree, Economics, Chulalongkorn University

Training

- 2013 Certificate, Role of the Director Certification Program (DCP)
Thai Institute of Directors Association (IOD)
- 2008 Certificate, Leader Program, Capital Market Academy (Class 6)
- 2007 Certificate, Director Accreditation Program (DAP)
Thai Institute of Directors Association (IOD)
- 2007 Certificate, Role of the Compensation Committee (RCC)
Thai Institute of Directors Association (IOD)
- 2004 Certificate, Audit Committee Program (ACP)
Thai Institute of Directors Association (IOD)

% of KTC Shares Held 0.0004%

Family Relationship None

Mr. Akarat
Na Ranong

Work Experience

2001 - Present	Independent Director / Chairman of Audit Committee / Nominating and Remuneration Committee / Corporate Governance Committee Krungthai Card Public Company Limited / Consumer Finance
2013 - Present	Director Evolution Capital Public Company Limited / Hospitality
2011 - Present	Independent Director / Audit Committee FINANSA Public Company Limited / Financial Advisory and Management
2011 - Present	Independent Director / Audit Committee FINANSA Securities Limited / Investment Banking
2010 - Present	Independent Director / Chairman of Audit Committee Matching Maximize Solution Public Company Limited / Media & Publishing
2011 - 2013	Lecturer College of Music / Mahidol University / University
2010 - 2011	Associate Dean for Resources Development College of Music / Mahidol University / University
1996 - 2009	President TSFC Securities Limited / Securities
1995 - 1996	President Thai Finance and Securities Public Company Limited / Securities
1990 - 1995	Vice President Country Treasurer / Citibank N.A. / Banking

Board of Directors



**Mrs. Pantip
Sripimol**

**Independent Director / Audit Committee /
Corporate Governance Committee**

Date of appointment : 20 April 2012
Age : 52

Education

- Master of Public Administration, Chulalongkorn University
- Bachelor of Laws, Ramkhamhaeng University
- Bachelor of Business Administration, Ramkhamhaeng University

Training

- 2013 Certificate, Role of the Nomination and Governance Committee (RNG)
Thai Institute of Directors Association (IOD)
- 2012 Certificate, Audit Committee Program (ACP)
Thai Institute of Directors Association (IOD)
- 2006 Certificate, Director Certification Program (DCP)
Thai Institute of Directors Association (IOD)

% of KTC Shares Held 0%

Family Relationship None

Mrs. Pantip
Sripimol

Work Experience

2014 - Present	Director / Chairman of Risk Committee MCOT Public Company Limited / State Enterprise
2012 - Present	Independent Director / Audit Committee / Corporate Governance Committee Krungthai Card Public Company Limited / Consumer Finance
2011 - Present	Deputy Director - General State Enterprise Policy Office / Ministry of Finance / Government
2013 – 2014	Director / Strategic Committee Padang Industry Public Company Limited / Mineral
2010 - 2011	Director of Monitoring and Performance Assessment State Enterprise Policy Office / Ministry of Finance / Government
2007 - 2010	Director of Bureau of State Enterprise Development 2 State Enterprise Policy Office / Ministry of Finance / Government
2006 - 2007	Enterprise Monitoring and Performance Assessment State Enterprise Policy Office / Ministry of Finance / Government
2002 - 2006	Secretary of the State Enterprise Policy Office State Enterprise Policy Office / Ministry of Finance / Government
1985 - 2002	Fiscal Analyst The Comptroller General Department / Ministry of Finance / Government

Board of Directors



**Mr. Paroche
Hutachareon***

**Independent Director / Audit Committee /
Corporate Governance Committee**

Date of appointment : 16 January 2013
Age : 32

Education

- Master of Commerce (Specialisation in Economics), University of Melbourne
- Bachelor of Science (BSc), Economics, University College London

Training

- 2014 Certificate, Role of the Director Certification Program (DCP)
Thai Institute of Directors Association (IOD)
- 2013 Certificate, Director Accreditation Program (DAP)
Thai Institute of Directors Association (IOD)
- 1999 Victorian Certificate of Education (VCE),
Geelong Grammar School

% of KTC Shares Held 0%

Family Relationship None

* The Board of Directors' Meeting of Krungthai Card Public Company Limited No. 6/2014 held on April 25, 2014, has resolved to appoint Mr. Paroche Hutachareon as a member of Audit Committee in place of Mr. Suvit Maesincee whose term expired.

Mr. Paroche
Hutachareon

Work Experience

2014 - Present	Director Fund Management Division Public Debt Management Office / Ministry of Finance / Government
2014 - Present	Independent Director / Audit Committee / Corporate Governance Committee Krungthai Card Public Company Limited / Consumer Finance
2013 - Present	Independent Director Nok Airlines Public Company Limited / Commercial Airlines
2013 - 2014	Independent Director Krungthai Card Public Company Limited / Consumer Finance
2009 - 2014	Senior Economist Public Debt Management Office / Ministry of Finance / Government
2007 - 2009	Economist Public Debt Management Office / Ministry of Finance / Government
2005 - 2007	Economist Public Debt Management Office / Ministry of Finance / Government

Board of Directors



**Mr. Tanyapong
Thamavaranukupt**

**Director / Nominating and
Remuneration Committee /
Corporate Governance Committee**

Date of appointment : 25 April 2014
Age : 44

Education

- Master's Degree, MBA, University of Rochester, USA
- Bachelor's Degree, Engineering (Industrial), Kasetsart University

Training

- | | |
|-----------|---|
| 2012-2013 | SASIN Leadership Program – Focus on all aspects of management. Program specifically designed for Top 15 Executives in the Krungsri Group. |
| 2008 | McKinsey's Asian Banking Rising Star Conference 2008 (HK) – the only representative from BAY |
| 2007 | C-Trans (Stamford) – Train the trainer program for strategic planning
Blue Ocean – Identify market space, mapping against competitions, building execution |
| 2006 | CECOP (Crotonville) – GE' Corporate approach to strategic planning and execution |
| 2005 | Mortgage Training (WMC in US) – Broker management and sales processes. |
| 2004 | Strategy Workshop (in US) – Training on how to develop effective strategies. |
| 2001 | Black Belt and Master Black Belt – Training on Six Sigma approach, applying Six Sigma Tools and calculation for continuous improvement. Training on advance statistical tools (hypothesis testing, multiple regression, etc). and applying tools for process / product improvement and consulting with leadership and project leaders for successful implementation. |
| 2000 | Design for Six Sigma (DFSS) – Training on approach to design new products and/or services that will consistently meet or exceed customer's critical-to-quality (CTQ) expectations. |
| 1997 | Pyramid Principle – Structural thinking and presentation. |

% of KTC Shares Held 0%

Family Relationship None

**Mr. Tanyapong
Thamavaranukupt**

Work Experience

2014 - Present	Senior Executive Vice President Krung Thai Bank Public Company Limited / Banking
2014 - Present	Director / Nominating and Remuneration Committee / Corporate Governance Committee Krungthai Card Public Company Limited / Consumer Finance
2014 - Present	Director Krungthai-AXA Life Insurance Public Company Limited / Insurance
2013 - 2014	Advisor to President Krung Thai Bank Public Company Limited / Banking
2012 - 2013	First Executive Vice President Bank of Ayudhya Public Company Limited / Banking
2009 - 2013	Managing Director CFG Services Company Limited / Consumer Finance
2007 - 2012	Executive Vice President Bank of Ayudhya Public Company Limited / Banking
2004 - 2006	Executive Director GE Consumer Finance (Asia) Company Limited / Consumer Finance
2001 - 2004	Director, Product Leader GE Consumer Finance (Thailand) Company Limited / Consumer Finance
2001	Senior Manager, Pricing Leader GE Consumer Finance (Thailand) Company Limited / Consumer Finance
1999 - 2000	Senior Manager, Master Black Belt GE Consumer Finance (Thailand) Company Limited / Consumer Finance
1996 - 1999	Management Consultant Arthur D. Little, Singapore / Consulting
1992 - 1994	Analyst Accenture Public Company Limited (Andersen Consulting) / Consulting

Board of Directors



**Mrs. Sriprabha
Pringpong**

Director / Corporate Governance Committee

Date of appointment : 8 April 2011

Age : 62

Education

- MBA, The University of Toledo, Ohio, USA
- BA in Commerce and Accounting, Chulalongkorn University

Training

2013	Certificate, Role of the Director Certification Program (DCP) Thai Institute of Directors Association (IOD)
2010	Certificate, Executive Development Program Institute of Research and Development for Public Enterprises, Ministry of Finance
2008 - 2009	Certificate, Advanced Certificate Course in Public Administration and Law for Executives, King Prajadhipok's Institute
2005	Certificate, Intermediate Certificate Course in Good Governance for Middle level Executives, King Prajadhipok's Institute
2000 - 2001	Certificate, Certified Internal Auditor Faculty of Commerce and Accounting, Chulalongkorn University
1992 -1993	Certificate, Advance Management for Oversea Bankers The Wharton School of the University of Pennsylvania

% of KTC Shares Held 0%

Family Relationship None

**Mrs. Sriprabha
Pringpong**

Work Experience

2011 - Present	Director / Corporate Governance Committee Krungthai Card Public Company Limited / Consumer Finance
2013 - Present	Director / Chairman of Audit Committee / Chairman of Business Relation Committee Public Pawnshop Office / Ministry of Social Development and Human Security / State-Owned Enterprise
2013 - Present	Director Board of University Operation Promotion / King Mongkut's Institute of Technology Ladkrabang / University
2011 - 2012	Senior Executive Vice President-Managing Director Government & State Enterprise Relations Group / Krungthai Bank Public Company Limited / Banking
2009 - 2010	Executive Vice President-Managing Director Government & State Enterprise Relations Group / Krungthai Bank Public Company Limited / Banking
2007 - 2009	Senior Vice President Government Relations Group / Krungthai Bank Public Company Limited / Banking
2005 - 2007	Senior Director Government Relations Group / Krungthai Bank Public Company Limited / Banking
2001 - 2005	Senior Director Public Relations Department / Krungthai Bank Public Company Limited / Banking
2001 - 2002	Director Krungthai Asset Management Public Company Limited / Fund Management
1999 - 2002	Director and Audit Committee Thai Credit Guarantee Corporation / State-Owned Enterprise
1988 - 1989	Director International Housing Finance Corporation Limited / Finance and Securities
1986 - 2001	First Vice President Business Relations Department / Krungthai Bank Public Company Limited / Banking

Board of Directors



**Mrs. Arunporn
Limskul**

Director / Corporate Governance Committee

Date of appointment : 20 April 2012

Age : 47

Education

- Master of Business Administration, Asian Institute of Technology, (1991)
- Bachelor of Science (Materials Science), Chulalongkorn University, (1989)

Training

- 2013 Introduction to Petroleum and Petrochemical Business
The Petroleum and Petrochemical College, Chulalongkorn University
- 2012 Certificate, Director Certification Program (DCP)
Thai Institute of Directors Association (IOD)
- 2007 Customer Experience Management, London
- 2004 Customer Relation in Mobile Industry, Spain
- 2004 Strategic Customer Management, Hong Kong
- 2003 Customer Relationship Management in Mobile Industry, London

% of KTC Shares Held 0%

Family Relationship None

**Mrs. Arunporn
Limskul**

Work Experience

2012 - Present	Director / Corporate Governance Committee Krungthai Card Public Company Limited / Consumer Finance
2013 - Present	Independent Director / Audit Committee Bangchak Petroleum Public Company Limited / Oil Company
2009 - Present	Director School of Management / Asian Institute of Technology / University
2012 - Jan 2015	Director Executive Committee “New SME Fund” / Government
2011 - Jun 2014	Executive Board Member Office of Small and Medium Enterprises Promotion / Government
2011 - Jun 2014*	Director, Chairman of the Corporate Governance and Social Responsibility Committee, and Executive Director Krungthai Bank Public Company Limited / Banking
2010 - 2011	Executive Vice President CRM & Electronic Channels Division / Siam Commercial Bank / Banking
2005 - 2010	Assistant Vice President Customer Relationship Management Division / Advanced Info Service Public Company Limited / Information and Communication Technology

* Mrs. Arunporn Limskul was resigned from the position of Director from Krung Thai Bank Public Company Limited since 25 June 2014

Board of Directors



**Mr. Rathian
Srimongkol**

**President & Chief Executive Officer /
Director and Corporate
Governance Committee**

Date of appointment : 1 January 2012
Age : 55

Education

- Master's Degree, MBA, Thammasat University
- Master's Degree, M.P.A in General Administration, Suan Sunandha Rajabhat University
- Medical Degree, Faculty of Medicine Siriraj Hospital, Mahidol University
- Bachelor's Degree, Medical Science, Mahidol University

Training

2010	Certificate, Leadership Program (Class 11) Capital Market Academy
2009	Certificate, Financial Statements Demystified for Director (FDD) Thai Institute of Directors Association (IOD)
2008-2009	Diploma, National Defence College, The Joint State-Private Sector Course Class 51/21 National Defence College of Thailand
2008	Certificate, Role of the Chairman Program (RCP) Thai Institute of Directors Association (IOD)
2008	Public Director Certification Program (PDI) King Prajadhipok's Institute
2008	Certificate, Economic Leader Forum (ELF) The Thammasat Economics Association
2005	Certificate in Politics and Governance in Democratic Systems for Executives Course (Class 9) King Prajadhipok's Institute
2001	Certificate, Directors Certification Program (DCP) Thai Institute of Directors Association (IOD)

% of KTC Shares Held 0%

Family Relationship None

Mr. Rathian
Srimongkol

Work Experience

2012 - Present	President & Chief Executive Officer and Director and Corporate Governance Committee Krungthai Card Public Company Limited / Consumer Finance
2013 - Present	Independent Director, Chairman of Audit Committee Corporate Governance Committee and Nominating and Compensation Committee One To One Contacts Public Company Limited / Services
2009 - Present	Independent Director, Vice Chairman of the board, Chairman of Audit Committee and Enterprise Risk Management Committee Indorama Ventures Public Company Limited / Holding
2008 - 2010	Director TOT PCL / Communication Business
2004 - 2012	Performance Agreement Subcommittee Organization Management (Internal Audit and Internal Control) Ministry of Finance / Government
2001 - 2012	Performance Agreement Subcommittee (Energy Sector) Ministry of Finance / Government
2001 - 2011	Executive Vice President Thanachart Bank Public Company Limited (Siam City Bank Public Company Limited) / Banking

Executives



**Mr. Rathian
Srimongkol**

**President & Chief Executive Officer /
Director and Corporate
Governance Committee**

Date of appointment : 1 January 2012
Age : 55

Education

- Master's Degree, MBA, Thammasat University
- Master's Degree, M.P.A. in General Administration, Suan Sunandha Rajabhat University
- Medical Degree, Faculty of Medicine Siriraj Hospital, Mahidol University
- Bachelor's Degree, Medical Science, Mahidol University

Training

2010	Certificate, Leadership Program (Class 11) Capital Market Academy
2009	Certificate, Financial Statements Demystified for Director (FDD) Thai Institute of Directors Association (IOD)
2008-2009	Diploma, National Defence College, The Joint State-Private Sector Course Class 51/21 National Defence College of Thailand
2008	Certificate, Role of the Chairman Program (RCP) Thai Institute of Directors Association (IOD)
2008	Public Director Certification Program (PDI) King Prajadhipok's Institute
2008	Certificate, Economic Leader Forum (ELF) The Thammasat Economics Association
2005	Certificate in Politics and Governance in Democratic Systems for Executives Course (Class 9) King Prajadhipok's Institute
2001	Certificate, Directors Certification Program (DCP) Thai Institute of Directors Association (IOD)

% of KTC Shares Held 0%

Family Relationship None

Mr. Rathian
Srimongkol

Work Experience

2012 - Present	President & Chief Executive Officer and Director and Corporate Governance Committee Krungthai Card Public Company Limited / Consumer Finance
2013 - Present	Independent Director, Chairman of Audit Committee Corporate Governance Committee and Nominating and Compensation Committee One To One Contacts Public Company Limited / Services
2009 - Present	Independent Director, Vice Chairman of the board, Chairman of Audit Committee and Enterprise Risk Management Committee Indorama Ventures Public Company Limited / Holding
2008 - 2010	Director TOT PCL / Communication Business
2004 - 2012	Performance Agreement Subcommittee Organization Management (Internal Audit and Internal Control) Ministry of Finance / Government
2001 - 2012	Performance Agreement Subcommittee (Energy Sector) Ministry of Finance / Government
2001 - 2011	Executive Vice President Thanachart Bank Public Company Limited (Siam City Bank Public Company Limited) / Banking

Executives



**Mr. Chutidej
Chayuti**

**Senior Executive Vice President &
Chief Finance Officer - Corporate Finance**

Date of appointment : 1 July 2002
Age : 52

Education

- Master's Degree, M.S. (Industrial Technology),
Indiana State University, USA
- Master's Degree, MBA, Indiana State University, USA
- Bachelor's Degree, Commerce and Accountancy
(Industrial Management), Thammasat University

% of KTC Shares Held 0%

Family Relationship None

Work Experience

2002 - Present	Senior Executive Vice President & Chief Finance Officer Corporate Finance / Krungthai Card Public Company Limited / Consumer Finance
1998 - 2002	Assistant Secretary General Financial Sector Restructuring Authority / State Enterprise
1998	Senior Vice President Financial Sector Restructuring Authority / State Enterprise
1995 - 1998	Vice President Planning and Financial Business Development Department and Office of The President / Wall Street Finance and Securities Public Company Limited / Finance and Securities

Executives



**Mr. Piyasak
Tejasen**

**Senior Executive Vice President -
Products & Distribution**

Date of appointment : 1 June 2002

Age : 50

Education

- Master's Degree, Political Science, The School of Public Administration, University of Southern California, USA
- Bachelor's Degree, Political Science, Ramkhamhaeng University

% of KTC Shares Held 0%

Family Relationship None

Work Experience

2002 - Present	Senior Executive Vice President Products & Distribution / Krungthai Card Public Company Limited / Consumer Finance
1999 - 2002	Human Resources Director Human Resources and Administration Department / Bangkok Capital Alliance Company Limited / Financials

Executives



**Mr. Siriyot
Srisuksawadi**

**Senior Executive Vice President &
Chief Information Officer -
Information Technology**

Date of appointment : 1 March 2006
Age : 56

Education

- Master in Marketing English Language Certificate Program,
Joint Education Program Thammasat University and University of Gothenburg, Sweden
- Bachelor's Degree, Statistic (Electronic Data Processing),
Faculty of Commerce and Accountancy, Chulalongkorn University

% of KTC Shares Held 0%

Family Relationship None

Work Experience

2006 - Present	Senior Executive Vice President Information Technology / Krungthai Card Public Company Limited / Consumer Finance
2000 - 2006	Executive Vice President Head of Branch Services and Operations Division / Bank Thai Public Company Limited / Banking
1999 - 2000	Chief Information Officer (CIO) GE Capital (Thailand) Limited / Consumer Finance
1996 - 1999	Executive Vice President TSFC Securities Limited / Securities

Executives



**Ms. Sudaporn
Janwatanagool**

**Executive Vice President -
Personal Loans**

Date of appointment : 1 April 1997

Age : 56

Education

- Master's Degree, Finance and Banking, Sripatum University
- Bachelor's Degree, Accounting, Faculty of Commerce and Accountancy, Chulalongkorn University
- Certificate, Mini MBA, Bank of Ayudhaya Public Company Limited

% of KTC Shares Held 0%

Family Relationship None

Work Experience

1997 - Present	Executive Vice President Personal Loans / Krungthai Card Public Company Limited / Consumer Finance
2010 - Present	Chairman Personal Loan Club / The Thai Bankers' Association
1990 - 1997	Vice President Accounting Department / Citibank N.A. / Banking
1987 - 1990	Head of Accounting Department Credit Card Center / Head Office / Bank of Ayudhaya Public Company Limited / Banking

Executives



**Mrs. Pittaya
Vorapanyasakul***

Education

- Bachelor's Degree, Travel Industry Management, University of Hawaii, USA

% of KTC Shares Held 0%

Family Relationship None

Work Experience

1997 - Present	Executive Vice President Credit Card / Krungthai Card Public Company Limited / Consumer Finance
2005 - 2010	Director and Member of Audit Committee Krungthai Asset Management Public Company Limited / Fund Management
2004 - 2005	Director KTC World Company Limited / Travel Management
1993 - 1995	Manager National Key Accounts Department / American Express (Thai) Company Limited / Credit Card

Executive Vice President - Credit Card

Date of appointment : 18 August 1997
Age : 53

* Mrs. Pittaya Vorapanyasakul was appointed as 1st line management on February 17, 2014 according to the company announcement No. 2/2557

Executives



**Mr. Mana
Boonkhun**

Executive Vice President - General Service

Date of appointment : 15 July 2002

Age : 52

Education

- Master's Degree, Business Administration, University of Missouri, USA
- Bachelor's Degree, Architecture, Chulalongkorn University

% of KTC Shares Held 0.00001%

Family Relationship None

Work Experience

2011 - Present	Executive Vice President General Service / Krungthai Card Public Company Limited / Consumer Finance
2009 - 2011	Executive Vice President Operation Business / Krungthai Card Public Company Limited / Consumer Finance
2005 - 2009	Executive Vice President Resources Management / Krungthai Card Public Company Limited / Consumer Finance
2002 - 2005	Vice President Business Development & Business Venture / Krungthai Card Public Company Limited / Consumer Finance
2000 - 2002	General Manager Alpine Golf and Sports Club Company Limited / Golf Course
1990 - 2000	Vice President Tanayong Public Company Limited / Real Estate

Executive



**Mr. Khan
Kachonboon**

**Executive Vice President -
Corporate Communications**

Date of appointment : 1 November 2003
Age : 52

Education

- Master's Degree, MBA, United States International University (USIU), USA
- Bachelor's Degree, Business Administration (Marketing), Assumption University

% of KTC Shares Held 0%

Family Relationship None

Work Experience

2003 - Present	Executive Vice President Corporate Communications / Krungthai Card Public Company Limited / Consumer Finance
1995 - 2003	Senior Vice President J Walter Thompson Company Limited / Advertising

Executives



**Mr. Bucha
Sirichumsang**

Executive Vice President - President & CEO's Office/ Secretary of the Board of Directors / Corporate Governance Committee and Secretary of the Corporate Governance Committee

Date of appointment : 1 April 2004
Age : 52

Education

- Master's Degree, Business Administration (International Business), Rosary College, River Forest, Illinois, USA
- Barrister-at-Law, Institution of Legal Education, The Thai Bar Under The Royal Patronage
- Bachelor's Degree, Law, Chulalongkorn University

% of KTC Shares Held 0%

Family Relationship None

Work Experience

2004 - Present	Executive Vice President/ Secretary of the Board of Directors / Corporate Governance Committee and Secretary of the Corporate Governance Committee President & CEO's Office / Krungthai Card Public Company Limited / Consumer Finance
1999 - 2004	Vice President Legal Consultant Department / KTBLAW Company Limited / Law Counsel
1996 - 1999	Assistant Vice President Capital Market Services Department / Krungthai Bank Public Company Limited / Banking
1994 - 1996	Vice President Managing Director's Office / Ekachart Finance and Securities Public Company Limited (EFS) / Finance and Securities

Executives



**Ms. Patrin
Jirathitivanich**

Executive Vice President - Contact Center

Date of appointment : 1 February 2012

Age : 57

Education

- Bachelor's Degree, Business Administration (Accounting), Assumption University

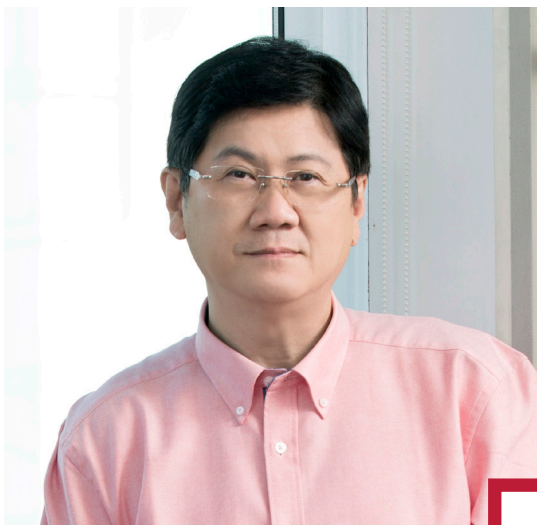
% of KTC Shares Held 0%

Family Relationship None

Work Experience

2012 - Present	Executive Vice President / Head of Contact Center Contact Center / Krungthai Card Public Company Limited / Consumer Finance
2004 - 2010	Executive Vice President Payment Product Business / Krungthai Card Public Company Limited / Consumer Finance
1984 - 2004	Director Consumer Card Marketing & Business Development / American Express (Thai) Company Limited / Credit Card

Executives



**Mr. Virach
Paisitsavet**

Executive Vice President - Operations

Date of appointment : 16 February 2012

Age : 53

Education

- Master's Degree, Business Administration, Sripatum University
- MINI MBA, Chulalongkorn University
- Bachelor's Degree, Political Science, Ramkhamhaeng University
- Bachelor's Degree, Business Administration, Bangkok University
- Certificate, Payment System, MasterCard University
- Certificate, Director Accreditation Program (DAP), Thai Institute of Directors Association (IOD)

% of KTC Shares Held 0%

Family Relationship None

Work Experience

2012 - Present	Executive Vice President / Head of Operations Operations / Krungthai Card Public Company Limited / Consumer Finance
2011 - 2012	Senior Vice President Lending Services Group / Thanachart Bank Public Company Limited / Banking
2005 - 2011	Senior Vice President Card Operations Department / Siam City Bank Public Company Limited / Banking
2002 - 2005	First Vice President Marketing and Retail Banking Department / Siam City Bank Public Company Limited / Banking
2001 - 2002	Senior Vice President Branch Administration Department / Bangkok Metropolitan Bank Public Company Limited / Banking

Executives



**Mrs. Kandtharat
Chermchitphong**

**Senior Vice President - Public and Corporate
Affairs / Corporate Governance Committee**

Date of appointment : 1 January 1997
Age : 47

Education

- Master of International Affairs (Economic Development East Asian Region), Columbia University
- Faculty of Arts, Bachelor of Arts (English, Second - Class Honors)
Chulalongkorn University

% of KTC Shares Held 0.003%

Family Relationship None

Work Experience

- | | |
|----------------|---|
| 1997 - Present | Senior Vice President / Corporate Governance Committee
Public and Corporate Affairs / Krungthai Card Public Company Limited /
Consumer Finance |
| 1996 | Trader
General Merchandise Department / C.P. Intertrade Company Limited / Trading |
| 1995 | Local Staff
Minister-Counselor Office-Agriculture / Royal Thai Embassy in Washington D.C.
/ Government |

Executives



**Mr. Therayut
Sirigulviriyavanich**

Senior Vice President - Digital Marketing

Date of appointment : 11 December 2001

Age : 41

Education

- Master's Degree, MBA, University of Colorado at Denver, USA
- Bachelor's Degree Communication Arts, Major in Broadcasting, Bangkok University

% of KTC Shares Held 0.0133%

Family Relationship None

Work Experience

2011- Present	Senior Vice President Digital Marketing / Krungthai Card Public Company Limited / Consumer Finance
2004 - 2010	Vice President Membership Marketing / Krungthai Card Public Company Limited / Consumer Finance
2003 - 2004	Senior Manager Marketing/ Krungthai Card Public Company Limited / Consumer Finance
2001 - 2003	Marketing Manager Marketing/ Krungthai Card Public Company Limited / Consumer Finance
2001	Promotion Rewards & Retention Manager Marketing/ Diners Club (Thailand) Company Limited / Consumer Finance
1999 - 2011	Assistant Marketing Manager Marketing / S.B. Furniture Company Limited / Furniture

Executives



**Mrs. Ubolrat
Busyakanistha**

**Head of Human Resources /
Corporate Governance Committee /
Nomination and Remuneration
Committee Secretary**

Date of appointment : 1 June 2013

Age : 52

Education

- Master's Degree, Social Psychology, Chulalongkorn University
- Bachelor's Degree, Sociology and Anthropology, Thammasat University

% of KTC Shares Held 0%

Family Relationship None

Work Experience

2013 - Present	Head of Human Resources / Corporate Governance Committee / Nomination and Remuneration Committee Secretary Human Resources / Krungthai Card Public Company Limited / Consumer Finance
2008 - 2013	First Vice President, Human Resource Management and Client Service Human Resources Group Human Resource Management and Client Service / Thanachart Bank Public Company Limited / Banking

Executives



**Mr. Sakda
Chantrasuriyarat**

**Senior Vice President – Compliance and
Corporate Governance Committee**

Date of appointment : 1 May 2014
Age : 52

Education

- Master of Accountancy, Chulalongkorn University
- Bachelor of Accountancy, Chulalongkorn University

Training

- 2014** Corporate Governance
Corporate Social Responsibility (CSR-in Process)
- 2013** Compliance Training Program
Anti-Money Laundering Act and Counter Terrorism Finance Act
- 2012** Foreign Account Tax Compliance Act (FATCA)
The Responsibilities of Company Directors in Fighting Corruption

% of KTC Shares Held 0%

Family Relationship None

Work Experience

- 2014 - Present** Senior Vice President and Corporate Governance Committee
Compliance / Krungthai Card Public Company Limited / Consumer Finance
- 2006 - 2014** Department Head
Compliance Department / Thanachart Bank Public Company Limited / Banking
- 2005 - 2006** Assistant Managing Director
Compliance Function / MFC Asset Management Public Company Limited / Fund Management
- 1993 - 2004** Assistant Director
Investment Management Supervision Department / Securities and Exchange Commission / Regulator
- 1987 - 1993** Bank Examiner
Onsite Examination / Bank of Thailand / Regulator

Executives



**Ms. Apiwan
Bakban**

**Vice President - Portfolio &
Customers Relationship Management**

Date of appointment : 16 June 2003
Age : 42

Education

- Certificate on Selling and Sales Management, Examination Board of London Chamber of Commerce and Industry, United Kingdom
- Bachelor of Arts, Communication Arts (Major in Speech Communication and Performing Arts), Chulalongkorn University

% of KTC Shares Held 0%

Family Relationship None

Work Experience

2003 - Present	Vice President Portfolio & Customer Relationship Management / Krungthai Card Public Company Limited / Consumer Finance
2002 - 2003	Account Director Client Service Department / SC Matchbox / Advertising Agency
1996 - 2002	Account Director Client Service Department / JWT Bangkok / Advertising Agency

Internal Audit

**Mr. Pornchai
Wijitburaphat**

Senior Vice President - Internal Audit

Date of appointment : 16 October 2001

Age : 47

Education

- Master's Degree, Business Administration, Burapha University
- Mini MBA, Chulalongkorn University
- Bachelor's Degree, Business Administration (Accounting),
Ramkhamhaeng University

Training

2008 The Institute of Internal Auditor of Thailand Certified Professional
Internal Auditors of Thailand (CPIAT-9)

2006-2007 Certificate Endorsed Internal Auditing Program issued by
The Institute of Internal Auditors, Chulalongkorn University

% of KTC Shares Held 0%

Family Relationship None

Internal Audit

Mr. Pornchai
Wijitburaphat

Work Experience

2001 - Present	Senior Vice President Internal Audit / Krungthai Card Public Company Limited / Consumer Finance
2000 - 2001	Assistant Vice President Internal Audit / Bangkok Broadcasting & TV Company Limited / Media
1998 - 2000	Manager Internal Audit / TSFC Securities Limited / Securities
1996 - 1998	Assistant Manager Internal Audit / Nava Financial Public Company Limited / Finance and Securities
1993 - 1996	Supervisor Lending & Treasury Department / Ekachart Finance and Securities Public Company Limited (EFS) / Finance and Securities
1991 - 1993	Internal Auditor Internal Audit / Siam Commercial Bank Public Company Limited / Banking

Company Secretary

Mr. Peerapong
Pitrpibulpatit

Company Secretary

Date of appointment : 16 May 2007

Age : 45

Education

- Master of Arts Executive Program in Public Affairs,
Ramkhamhaeng University
- Bachelor of Laws, Ramkhamhaeng University

Training

- 2011 Against Corrupt Inside Thailand
- 2010 Director Nomination Best Practices
- 2009 Diploma, AML Computer Based Training, Anti-Money Laundering Office (AMLO)

% of KTC Shares Held 0%

Family Relationship None

Work Experience

- | | |
|----------------|--|
| 2007 - Present | Vice President
Legal Consult & Service / Krungthai Card Public Company Limited /
Consumer Finance |
| 1995 - 2007 | Attorney at Law
KTBLAW Company Limited / State-Owned Enterprise |
| 1993 - 1995 | Legal Officer
Legal Execution Department / Ministry of Justice / Government |

Compliance

**Mr. Sakda
Chantrasuriyarat**

**Senior Vice President – Compliance and
Corporate Governance Committee**

Date of appointment : 1 May 2014
Age : 52

Education

- Master of Accountancy, Chulalongkorn University
- Bachelor of Accountancy, Chulalongkorn University

Training

- 2014 Corporate Governance
Corporate Social Responsibility (CSR-in Process)
- 2013 Compliance Training Program
Anti-Money Laundering Act and Counter Terrorism Finance Act
- 2012 Foreign Account Tax Compliance Act (FATCA)
The Responsibilities of Company Directors in Fighting Corruption

% of KTC Shares Held 0%

Family Relationship None

Work Experience

- 2014 - Present **Senior Vice President and Corporate Governance Committee**
Compliance / Krungthai Card Public Company Limited / Consumer Finance
- 2006 - 2014 **Department Head**
Compliance Department / Thanachart Bank Public Company Limited / Banking
- 2005 - 2006 **Assistant Managing Director**
Compliance Function / MFC Asset Management Public Company Limited /
Fund Management
- 1993 - 2004 **Assistant Director**
Investment Management Supervision Department / Securities and Exchange
Commission / Regulator
- 1987 - 1993 **Bank Examiner**
Onsite Examination / Bank of Thailand / Regulator

Company Overview and Policies

01

Company Background

Krungthai Card Public Company Limited (“Company” or “KTC”) operates the business of credit card along with credit card-related business, other businesses such as personal loan, utilities payment services and electronic payment services under account category Kor (3); Electronic payment through network device. KTC was registered as a juristic person on 4th December 1996, with an authorized capital of Baht 50 million, and was transformed into a public company limited under the name of Krungthai Card Public Company Limited on 2nd July 2002. Later on, there was a resolution on an extraordinary general meeting to increase the company’s authorized capital by another Baht 950 million by means of right offerings to Krung Thai Bank Public Company Limited as a former shareholder for 44 million shares and to public offerings for 51 million shares; therefore, the total authorized capital was raised to Baht 1,000 million with total shares of 100 million shares. The company was listed in the Stock Exchange of Thailand on 28th October 2002.

On 12th December 2002, the extraordinary general meeting of the company had a resolution to raise additional authorized capital of Baht 50 million, which was allotted for 5 million shares at the par of Baht 10 each in order to allow the exercising of Employee Stock Options (ESOP). Afterwards, on 3rd November 2003, the extraordinary general meeting agreed on a resolution to increase another Baht 1,530,162,000 by right offerings of 150 million shares with a ratio of 1:1.5 and had allocated 3,016,200 shares for the additional right-exercising holders resulted from ESOP. Subsequently, the company had total authorized capital of Baht 2,580,162,000 and paid-up capital totaling Baht 2.5 million.

On 17th March 2008, the 5-year warrants had reached its expiry date. As of 31st December 2008, the number of people who exercised the warrant totaling 4,885,950 contracts and there were 114,050 contracts that were not exercised. Thus, the remaining common shares after warrant exercising were at 182,793 shares.

Company Overview and Policies

On 30th April 2009, the General Annual Meeting had agreed to reduce its authorized capital from Baht 2,580,162,000 to Baht 2,578,334,070 by canceling common shares which had been registered but had not been publicly offered at the amount of 182,793 shares, par value at Baht 10 per share. These shares were a left over from the expired Employee Stock Options Program (ESOP). The company had already registered the decrease of authorized capital with the Ministry of Commerce on 12th May 2009.

As of 31st December 2014, The Company had total authorized capital and paid-up capital of Baht 2,578,334,070 and had acquired total of 2.5 million accounts in which 1,807,755 accounts were credit cards, and 693,273 accounts were KTC CASH accounts.

The company has received excellence awards for credit card business in the following years:

2006

“Outstanding Performer and Marketing Excellence” from VISA International and VISA International Asia Pacific

2008

“Excellent Credit Card Program” under MasterCard Asia/Pacific Middle East and Africa Product Award 2008 for the KTC Titanium MasterCard Credit Card

2009

Three major prizes from Lafferty South East Asia Payment Card Awards 2009 by Lafferty Group (the British for financial research and consulting firm): “Best Credit Card Issuer in Thailand”, “Best Premium Credit Card in Thailand” for KTC VISA Platinum Credit Card, and “Best Classic Card in Thailand” for KTC VISA Classic Credit Card

Company Overview and Policies

2010

“Thailand Creative Event Awards 2009” from Thailand Convention and Exhibition Bureau (TCEB) for the KTC MasterCard Viva in the Air 2008 activity: the world’s first wedding on hot air balloons with 14 couples

“Most Innovative Card Marketing Program” The MasterCard Hall of Fame Awards 2010 for Thailand’s first boutique hotel contest

2011

“Most Effective Card Marketing Program Award” for KTC-TDP Credit Card with local department stores

“Best Digital Marketing” for the KTC Boutique Awards Campaign from The MasterCard Hall of Fame Marketing Award 2011

2013

6th place in a world-class business competition held by the Visa International Company, under the “VISA Global Challenge” project for the year 2013. Total candidates were 144 teams from 44 countries across the world.

2014

1st place in a world-class business competition held by the Visa International Company, under the “VISA Global Challenge” project for the year 2014. Total candidates were 108 teams from 31 countries across the world.

Besides from credit card business, KTC also received notable awards for other areas. For example;

2009

KTC Smart Office won the “Happy Work Place Award” the role model organization of Happiness from Office of Thai Health Promotion Foundation and Private Organization Happiness State at Happy Work Place Forum II 2009: Happiness Amidst Crisis

Company Overview and Policies

2010

“Happy Work Place Award” as an organization which is capable of maintaining state of happiness from the 5 Apps to Happy Workplace 3.0 event by Thai Health Promotion Foundation

2013

“Outstanding Investor Relations” from the Stock Exchange of Thailand in SET Awards 2013 which was held by the Stock Exchange of Thailand and Money & Banking magazine

Company Overview and Policies

02

Visions, Objectives, and Strategies of the company

KTC's vision has been established since 2012 as being "A Membership Company Providing Innovative Customer Experiences" by carrying on its missions that cover all aspects; to make sustainable impressions and relationships with customers, to be an innovative and learning organization, to encourage working environment that enhances employees' participation and senses of ownership, to maintain long-term relationships with alliances, to generate sustainable profits and appropriate returns to investors, as well as to conduct its business with transparency and good corporate governance.

In order to accomplish its objective as being a leader in the industry, the company is committed to become "The Most Preferred Brand in Card Business & Non-collateral Personal Loan". Therefore, the company is required to have well-defined and efficient strategies by enhancing its strengths through innovating new business tools, especially Customer Relationship Management (CRM) and Total Business Relationship (TBR) to facilitate products & services development as well as to sustain long-term relationship with other business alliances.

Flexibility is strength of KTC in which the company possesses not only abilities in operational management but also effective collection. In order to serve customers' needs, KTC has promptly developed its service quality aiming for maximum efficiency.

Moreover, the main objective in conducting business focuses on a sustainable growth. Therefore, the company needs to manage the Human Resource Development, Value Creation for Products & Services, New Market Development Method that give importance on customer satisfaction, along with enhancing Cost Management to accomplish its highest efficiency. These factors are mutually engaged in supporting the company to achieve its objectives.

Company Overview and Policies

03

Key Events and Developments

- Year 2012**
- The company's 10th Annual General meeting on 20th April 2012 had approved an appointment for Mrs. Arunporn Limskul as a Director to replace Mr. Suvit Mapaisansin who has completed his term, and Mrs. Pantip Sripimol as a Director to replace Ms. Pimpen Ladpli who also has completed her term. In addition, Mrs. Pantip Sripimol was assigned to take positions of an Independent Director and an Audit Committee.
 - The 5th Board of Directors' meeting of 2012 on 20th April 2012 agreed on a resolution to appoint Mr. Akarat Na Ranong, who previously was an Independent Director and Audit Committee as a Chairman of Audit Committee to replace Mr. Suvit Mapaisansin. Moreover, it had appointed Mr. Suvit Maesincee, an Independent Director to replace Mr. Suvit Mapaisansin in a position of Audit Committee.
 - The 10th Board of Directors' Meeting of 2012 on 20th September 2012 had appointed Mrs. Kittiya Todhanakasem as a Chairman to replace Mr. Phongsathorn Siriyodhin who had resigned from the position.
 - In August, KTC issued its corporate bonds of Baht 6,000 million, which was allotted as 2-years corporate bonds, offering 4.90% coupons, totaling Baht 1,800 million, 3-years corporate bonds, offering 5.20% coupons, totaling Baht 3,200 million, and the rest Baht 1,000 million as 4-years corporate bonds, offering 5.40% coupons.
 - KTC launched the "Golden Opportunities by KTC", a marketing campaign for credit card holders when purchased goods and services or cash withdrawal via credit card of every Baht 1,000, or having outstanding amount on KTC Cash Revolve of every Baht 4,000. Members can enjoy the campaign to win the gold with 266 lucky draws, valued at Baht 10 million by registering to the campaign.

Company Overview and Policies

- Year 2012**
(Continued)
- “KTC Beauty Advocate, exclusive beauty steps to a perfection”, incorporated with 7 beauty experts alliance which are APEX Profound Beauty, Imagini Clinic & Diva, Pew-dee Clinic, Pruksa Clinic, Rumpada Clinic, Romrawin Clinic, and Thanaporn Clinic to present lifestyle privileges for cardholders by offering special-price promotions, in addition, by giving knowledge about beauty and its safety.
 - Since 2012, KTC has started an internal restructuring by reallocating tasks from outsources to its internal functions. These tasks include debt collection, direct sales, telesales and KTC World Travel Service Center (KWT). Moreover, it had expanded its contact center function and improved its efficiency of the entire operation process in order to make the process flow throughout the organization as an end-to-end process, meaning that everyone will know where each task starts and where it ends. Once the company can improve working process efficiency in every part of the organization, the cost of operation will significantly decrease.
 - KTC, cooperated with Krung Thai Bank Public Company Limited (KTB), to launch the “KTC-KTB PRECIOUS PLUS VISA INFINITE” credit card, the card that combined financial privileges from KTB Precious Plus with privileges that satisfied high-end customer’s lifestyle of KTC VISA INFINITE card.
- Year 2013**
- At the end of February, KTC had restructured the Core System from outsourcing it to international service provider to buy its own system and integrate it with the company’s internal system in order to improve operational flexibility.

Company Overview and Policies

Year 2013 (Continued)

- The 11th Annual General Meeting on 12th April 2013 had agreed to reappoint 2 directors who had completed their terms to take their former positions which were Mrs. Kittiya Todhanakasem and Mrs. Sriphabha Pringpong and had appointed Mr. Paroche Hutachareon to take positions of a Director and an Independent Director to replace Mr. Phongsathorn Siriyodhin who had resigned from the position.
- The company had issued corporate bonds for 3 times. The first issue in May was 3-years corporate bonds, offering 4.65% p.a. coupon for Baht 2,000 million, the second issue in August was 3-years corporate bonds, offering 4.75% p.a. coupon for Baht 2,200 million and 5-years corporate bonds, offering 5.00% p.a. coupon for Baht 800 million. Later in November, the company issued 4-years corporate bonds, offering 4.8% p.a. coupon for another Baht 5,000 million.
- Throughout 2013, the company's major marketing campaigns were under the concept of "Happy Go Lucky" for credit card and personal loan. The company introduced marketing activities to members on every 13th day of the month in 2013. Moreover, it had selected exclusive activities from a variety of stores and alliances, for instance, the KTC Signature Dish campaign, which required only 999 redemption points to enjoy recommended dishes or movie ticket redemption offered by Major Cineplex or SF Cinema. Moreover, points can be redeemed for a 30% discount for iPhone or iPad purchase and 1,000 points can be used as Baht 300 cash at supermarkets, etc.
- For credit card business in the first quarter of 2013, KTC had launched the "Surprises every day, Surprises everywhere" for members to get points equivalent to spending amount via credit

Company Overview and Policies

Year 2013 (Continued)

card. In the second quarter, KTC cooperated with more than 60 leading brands nationwide to introduce “KTC Summer Fashion Fast Forward” in order to enhance the shopping pleasures for members by offering 3 privileges. The members will get (1) discounts and gifts (2) cash back (3) lucky draws to win traveling packages to Hong Kong. In addition, the company also introduced “Swipe to win a million for every purchases on KTC credit card 13 million, 13 weeks”, or the cash back promotion on every purchases for daily utilities under the campaign of “Enjoying every day at every gas station and supermarket throughout the country by getting 5% cash back reward”

- In the third quarter, KTC launched the “Why keep it? Spend it!” campaign in order to reward members with special privileges which include receiving additional points and point redemption at participating stores throughout the country. The privileges were divided into 3 types which were (1) “Spend more, get more” – members received points up to 300% of the spending (2) “Less points for maximized value” – members were able to redeem rewards by using less KTC Forever Reward and (3) “Redeem and get extra points back” – members received extra Forever Rewards back to their account after redeeming points at participating stores. Lastly, in the 4th quarter of 2013, KTC launched “Spend Baht 10,000, get 1,000 points” that rewarded every Baht 10,000 of spending on KTC credit card with 1,000 points or Royal Orchid Plus mileages without limited amount and expiry date. Furthermore, it also launched “KTB Forever Smile” which allowed members to redeem points for extra interest on savings up to 8.5% p.a., just redeeming Forever Rewards for a privilege to invest in fixed deposits up to 10 times of the redeemed points.

Company Overview and Policies

- Year 2013
(Continued)**
- For personal loan business, KTC launched marketing campaigns for KTC Cash Revolve in the 1st quarter of 2013 that allowed members to pay only half of normal interest rate for the first withdrawal amount or the “Clear all your debt with KTC” campaign that offered a privilege for member to win a chance to clear out the total outstanding balance and the “Only Baht 13 for any spending” so as to help reducing KTC Cash Revolve member’s burden. Besides, KTC also helped managing member’s financial burden by launching the “0% interest up to 5 years with KTC Cash Revolve” campaign in the 2nd quarter. This campaign provided chances to win the prize of 0% interest loan for 5 years for KTC Cash Revolve members.
 - In the 3rd quarter, KTC announced another campaign to welcome new clients of KTC Cash Revolve, an instant loan service in order to make an impression by giving out a privilege right from the first cash withdrawal. Clients were able to get a special interest rate of 9% p.a. in the first cycle. Moreover, for every withdrawal amount on the 13th of the month, new clients would get marginal interest back to the accounts that enrolled the instant cash service which was approved within the predetermined period of the enrollment. For the last quarter, KTC kicked off the “Clear all your debt with KTC Season 3” to give out 2013 rewards to clients for a chance to clear the outstanding balance with the condition of having the required beginning balance amount or by spending the Forever Rewards points to redeem lucky draw chance.
- Year 2014**
- On 28th November 2013, the company was permitted by Bank of Thailand through Krung Thai Bank Public Company Limited to expand its collection service operation to Krung Thai Bank Public Company Limited and its other finance-related companies within the group.

Company Overview and Policies

Year 2014 (Continued)

- The 1st Board of Directors' meeting of 2014 on 16th January 2014 resolved to appoint Corporate Governance Committee, which consists of the entire Board of Director member and management of related-department. The primary responsibility of the committee is to determine and review Corporate Governance Guideline, along with overseeing company's operation to align with Good Governance Principles.
- The 12th Annual General Meeting on 25th April 2014 resolved Mr. Tanyapong Thamavaranukupt as a Director to replace Mr. Suvit Maesincee who has completed his term. On the 6th Board of Directors' meeting of 2014 on 25th April 2014, resolved to appoint Mr. Paroche Hutachareon, Independent Director to the position of Audit Committee and Mr. Tanyapong Thamavaranukupt, Director to the position of Nomination and Remuneration Committee and Corporate Governance Committee.
- The company had issued its corporate bonds 12 times. The first issue in April was 3-year corporate bonds, offering 4.00% p.a. coupon for Baht 500 million. In May, there were total 3 issuances with accumulated value of Baht 700 million; 1) Baht 400 million and 2) Baht 100 million both were 3 years 9 days corporate bonds, offering 3.95% p.a. coupon and the 3) Baht 200 million was 2 years 4 days corporate bonds, offering 3.65% p.a. coupon. In July there were total 2 issuances with accumulated value of Baht 400 million; 1) Baht 200 million was 2 years 11 months 4 days corporate bonds, offering 3.80% p.a. coupon and the 2) Baht 200 million was 1 year 11 months 28 days corporate bonds, offering 3.60% p.a. coupon. In August the company had issued another 2 corporate bonds with accumulated value of Baht 2,200 million; 1) Baht 2,000 million was 2 years 11 months 30 days corporate bonds, offering 4.00% p.a.

Company Overview and Policies

Year 2014 (Continued)

coupon for the first year, 4.25% p.a. coupon for the second year and 4.5% p.a. for the third year. 2) Baht 200 million was 3 years 9 days corporate bond, offering 3.70% p.a. coupon. In September, the company issued Baht 300 million, 3 years 6 months 15 days corporate bonds, offering 3.80% p.a. coupon. In October, the company issued another 2 corporate bonds with accumulated value of Baht 4,400 million; 1) Baht 4,000 million, 3 years 9 months 23 days corporate bonds, offering 4.25% p.a. coupon for the first 3 years and 4.50% p.a. coupon for the remaining period and 2) Baht 400 million, 3-years corporate bonds, offering 3.70% p.a. coupon, and the last one in November was a Baht 130 million, 3 years 9 days corporate bonds, offering 3.65% p.a. coupon.

- The company's has launched its latest concept "Make it Better", which reflects a determination to drive the business by enhancing its internal operation system together with nicely-designed product and deliver superior privilege to its customer. KTC also emphasizes on sustainable development in both its business and the society to derive the optimum value to all stakeholders. KTC not only encourages its employees to bring out their performance but also provides good opportunities to perform since human resource is another KTC's vital concern. Therefore, the company has come up with its 5 Core Values: 1) Professional, 2) Coordination, 3) Ownership, 4) Differentiate and 5) Dynamic as a key, along with numerous activities to bring in a harmony in a workplace and create an unitable corporate culture for a work-life balance lifestyle.
- In the 1st quarter of 2014, credit card business launched the campaign "Shop On Top Let's Celebrate" with the cooperation of alliance department stores to offer the cash redemption by using Forever Reward to the members, and offered 2.4% cash back for any members who

Company Overview and Policies

Year 2014 (Continued)

has withdrawn money through KTC credit card. In the 2nd quarter, KTC cooperated with Krung Thai Bank to introduce new service by allowing house loan customers to pay the monthly installment through KTC credit card direct debit service throughout the installment period. KTC also launched the lucky draw marketing campaign, which the members could get a chance to win trip in Korea with the original Korea dining experience for 5 days 3 night, to join the program by simply dining at Sukishi Group restaurant with the minimum spending amount of Baht 900 through KTC credit card, including additional discount of 5% for minimum spending of Baht 900, or enjoy 15% discount by redeeming Forever Reward equivalent to the bill amount and pay the remaining expense with KTC credit card. In the 3rd quarter, KTC has added Health and Travel-related-programs to stimulate the spending. Therefore, KTC has launched the marketing campaign focusing on health and beauty balance by publishing a book called “KTC 100 Total Wellness for a Better Life”, which introduce the selected top 100 leading shops to provide special privileges to KTC member. At the same time, KTC was expanding credit card new market in the major cities in each regions of Thailand to emphasize more on the regional market by offering privileges and prize to regional members. In the last quarter, KTC has launched its new card “KTC X VISA SIGNATURE” to fulfill the various lifestyle of its member, by focusing on customer who like dining and travelling both domestically and internationally. In the meantime, the company also launched numerous campaigns in daily expense category to enhance the value to the members; 1,000 Forever Reward Points can be redeemed back to cash maximum at 20% on every Baht 1,000 spending. KTC also offered campaigns in automobile section; members were eligible to get cash back by using Forever Reward Points

Company Overview and Policies

Year 2014 (Continued)

30% less. Moreover, KTC Credit Card members can make an installment plan without interest at maximum of 10 months, when changing tires with 500 co-promotional service centers all over the country.

- KTC has rebranded its revolving loan product from “KTC CASH REVOLVE” to “KTC PROUD” with its main concept: Pride-being capable to do something for yourself, your family, and your love ones. KTC PROUD has bundled with the new feature: KTC FLEXI. Customers will not only be able to withdraw cash through provided channel but also make an installment plan with participated partners. Member can enjoy the term up to 36 months by simply having a minimum monthly payment at Baht 3,000.
- KTC has launched “Big Thanks 9 years’ celebration” for KTC Cash Revolve customer to show the gratitude since it has been in the market for 9 years. The member got a chance to win a condominium in the heart of Bangkok and other 500 prizes. Each incremental Baht 2,000 outstanding balance from the previous cycle is equal to one right. KTC also attracted the prospects by giving privilege to pay the fixed interest rate amount at Baht 499 for the first two cycles after the approval (terms and conditions may applied). This campaign intended to encourage the payment discipline and relief the customers’ burden at the same time. In the first quarter, KTC has come up with a 2-alternatives campaign; 1) fixed interest and credit usage fee at Baht 13 or 2) fixed interest rate at 13% p.a. (terms and conditions may applied). In the second quarter, customers’ could redeem their Forever Rewards into zero interest rate for two cycles. Another campaign “Back to School” provided customers 2 alternatives: 1) redeeming Forever Rewards into zero interest rate for any education-related expense or 2)

Company Overview and Policies

Year 2014 (Continued)

receiving TESCO voucher Baht 500, by having the minimum loan amount and submitting tuition payment receipt of family member. In the third quarter, KTC increase its number of customers by allowing the new customer to pay interest rate only Baht 1 in the first withdrawal within first two cycles. In the mean time, KTC offered the existing customer to get cash back at 50% maximum from incremental interest rate, resulted by incremental outstanding balance. Additionally, Baht 1,000 voucher pack was given to any 100 thregistered member. In the last quarter, KTC, AP Honda and other Honda's authorized dealers collaborated and offered KTC's customers privileges to instantly bring the motorcycle home with the vehicle registration, by paying via KTC PROUD. The customer would get a special interest rate bundled with Burglary Insurance as well. To relief the customers' burden, KTC allowed its customer to redeem Forever Reward into cash back to reduce the outstanding amount. Moreover, the customers' got a chance to clear out the debt with a jackpot worth Baht 100,000 and other 104 prizes. All the campaigns in 2014 were well-responded from our customers.

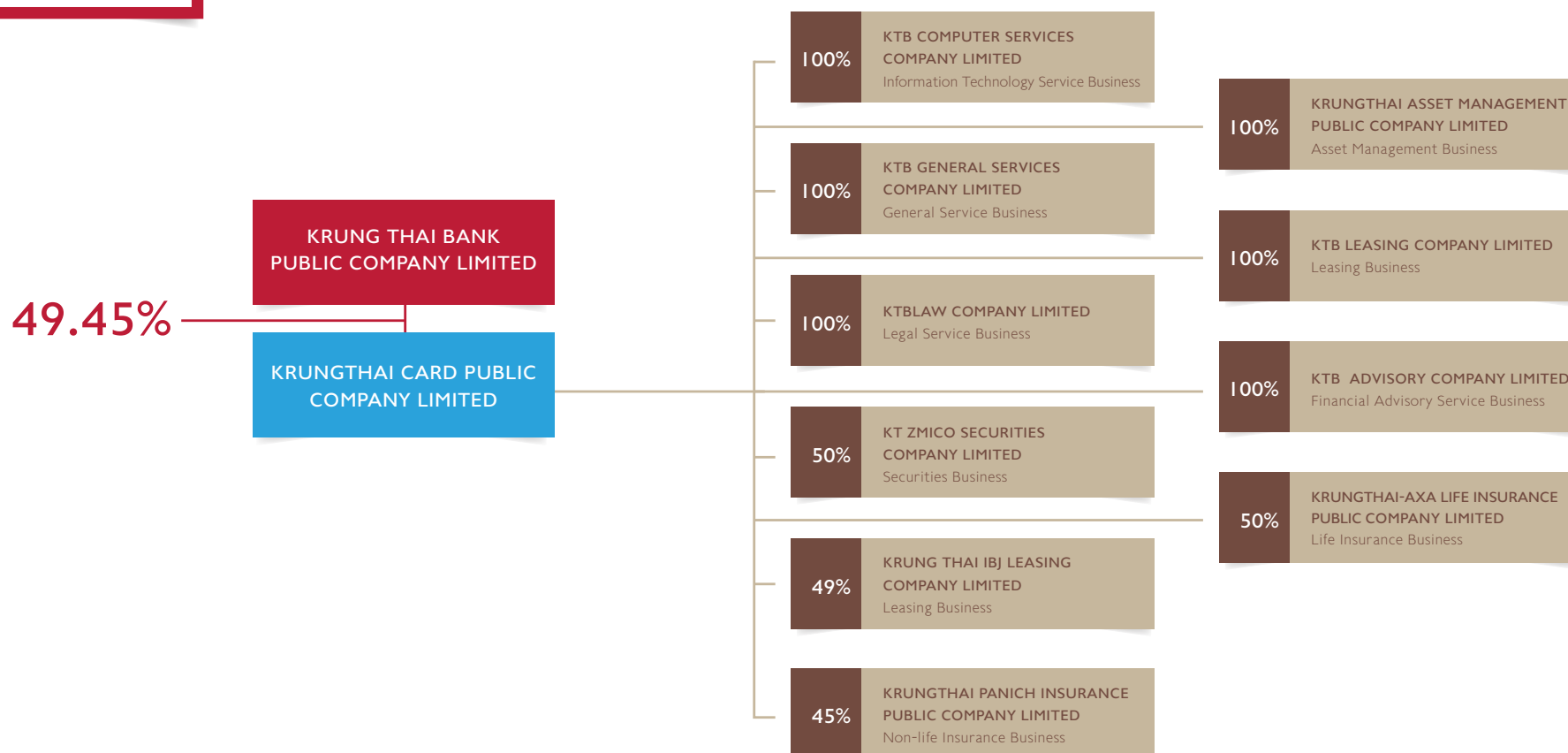
- On 31st December 2014, KTC had KTC total 23 branches of KTC Touch, a service center for credit card or personal loan, serving payment service and providing the company's financial product information. 22 of the branches are in Bangkok Metropolitan and vicinity, and 1 branch in provincial area.

Company Overview and Policies

04

Company Shareholdings Structure

The major shareholder of Krungthai Card Public Company Limited is Krung Thai Bank Public Company Limited with the share of 49.45%. The diagram below exhibits KTB's shareholding structure (KTB Group), which comprise of financial institutions and other supported business only.



Company Overview and Policies

05

Relationships with subsidiaries

The company gives precedence to expanding product base for credit card and personal loan in order to boost its continuous growth which has been supported by Krung Thai Bank as a major shareholder of the company. Not only it is a major shareholder but also a main channel of distribution. It possesses so many branches in Bangkok Metropolitan and provincial areas. In other words, Krung Thai Bank is a key channel to introduce products to the bank's customers. The bank has recommended other products of its subsidiaries to customer as well.

In order to expand the customer base smoothly as our defined objectives, KTC has established a Bank Relations KTC division and assigned staffs to accommodate various function for bank officers, for instance; product knowledge training, selling techniques training, document approval process training, etc. as well as launching accompanying promotional campaigns in order to enhance product expansion performance.

Furthermore, KTC has established the Government Services Card Department that cooperates with Government Business functions in order to issue credit card that would enhance convenience and safety for Government sector in managing seminar and travel disbursements. This cooperation also reinforced sustainable relationships among partners.

KTC also sees advantages of building business opportunities for both organizations. Therefore, they had cooperated in forming deepened and widen strategies and had altogether developed marketing activities to stimulate usage and loyalty and to expand member base (Acquisitions and CRM) such as:

Company Overview and Policies

Usage and Loyalty

- Home mortgage payment with KTC credit cards.
- Tax Festival 2014 project, payment of insurance fees or LTF & RMF Fund of subsidiaries through KTC credit cards.
- NPA Plus project, use KTC credit card to purchase foreclosed assets.

Acquisitions and CRM

- 2 additional cooperated credit card issuance with Krung Thai Bank in 2014, KTC-KTB Precious Plus Visa Signature and KTC-KTB Precious Visa, in order to penetrate the bank's high potential clients.
- “Forever Smile” project which allowed KTC clients to redeem Forever Rewards for being eligible to receive special interest rate for KTB's fixed deposit products
- “KTB payroll” project which allowed KTB clients who apply for KTC credit card to receive double point, if they use the card in the period of first 3 months.
- “Fixed Deposit for Card Acquisition” project, the clients with minimum warrant money of 20,000 baht can apply for credit card with credit amount 100% of the warrant amount.

KTC is confident that the above-mentioned operations have answered the clients' needs and led the company to accomplish its objectives either by quantitative or qualitative measurements. Another important aspect is that it has enhanced the company's competitiveness in order to achieve the maximized profits of both companies.

Business Nature

KTC provides unsecured financial products to consumers in Thailand; offering Credit Card and Personal Loan as its core products, which currently holds 2.5 million accounts. Geographically, 50% of KTC's customers are in Bangkok and vicinity.

Credit Card Business Credit Card business is generally consists of two parts: issuing business and acquiring business. The issuing business operations involve acquisition, credit line approval, card usage monitoring, receiving payment and collection. The main revenue comes from interest and fee income. Acquiring business, on the other hand, engages to stores that accept credit card. After merchants are selected, KTC will install an electronic data capture (EDC) or card-reading terminal at the merchants to monitor on sales approval and providing fraud detection. This business generates revenue from fee income.

Personal Loan Business KTC Personal Loan consists of two types of products; KTC CASH and KTC CASH Revolve which are provided for individuals without any requirement for collateral or being a KTC cardholder. The product is suitable for full-time employee with predictable flows of income. KTC CASH is a fixed installment product, with choices to choose specific due date and loan maturity by a client to suit his payment behavior. KTC CASH Revolve is a revolving loan. Members will have the first loan transferred to their bank accounts which can be withdrawn at any ATM or KTC Touch. The credit line particularly will become available again after customers made their payments. The personal loan revenue usually comes from interest and fee income such as credit usage fee, collection fee etc.

However, KTC has rebranded its revolving loan product from “KTC CASH Revolve” to “KTC PROUD” which bundled with KTC Flexi feature. The customers will not only be able to make an installment plan on any product and service purchased but also withdraw cash through provided channel with the same card.

Business Nature

Besides the previously-mentioned products, KTC has other businesses on the following:

Circle Loan Business: The features of the product are more like bank's overdrafts (O/D) attached to credit card accounts, were transferred from KTB since 2002. KTC has ceased its expansion in this business, only providing service to the existing customers. Therefore, the receivable has gradually declined ever since.

Self-Employed Loan (KTC Million): KTC's unsecured loan specifically provides fund for small business owners who are in need of business operating capital. KTC had no intention to expand this business since late 2006. The only remaining operation is to service outstanding-balanced account.

Outsource service: In 2014, the Company was permitted, by Bank of Thailand (BOT), to expand its business in its 'Collection Outsource Service' for Krung Thai Bank PLC (KTB) and its subsidiaries since the company has been specialized in retail collection. The service has performed under BOT's rules and regulations KTB's standard and procedure.

Please find further detail regarding any development in recent year, in section "Company Overview and Policies", sub-topic "Significant changes and development"

Business Nature

Revenue Structure

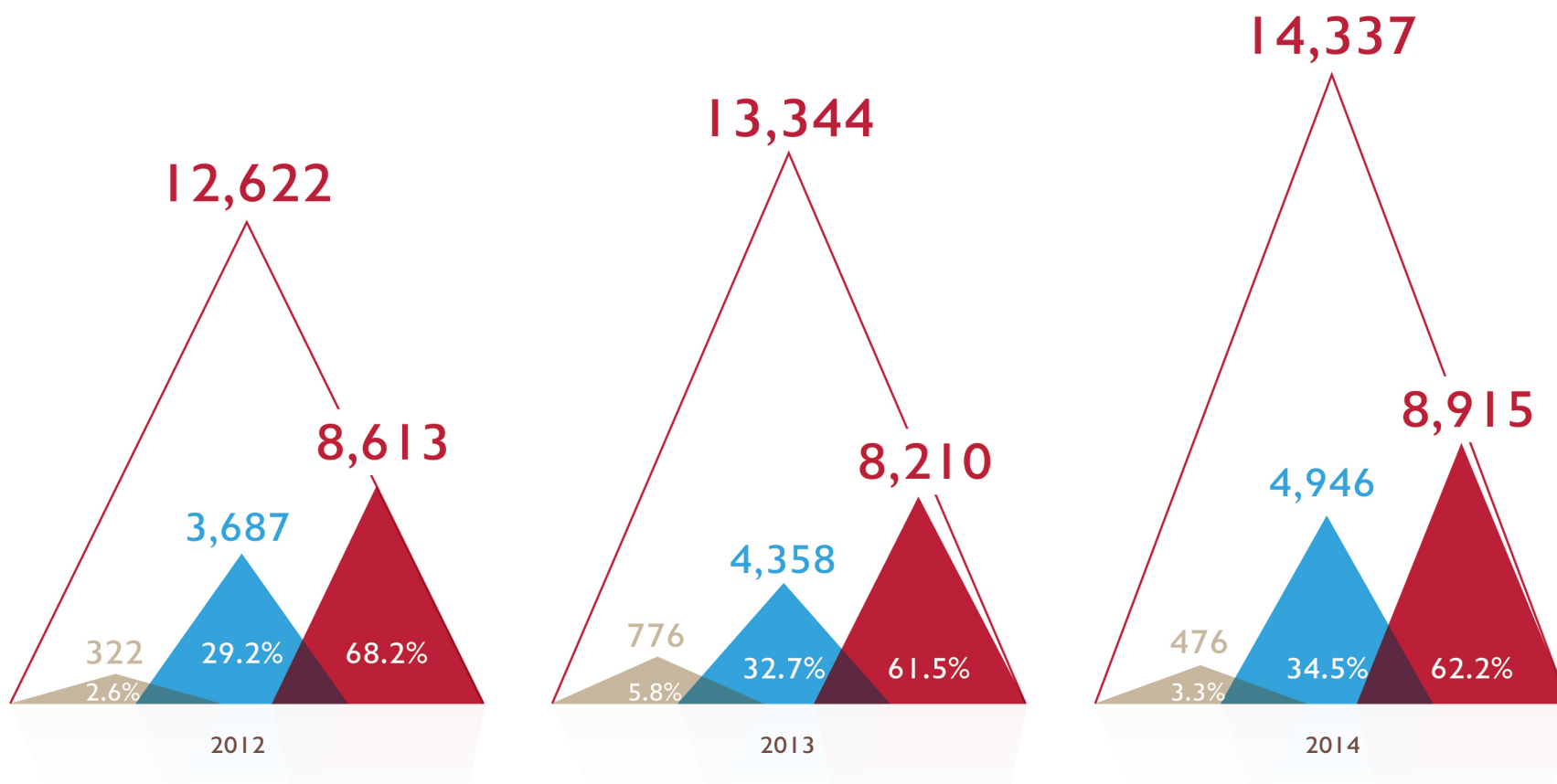
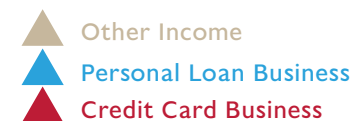
The company's revenue structure mainly comprises of interest and fee income, contributed by its main businesses: credit card and personal loan. KTC recognizes fee income also includes credit usage fee, by calculating from outstanding balance. According to the Civil and Commercial code, non-banks are eligible to charge a maximum interest rate at 15%. Meanwhile, Bank of Thailand's regulation states that the maximum charge, which combines interest rate with fee, must not exceed 20% for credit card, and 28% for personal loan. Therefore, the company records the rate difference between in the Civil and Commercial code and Bank of Thailand's regulation as a credit usage fee. Besides the mentioned revenue, sources of other income comes from Circle Loan business, Self-Employed Loan business, Outsource Service business, gain on exchange, and extraordinary items related to the sale of the investment, for instance.

The 3-year revenue structure according to the company's financial statement (2012-2014) is the following:

Revenue Structure

Total Revenue

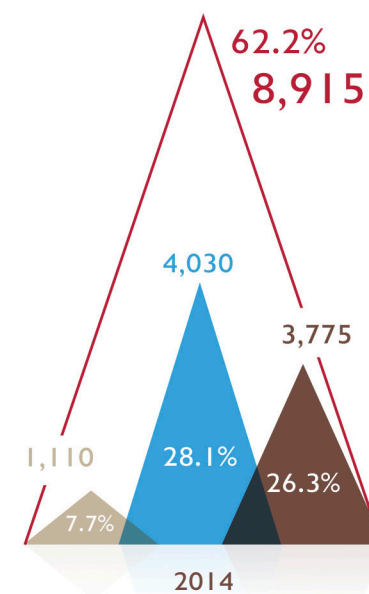
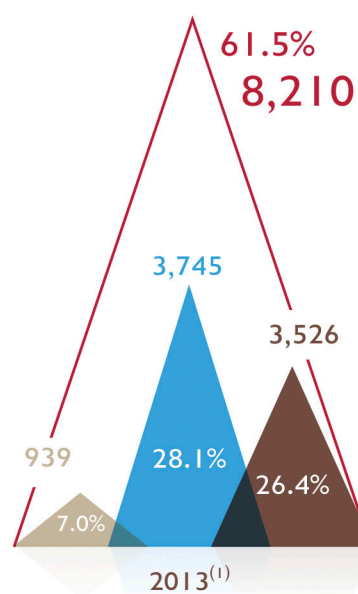
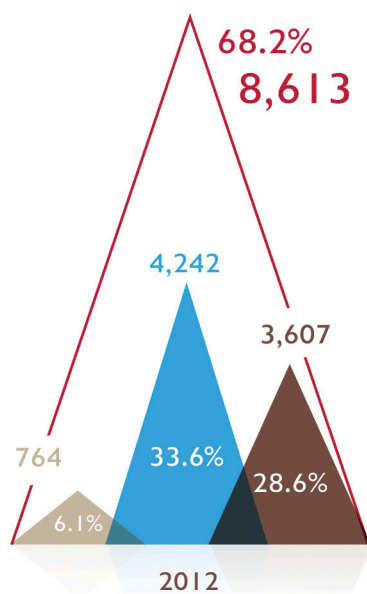
Million bath



Revenue Structure

Credit Card Business

Million bath



Source : 2012-2014 company's financial statement, audited by Deloitte Touche Tomatsu Jaiyos Audit Co., Ltd.

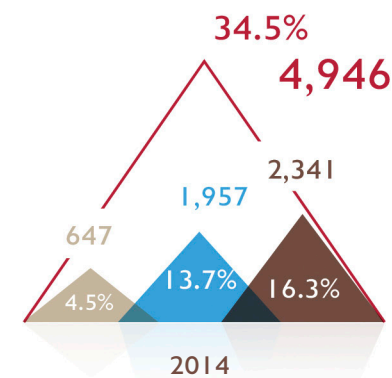
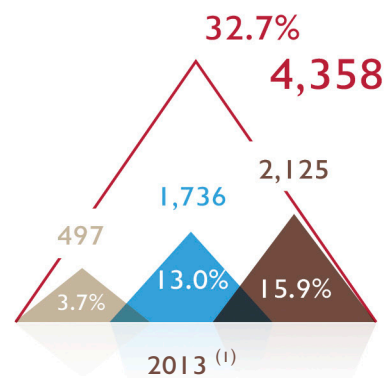
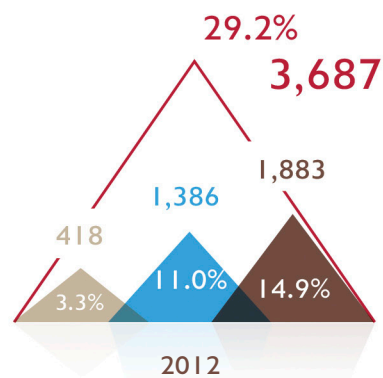
Remark : ⁽¹⁾ Figures year 2013 were restated to be comparable with the year-ended 2014 statement.

⁽²⁾ The company recognizes its interest revenue at 15%, credit usage fee is classified as fee income.

Revenue Structure

Personal Loan

Million bath



Source : 2012-2014 company's financial statement, audited by Deloitte Touche Tomatsu Jaiyos Audit Co., Ltd.

Remark : ⁽¹⁾ Figures year 2013 were restated to be comparable with the year-ended 2014 statement.

⁽²⁾ The company recognizes its interest revenue at 15%, credit usage fee is classified as fee income.

Risk Factors

The company gives precedence to various risk factors which might occur and affect the business operations therefore it has established risk management procedures as well as consistently revised and improved operating process in order to prevent the risks that might happen. The company has organized a specific division to be responsible for risk management and to set up the risk management policies, such as; enterprise risk management policies, financial risk management policies, credit risk management policies, operational risk management policies and reputation risk management policies. These policies require the approval of Risk Management Committee before they can be announced and implemented to every staff within the company. Besides, the company has conducted annual policy revisions or at times of significant changes. Moreover, the Risk Management Committee, which is composed of executives from major functions, is also responsible to conduct controlling, monitoring and evaluating processes of risk management so that the business is operating under the regulated risk management policies and guidance and comply with the Risk Management Committee of the Financial Business Group under Krung Thai Bank Public Company Limited and in line with associated regulatory standards of the Bank of Thailand.

The company's risk management process begins with analyzing and evaluating its environments by considering related risk factors including internal risk factors which related to managements or employees, marketing, innovation, operations and finances, etc. External risk factors which relate to the economy, technology, environment and government regulations. The process also involves identifying possibilities of events that might lead the company to fail its objectives, establishing risk map. Besides, the process involves indicating Key Risk Indicators (KRI), Risk Appetite, and Risk Tolerance as indicators for risk assessment process, monitoring the results and controlling risks to be under acceptable levels and within the committed risk management objectives. Last but not least, reporting results of risk management process to Risk Management Committee, the company's management committee, and KTB's Risk Management Committee of the Financial Business Group.

Risk Factors

01

Strategic Risks

Strategic risks are associated with establishing business strategies, operational process and any inappropriate implementations or inconsistent with internal or external environment which might restrain the company from achieving its objectives, which might effect to revenues, operations or existence of the company.

Owing to the evolving environments and high competition of credit card and personal loan businesses, it is essential that the company consistently improves itself in order to enhance its competitiveness by setting a strategic plan, so as to navigate business operations to be in accord with the vision of being “Membership Company” and target to be “The Most Preferred Brand in Card Business & Non-collateral Personal Loan”. The company set up an annual brainstorming session among executive officers from all operational functions in order to allow the company to determine and revise the company’s visions, strategies, and business directions. This annual operational plan needs an approval from the Board of Directors and is consistently monitored in comparison with the established plan.

Risk Factors

02

Operational risks

Risks from Internal Rating Process

The company is aware of risks associated with credit rating procedures for individual loan approval. As a consequence, it has established highly effective credit risk management standards. This model has consistently been developed to determine and measure risks. The model is developed from customer data which is highly confidential, integral and accurate. Therefore, the model can effectively reflect risks for each individual customer.

For both credit card and personal loans, beside the credit analysts' experience, internal clients data, and the use of National Credit Bureau's (NCB) data, its approval process relies on Application Scoring Model. This method is widely accepted for analyzing and approving loans for new customers. The model integrates statistical methods in its practices as guidelines for loan approval process which has to be verified by experienced credit specialists. The loan approval process has also been consistently improved in order to reflect present scenarios, as well as to contain risks under the acceptable levels. Furthermore, the credit approval process and procedures are required to pass Risk Management Committee's approval, including staffs and related divisions which consist of knowledgeable and experienced staffs. Therefore, the credit analysis is accurately and efficiently conducted.

The company also implements Behavior Scoring Model in assessing individual customer's credit data such as financial competency and spending behavior in order to increase the credit line for each customer. Moreover, it also benefits in assessing the company's provisions from analyzing customers' risk scoring model. Therefore, the scores from the Behavior Scoring Model is one of the crucial factors in determining the company's reserve level.

Risk Factors

Besides, collection scoring model is implemented to manage and monitor credit card receivables. This model can reflect risk level on delinquent receivables, prioritizes a collection order and consequently enhances debt management effectiveness. The model result will be monitored on a monthly basis in order to maintain its maximum efficiency.

Default Risk

The Company is fully aware that significant default payment might jeopardize company's financial status and its operation. In order to control default risk, the Company has set up each credit line for the clients depending upon his/her payment ability. Moreover, the Company diversifies its customer base across industry, geography and various occupations. With this policy, the Company also renders lower risk level for consumer finance lending. As of December 31, 2014, receivable aging is less than 90 days amounted to Baht 53,665 million, or 97.6% of total account receivable (55,007 million). After deducting the allowance for doubtful account of Baht 4,884 million, the net account receivable is Baht 50,123 million. The company mainly prioritizes the quality of portfolio. Thus, the risk management will be emphasized to balance an increase in portfolio size and risk management capability at an acceptable level. The Company strengthens its portfolio management performance by enhancing pre-delinquent debt management and collection efficiency. This results in 1.7% decline of credit card's NPL (>90 days) lower from 2.2% in the previous year and 1.2% for personal loan's NPL (>90 days) comparing to the previous year at 1.5%.

Risk from Government's Control

The Ministry of Finance issued a Notification operation of credit card services and personal loans under the Notification of Revolutionary Council No.58 and authorized the Bank of Thailand (the "BOT") to supervise by announcing the Notifications specifying the requirements and regulations for such business, including stipulating rates of interest and fees chargeable

Risk Factors

to customers and the qualifications of credit card holders and personal loan clients. The Company was granted approval for conducting credit card services and personal loans under those regulations, together with the approval of electronic payment services providers under the Royal Decree Regulating of Electronic Payment Services B.E.2551 (2008) and the Electronics Transaction Commission and the BOT as the control and supervision division regarding the requirements and regulations for such business. Moreover, the company also needs to comply with other law related to the business, which include Securities and Exchange Act B.E. 2535 (1992), Anti Money Laundering Act B.E. 2542 (1999), Credit Information Business Act B.E. 2545 (2002), Consumer Protection Act B.E. 2552 (2009) and Unfair Contract Term Act B.E. 2540 (1997).

The Company always complies with all rules and regulations. To ensure the law abidance, 2 departments: Compliance and Legal were set up to support this circumstance. The functions of compliance department cover in various aspects- tracking any updates on related rules and regulations and ensuring the compliance in business operations. The job also involves informing all of the Company's about any changes regarding rules and regulations. Meanwhile, legal department acts as a legal advisor of the company. Its responsibilities also include writing legal contracts, agreements under the law conformation basis. If there should be any changes in concerned regulation that might not be suitable or not flexible enough to the current circumstance and that it might significantly effect to company's operation, the regulator can be consulted to consider adjusting such regulation to be more suitable to the current circumstance. Therefore, it can be assured that this risk will be managed appropriately.

The issues are concerned as a high risk level in 2014 as follow;

1. Any operations that are related to Anti Money Laundering Act B.E. (AMLO) along with ministerial regulation about client verification and Anti Terrorist Financing Act. These new laws affect the client verification process and clients' suspicious transaction tracking system, especially those who are classified as high risk clients. The company is aware of the

Risk Factors

situation and has, therefore set up the training for employee to provide staff certain level of understanding on the issue.

2. Any operations that are related to Foreign Account Tax Compliance Act (FATCA), these are newly enforced rules and regulations of the United States of America. Our company has already completed the registration with the US Revenue Department (In order to be exempted from withholding tax), the registration GIN no. is 63CF3L.99999.SL.764. To verify the US citizenship of Credit Card and Personal Loan customers on both personal and corporate basis according to FATCA, the company has set up the operational standard and policy with well-described procedure to ensure the regulations' compliance.
3. The company highly prioritizes the compliance with Credit Information Business Act since clients' credit information is important information and the company must keep it confidential. Therefore, the company developed a system to serve as a supported database credit approval process, which is restricted to authorized person only.

Risk from Discontinuation of Contracts with KTB

The Company has a 15-year contract with its major shareholder, KTB, in that KTB is committed to support the Company on some back office operations. This agreement allows the Company to leverage some of KTB's functions such as the branch network (for acquisition and payment) and the shared IT applications. In return, the Company has to pay servicing fees which were set at fair market price level. The Company calculates that the risk from contract discontinuation is limited for at least two reasons. First, the Company believes that this discontinuation is very unlikely to happen, since the agreement was officially concurred at the KTB's board level.

Second, the Company does not solely rely on KTB's operational support. For acquisition, it has multiple channels to attract new members. For payment, the Company already has multiple payment options to provide convenience to its members. In addition, the involvement of information technology system among KTC and KTB is low. The company has outsourced IT service provider to support the system separately. Thus, the tendency of discontinuation is relatively low and will not significantly affect the company's operation.

Risk Factors

Risk of a Higher Competition

The Company is aware that there is a possibility for a fiercer competition that might lead to price-cut and debt-transfer tactics. This situation could pose some risks on the Company's portfolio and profitability. To be able to differentiate from its competitor; the Company uses its expertise and long term experience of consumer finance in Thailand to compete against them. Moreover, continually invests in new devices/systems as well as develops more value added products and services to create maximum value to customers are also competitive strategies. Moreover, the entrance of new competitor needs plenty amount of time to survey the market and to develop strategy to compete in such specialized business, therefore the company holds a much higher advantage against other competitors. Despite changes in rules and regulations, KTC will be surely able to adapt itself to the change based on its 18 years of experience in the business. Therefore, the higher competition should not have much effect on the Company in both short-term and long-term. As of 31st December 2014 the market share of KTC's credit card and personal loan against the whole industry is at 11.8% and 5.3% respectively.

Risk Factors

03

Operational Risk

Operational Risk could be resulted by lack of good governance or insufficient internal control in different aspects: personnel, operating standard or external factors. The risk can affect both business' performance and reputation.

The company has defined the risk management and policies by emphasizing on prevention and monitoring this type of risk through various methods: Checked and Balance organizational structure, Standard and Operating Procedure (SOP) of all internal business units, Risk Self Control Assessment (RCSA), Loss Data management, Key Risk Indicator (KRI), and Business Continuity Plan (BCP), which are constantly presented to Risk Management Committee and Board of Directors. These methods support not only in defining and developing Risk Management policies, but also in Internal Control efficiency assessment. This consequently ensures all stakeholders that there is a backup plan for the business even in the case of crisis.

The significant operational risks of the company are;

Risk from Loss Data

The Company recognizes that its business relies on huge customer database and transactional information. It is, thus, exposed to a risk affected from leaking of confidential information to public, losing data from accidental or intentional deletion, or system failure. To ensure confidentiality of data, the Company has a solid procedure and delegated authorization rule as to who will have access to certain information. Additional software is implemented to prevent the data leakage. To avoid losing data from intended deletion, the company requires maintaining back-up database as well as having a data recovery process. Moreover, the real-time backup system is prepared to promptly respond in any kind of situation.

Risk Factors

Risk from Credit Card Fraud

The Company gives priority to prevention and investigation of credit card fraud. The development of chip card and EMV Technology has been applied instead of Magnetic Stripe technology to provide to superior safety standard. The Company wants to enhance the security of its personal loan product, especially cash withdrawal transaction via ATM since the risk from fraud tends to increase recently. In 2014, the chip card and EMV technology was implemented in its personal loan product. Moreover, the Company has also invested in the new online Fraud Detection system for protecting any of fraudulent charges on both credit card and merchant, with the team to monitor the transaction 24/7. For E-Commerce transactions, the Company uses 3D-Secure system and One Time Password (OTP) to assure the security of both cardholders and merchant outlets. Moreover, to enhance the security, SMS will be sent to the cardholder at the minimum spending amount of Baht 10,000. SMS alert will be sent to cardholders not only when there is a minimum spending amount at Baht 10,000 but also when there is any change in personal data: phone number, e-mail address. In 2014, total fraud loss of credit card transactions were Baht 3.4 million or 0.006% of total receivables.

Risk Factors

04

Financial Risks

Liquidity Risk

Liquidity risk occurs from insufficiency of working capital or the costs of fund are higher than the acceptable level which may affect the company's revenue. The company realizes that liquidity risk might occur from economic factors such as the volatility of financial market and other global economic conditions, which will also effect to Thai economy could also influence a change in funding cost. Hence, to prevent risks of facing liquidity risk, the company has developed funding strategies both short-term and long-term fund and maintain an appropriated proportion to match with portfolio duration. The company emphasizes its fundraising on issuing corporate bonds, bill of exchange and borrowing through various financial institutions without relying on any particular institution solely. As of 31st December 2014, KTC's total borrowing was Baht 41,588 million. The borrowing comprised of the borrowings from related financial institution Baht 378 million, from other financial institution Baht 12,181 million, from long-term borrowing Baht 5,200 million, and from debentures Baht 23,830 million, which was proportionate short and long-term as 30:70. KTC's total receivable was Baht 55,007 million. The receivable aging majority is no more than 90 days, amount to Baht 53,665 million or 97.6% of total receivable. KTC also has available credit line Baht 23,120 million in total, which was consisted of the line from Krung Thai Bank Baht 18,030 million, and from other commercial banks Baht 5,090 million.

As of 31st December 2014, company's Debt-to-equity ratio (D/E ratio) was at 6.4 times, which was below the bond covenant at the maximum D/E ratio of 10 times.

Treasury department is responsible for managing financing activities by monitoring, evaluating and analyzing the trends of company's liquidity. It has not only conducted a variety of possible scenario analysis in both short-term and long-term span, but also projected tendency of interest rates, and source of funds. As a result, the company is well prepared for

Risk Factors

situations that might impact sources of capital and is prevented from facing low or excess liquidity. In addition, Treasury department has worked closely with Enterprise Risk Management (ERM) department in order to maintain the company's liquidity. Effective risk management models like Liquidity Key Risk Indicators & Stress Test have been used as a monitor tool to ensure the company's liquidity, which has been regularly reported to Risk Management Committee. Moreover, in order to tackle the situations effectively, emergency plans have been prepared once the liquidity breaches the acceptable risk level.

Interest Rate Risk

Interest rate risk occurs when the company is exposed to change of interest rate which has an impact on rate sensitive item in both asset and liabilities. This may negatively affect the company's net interest income. In order to relieve an impact of interest rate volatility and cost of fund, the company has strategized its fund raisings by issuing both short-term and long-term debt instruments, which offer both fixed and floating interest rates. The company has reallocated proportions of funding terms to balance with a tendency of interest rates trend and the structure of company's assets. In addition, liquidity is considerably important in allocating funds' term proportion as well. The Enterprise Risk Management has created indexes in order to assess interest rate risk in banking book and conducted stress testing. The indexes are used for interest rate evaluation, monitoring, and regularly reported to the Risk Management Committee. The Enterprise Risk Management has also established contingency plans if the interest rate risk is higher than acceptable levels.

Dividend Payment Policy

The Shareholders' meeting no. 1/2003 on March 25, 2003 approved the dividend payment policy to not less than 40 percent of net profit after deduction of income tax and appropriation for a legal reserve.

The Company made payment of dividends for the year 2012 to the shareholders at the rate of Baht 0.40 per 1 ordinary share or equivalent to 40.4% of net profit. The 12th Shareholders' meeting on April 25, 2014 resolved to pay dividends for the year 2013 to the shareholders at the rate of THB 2.00 per 1 ordinary share or equivalent to 40.2% of net profit.

Management Structure

01

Board of Directors

Board of Directors Structure

As at 31 December 2014, the Board of Directors of the Company consists of eight directors i.e. one Executive Director who is the President & CEO, four Non-Executive Directors and three Independent Directors. The Board of Directors dependency is assumed so that they can make efficient decision without any interfering.

The Company nominates directors from various businesses with strong leadership skill, vision, work experience, business ethics and the ability to show their independent comments.

For the appropriate balance of power in the operation, the Chairman and the President & CEO are held by different individuals. The Chairman acts as the policy leader while the President & CEO is the executive leader who counterbalances power for the proper conduct of business.

The Company has four sets of Directors; the Board of Directors, Audit Committee, Nominating and Remuneration Committee, and Corporate Governance Committee. The Company prescribed the authorities and duties, including the appointment and the removal of directors in the Articles of Association of the Company which were registered with the registrar of public companies limited, Department of Business Development, Ministry of Commerce.

Management Structure



Board of Directors

As at 31 December 2014, the Board of Directors of the Company consists of eight Directors, one the Secretary of the Board of Directors and one Company Secretary as follows:

Management Structure

Name	Position	Holding amount as of 31 Dec 2013	Historical Trading from Jan-Dec 2014	Holding amount as of 31 Dec 2014
1. Mrs. Kittiya Todhanakasem	Chairman / Chairman of Nominating and Remuneration Committee / Chairman of Corporate Governance Committee	0	-	0
2. Mr. Akarat Na Ranong	Independent Director / Chairman of Audit Committee / Nominating and Remuneration Committee / Corporate Governance Committee	1,092	-	1,092
3. Mrs. Pantip Sripimol	Independent Director / Audit Committee / Corporate Governance Committee	0	-	0
4. Mr. Paroche Hutachareon ⁽¹⁾	Independent Director / Audit Committee / Corporate Governance Committee	0	-	0
5. Mr. Tanyapong Thamavaranukupt ⁽²⁾	Director / Nominating and Remuneration Committee / Corporate Governance Committee	0	-	0
6. Mrs. Sriprabha Pringpong	Director / Corporate Governance Committee	0	-	0
7. Mrs. Arunporn Limskul	Director / Corporate Governance Committee	0	-	0
8. Mr. Rathian Srimongkol	Director / Corporate Governance Committee / President & CEO	0	-	0
9. Mr. Bucha Sirichumsang	Corporate Governance Committee / Secretary of the Board of Directors / Secretary of Corporate Governance Committee	0	-	0
10. Mr. Peerapong Pitrpibulpatit	Company Secretary	0	-	0

⁽¹⁾The Board of Directors' Meeting No.6/2014 held on 25 April 2014, resolved to appoint Mr. Paroche Hutachareon as Audit Committee additionally.

⁽²⁾The Annual General Shareholders' Meeting No.12 and the Board of Directors' Meeting No.6/2014 held on 25 April 2014 resolved to appoint Mr. Tanyapong Thamavaranukupt as a director and Nominating and Remuneration committee.

Management Structure

Duties of the Board of Directors

1. The Board of Directors shall manage the Company's operations to ensure compliance with laws as well as the objectives, the Articles of Association of the Company and resolutions of the Shareholders' Meeting with honesty, to protect the interests of the Company.
2. The Board of Directors shall notify the Company without delay when there is a direct or an indirect interest in any contract which is made by the Company during the fiscal year, holding shares or debentures of the Company or an affiliated company and shall indicate the total increase or decrease of shares during the fiscal year.
3. The Board of Directors shall hold the meetings at least every three months, at which not less than 50% of the total number of directors must attend the meeting to form a quorum. A majority vote is required for any decision made at such a meeting.
4. The Board of Directors must arrange the Annual General Meeting within four months as the end of the fiscal year.
5. The Board of Directors shall not operate any business which has the same nature as and is in competition with the business of the Company or become a partner in an ordinary partnership or any other company operating business which has the same nature as the business of the Company.

Management Structure

Sub-Committee

Independent Directors and Audit Committee

Independent Director

As at 31 December 2014, the Company has three Independent Directors i.e. Mr. Akarat Na Ranong, Mrs. Pantip Sripimol, and Mr. Paroche Hutachareon.

However, the tenure of independent director follows the Charter of Rules and Procedure of Audit Committee

Audit Committee

As at 31 December 2014, the Audit Committee comprises three members as follows:

Name	Position
1. Mr. Akarat Na Ranong	Chairman of Audit Committee
2. Mrs. Pantip Sripimol	Audit Committee Member
3. Mr. Paroche Hutachareon	Audit Committee Member

The Audit Committee is independent and all of the directors in the Audit Committee have passed either one of the training programs held by the Thai Institution of Directors (IOD) i.e. Audit Committee Program, Finance for Non-Finance Director Program, Director Certification Program, Role of the Compensation Committee Program or Director Accreditation Program.

Management Structure

Also, Mr. Akarat Na Ranong is an audit director who has knowledge and experience in conducting review of the credibility of the Company's financial statements.

Duties of Audit Committee

1. Review the Company's financial reported processes to ensure that they are accurate and adequate;
2. Review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, as well as review an independence of internal audit along with appointing, transferring, terminating the internal audit or any related department.
3. Review the Company's operation to comply with the Securities and Exchange Act, the Stock Exchange of Thailand's regulation and the law relating to the Company's Business;
4. Consider, select and nominate independent persons to be the Company's auditor, and to propose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year;
5. Consider and review Connected Transactions, or the transactions that may lead to conflict of interest, to ensure that they are in compliance with the laws and the Stock Exchange's regulations, and are reasonable and for the highest benefit of the Company;
6. Prepare the corporate governance report, signed by the chairperson of the Audit Committee, and disclose in the Company's Annual Report.
7. Perform any other duty as assigned by the Board of Directors

Management Structure

Nominating and Remuneration Committee

As at 31 December 2014 the Nominating and Remuneration Committee comprises three members as follows:

Name	Position
1. Mrs. Kittiya Todhanakasem	Chairman of Nominating and Remuneration Committee
2. Mr. Akarat Na Ranong	Nominating and Remuneration Committee
3. Mr. Tanyapong Thamavaranukupt	Nominating and Remuneration Committee

The Board of Directors of the Company approved the Charter of Rules and Procedures for the Nominating and Remuneration Committee which set out the duties of the Nominating and Remuneration Committee as follows:

1. Determine the qualifications of the Directors, the Chief Executive Officer, Senior Executive Vice President, Executive Vice President or any equivalent position which includes the top management level as well as any authorized person according to the definition of The Office of The Securities & Exchange Commission. The consideration depends on structure, size and complements as required by law, directors and/or the resolutions of the Shareholders' Meeting as the case may be;
2. Find, select and nominate qualified persons who have qualifications as described for the position of Directors, Independent Directors, Executive Directors and Chief Executive Officer, Senior Executive Vice President, Executive Vice President or any equivalent position which includes the top management level as well as any authorized person according to the definition of The Office of The Securities & Exchange Commission in order to propose to the Board of Directors' or the Shareholders' Meeting as the case may be for further approval;

Management Structure

3. Consider criteria for the performance evaluation of the Board of Directors, the Chief Executive Officer's, Senior Executive Vice President, Executive Vice President or any equivalent position which includes the top management level as well as any authorized person according to the definition of The Office of The Securities & Exchange Commission and propose to the Board of Directors' Meeting for further approval;
4. Propose remuneration policy, the structure for remuneration and other benefits for the Directors, Independent Directors, Chief Executive Officer, Senior Executive Vice President, Executive Vice President or any equivalent position which includes the top management level as well as any authorized person according to the definition of The Office of The Securities & Exchange Commission, to the Board of Directors' Meeting or the Shareholders' Meeting as the case maybe for further approval. The said policy and structures must be appropriate and consistent with duties and responsibilities of such position, and standard used by businesses of the same nature as the Company, the Company's performance and market situation, the Board of Directors' or the Shareholders' Meeting as the case may be for further approval;
5. Ensure that the number and composition of the Directors are appropriate in accordance with the size of the organization including to propose adjustment to reflect the change of environment;
6. Perform any act related to nomination and remuneration as assigned by the Board of Directors of the Company.

Management Structure

Corporate Governance Committee

As at 31 December 2014 Corporate Governance Committee comprises twelve members as follows:

Name	Position
1. Mrs. Kittiya Todhanakasem	Chairman of Corporate Governance Committee
2. Mr. Akarat Na Ranong	Corporate Governance Committee
3. Mrs. Pantip Sripimol	Corporate Governance Committee
4. Mr. Paroche Hutachareon	Corporate Governance Committee
5. Mr. Tanyapong Thamavaranukupt	Corporate Governance Committee
6. Mrs. Sriprabha Pringpong	Corporate Governance Committee
7. Mrs. Arunporn Limskul	Corporate Governance Committee
8. Mr. Rathian Srimongkol	Corporate Governance Committee
9. Mrs. Kandtharat Chermchitphong	Corporate Governance Committee
10. Mrs. Ubolrat Busyakanistha	Corporate Governance Committee
11. Mr. Sakda Chantrasuriyarat	Corporate Governance Committee
12. Mr. Bucha Sirichumsang	Corporate Governance Committee / Secretary of Corporate Governance Committee

Management Structure

Duties of Corporate Governance Committee

1. Determine and review the Company's Corporate Governance Policies;
2. Propose the Corporate Governance Policies and Guidelines to the Board of Directors of the Company;
3. Supervise the Company's operations to conform with the Corporate Good Governance Policies
4. Review the Corporate Good Governance Guidelines by comparing with the International Standards and propose to the Board of Directors to continuously be updated;
5. Promote a corporate culture on Good Governance principles; and
6. Deliver the Corporate Good Governance Policies to the working group. The committees have duties to perform any assignment from Board of Directors.

Management Structure

Board of Directors' Meeting

The Board organizes the Board of Directors' Meeting with a consistent basis- the meeting holds monthly, which is planned in advance throughout the year while the Sub-Committees hold the meeting during the year on regular basis. However, the extra meetings may be held, if needed. Many agenda are included in the meeting such as the reviewing of the quarterly financial statements, the monitoring the progress of any project and the consideration of the Company's policy and the operating results. The President & CEO's Office will prepare meeting invitations along with supporting documents for a meeting agenda provided to Board of Directors at least 7 days prior to the meeting, allowing all Directors to consider the agenda sufficiently.

During the meeting, the minutes of meeting is constantly taken and will be proposed an approval in the following meeting. The approved minutes of meeting will be filed as references for later audit by Board of Directors and other related departments.

At 31 December 2014, the Board organized 14 meetings, the Audit Committee organized 8 meetings, 7 Nominating and Remuneration Committee Meetings, and 2 Corporate Governance Committee Meetings with details as follows;

Management Structure

Name	Board of Directors' Total 14 Meetings	Audit Committee's Meeting Total 8 Meetings	Nominating Remuneration Committee's Meeting Total 7 Meetings	Corporate Governance Committee ⁽³⁾ Total 2 Meetings
1. Mrs. Kittiya Todhanakasem	14/14	-	7/7	2/2
2. Mr. Akarat Na Ranong	14/14	8/8	7/7	2/2
3. Mrs. Pantip Sripimol	10/14	5/8	-	2/2
4. Mr. Paroche Hutachareon ⁽¹⁾	11/14	5/6	-	2/2
5. Mr. Tanyapong Thamavaranukupt ⁽²⁾	7/9	-	1/2	1/1 ⁽⁴⁾
6. Mrs. Sriprabha Pringpong	11/14	-	-	2/2
7. Mrs. Arunporn Limskul	14/14	-	-	2/2
8. Mr. Rathian Srimongkol	13/14	-	-	2/2
9. Mr. Suvit Maesincee ⁽²⁾	2/5	2/2	1/5	-
10. Mrs. Kandtharat Chermchitphong	-	-	-	2/2
11. Mrs. Ubolrat Busyakanistha	-	-	-	2/2
12. Mr. Sakda Chantrasuriyarat	-	-	-	1/1 ⁽⁴⁾
13. Mr. Bucha Sirichumsang	14/14	-	-	2/2

⁽¹⁾ The Board of Directors' Meeting No.6/2014 held on 25 April 2014, resolved to appoint Mr. Paroche Hutachareon as Audit Committee additionally.

⁽²⁾ The Annual General Shareholders' Meeting No.12 and the Board of Directors' Meeting No.6/2014 held on 25 April 2014 resolved to appoint Mr. Tanyapong Thamavaranukupt as a director and Nominating and Remuneration committee in the place of Mr.Suwit Maesincee, a director, whose term expired by rotation.

⁽³⁾ The Board of Directors' Meeting No.1/2014 held on 16 January 2014, resolved to appoint Corporate Governance Committee and afterwards restructured the committee on The Board of Directors' Meeting No.5/2014 held on 22 April 2014. Throughout 2014, there were 2 Corporate Governance Committee Meetings: on 22 April 2014 and 24 December 2014.

⁽⁴⁾ Mr. Tanyapong Thamavaranukupt and Mr. Sakda Chantrasuriyarat were appointed as Corporate Governance Committee since the first working day- on 25 April 2014 and 1 May 2014 accordingly, which was after the first meeting of Corporate Governance Committee. Both of them only attended the second meeting on 24 December 2014, which resulted as one meeting in total of each.

Management Structure

02

Company's Executives

As of December 31, 2014, the company's management team comprises of

Name	Position	Holding amount as of 31 Dec 2013	Historical Trading from Jan-Dec 2014	Holding amount as of 31 Dec 2014
1. Mr. Rathian Srimongkol	Director, President & CEO	0	-	0
2. Mr. Chutidej Chayuti	Senior Executive Vice President – Corporate Finance	0	-	0
3. Mr. Piyasak Tejasen	Senior Executive Vice President – Products & Distribution	0	-	0
4. Mr. Siriyot Srisuksawadi	Senior Executive Vice President – Information Technology	0	-	0
5. Ms. Sudaporn Janwatanagool	Executive Vice President – Personal Loans	0	-	0
6. Mrs. Pittaya Vorapanyasakul ⁽¹⁾	Executive Vice President – Credit Card	0	-	0
7. Mr. Mana Boonkhun	Executive Vice President – General Service	32	-	32
8. Mr. Khan Kachonboon	Executive Vice President – Corporate Communications	0	-	0

Remark: Changes during year 2014

⁽¹⁾ Mrs. Pittaya Vorapanyasakul Executive Vice President – Credit Card was authorized to directly report to CEO on 17 February 2014

⁽²⁾ Mr. Sakda Chantrasuriyarat were appointed as Senior Vice President – Compliance on 1 May 2014

Please see further detail of management's working experience in executive profile section

Management Structure

Name	Position	Holding amount as of 31 Dec 2013	Historical Trading from Jan-Dec 2014	Holding amount as of 31 Dec 2014
9. Mr. Bucha Sirichumsang	Executive Vice President – President & CEO's Office	0	-	0
10. Ms. Patrin Jirathitivanich	Executive Vice President – Contact Center	0	-	0
11. Mr. Virach Paisitsavet	Executive Vice President – Operations	0	-	0
12. Mrs. Kandtharat Chermchitphong	Senior Vice President – Public & Corporate Affairs	11,000	May 14- Sold 11,000 stocks Dec 14- Bought 8,000 stocks	8,000
13. Mr. Therayut Sirigulviriyavanich	Senior Vice President – Digital Marketing	0	Mar 14 – Bought 16,000 stocks Sep 14 – Bought 6,500 stocks Oct 14 – Bought 11,800 stocks	34,300
14. Mrs. Ubolrat Busyakanistha	Senior Vice President – Human Resources	0	-	0
15. Mr. Sakda Chantrasuriyarat ⁽²⁾	Senior Vice President – Compliance	0	-	0
16. Ms. Apiwan Bakban	Vice President – Portfolio & Customer Relationship Management	0	-	0

Remark: Changes during year 2014

⁽¹⁾ Mrs. Pittaya Vorapanyasakul Executive Vice President – Credit Card was authorized to directly report to CEO on 17 February 2014

⁽²⁾ Mr. Sakda Chantrasuriyarat were appointed as Senior Vice President – Compliance on 1 May 2014

Please see further detail of management's working experience in executive profile section

Management Structure

03

Company Secretary

The Board of Directors Meeting held on 13 August 2008 resolved to appoint Mr. Peerapong Pitrpibulpatit as the Company Secretary, and his duties are as follows:

1. Advise on rules, regulations and laws which the Board of Directors is required to comply with.
2. Prepare and keep the following documents:
 - A register of directors;
 - A notice calling the Board of Directors' Meeting, minutes of the Board of Directors' Meeting and Annual report of the Company; and
 - A notice calling the Shareholders' Meeting, minutes of the Shareholders' Meeting;
3. Keep records of strategic shareholders reported by a director or an executive and provide copy of the said report to the Chairman and the Chairperson of Audit Committee within 7 days of the receiving date of the report;
4. Perform any act as assigned by the Board of Directors of the Company;
5. Perform any act as required by the laws, the Securities and Exchange Commission, and Stock Exchange of Thailand

(Please see further detail of the secretary's working experience in executive profile section)

Management Structure

04

Board of Directors and Executives - Remuneration

With the appropriate policy of the remuneration for the Board of Directors, and Sub-Committee, the Nominating and Remuneration Committee is responsible for proposing that appropriate level and asking for the resolution from the Shareholders' Meeting. In the Shareholders' Meeting No.11 on April 12, 2013, the Shareholders have passed the resolution to approve the remuneration for each director.

Remuneration of the Board of Directors

The total remuneration of the directors for the year 2014 amount Baht 8,669,000 includes the remuneration of Mr. Rathian Srimongkol as a director. The total remuneration of Executives for the year 2014 is Baht 145,127,262. Thus, the total remuneration of the Board of Directors and Executives amount Baht 153,796,262 with details as follows;

Management Structure

Name	Position	Remuneration Year 2014 (Baht)	Bonus Year 2014 (Baht)
1. Mrs. Kittiya Todhanakasem	Chairman Chairman of Nominating and Remuneration Committee / Chairman of Corporate Governance Committee	565,000	781,850
2. Mr. Akarat Na Ranong	Independent Director / Chairman of Audit Committee / Nominating and Remuneration Committee / Corporate Governance Committee	752,000	625,450
3. Mrs. Pantip Sripimol	Independent Director / Audit Committee / Corporate Governance Committee	500,000	625,450
4. Mr. Paroche Hutachareon	Independent Director / Audit Committee / Corporate Governance Committee	420,000	625,450
5. Mr. Tanyapong Thamavaranukupt ⁽¹⁾	Director / Nominating and Remuneration Committee / Corporate Governance Committee	288,000	-
6. Mrs. Sriprabha Pringpong	Director / Corporate Governance Committee	250,000	625,450
7. Mrs. Arunporn Limskul	Director / Corporate Governance Committee	260,000	625,450
8. Mr. Rathian Srimongkol	Director / Corporate Governance Committee / President & CEO	250,000	625,450
9. Mr. Suvit Maesincee ⁽¹⁾	Independent Director Audit Committee Nominating and Remuneration Committee Member	224,000	625,450
Total		3,509,000	5,160,000

⁽¹⁾The Annual General Shareholders' Meeting No.12 held on 25 April 2014 resolved to appoint Mr. Tanyapong Thamavaranukupt as a director and Nominating and Remuneration committee in the place of Mr.Suvit Maesincee, a director, whose term expired by rotation.

Management Structure

Remuneration of the Executives

Remuneration December 31, 2014	Persons	Remuneration (Baht)
Salary ⁽¹⁾	16	89,756,040
Bonus ⁽²⁾	16	43,985,860
Provident Fund	16	5,385,362
Long-term management remuneration for the post employment benefit ⁽³⁾	16	6,000,000
Total		145,127,262

⁽¹⁾ Remuneration for executive does not include remunerations for Mr. Rathian Srimongkol as director of the Company.

⁽²⁾ Bonus for executive does not include remunerations for Mr. Rathian Srimongkol as director of the Company.

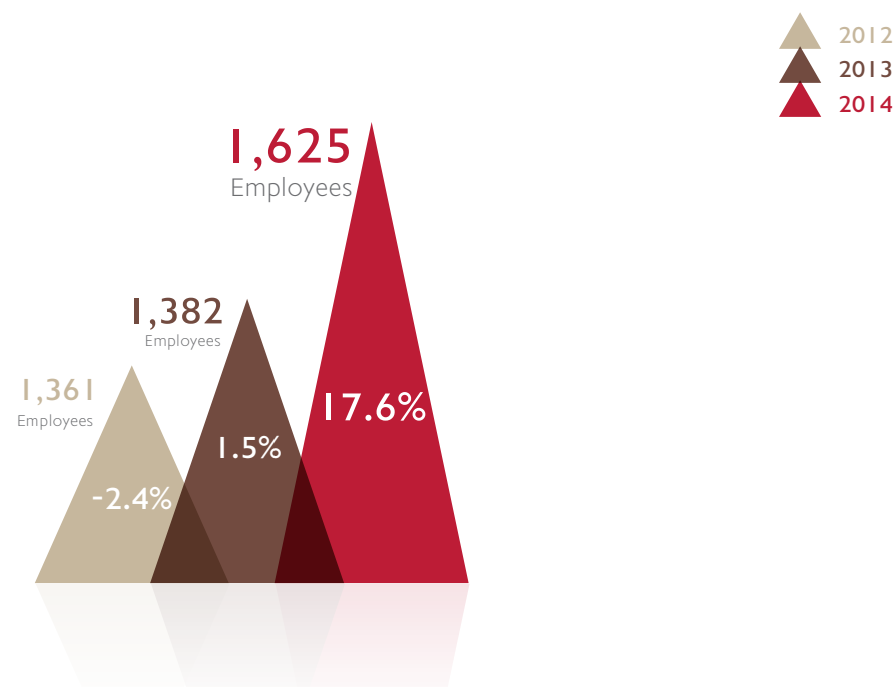
⁽³⁾ Long term Management Remuneration for Executive means evaluation of benefits for each executive by evaluating the current value of cash flow expected to be paid in the future in accordance with Thai Accounting Standards No. 19 (TAS19) Re: Employee Benefits, which the Company has applied since 1 January 2011. The Company recognized costs for employee benefits as employee related costs in the Profit and Loss Statements.

Management Structure

05

Human
Resource

Personnel
Number of Employees



As of December 31, 2014, KTC recorded a number of 1,625 employees, 17.6% more than last year. Total remuneration consists of Executives remuneration and personnel expense which include salary, bonus and contributed provident fund. Total amount is Baht 1,785 million, increasing 17.4% from the previous year.

Management Structure

At 31 December 2014, KTC staff can be classified into departments in the following:

Number of Employee, classified by departments

Department	Number of Employees
President & Chief Executive Officer	3
Products & Distribution	258
Information Technology	98
Corporate Finance	89
Personal Loans	13
Contact Center	239
Operations	244
Corporate Communications	20
Credit Card	89
President & CEO's Office	476
General Service	27
Human Resources	23
Public & Corporate Affairs	9
Digital Marketing	10
Portfolio & Customer Relationship Management	7
Internal Audit	15
Compliance	5
Total	1,625

Management Structure

Human Resource Management Policy

Recruitment and Motivation

KTC has a policy to recruit staff concerning on necessity and appropriated. New employees, who will be hired by the company, are strongly required to possess appropriate qualifications, suitable experiences, and essential sets of skills for the jobs. KTC will primarily place a great emphasis on an internal recruitment and training in case that there is an opening position. Internal recruitment and promotion will not only help the staffs, who familiar with the company's operations and procedures, to build their motivation and enthusiasm at work, but will also encourage them to stay longer by providing a reasonable compensation comparing to others in the same industry. Besides, KTC has considerably provided a friendly, at the same time, relaxed working environment; thus, this would unquestionably enhance and maximize effectiveness of the staffs. Eventually, if KTC could not internally find any staffs, the company would then have to continue the process by start recruiting the staffs externally.

Human Resource Development

KTC puts high priority on continuous development of the employee's ability, skills, and attitude which include core competency, functional, and managerial/leadership competencies. With respect to functional trainings, various training courses will be arranged by internal lecturers or by sending the staffs out to attend seminar programs. For example, those organized consistently by VISA, MasterCard, and JCB or Credit Card Business Club. KTC arranges both on-the-job training and functional training for the staffs. For on-the-job training, senior staffs will give advices and recommendations to junior staffs (Coaching) on every single step throughout the whole process. KTC encourages the staffs to learn and share ideas with their colleagues and management following the concept of "Learning Organization". According to the concept, KTC's staffs are persuaded to be given both local and international trainings and they are also supported to be self-development by e-learning.

Management Structure

Throughout 2014, KTC focused on human resource development through various training program i.e. Lighten up your knowledge with KTC, Standard Operating Procedure Training (SOP), Risk Control Self Assessment Training (RCSA), Credit Bureau knowledge sharing, IT Governance Training, Corporate Governance Training, Team Spirit, Corporate Social Responsibility in process (CSR in Process), Negotiation Strategies for Win Win KTC, and Smart Presentation. The average training hours of KTC staff this year equaled to 24.43 hours.

In addition, KTC has been initiating Learn & Earn@ KTC for ten consecutive years. It is a long-term program with an objective to uphold university students who wish to explore their experiences rather than learning from their class schedules alone. In this connection, KTC carefully offers the Learn & Earn employees to practice in appropriate positions relating to their skills and knowledge in order to get them ready as a first-job worker. For those, who have an outstanding performance and education record; will be awarded in “Learn & Earn Top Performance Awards”.

With the purpose of developing staffs’ abilities and improving their operational efficiencies, KTC pays attention on creating a network of knowledge within an organization by initiating a program called “KTC Knowledge Sharing”. With some help from in-house professional speakers, the topics of the program focus on not only related business content but also nonrelated business content which can be divided into the following categories: management, marketing, Information Technology, finance and accounting, health and safety, etc.

For all these years, KTC has been developing not only professional skill and knowledge of the staffs but also the spiritual and mentality development through a programme called “Larn Dham KTC” (Dhamma Square); as a result, the programme has been successfully welcomed and joined by a huge number of employees as initially expected.

Management Structure

Human Resource System Development

In order to advance the quality and standard of internal operation, KTC has established a policy and appointed a supporting unit in Human Resources Department to officially issue Standard Operating Procedure (SOP) and Key Performance Index (KPI).

Apart from this, KTC also significantly places a great emphasis on Human Resources Information System (HRIS), ranging from job application and selection, internal job transfer, recording time sheet, recording working hours, recording over-time, performance evaluation, taking all type of leave, training authorization, personal data recording, booking office's facility (e.g. meeting room, training room) and data processing and analysis.

Compensation and Benefit Guideline

KTC always take into account justice and fairness when conducting a job evaluation since it is considered a part of good corporate governance. By improving the reporting of feedback: not only will it help those being evaluated know the result of the assessments, but also what needs to be improved. Besides, there is also a preparation of job evaluations together with the company's advisors, a measurement of employees' satisfaction etc.

Human Rights Recognition

KTC has an obvious policy stating that it will never get involved with violation of human rights starting from recruitment and selection of personnel. KTC will not hire any minor under the age of 15 under any circumstances: full-time or part-time, and paid or without-pay. Staffs will not be physically, mentally, sexually, or verbally barricaded, discriminated, and threatened. This includes, accepting differences and giving the freedom of expression, for instance, dress, speech,

Management Structure

opinion. Moreover, there will be activities without discrimination and a person who will be held responsible on each floor. Additionally, the environment in the workplace will be eligible for job execution as lighting, clean drinking water, a place to relax and talk to each other informally, a clean bathroom, annual emergency training plan for the safety of employees, an emergency telephone number, and Call Tree communication systems with the respective chain of command, will always be available and ready in place.

Corporate Governance

01

Corporate Governance Policies

Realizing the importance of good corporate governance, sound internal control and audit, and effective risk management, the Corporate Governance Policies has been written since 2003. In 2014, the Company also determined to apply the Business Code of Conduct to establish a framework for all staffs to provide sufficient internal control and risk management. Board of Directors has formed sub-committees not only maintaining the effectiveness of internal control, internal audit, and risk management but also overseeing the company's operations in other aspects. These include Audit Committee, Nomination and Remuneration Committee, and Corporate Governance Committee. Each member of the Committees possesses qualifications and responsibilities in accordance with roles and responsibilities as written in Code of Conduct for the Audit Committee and Code of Conduct for the Nomination and Remuneration Committee. Roles and responsibilities of the Supervisory Board have also been written in "Management Structure" under "Corporate Governance Committee".

The Company's Guidelines for Good Corporate Governance Practice are based on the Corporate Governance Code published by the Stock Exchange of Thailand (SET). These have recently been revised and they are comprised of five sections as follows:

Corporate Governance

Section I: Rights of Shareholders

I.1 Shareholders' Rights Policy and Protection

The Company is committed to fulfilling its responsibilities to respect and protect the right of shareholders and to not violating the rights of shareholders and encourages them to exercise their rights properly. Basic rights of shareholders include buy, sell, and transfer outstanding shares; the right to share in the profit of the company; the participate and vote in the shareholder meetings to elect or remove members of the board; appoint the external auditor, and make the decisions on any transactions that affect the company i.e. dividend payment, amendments to the company's articles of association or the Company's by law, capital increase or decreases, and the approval of extraordinary transactions. In addition to the basic rights specified by law, the Company follows best practices that go beyond shareholders' expectations in order to encourage and facilitate their activities. The shareholders shall be entitled to obtain relevant and adequate information i.e. quarterly result, and performance analysis and discussion on the Company in a timely manner and on a regular basis, which are made available conveniently via Company's websites.

I.2 Annual General Meeting of Shareholders

1.2.1 The Company recognizes the importance of general meeting of shareholders. The Annual General Meeting of Shareholders is held annually within four months from the ending date of the Company's fiscal year, in full compliance with the Principle of Good Corporate Governance for Listed Company and as specified by law. The shareholders shall be allowed to propose items of agenda for the Annual General Meeting before its commencement. The company is responsible for collecting all these requests and preparing supporting documents for a meeting agenda, which shall be provided online at www.ktc.co.th. The information on the date, time, venue, and all agenda items with complete support

Corporate Governance

data shall be provided to shareholders no later than 30 days prior to the meeting, together with published in local daily Newspaper at least 3 consecutive days to thoroughly distribute the Notice of the Shareholders' Meeting. The Company has also appointed Thailand Securities Depository Co., Ltd., as a common stock registrar to distribute invitations to shareholders. The invitation shall be attached with the meeting agenda, general descriptions, underlying rationales and other supporting documents sufficient for decision-making, which provide shareholders with sufficient time to learn more information that is essential for their decision-making and voting. Should they have any questions or concerns, they may contact the Board of Directors prior to the date set for such meeting via the Company's website; or send a letter by mail directly to the Board; or pass comments, feedback and questions concerning one or more items in the agenda to the Board on the date of meeting. A meeting shall be held at a venue where it is convenient for the shareholders to attend. The Company shall encourage and promote meeting attendance for all shareholders, especially institutional ones.

1.2.2 On the date of the meeting, the Company shall facilitate shareholders' participation and voting with the use of barcode system for the purpose of shareholders' meeting registration and voting processes. Tax stamps shall also be available for the convenience of any proxy holder attending the meeting in place of a shareholder.

1.2.3 The Company shall commence the registration at least two hours prior to the meeting. In case of late attendance, attendees shall be allowed to cast votes on the next agenda items and these shall be treated as the quorum votes.

1.2.4 Invitations to the Annual General Meeting of Shareholders, supporting documents, and a variety of proxy forms shall be made available online at www.ktc.co.th to enable shareholders to choose the right form for their specific purpose. In addition, the Company shall appoint at least one independent director as a proxy holder in case some shareholders

Corporate Governance

cannot attend the meeting in person. It shall also provide explanations and reasons concerning each agenda item or resolution as specified in the Invitations to the Annual General Meeting of Shareholders, and present useful facts and comments of the Board of Directors associated with each agenda item, in case shareholders have different views with the Board, so that the shareholders are sufficiently and equally informed for further consideration. All of this explanatory information shall be published in Thai and English for shareholders.

1.2.5 In any Annual General Meeting of Shareholders, the Company's chairman of the Board of Directors, board members and management shall be in full-team attendance in order to present performance figures, report on management policies, answer some immediate questions and promptly provide any answers or requested information to shareholders during the meeting.

1.2.6 To enable accuracy and transparency of vote counting in each agenda item, the Company shall invite representatives from independent audit firms, in addition to auditors appointed by the Company, to jointly verify the vote-counting process.

1.2.7 Before the meeting starts, the chairperson shall describe the meeting's rules and regulations, voting procedures, the rights to vote for each type of share and vote counting methods for each agenda item in accordance with the Company's article of association. During the meeting, all shareholders shall have equal rights to question and comment as well as voice their feedback freely. The Board shall pertinently answer all questions on each agenda item. The minutes of meeting shall be taken; an adequate explanation of voting procedures as well as the presentation of voting results shall be recorded and presented to attendees before the meeting starts. The meeting shall also involve shareholders raising issues and concerns, records of questions and answers, records of voting results from each agenda item detailing how

Corporate Governance

shareholders have voted for, against and abstained, and a list of Directors attending the meeting and those absence, accurately and completely. At the end of the meeting, all resolutions and votes shall be processed through the Stock Exchange of Thailand's (SET) Electronic Listed Companies Information Disclosure (ELCID) system and made available to investors and shareholders in Thai and English. A copy of full meeting report shall be submitted to SET and the Securities and Exchange Commission (SEC) within 14 days from the date of meeting and also made available on the Company's website both in Thai and English.

1.2.8 The Company shall not add items in the agenda without prior notice to shareholders, especially ones that are associated with important issues and need time to study before making a decision. It shall conduct the shareholders' meeting in a correct sequence of agenda as mentioned in the invitation.

1.2.9 During a shareholders' meeting, the Board shall encourage using advanced technology in the meeting to calculate votes and display results so that the meeting can be quickly and precisely conducted.

1.2.10 The Board shall encourage using ballot in any important agenda such as related-party transactions, asset acquisition or disposal to ensure transparency and verifiability, in case of later dispute.

1.2.11 The Chairperson shall manage time effectively and strongly encourage shareholders to express their views and questions on matters relating to the Company.

Corporate Governance

Section 2: Equitable Treatment of Shareholders

2.1 Equitable treatment to minority shareholders

The Company has policies to treat all shareholders fairly and equitably regardless the number and kind of shares owned, including institutional investors, foreign investors and minority shareholders, who shall be entitled to the full exercise of their rights and equal treatment as described in the Rights of Shareholders section. In addition, the Company's shareholders shall have the rights to nominate suitable candidates for appointment to the Board of Directors in advance.

2.2 Procedures for authorizing the proxy

In case a shareholder cannot attend any meeting in person, the Company shall allow the shareholder to be able to exercise the right through proxy voting. Invitation to the shareholders' meeting as well as a proxy form attached with detailed procedures and the nomination of at least one independent Director serving as the proxy holder shall be sent to the shareholder. The Company shall encourage the shareholder or his/her proxy to use ballot in every agenda.

2.3 Measures preventing and abuse of inside information

To prevent any possible conflicts of interest and prevent misuses of insider information for self-benefit and or related-party, the Company has established measures in written form and included in Corporate Governance Guidelines as follows:

Instruction for approving connected transactions

1. Each Director is required to disclose information on transactions that might bear any conflicts of interest, related-party transactions or connected transactions as prescribed in the requirements of the Office of Securities and Exchange Commission of Thailand and the Stock Exchange of Thailand.

Corporate Governance

2. Director having conflict of interest is prohibited from approving a particular transaction. In conducting any related-party transactions, the Audit Committee shall participate and give opinions under the Principle of Good Governance for Listed Companies as well as rules and regulations prescribed by the Stock Exchange of Thailand.
3. Lending or investing in any business in which the Director might have a potential conflict of interest must be unanimously approved by the Board of Directors, without the affected Director being present in such meeting. To further prevent a potential conflict of interest, pricing and terms and conditions must be determined in accordance with the Company's normal course of business and equal treatment given to regular clients. Moreover, the Company has taken measures to oversee the use of inside information, which is clearly specified.

(Please see details in "Use of Insider Information Topic".)

Section 3: Roles of Stakeholders

3.1 Fair treatment to stakeholders

The Company recognizes the rights and roles of all stakeholders, internally and externally, and has included it as part of the Corporate Governance Guideline and the Business Code of Conduct, which are published across a variety of media such as the Company's website. This is to keep all stakeholders informed and encourage them to strictly follow the Guidelines for sustainable business operations of the Company. The Guidelines are as follows:

Shareholders

The Company is committed to achieving the best possible business performance and enabling the continuous and sustainable growth of profits. This can be realized through prudence and transparency, enhancing competitive potential to create added value to the shareholders in the long run.

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Customers

The Company aspires to serve its customers attentively and with the best possible effort. Every customer shall be equitably and fairly treated, and courteously advised and supported with respect and good manner. The Company is willing to listen to their problems and concerns, identify causes and find the most appropriate solutions without disclosing their personal data or confidential information – unless it is required by laws or with written consent by the affected customers.

Creditors

It is the Company's policy to treat its creditors, including suppliers, debenture holders and other creditors, equitably and fairly based on the mutual benefits, and strictly honor agreements and conditions agreed by both sides. In case of failure to do so, in any circumstances, the affected creditors shall be notified in advance so that both parties could be able to find the most possible solutions and start further business negotiations. The company shall refrain from requesting, accepting or commissioning dishonestly in any case to gain business benefits, and be responsible for reporting correct and complete financial data to the creditors on regular and timely basis.

Business partners

The Company requires its employees, who are involved in buying/selling assets as well as any products and services of the Company, to act in the best interests of the Company instead of one's personal interest or interest of his/her relatives/friends. In this regard, the employees shall be responsible to provide correct information based on truthful facts, and shall not mislead or provide incomplete information to buyers or sellers of assets/products and services. Importantly, the employees should avoid accepting gifts or rewards, or attending private functions or receptions hosted by buyers or sellers of assets/products and services, or by a group of particular interest, so as to avoid any possible accusations and prevent an inclination to show favor in return for such special treatment on later occasions.

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Business alliances

The company is firmly determined to comply with agreements made with its business alliances and provide assistance in a manner, which allows mutual business benefits.

Competitors

The Company has no policy to falsify or distort competitors' facts or cause damage to reputation of its competitors. At the same time, it avoids making deals or discussions with employees of other agencies or financial institutions on issues concerning geographical locations, marketing, customer segmentation, interest rates, fees, products, services or business plans, which might affect the Company's business competition.

Corporate social and environmental responsibility

The Company strives to be a good corporate citizen conducting its business in a responsible manner to ensure the best interests of the society and the country. The Company contributes to various social-spirited activities and takes part in social, community and environmental development projects, and also aims to protect and preserve natural resources. To achieve tangible results from its social and environmental responsibility initiatives, and make these truly beneficial to the society and environment, the Company's Board of Directors and management has given procedure to this matter and included it as an integral part of its Corporate Missions, which are described in full details in the "Corporate Social Responsibility" section of the Company's Annual Report.

Board of Directors and management

The Company's Board of Directors and management are well aware of their rights, and strive to be a role model in exercising the rights and performing their duties as specified by the Company. At the same time, they recognize equitable and fair treatment of the rights of all Company's stakeholders.

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Employees

The Company recognizes its human resources as a valuable driving force for the organization. For this reason, it has always put emphasis on recruiting and hiring the right people, offering rates of salary and remuneration packages at the level comparable to leading companies. The Company also highly values human resources development through a variety of training programs, on a regular basis, in order to address rising competition in the financial business industry. The employees are regularly trained on management skills, sales and marketing, customer service, financing, risk management and information technology, and Corporate Good Governance. In addition to employment benefits required by law, the Company has provided the employees with others that lead to their better quality of life and well-being. These include group insurance as well as wedding, childbirth and funeral allowances, for instance. Regarding safety in the workplace, the Company places emphasis on maximizing safety in life and property, as well as creating a positive working environment.

Government sector

The Company supports operations of the public sector and acts in compliance with rules and regulations established by regulatory organizations, working in conjunction with them to promote and support collaboration in activities run by related governmental agencies in order to preserve national stability and growth.

3.2 Stakeholders' Participation

Stakeholders are provided with opportunities to participate in a variety of activities on several occasions. These can be possible through their own rights; for example, the shareholders' rights to express their opinions independently in the Annual General Meeting of Shareholders or add items in the meeting agenda or nominate persons for the Company's Directors. The Company also encourages the engagement of stakeholders, especially in CSR (Corporate Social Responsibility) activities.

Corporate Governance

3.3 Anti-Corruption Policy

The Company is committed to conducting business with integrity and in compliance with corporate social responsibility requirements, good corporate governance practices and fair treatment to all groups of the Company's stakeholders. In 2013, the Company joined the Collective Action Coalition against Corruption in Private Sector as part of its intention and commitment to counter all forms of corruption. To ensure the Company's anti-corruption policy has outlined responsibilities, guidelines and regulations for appropriate execution, in order to prevent and counter all forms of corruption in every business activity of the Company, and to make sure business decision making and operations with potential risk of corruption are cautiously considered and supervised, the Company has established written "Anti-Corruption Policy" in order to standardize procedures for sound business operations and the pursuit of sustainable development.

Definition

Corruption (herein) means all forms of bribery including an offer of, request for, promise of, commitment to do or authorization or receipt of "anything of value" (money, assets or other improper benefits) to/from any government official or any other person or entity including persons or entities in the private or commercial sector, directly or indirectly, where it is intended to induce the recipient to misuse his or her position or to obtain an improper "business advantage" or to refer business to the Company in particular or to acquire/maintain any other improper business advantage unless otherwise specified by law, rules and regulations, announcement, local tradition or customary business practice.

Anti-Corruption Policy

No Company's Director, management or employee shall commit or accept corruption in any form, directly or indirectly. It is the Company's policy to review its compliance with the Anti-Corruption Policy on a regular basis, and to reconsider any related guidelines and operational procedures in order to ensure conformity with changes in the business environment, rules and regulations, and applicable law.

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Roles and Responsibilities

1. The Company's Board of Directors share a responsibility of putting an emphasis on developing a policy and ensuring that anti-corruption system is efficiently supported and implemented. This is to guarantee the Company's management is aware of the anti-corruption's importance, and eventually makes it a corporate culture.
2. The Audit Committee is responsible for reviewing the financial reporting and accounting system, the internal audit system and the risk management system to ensure that these are concise and are carried out in compliance with international standards in an efficient way.
3. The Company's chief executive officer and management team are responsible for establishing systems as well as encouraging and promoting the anti-corruption policy in order to communicate with the Company's staff and stakeholders. They also share a responsibility to review the appropriateness of standard and procedure to ensure conformity with changes in the business environment, rules and regulations, and applicable law.
4. The internal audit function of the Company has a responsibility to monitor and review operations, and reassure a compliance with the established policy, guidelines, authorizations, rules and regulations, applicable law and requirements of regulatory bodies, which is sufficient for dealing with possible risks associated with corruption, along with an ability to report effectively to the Audit Committee.

Operational Guidelines

1. The Company's Board of Directors, management and staff at all levels shall comply with the Anti-Corruption Policy without getting involved in scandals, directly or indirectly.
2. The Company's staffs shall not ignore any corrupt practices in association with the Company. They shall cooperate closely on the investigation of facts. In the event of a concern or enquiry, they shall consult with their superiors or designated persons responsible for monitoring the compliance with rules and regulations, or through various channels as specified by the Company.

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3. The Company treats its employees equitably and extends protection to those opposing or reporting corruption cases in association with the Company. The Company has developed measures to safeguard whistleblowers or those who cooperate in the investigation, fact finding or the reporting of corruption cases, as specified by the Company.
4. Corruption is deemed to be a violation of operational rules and regulations established by the Company. Committing corruption should be subject to legal punishment if that practice is considered illegal.
5. The Company attaches importance of publicizing, educating and promoting a better understanding among any other persons concerned or engaged in or associated with the Company, or work on issues that might have impact on the Company with regard to operating in compliance with this anti-corruption policy.
6. The Company is committed to building and preserving a corporate culture that considers corruption an unacceptable practice, regardless of any corrupt or wrongful practices for one's own benefit or the benefit of others.

3.4 Whistle blowing and Filing a Complaint

It is the Company's policy to encourage customers and the general public to lodge their complaints or comments through the following channels:

- Call Center/Complaint Center 0 - 2665 - 5000 (24 hours)
- Facsimile 0 - 2665 - 5190
- E-Mail CService@ktc.co.th
- Website <http://www.ktc.co.th>
- Letter Krungthai Card Public Company Limited 591 United Business Centre II, 14th FL.,
Sukhumvit 33 Rd. North Klongton, Wattana, Bangkok 10110

Staff members are able to lodge complaints or send feedback and comments to the Company's Board of Directors and management directly via e-mail

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Section 4: Disclosure and Transparency

4.1 Disclosure of Information as prescribed in the Disclosure Guidelines for Listed Company

The Company is responsible for ensuring that key business information as well as financial and other related data is disclosed accurately, completely, transparently, comprehensively and timely as prescribed in the requirements of the Office of the Securities and Exchange Commission and those of the Stock Exchange of Thailand. Apart from using the Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2), most of the information shall be available on the Company's website in Thai and English, thus allowing shareholders, customers and any interested persons to easily, equitably and reliably access to the information.

Key information disclosed by the Company includes performance of the Directors over the year, Directors' training records, roles of the Boards and sub-committees, number of meetings, records of attendance of each Director and comments derived from performing their duty as well as remuneration policy and remunerations of Directors and top executives that reflect their roles and responsibilities, shareholding structure, business operations and operating performance, business ethics and corporate governance, social and environmental responsibility policy, for instance.

4.2 Disclosure of Company and Customer Information to Requesting Agencies and Third Parties

Government agencies or private enterprises, with or without legal authority, are able to request or verify company's information under the following terms and conditions:

1. Agencies with legal authority to request information, documentary evidences for verification or request the Company's employees to testify or appear as witness in court of law, Legal Execution Department (LED), Revenue Department,

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Department of Special Investigation (DSI), Royal Thai Police, Office of the National Counter Corruption Commission (NCCC), Anti-Money Laundering Office (AMLO), Office of the Narcotic Control Board (ONCB), Office of the Securities and Exchange Commission of Thailand (SEC), Social Security Office (SSO), Office of the Consumer Protection Board (OCPB), Office of the Auditor General, Ministry of Finance Inspector General, Office of the Ombudsman and Bank of Thailand, for instance. Such agencies are able to request information and documentary evidences concerning application for credit card/personal loan account, spending and payment information, and available credit balance for instance, for further verification.

2. The Company shall not disclose information to agencies and persons without legal authority to request for verification of information, which includes government agencies and private enterprises as well as the general public, who generally request for verification of personal data.

4.3 Investor Relations

The Company has established Investor Relations Department to be responsible for providing and disseminating the Company's information and updates on its activities. This is to ensure a better understanding as well as foster and maintain a good relationship between the Company and all groups of stakeholders, including all types of investors (retail, institutional and general investors), stock analysts, local and foreign fund managers, customers, regulatory government agencies, others concerned, and the general public. All stakeholders shall be provided with the Company's information on equal and fair basis.

The Company distributes such information through diverse channels and in various formats, including one-on-one meetings, analyst briefings, local and international road shows, disclosure in annual report or other reports, website (www.ktc.co.th) or other forms of electronic communications (such as e-mail or SET Portal), for example.

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Contact Information:

Phone 0 - 2828 - 5067, 0 - 2828 - 5059

Facsimile 0 - 2828 - 5064

E-Mail irktc@ktc.co.th

Website <http://www.ktc.co.th/en/ktc/InvestorRelations/CorporateInformation/index.htm>

Address Krungthai Card Public Company Limited 591 United Business Centre II, 18th FL., Sukhumvit 33 Rd., North Klongton, Wattana, Bangkok 10110

Moreover, the Company has assigned its Corporate Communications Department to distribute all the latest news and information through a variety of mass media on many occasions.

Section 5: Responsibilities of the Board of Directors

5.1 Independence from the Management of the Company

The Board of Directors assumes responsibility for the stewardship of the Company and is truly independent from the management team, and as part of this stewardship, has an obligation to act in the best interest of the Company and its shareholders. By clearly separating the duty and responsibility between the Board of Directors and management, the Board of Directors shall develop policies and supervise the Company's work process to ensure full compliance with the respective policies, lawfully and ethically. Moreover, for proper check-and-balance, the Chairman of the Board of Directors and the Chairman Executive Officer are all different persons.

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5.2 Appropriateness of the Board of Directors

The number of Directors is in accordance with the Company's Articles of Association, Article 11, which requires that "The Board of Directors has at least 5 and at most 15 members as determined by law. No less than half of the total number of elected directors must reside in the Kingdom of Thailand".

5.3 The Board of Directors' Term of Office

The Board of Directors' term of office shall be in accordance with the respective charters governing each committee of the Board and the Company's Articles of Association, Article 13, which requires that one-third of the Directors shall retire at the next Annual General Meeting of Shareholders. In the event that the whole number cannot be divided equally into three groups, retiring Directors must be the closest to one third (1/3). Unless otherwise agreed among themselves, the directors to retire for the first and second time shall be drawn by lots and thus the longest-serving Directors shall retire at the next meeting. Upon completing the term of office, retiring Directors may stand for re-election.

5.4 Transparency of Board Member Nomination and Election

5.4.1 Board Election Process

The Company appoints members of the Nomination and Remuneration Committee who are responsible for reviewing and selecting candidates for the election of Board of Directors. The Committee also has a responsibility to ensure that Board is comprised of individuals with the requisite qualifications, and without prohibited characteristics for the position, in accordance with the rules and regulations defined by Stock Exchange of Thailand (SET), Office of the Securities and Exchange Commission of Thailand (SEC) and other related authorities. Each of the candidates must possess the requisite skills, knowledge and experience as required by the Company, in order that they can be nominated by the Committee for

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board member election by the Company's shareholders and this allows for change registration and reporting to related agencies in time specified. Directors retiring from the Board may stand for re-election. As directors join the Board, it is essential that they have a comprehensive orientation that successfully keeps them informed about their roles, duties and responsibilities as a director as well as the Company's rules and policies in aspects, in order for directors to have a successful start with a sound understanding of the Company's business operations.

5.4.2 Appointment of Directors

Directors are generally appointed in two cases as follow:

Case 1: New directors are appointed to replace retiring directors. These persons stand for election by shareholders at the next Annual General Meeting to fill the vacant position(s). Upon completing the term of office, retiring directors may stand for re-election.

Case 2: In case of appointment of new directors to replace those stepping down prior to completing the term of office, the Company's Board of Directors, no less than three-fourth of the total votes of the remaining directors, elects highly qualified candidates, and are not prohibited persons, to fill up the vacant directorship position(s), whose term of office lasts for the same period of time as the remaining term of office of the resigned director(s).

5.4.3 Shareholders' Right to Elect Directors

The Annual General Meeting of Shareholders shall elect the Director based on the following criteria:

1. For each shareholder, one (1) share equals one (1) vote unless the shareholder holds preferred stocks, of which holders are destined to have inferior rights to vote than common shareholders.
2. Each shareholder is allowed to use all his/her existing votes (as specified in 1.) to elect one or more directors. However, the shareholder is not allowed to transfer a portion or all of the votes to any other person.

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3. Top candidates with the highest votes shall be appointed as directors. The number of directors equal to what is required or intended to fill vacancies. In the event that number of the candidates receiving the most votes is more than the seats available at that time, then the Chairman of the meeting shall have the final vote.

Additionally, shareholders are allowed to add items to the meeting agenda, and nominate qualified candidates for the directorship prior to the Annual General Meeting of Shareholders through the Company's website between 30 November and 31 January of each year. The nominated candidates for the directorship shall be reviewed by the Nomination and Remuneration Committee/the Company's Board of Directors. The result is to be notified to shareholders through the Company's website and the website of Stock Exchange of Thailand by March each year and once again to those attending the next Annual General Meeting of Shareholders.

5.5 Performance of the Board of Directors

5.5.1 Setting Policies and Overseeing the Management

With integrity and prudence, the Company's Board of Directors is obliged to promote the best interest of shareholders, especially in terms of approving the Company's vision, mission, strategies, and significant matters concerning the Company's business directions and policies as well as its business plans and annual budget – based on logical reasoning, comprehensive business environment and social analysis, and social responsibility. At the end of the second quarter of each year, the Company's Board of Directors shall convene a meeting to review the policies and goals. In the last quarter, they shall set up a business plan for the upcoming year in order that it can be forwarded to the management for a brainstorming session with members of the management team from various functions, to set effective business strategies in order to achieve common goals.

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Additionally, the Company's Board of Directors is responsible to ensure that performance of the management team is fully aligned with the Company's goals by using key specified performance indicators (KPIs). The performance shall be evaluated from the beginning of the year, on monthly and quarterly basis, in order that the operational status can be monitored at all stages. In the event that the performance has fallen below the target, the Board is responsible for identifying causes and finding solutions to problems. At the end of the year, the Board shall evaluate the performance of management team in comparison with the KPIs defined in the Company's Performance Agreement (PA). Moreover, the Board has responsibility to control and monitor the performance of the management team to ensure transparency, proper corporate governance, and risk management.

Guidelines for serving as a director at other companies:

1. Director:

A director shall serve as director of no more than 5 of the listed companies unless otherwise approved by the Board of Directors.

2. Chief Executive Officer:

Regarding the Company's CEO who serves as director at other companies, he/she is allowed to serve other listed companies as long as it does not affect his/her performance at the Company, and they do not use his/her authority or position at the Company to do anything in association with such companies. It is also required to seek approval by the Board of Directors before serving as director at other companies, and disclose information concerning that directorship to shareholders in the Annual Registration Form (56-1) and the Annual Report (56-2).

3. All other positions follow the Company's Employee Handbook.

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5.5.2 Other Board Committees

The Board of Directors may set up additional committees and other related sub-committees, as they see appropriate and relevant to a specific circumstance, in order to assist in studying and reviewing tasks as needed and to ensure operational efficiency and effectiveness of the Board of Directors.

(See details on Section “Management Structure”, sub-topic “Board Committees”)

5.5.3 Director Self-assessment

The Company proposes that self-assessment of the Board should be done twice a year to reflect levels of performance in accordance with the Company’s Guidelines for Good Corporate Governance Practice. This can be divided into three categories, including the assessment of the entire Board of Directors, of each individual director (self-assessment) and of each individual director (cross-evaluation or assessment of other board members). Areas of evaluation cover the following:

1. The assessment of the entire Board of Directors has six key areas to be evaluated, including the composition of the board and qualifications of Board members, roles and responsibilities of the Board, Board of Directors’ code of conduct, Communication of the Board of Directors, relationship between the Board of Directors and the Company’s management, and preparation and organization of meetings.
2. The assessment of each individual director (self-assessment) has six key areas to be evaluated, which covers core competencies, independence, preparedness, roles and responsibilities as a Director, practice as a Director and vision for long-term value creation.

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3. The assessment of each individual director (cross-evaluation) has six key areas to be evaluated, which covers core competencies, independence, preparedness, roles and responsibilities as a Director, practice as a Director and vision for long-term value creation.

Results of the evaluation shall be forwarded to all the Company's board members in order to lead to performance optimization and then to promote good corporate governance within the Company. This enables the Company to do business in a way that helps achieve continued and stable growth based on efficiency, transparency and justification that give confidence to all stakeholders.

5.5.4 Development of Directors and Executives

The Company encourages and provides training and educational programs for board members and management on regular basis. Additionally, when the new board members are appointed, the Company provides an induction program for newly elected directors to get fully informed about the business plan of exiting products and services, capital and shareholding structure, organization structure, legal considerations for serving as director at a listed company. The training and induction programs are designed to cover the following:

1. Board composition and board meetings
2. Board meeting calendar and agendas
3. Standard agendas
4. Legal considerations
5. Capital and shareholding structure, affidavit, memorandum of association, Articles of Association, and the minutes of Annual General Meeting
6. Directors & Officers Liability Insurance (D&O)

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7. Report of examination from Bank of Thailand
8. Progress concerning actions taken in response to the report of examination from Bank of Thailand
9. The Company's business plan
10. Directorship in associates, subsidiaries, affiliates
11. Organization structure and management team
12. Layout of headquarters building

5.5.5 Meetings of Board of Directors

The Company's Board members regularly meet at least 12 times a year. The meetings shall be annually planned in advance. The meeting holds monthly, which is planned in advance throughout the year. However, more meetings may be scheduled, depending on circumstances. Main agenda items are divided into categories such as chairman's opening comments, approval of the minutes of the last meeting, proceeding matters, policies, loans, debt restructuring, investments, acquiring and selling of assets, procurement procedures, human resources, matters to be considered, matters to be notified, and other matters. The Secretary of the Board of Directors shall distribute invitation to each meeting with a meeting agenda and supporting documents to the Board members no later than 7 days prior to the meeting. The Secretary shall take the minutes of meeting in written form and file the minutes of last meetings, which have been approved by the Company's Board of Directors, for further examination.

Additionally, the Board of Directors requires that non-executive directors meet at least once a year without any executive directors attending the meeting. This is to provide them with an opportunity to discuss issues concerning the Company's business and main issues of interest, as well as evaluate the performance of CEO. The proceedings and decisions taken at that particular meeting shall be notified to the CEO.

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02

Board Committees

2.1 Board of Directors' Structure

As at 31 December 2014, the Board of Directors of the Company consists of eight directors i.e. one Executive Director who is the President & CEO, four Non-Executive Directors and three Independent Directors. The Company nominates directors from various businesses with strong leadership skill vision, work experience, business ethics and the ability to show their independent comments. For the appropriate balance of power in the operation, the Chairman and the President & CEO are held by different individuals. The Chairman acts as the policy leader while the President & CEO is the executive leader who counterbalances power for the proper conduct of business. The Company has four sets of Directors; the Board of Directors, Audit Committee, Nominating and Remuneration Committee, and Corporate Governance Committee. It also prescribes the authorities and duties, including the appointment and the removal of directors in the Articles of Association of the Company, which have been registered with the registrar of public companies limited, Department of Business Development, and Ministry of Commerce.

(See details regarding sub-committees' member on Section "Management Structure", sub-topic "Board Committees")



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2.2 the Board of Directors

Scope of authorities and duties

1. Each director has one vote on each matter of meeting resolution, which is subject to majority vote of the board members present. If votes in such are equal, it shall be decided by the chairman of the meeting who casts the final vote.
2. Should any meeting committee has a direct personal interest concerning with the meeting issue, he/she can't vote on such issue. In such case, the chairman has the right to ask that committee to temporarily leave the meeting.
3. All of the Company's businesses are subject to the authority of the Board of Directors to perform. The authority of the Board of Directors registered with the Department of Business Development, Ministry of Commerce, requires that two (2) Directors put their signature as well as by the Company's official stamp when undertaking actions on its behalf.
4. Directors may assign a director or directors to perform any actions on behalf of the Board of Directors.
5. Directors may determine the name of authorized signatory directors of the Company who can sign and affix the seal to bind the Company.
6. In case of a vacancy in the Board of Directors or Independent Director for reasons other than the termination of the term of office, the Board of Directors shall elect a person who has qualifications and is not prohibited by law from acting as such, as the substitute director at the next meeting of the Board of Directors, unless the remaining term of office of the said director is less than two months. The resolution of the Board of Directors shall be by a vote of not less than three-fourths of the number of directors remaining. The substitute director shall hold office only for the remaining term of office of the director whom he or she replaces remaining term of office of the director whom he or she replaces.
7. The Board of Directors may appoint any person to conduct the Company's operation under the control of the Board of Directors or authorize that person to perform any action, within the certain period which the Board of Directors deems appropriate. The Board of Directors may cancel, revoke, change or amend such authorities as appropriate.

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8. Any Director who has a conflict of interest in any transaction shall not be allowed to participate in the consideration and approval of such transaction.
9. The Board of Directors may approve payment of interim dividends for shareholders from time to time as the Board of Directors may recommend if appropriate considering the profits and retained earnings position of the Company. This payment should be reported to the next Shareholders' Meeting.
10. Any transaction which requires approval from the Company's Shareholders pursuant to the Public Company Limited Act B.E. 2535 (1992), the Board of Directors must obtain prior approval from the Shareholders' Meeting e.g. considering and approving balance sheet and profit and loss statements, allocation of profit and capital reserve, the election of a director to replace a director who retired by rotation and specifying remuneration, appointing all or some of auditors and fixing the auditing fee, the sale or transfer of the whole or important parts of the business of the Company to other persons, the purchase or acceptance of transfer of the business of other companies by the Company, the making, amending or terminating of contracts with respect to the granting of a hire of the whole or important parts of the business of the Company, the entrustment of the management of the business of the Company to any other person or the amalgamation of the business with other persons with the purpose of profit and loss sharing.

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Assignment of Executive Power to the Managing Director and President & CEO

The Board of Directors' Meeting No.16/2005 held on 16 December 2005 passed a resolution to amend the power of attorney dated 5 July 2002 to be suitable and in accordance with the Company's operations. The power of attorney dated 16 December 2005 is based on the same principle as the previous power of attorney that authorized the Managing Director (currently, the President and Chief Executive Officer) to conduct and manage the Company's operation, to specify the value of transactions which the Company's officer may be authorized to approve and to consider and approve the operations of each department of the Company.

However, the President & CEO is not authorized to approve connected transactions, the acquisition or disposition of important assets of the Company, and/or any transaction that the President & CEO or any person has an interest or has a conflict of interest in. These are required to receive the approval from the Audit Committee and/or the Board of Directors, and/or the Shareholders' Meeting as the case may be. As such and in order to conform with the requirement stipulated in Article 89/12 of the Securities and Exchange Act B.E. 2535 (No. 4), the Management has proposed to the Board of Directors, In Meeting No. 13/2551 which was held on September 19 2008, to give consideration and approval in cases where related persons are to enter into commercial transactions. A resolution was passed therefore requiring the Management to evaluate any commercial agreements or transactions or business deals with the Related Persons as stipulated in the Securities and Exchange Laws. Such commercial agreements, transactions or business deals shall be executed in prudent manner with the business partners. Provided that a director, executive officer or Related Persons (in general business transactions) shall enter in such commercial agreements, transactions or business deals or with the same bargaining power with ordinary business partners. This provision extends to any existing transactions or transactions that may be constructed in the future. The Management shall specify the requirements and framework as a guideline for implementing and prepare such transaction reports to propose in the reasonable time to the Audit Committee and the Board of Directors.

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Further, the Board of Directors' Meeting No.15/2011 held on 6 December 2011 resolved that Mr. Rathian Srimongkol be appointed as the President & CEO in place of Mr. Niwatt Chittalarn, who retired on 31 December 2011. The Board of Directors' Meeting No.1/2012, later on, resolved that Mr. Rathian Srimongkol be appointed as a director replacing Mr. Niwatt Chittalarn.

As of 31 December 2014 resolved to amend the authorized signatories to be directors comprised of eight persons as follows:

1. Mrs. Kittiya Todhanakasem
2. Mr. Akarat Na Ranong
3. Mr. Suvit Maesincee
4. Mrs. Pantip Sripimol
5. Mr. Paroche Hutachareon
6. Mrs. Arunporn Limskul
7. Mrs. Sriprabha Pringpong
8. Mr. Rathian Srimongkol

Signing Conditions: two of directors can sign and affix the Company's seal

The Company prepared the Power of Attorney dated 22 May 2012 to reflect the above mentioned amendments of the authorized signatories. The Power of Attorney incorporates the same principles, contents and main points as the Power of Attorney dated 16 December 2005 in all respects

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2.3 Independent Directors and Audit Committee

Independent Director

As at 31 December 2014, the Company has three Independent Directors

(See details regarding sub-committees' member on Section "Management Structure", sub-topic "Independent Directors and Audit Committee")

Independence of the Independent Directors

1. Being capable of performing duties and giving opinions on the Company's operations.
2. Hold a total of not more than 1% of the number of shares with voting rights in the Company (paid-up capital), or any subsidiary, associated company, or any juristic person possibly possessing a conflict of interest including shares held by related persons
3. Is not and has not been a director participating in management of the Company, or an employee or an officer of the Company, or an advisor of the Company receiving a regular salary from the Company, a person having controlling power over the Company or the Company's parent company, subsidiary, or any associated company, or any juristic person possibly possessing a conflict of interest (if any);
4. Is not related either through blood or lineage or legal registration as a father, mother, spouse, sibling or child, including as a spouse of a child of any member of management or major shareholder of the Company or the Company's subsidiary, or of any person having power to control the Company or the Company's subsidiary, or of the person nominated to hold a management role or a person having power to control the Company or the Company's subsidiary (if any);

Corporate Governance

5. Is not and has not had any business relationship with the Company or the Company's parent company, subsidiary, associated company, or any juristic person possibly possessing a conflict of interest in the manner in which his/her independent discretion might be affected, e.g. being a professional service provider or having numerous related party transactions with special conditions different from other clients, receiving financial support from the Company or being a major shareholder or being a person with power to control a professional service provider;
6. Is not a director appointed as a representative of a director of the Company, a representative of a major shareholder of the Company, or a representative of a shareholder of the Company which is a related person of the major shareholder of the Company;
7. Is not a director appointed by the Board of Directors to make decisions on the operations of the Company, the Company's parent company, subsidiary, associated company, or a subsidiary of another company at the same level as the Company, or any juristic person possibly possessing a conflict of interest;
8. Is not a director of the Company's parent company, subsidiary, or a subsidiary of another company at the same level as the Company which is a public company limited.
9. Does not have any characteristics by which his/her independent comment or opinion on the Company's operation may be affected.

Corporate Governance

The Audit Committee

As of 31 December 2014, the Company has three members of the Audit Committee

(See names of the Committee members and more detail in Section: "Management Structure" / Sub - topic "Independent Directors and Audit Committee")

Scope of authorities and duties:

The Company's Board of Directors or the shareholder's meeting is responsible for the appointment of the Audit Committee comprising of at least three members, at least one of which is selected from independent directors. It is also required that the Audit Committee include at least one member specializing in accounting and finance with adequate knowledge and competency to review the financial statements, as well as knowledge connected to causes of changes in financial reports.

The Audit Committee must be independent and impartial without conflict of interest, directly or indirectly, in order to perform duties at its own discretion and provide independent advice.

The Audit Committee comprises three auditors, one of which chairs the Committee and the two others as auditors. Roles and responsibilities of the Audit Committee are as specified in the Audit Committee Code of Conduct.

Corporate Governance

2.4 the Nomination and Remuneration Committee

As of 31 December 2014, the Company has three members of the Nomination and Remuneration Committee

(See names of the Committee members and more detail in Section “Corporate Governance”, on sub - topic: “Nomination and Remuneration Committee”)

Scope of authorities and duties

The Company's Board of Directors appoints at least three non-executive directors as members of the Nomination and Remuneration Committee. Their qualifications are as follows:

1. Possess core competency, experience, knowledge and understanding of qualifications, roles and responsibilities of the Nomination and Remuneration Committee
2. Chairman of the Nomination and Remuneration Committee should be independent director in order to enable the Committee to perform independently.

The Nomination and Remuneration Committee has three members comprising one person serving as chairman of the Committee and the two others as the Committee's members.

Roles and responsibilities of the Nomination and Remuneration Committee are as specified in the Nomination and Remuneration Committee Code of Conduct.

Corporate Governance

2.5 Corporate Governance Committee

As of December 31, 2014, the Company has twelve members of the Corporate Governance Committee.

(For more details and information, please review the name list of the Corporate Governance Committee in “Management Structure” under “Corporate Governance Committee”.)

Duties of Corporate Governance Committee

1. Determine and review the Company's Corporate Governance Policies;
2. Propose the Corporate Governance Policies and Guidelines to the Board of Directors of the Company;
3. Supervise the Company's operations to conform with the Corporate Good Governance Policies
4. Review the Corporate Good Governance Guidelines by comparing with the International Standards and propose to the Board of Directors to continuously be updated;
5. Promote a corporate culture on Good Governance principles; and
6. Deliver the Corporate Good Governance Policies to the working group. The committees have duties to perform any assignment from Board of Directors.

Corporate Governance

2.6 The Company's Secretary

The Company has policy to appoint a company secretary and secretary of the Board of Directors pursuant to its Guidelines for Good Corporate Governance Practice. Roles and responsibilities are as follows:

1. Ensure the Company's activities are in compliance with applicable laws, rules and regulations;
2. Support the Board of Directors regarding Board meetings and the Annual General Meeting of Shareholders, and ensure these are conducted with accuracy on a regular basis and in compliance with laws, rules and regulations;
3. Prepare and File the following documents:
 - registers of Directors
 - Board of Directors meeting invitation, minutes of board meetings, company's Annual Report
 - annual general meetings invitation (AGM), minutes of annual general meetings
4. Filing Conflict of Interest Report disclosed by Directors and management
5. Follow up the result of the implementation of resolutions of Board meetings and the Annual General Meeting of Shareholders;
6. Giving legal opinion regarding any company-related law and regulations
7. Oversee matters regarding Corporate Governance;
8. Advise and cooperate with secretaries of board committees;
9. Contact and communicate with shareholders to keep them informed of the rights of shareholders and updates on the Company's operations.
10. Perform any activity as regulated by The Securities and Exchange Commission (SEC)

Corporate Governance

03

Nomination, Appointment and Removal of the Board of Directors

Nomination, Appointment and Removal of the Board of Directors

1. The Nomination and Remuneration Committee will find, select and nominate qualified persons who have qualifications as described for the position of directors and independent directors and propose them to the Shareholders' Meeting for further approval.
2. The Shareholders' Meeting shall pass a resolution to appoint directors; each shareholder shall have one vote for one share and vote for each candidate individually. After the vote, the candidates shall be ranked in order descending from the highest number of votes received to the lowest, and shall be appointed as directors in that order until the positions are filled, where there is an equality of votes cast for candidates in descending order causing the number of directors to be exceeded, the chairman shall make the final decision. The number of the directors of the Company must not be less than 5.
3. The Board of Directors shall elect one of the directors to be the chairman of the Board. In the case where the Board of Directors deems it expedient, the Board of Directors may elect one or several directors to be vice-chairman.
4. In every Annual General Meeting, at least or the closest number of one-third of total Directors shall be resigned from the Board. The resigned directors shall be re-appointed by the Shareholders' Meeting.
5. The meeting of shareholders may pass a resolution removing any director from office prior to vacancy as a result of the termination of the term of office of the director, by a vote of not less than three-fourths of the number of shareholders attending the meeting and having the right to vote and the total number of shares being not less than half of the number of shares held by the shareholders attending the meeting and having the right to vote.
6. In case of a vacancy in the Board of Directors or Independent Director for reasons other than the termination of the term of office, the Board of Directors shall elect a person who has qualifications and is not prohibited by law from acting as such, as the substitute director at the next meeting of the Board of Directors, unless the remaining term of office of the said director is less than two months. The resolution of the Board of Directors shall be by a vote of not less than three-fourths of the number of directors remaining. The substitute director shall hold office only for the remaining term of office of the director whom he or she replaces remaining term of office of the director whom he or she replaces.

Corporate Governance

04

Corporate Governance on the Subsidiaries or Associates

As of 31 December 2014, KTC had no investment in subsidiaries or associates.

Corporate Governance

05

Use of Internal Information

The Company attaches great importance to transparency and equitable treatment to all stakeholders, including institutional investors, analysts, retail investors, as well as local and international investors, regarding the provision of information related to the Company's operations. It is the Company's policy to provide information to outsiders and identify specific persons who may provide the information. To ensure that investors receive accurate and relevant information, the Company has established measures to prevent the use of internal information by providing important information undisclosed to the public and is significant to changes in the Company's operations. A restricted disclosure is made only to a limited audience, and information shall be disclosed to persons or authorities concerned.

The Company also requires that Board members, management and employees to sign a confidentiality agreement and/or agreement on the use of insider information. The Company has also established measures to prevent Board members, management and employees from using the Company's confidential information for personal gain. Violations of these rules may lead to disciplinary action by the Company as well as serious criminal and civil penalties as follow:

1. Requires all directors, managements, and employees to acknowledge all related notices of the Securities and Exchange Commission (SEC), prescribing Director, executive and auditor of the company has the duty to prepare and disclose reports on each person's securities change in holding within 3 business days from the date of purchase, sale, transfer or acceptance of transfer under Article 59 of the Securities and Exchange Act B.E. 2535. The responsible person is required to inform to the Company Secretary to record such changes and conclude the total of Securities of Directors and managements individually to propose to the Board of Directors;

Corporate Governance

2. Prohibits that the Directors, managements and employees disclose to any third parties or non-related persons the information regarding the financial statements or any material information in which influence to the Company Securities' price unless it is a requirement prescribed by the Laws;
3. Prohibits that the Directors, managements and employees who gain the access to the financial or any material information in which influence the Company Securities' price, or allow any other persons use of such information during 15 days prior to public announcement of such financial statements and/or any other information in which effect to the Company and/or group of Company (if any) Securities' price. It also prohibits that no Company's Securities are allowed to trade prior 24 hours after all information are publicly disclosed whether any other benefit to themselves or to others due to his own perception or disclose of information regarding financial statements or any other information in which effect to the Company Securities' price; and
4. All Directors, managements and employees shall strictly follow these requirements.

Failure to comply with these requirements may be liable and be subjected to the penalties under the related Laws. In addition, any employee failure to comply with these requirements also constitutes a breach of disciplinary on the disclosure of the key internal information shall be subjected to disciplinary actions ranging from a warning, wage cutting, suspension without pay to termination as the case maybe depending on cases seriousness.

Corporate Governance

Measures concerning the use of internal information

1. No employee of the Company engage in transactions, transfer or acceptance of securities in a way that seeks competitive advantage over outsiders by using internal information significant to changes in stock prices, which remain undisclosed to the public or the Stock Exchange of Thailand and be aware of that non-public information as a result of his or her position or status entitled to know, or as an employee of the Company, whether for his or her own account or for the account of another, or by disclosing such non-public information to engage another to act for his or her benefit;
2. Chairman of the Board of Directors, Directors, business line management and those serving at division management levels or equivalent within the accounting or finance functions shall be responsible for reporting ownership in securities issued by the Company, including shares being held by themselves and their spouses and minors, in accordance with rules and regulations specified by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). Additionally, Chairman of the Board of Directors, Directors and business line management shall be responsible for reporting ownership in securities issued by the Company, including shares being held by themselves and their spouses and minors, on monthly basis, to the Company's Board of Directors, as well as reporting their change of interests to the Company's Secretary in order to be forwarded to the Chairman of the Board of Directors and the Chairman of the Audit Committee as required by the Office of Securities and Exchange Commission and the Stock Exchange of Thailand. Copies of the report shall be delivered to Regulatory Perform department to be compiled and utilized as supporting information in the implementation in accordance with the connected reporting framework;
3. The Company has policy to regulate transactions of securities and prevent the use of internal information by imposing restrictions on the duration of transactions of securities issued by the Company. Directors, employees and all stakeholders shall be informed of rules and regulations concerning the use of internal information on a regular basis and through the Company's existing channels of communication.

Corporate Governance

06

Remuneration to the Auditor

6.1 Remuneration to the Auditor

The Company paid Baht 3,460,000 for auditing assignments for the financial year 2014 to Deloitte Touche Tohmatsu Jaiyos Audit.

6.2 Other fees

The Company paid for other activities for the financial year 2014 to Deloitte Touche Tohmatsu Jaiyos Advisory. These include accounting consultancy fee (Baht 1,440,000)

Corporate Social Responsibility

Policy Overview

Out of the conviction that it needs to thrive in a good society, KTC firmly upholds corporate social responsibility in pursuing its business growth. Its focus is on the best interest of all stakeholders from KTC members, to business partners, to employees, to shareholders, to the society and also to the environment.

Business: As a Membership Company with the truly member-oriented management, the Company has carried out its business by integrating responsibility toward all its stakeholders into its work process. With focus on innovations, KTC has successfully delivered unique products and services, together with related offers and privileges that cover all types of lifestyles to “stakeholders” who have enjoyed such great things just like they are KTC “members”. To its credit card and personal loan customers, the Company has always encouraged them to plan their expenses reasonably in order to avoid excessive debt.

Internal Management: KTC believes that to be able to deliver excellent services and products to the public, it must first foster constructive creativity, good cooperation and social responsibility among its employees. Serious efforts have thus been made on a continued basis toward that goal. Moreover, KTC has striven to encourage and support its employees in potential development, as well as creating the corporate culture that is based on five core values: 1) Professional; 2) Coordinate; 3) Ownership; 4) Differentiate and 5) Dynamic. KTC has focused on providing work environment, with proper and modern facilities under the theme of “smart offices” so as to inspire innovative ideas. In addition, activities have been held to promote friendship and unity among KTC employees, all of whom are encouraged to pursue a work-life balance. Indeed, KTC is the Best Place to Work and also a Creative Organization.

Corporate Social Responsibility

While being a financial institution offering credit card and personal loan services as a cogwheel for the country's economic growth, KTC is committed to social development. It starts from very relevant issues such as building learning organizations by encouraging learning environment within its organization and also in the society. Besides, it provides support for the empowerment and education of Thai youth in the hope of creating quality human resources for the Thai society. The empowered Thai youth will grow up and be able to earn income by themselves on a sustainable basis. In addition, KTC has a clear policy to conduct its business without causing any adverse impact on natural resources, the environment and the society.

Corporate Social Responsibility

Operations and CSR Report

KTC has developed its business guidelines and compiled its CSR report based on the Stock Exchange of Thailand's (SET) CSR guidelines, which is widely accepted by social responsible organizations and CSR implementers. Since the guidelines were laid down by SET, KTC has started off with its CSR report and been well on its path to prepare its sustainability report. The SET's CSR guidelines cover all issues that need to be presented in not only nationally-recognized but also internationally-recognized sustainability reports.

On its operations, KTC has offered new products and services in an efficient manner. Specially designed in response to customers' needs and proper segmentation, these products and services cater well to the different lifestyle of each customer group. KTC customers have enjoyed differentiated products/services with constant and well-rounded privileges because the Company is committed to serve what customers need. At KTC, there is a special unit to monitor its customers' transaction 24 hours every day so as to deliver timely assistance in of fraud. All the aforementioned factors have helped establish KTC as the leader and provider of comprehensive services in consumer finance market. KTC has also run its operations under the close supervision of committees and work panels established by top executives of relevant departments.

In planning its CSR process, KTC focuses on providing fair and proper treatment to all stakeholders from shareholders, to customers, to creditors, to suppliers, to business partners, to competitors, to the society and the environment, to the Board of Directors and the Management Team, to the employees, as well as to the government sector. The CSR guidelines are as follows:

Corporate Social Responsibility

Stakeholders

Guidelines

Shareholders

KTC is committed to achieve good operating results and sustainable profit growth. It has conducted its business with prudence and transparency so as to boost its competitiveness for the purpose of adding value for shareholders in the long run.

Customers

KTC is committed to serve its customers to the fullest of its abilities on the basis of equality and fairness. Every customer shall be courteously advised and supported with respect and good manner. The Company is willing to listen to their problems and concerns, identify causes and find the most appropriate solutions without disclosing their personal data or confidential information except when required by laws or when receiving written consent from its customers.

Creditors

KTC is committed to provide fair and equal treatment to all creditors. The treatment is also based on the fact that both KTC and its creditors shall receive fair benefits strictly in accordance with contracts or conditions that have been implemented. In events that KTC may be unable to fulfill any clause in a contract, it shall inform its creditors in advance so that both sides can mutually explore solutions together. In conducting business negotiations, KTC shall refrain from any dishonest act. In addition, KTC shall provide accurate and complete financial information to its creditors in a timely manner.

Corporate Social Responsibility

Stakeholders

Guidelines

Suppliers

The Company requires its employees, who are involved in buying/selling assets as well as any products and services of the Company, to act in the best interests of the Company instead of one's personal interest or interest of his/her relatives/friends. In this regard, the employees shall be responsible for providing correct information based on truthful facts, and shall not mislead or provide incomplete information to buyers or sellers of assets/products and services. Importantly, the employees should avoid accepting gifts or rewards, or attending private functions or receptions hosted by buyers or sellers of assets/products and services, so as to avoid any possible accusations and prevent an inclination to show favour in return for such special treatment on later occasions.

Partners

KTC is committed to honor agreements that it has signed with business partners, and also to engage in mutual provision of assistance in pursuit of business goals.

Competitors

KTC has no policy to falsify or distort competitors' facts or cause damage to reputation of its competitors. At the same time, it avoids making deals or discussions with employees of other agencies or financial institutions on issues concerning geographical locations, marketing campaign, customer segmentation, interest rates, fees, products, services or business plans, which may affect the Company's business competition.

Corporate Social Responsibility

Stakeholders

Guidelines

Society and Environment

KTC strives to be a good corporate citizen and acts in line with its responsibility for the society and the country. The Company contributes to various social works, takes part in social, community and environmental development, and also conserves natural resources.

Board of Directors and Management Team

The Board of Directors and Management Team serve as role models in fulfilling one's duty in line with guidelines laid down by KTC. In addition, they shall protect the rights of all stakeholders in an equitable manner.

Employees

KTC has recruited and hired people whose skills and experiences match the job descriptions, offering salary and remuneration packages at the level comparable to those provided by other leading companies. The Company also places a strong emphasis on human resources development, thus providing its employees with a variety of training programs on a regular basis to ensure that they are prompt to deal with stiff competition in the financial business industry. In addition to employment benefits required by law, the Company has provided the employees with additional welfare so as to allow them to enjoy quality of life and better living conditions. On occupational safety, KTC has the policy to protect the safety of employees' lives and properties as well as to create good work environment.

Government Sector

KTC has complied with regulations and policies of regulators.

Corporate Social Responsibility

KTC has striven to conduct its business in a way that repays society, communities and environment as follows:

1. Risk Assessment:

In conducting credit-card and personal-loan business, KTC has recognized the importance of inculcating the value of time and income management in the youth. In a bid to ensure that the youth get the right attitudes, KTC offers job opportunities to university students who wish to work during their free time and pays them on hourly basis. Participating students get experiences and knowledge that will pave way for their transition into the real corporate world later on. With the work experiences at KTC, they will learn to manage their financial matters efficiently and develop financial discipline in regards to their savings and expenses. Therefore, it can be said that KTC has played a role in preventing people's financial risks from the very beginning. When people do not overspend, they will not cause financial problems to the society and the nation. KTC, moreover, has valued anti-corruption efforts. It has integrated anti-corruption concept into its policies on good corporate governance and procurement regulations.

2. Formulation of Guidelines:

KTC has issued policies and announcements to provide its employees with guidelines on how to proceed properly. All relevant units have carefully studied policies and rules before their implementation at KTC to ensure that all relevant parties understand not just the concept of good internal control but also their roles and duties.

3. Communications with Employees:

KTC has communicated its policies and announcements with employees via emails on a regular basis. Such communications are also stored in the Company's online database, allowing convenient searches and retrievals.

Corporate Social Responsibility

4. Compliance Checks:

To ensure that all its units comply with its policies and rules, KTC has required its Internal Audit department to develop annual internal control plans. The implementation of the plans examines the compliance of each department in a bid to keep good internal control in place and also to reduce work-related risks.

KTC's CSR implementation has been in process in accordance with the following eight principles based on the SET's CSR guidelines:

1. Fair Business Operations

- KTC has operated its business under the regulations of the Bank of Thailand (BOT), which cover requirements for credit cardholders and personal-loan applicants, credit-limit approval, interest rates determination and other fees. The Company, in addition, has required all its departments to comply with not just laws and BOT regulations but also requirements of each credit card service provider's network.
- KTC has treated its customers in accordance with laws and requirements laid down by relevant authorities (BOT, Office of the Consumer Protection Board, and Credit Information Act), for example when it comes to preparations of contracts, terms and conditions of credit card and personal loan agreements, and notifying customers of the disclosure of their credit information.
- When outsourcing work that the Company has no expertise in, KTC has done the followings:
 - KTC has monitored and control the quality of its service suppliers (outsourcers) in order to maintain proper service standards and of creating the relevance of the company itself, customers and suppliers' needs. The ultimate goal is to improve work process as well as the products and services on a continued and sustainable basis. KTC has

Corporate Social Responsibility

constantly explored opportunities to improve the product and services and also to cut down unnecessary use of resources. When resources-use efficiency improves, environmental impacts reduce and so does the operating cost. KTC, for example, has already reduced the use of print materials for some groups of customers. With the monitoring process well in place, suppliers have also got a channel to make recommendations and to jointly develop good and fair work process. For the purpose of quality control, KTC has organized meetings with its suppliers on a regular basis during which both sides can share their experiences and opinions.

- KTC has joined with its outsources or suppliers in organizing training courses for their employees in order to develop their work skills. By far, there have been training for technicians, administrative staff, messengers, janitors and drivers.
- **Complaints Response:**
 - KTC has set up various channels to deal with Customer Feedback. KTC Contact Center (02-665-5000) is in place to directly respond to customers' complaints, compliments, and recommendations. KTC has also responded to feedback that has been sent in via regulatory bodies as well as social media. Customers' complaints, compliments and recommendations are used to improve the Company's services/products for the benefits and protection of customers. In events of complaints, KTC has quickly investigated their causes, reported progress to its customers, and solved the problems with the customers well informed of all stages. Throughout its operation, KTC has used customer feedback in improving its products/services and boosting the satisfaction of customers as well as stakeholders.
 - KTC has set up the Internal Audit department, which works independently and reports directly to the Audit Committee. The Internal Audit department is in charge of assessing the adequacy and efficiency of internal control system, risk

Corporate Social Responsibility

management and corporate governance mechanisms at KTC. Following the assessments, the Internal Audit Unit submits the report and recommendations on how to improve the internal control work to the Management and the Audit Committee for the purposes of ensuring good internal control, lowering cost, and minimizing risks. The Internal Audit Unit has played a role in promoting efficient audits, which provide the fundamental foundation for the Company's sustainable growth.

2. Anti-Corruption

- KTC has declared its intention to join the Collective Action Coalition (CAC).
- KTC has issued an anti-corruption policy, which is a part of its corporate governance policies, and communicated it with employees as well as outsiders.
- KTC has required that its operational units comply with Anti-Money Laundering law (AML), which is enforced by the Office of Anti-Money Laundering Office (AMLO), and requirements laid down by a network of credit card service providers for the purpose of fighting corruption in the public sector.
- KTC has a clear-cut policy against bribery. It neither demands nor takes bribes from customers and corrupt persons when investigating/monitoring damages from frauds.
- KTC has provided employees and outsiders with channels to submit information on corruption/complaints. In addition, KTC has clearly specified the duty and responsibility of units that need to respond to complaints and to conduct fair investigations.
- KTC has provided ethical training for its employees and sales representatives so that they know what they should do

Corporate Social Responsibility

and what they should not do during sale/operation.

- KTC has improved its procurement process to ensure that it is not only up-to-date but also transparent. Clear procedures are laid down throughout the process from finding to selecting suppliers. Through strict compliance with the prescribed process, employees can stay clear of not just direct but also indirect corruption.

3. Respect for Human Rights

- Out of its respect for human rights, KTC has ensured that its debt collection process carries out in line with BOT's regulations and applicable laws. Without intimidation, contempt and sarcasm, KTC uses polite words in asking for repayments and does not disclose customers' information to any third party either. In addition, KTC is sensitive to the feelings of its customers when following up with repayments. For example, KTC shall not send an SMS about a repayment notice to its customers on special occasions such as Chinese New Year.
- In recruitment process, KTC has chosen candidates based mainly on their abilities, knowledge, skills and performance. At KTC, there is no discrimination on the basis of sexuality, religion and political beliefs. People with physical disabilities are welcome to work at KTC if they have the potential to fulfill job descriptions and do not get any serious contagious disease. KTC employees are not subject to sexual, religious and educational discrimination.

4. Fair Labor Practices

- In outsourcing process, KTC has clearly stated in outsource contracts that outsources must treat their employees fairly in line with labor laws. In addition, KTC has provided counseling and liaising services if any of their employees have questions about their labor practices.
- KTC has a policy to provide training and various activities to its employees every year with the objective of establishing

Corporate Social Responsibility

itself as the Organization of Happiness for them. KTC focuses on creating the atmosphere of mutual relationships, which encourages sharing and mutual assistance among its employees so that they can grow together. By boosting the abilities and potential of employees in a way that allows them to acquire knowledge and ethics, KTC sets its sight on pursuing sustainable business and the mutual goals of success, quality, creativity and modernity.

- Orientation course – KTC has organized an orientation course for all its new employees with the aim of passing on the knowledge of and the understanding in its business operation as well as inculcating morality and ethics in them. Such components are crucial to its success in sustaining good corporate governance, fighting against corruption, and empowering employees for their current job responsibility and career advancement in a way that allows KTC to achieve its identified goals. The orientation session is designed to relate to the corporate Core Values namely Professional, Coordinate, Ownership, Differentiate, and Dynamic so as to encourage employees to think and work along this line. So far, a total of 977 employees have already attended the orientation course.
- Corporate Governance course is in line with KTC's vision to differentiate its business with transparency and good governance. The course is aimed at raising awareness among employees on the importance of corporate governance and their duty to ensure corporate governance, and also on how to embrace the concept in their work. At present, a total of 1,438 employees have already taken this course.
- Credit Bureau's Information course is aimed at educating employees about the Credit Bureau's work process and regulations of relevant agencies. This year, a total of 439 employees have completed this course.
- IT Security Awareness course is organized with the objectives of preventing KTC's information and IT from being amended, disclosed, or destroyed by unauthorized persons, and also providing the right understanding in Payment Card Industry Data Security Standard (PCI-DSS) to employees. At present, a total of 1,533 employees have already

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taken this course.

- New Collector Training Program – Aimed at providing knowledge and skills to employees before they start working as debt collectors, this program emphasizes on ethical practice and polite manners, which are crucial in preventing complaints and mistakes. A total of 379 employees have attended this program.
- “KTC Larn Dhamma” activities allow employees to listen to sermons about Lord Buddha’s teaching, to purify their mind, to practice meditation so as to make employees acutely aware of what they are doing. To date, a total of 115 employees have joined these activities.
- Health and recreational activities for employees are conducted via various clubs at KTC. For example, the Badminton Club has 200 members; the Football Club has 30 members. KTC has also established several other clubs such as the Photographers Club and the Volunteers Club. In addition, the Company has hired people with disabilities. Such action is in line with the Promotion and Development of the Physically-Disabled People’s Quality of Life Act of BE2550 that seeks to give job opportunities to the physically disabled and prevent discrimination on the basis of physical conditions and health. The Article 33 of the Act requires employers/entrepreneurs to hire some people with physical disabilities. Otherwise, employers/entrepreneurs must follow the Article 34 of the Act by making financial contributions to the Fund for Promotion and Development of the Physically-Disabled People’s Quality of Life. Another option is to honor the Article 35 of the Act, which prescribes the granting of concessions for the benefits of the physically disabled.
- KTC has provided medical welfare to its employees and their family. The medical coverage for employees’ family members is provided on the voluntary basis, with KTC offering to pay 50 per cent of the health insurance policies for them if they buy ones.
- KTC has understood employees’ health problems and offered to transfer them to jobs that suit their health conditions,

Corporate Social Responsibility

potential and abilities. The transfers are done in a way that has least impacts on the affected employees.

5. Responsibility towards Consumers

- KTC has joined hands with the Courts of Justice in implementing the “**Composition Festival for Negotiations with Debtors**” project so as to ensure that debtors get repayment conditions within the scope of their abilities. In events of errors or mistakes, proper adjustments shall be made to customers’ accounts. In 2014 alone, negotiations have been successful for 95.48% of the due amount.
- In all events of disputes, KTC shall so as to provide consumers with clear-cut facts.
- KTC has the policy to keep customers’ confidential information and to not launch unfair products.
- KTC welcomes consumers’ feedback from all available channels for the purposes of improving products/services to maximize customer satisfaction and also of solving consumers’ problems fast and efficiently. The monitoring of consumers’ comments via social network has allowed KTC executives to gauge public sentiment towards the Company. Such information is useful to KTC efforts to deliver increasingly better solutions.
- KTC via its Marketing Division for Personal Loan Business aims to promote financial discipline, efficient income management, self reliance and debt-free life among its members. It, therefore, has organized a series of seminars on financial discipline, supplementary occupations, and expense-reduction techniques. For example, it has already held the “Seminar on How to Spend & How to Save Money in the Age of Sufficiency Economy”, the “Seminar on Getting Rich with Ebay”, the “Seminar on Increasing Income with Hydroponic Vegetables” and more. Not only that these seminars have experts as speakers but they include relevant activities for participants to take part in.
- KTC has communicated with its debenture holders via “the Sovereign”, the pamphlet that informs them of their privileges. For example, KTC debenture holders are welcome to join various seminars as well as recreational workshops in response to KTC’s policy to develop good ties with them.

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- **24 x 7 Service**
 - KTC has prepared a team who is willing to provide counseling/assistance related to products/services to KTC members. In a bid to boost customers' confidence in KTC services, Manager on Shift has also monitored the work real-time to ensure that timely solutions are introduced when the situation requires ones.
 - KTC has compiled reports on the number of calls and issues made and raised by customers, as well as the performance of each of its units. Relevant figures are then analyzed so as to develop a plan to prevent future problems on a sustainable basis.
- **Fraud Prevention**
 - KTC has introduced the IVR (interactive voice response) Activation system to increase safety, convenience and speed in activating members' cards.
 - KTC has launched the IVR KTC Contact Center 0-2665-5000, which allows customers to get information and updates related to their accounts by themselves via their PIN number. The system promises faster services as customers will no longer have to hold the line.
 - KTC has put in place the Verification Process so as to protect the safety of credit card members' information and also to prevent frauds.
- **Assistance to Credit Card Members and Society in Critical Times**
 - In the wake of 2011 big floods, KTC offered a special interest rate to credit card members living in flooded areas so as to ease their debt burdens. Such special promotion is also introduced for some flood-affected areas in some other years.
 - KTC has waived the debt-collection fee of Bt250 (excluding VAT) for members in events that they do not receive their bills due to sieges and riot-related fires in the capital. KTC has also provided accommodation for employees

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living in areas affected by floods and riot-related fires. The waiver and accommodation provision happened when rioting hit Bangkok in 2010 and protestors surrounded many places in 2013.

6. Environmental Care

- KTC has the policy to reduce the use of paper across its organization. This policy is a key part of KTC Smart Office project, which encourages employees to cut down on paper use, to keep their important documents in electronic forms or as eDocuments, to email eDocuments instead of sending hard copies to other units, and to recycle paper in their own units. Such moves lower the consumption of paper that is made from natural resources, reduce document-storage space, boost convenience of searching and retrieving documents later on, and also save electricity that would otherwise be used for photocopying documents. In credit-approval process, KTC has now developed the Host-to-Host system to store relevant information and authorized only credit analysts to view the information. KTC has also informed its customers about the disclosure of their information to the National Credit Bureau (NCB) via a billing statement. Plus, it has lowered the use of paper when sending year-end summary to its customers as well as documents to NCB. In addition, KTC has used computer programs in analyzing information in the Contact Center's database for the development/improvement of services and management of employees' work schedule without printing out the information. While KTC's legal department needs to use plenty of hard-copy billing statements for legal proceedings, it makes sure photocopies are printed on both sides of paper, which enables to reduce paper consumption by half. Moreover, the department has even worked with some courts in reducing the use of documents for legal proceedings (relying on the appendix of affidavit when citing document evidence). In events that the case is finally settled out of court, KTC asks for documents that are not needed at the court. This not only reduces the court's document-storage burden but also allows KTC to recycle those documents at the same time.

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- KTC has created electronic forms for its customers in submitting requests, which are a request form for permanent-credit approval and an approval request form for internal use. Senders can complete forms online instead of using paper and even attach related files such as files that customers sent via facsimile, memos, and messages on screen from relevant systems. The forms and attachments can be forwarded online and stored in online database without any need to print them out.
- **Attempts to Save Electricity & Petrol**
 - KTC has reduced electricity consumption by using only energy-saving light bulbs at its offices and also its service points across the country. Computer screens across the organization are of LCD type. Plasma screens at KTC are also replaced by LED Screens, which consume less electricity.
 - KTC has the policy to save energy at offices. Therefore, air-conditioning system is switched off at 6pm each day and employees are allowed to wear casual clothes at work. Employees working on a night shift shall sit together at designated area so as to save electricity at the facilities and to keep all under the close supervision of their supervisor.
 - KTC has reduced its petrol expenses by requiring that all company cars use environmentally-friendly petrol types such as E20 and E85.

7. Contributions to Community/Social Development

As a non-bank financial institution providing credit card and personal loan services and a cogwheel in Thailand's economy, KTC is aware that it can be a good source of information. It has thus organized "Knowledge Sharing" seminars for its employees, university students participating in Learn & Earn @KTC Project, and press on a regular basis. The goals are

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to encourage the exchange of knowledge and to build understanding through the “KTC Educational Series” activity. Press is included since they can further spread the knowledge further to consumers and the public. These seminars address financial businesses and issues that will directly benefit consumers and the society. Some topics at the seminars promise to widen the horizons of people and respond to the public interest: how credit card business operates, harsh collection, is it true? and the risk of using credit card for online transactions. Some others address the risks of using credit cards for online financial transactions. At some seminars, the persons behind the credit-card businesses, their operations, and debt collection serve as speakers. Some seminars also deal with social issues. The list of these useful seminars is as follows:

- KTC 401 topic: “KTC Front Office Has Answers for All Questions” is aimed at educating participants about the role and duty of KTC Contact Center. Being in the front line, they facilitate the services and provide assistance to credit cardholders and personal loan customers in line with proper standard to deliver not only convenience but also customer satisfaction.
- KTC 402 topic: “CRM in the Digital Era: Challenges of Members’ Changing Behaviors” talks about studies on and analyses of database of over KTC’s 2.2 million credit cardholders and personal loan customers, challenges of members’ changing behaviors in the Digital Era. Information from the studies and analyses is used to design marketing campaigns mainly in response to members’ needs.
- KTC 403 topic: “Adept Coordinator: Secret Weapon for the Victory in Credit Card Business” presents useful information for conducting marketing in credit card business in the free-trade age. Total Business Relationship (TBR), which is about pursuing mutual business relationships with partners, is a key for business success and sustainable mutual business growth in this era.

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- Knowledge Sharing activities for press, employees and university students participating in the Learn & Earn @ KTC Project. Organized by the “KTC PR Press Club”, these following activities are:
 - “Rewinding to the Origin of Money with KTC: From Cowrie Shells to Baht” activity gave an insight into the minting of Thai coins, their acceptance and disbursement, techniques for the observation of these coins and a tour around the Royal Thai Mint Learning Center.
 - “Experiences at a World-Class Organization: Tour around the United Nations Conference Center” activity provided an opportunity to find out about the roles and missions of the United Nations (UN) and its Economic and Social Commission for Asia and the Pacific (ESCAP) as well as the preparations for the ASEAN Economic Community (AEC) era. The activity also included a tour around the United Nations Conference Center.
 - “Behind the Court Bench: Legal Preparations for the AEC Era” activity provided insight into the authority, duty, and mission of the Criminal court, hearing proceedings, laws enforcement and the legal preparations for the AEC era. The activity also included a tour around a courtroom.
 - “Insight into All Work Stages at Thailand’s AOT-Operated Gateways with KTC” activity presented the history and mission of the Airports of Thailand (AOT) whose works create the economic bridges between Thailand and the world. AOT facilities are like Thailand’s reception halls that welcome visitors from around the world and make their first impression of the kingdom. During the activities, participants also learned about the history, roles and duty of the Aeronautical Radio of Thailand, which has long provided air-traffic control services with efficiency and good safety standard for Thailand. The seminar also addressed these agencies’ preparations for AEC era, as well as a tour around an international passenger hall, and an observation of how immigration officers work.
 - “Indulging in Poetry during a Cruise along the Suphan River: Trail along King Rama V’s 1904 Trip with KTC” activity: To honor King Rama V on the occasion of the King Chulalongkorn Day (23 October 2014), KTC organized a merit-

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making, historically-themed trip. Paladisai Sitthithanyakij, an expert in Thai history, served as the speaker during the trip that took participants to Wat Phra Si Rattana Mahathat, Wat Kaeo Takhianthong and Wat Bang Yi Hon. Those joining the trip also learned about local riverside communities' way of life and got their hand on cooking spicy paste based on a local recipe.

- KTC has implemented the “Thailand Boutique Awards” project in collaboration with its business partners since 2010. The annual contest is aimed at providing small and medium boutique hotels with a forum via which they can boost their reputation among consumers, encouraging the sustainable development of boutique hotels, and helping these hotels to prepare themselves for the competition from other ASEAN nations and the rest of the world. In 2014, under the concept of “Think Green”, more than 120 hotels, each with three to 49 rooms, joined the contest. A total of 11 qualified experts from various relevant fields were the judges of this contest who worked on site to inspect participating hotels and identify the best boutique hotels of the year. There were four categories in the competition: hotels by the sea, hotels in the mountainous/forest zones, hotels by rivers/lakes, and hotels in town. Awards were granted based on three merits: 1. Architecture and Design; 2. Conservation of Natural Resources and Environment; and 3. Concepts and Culture. In addition, the project handed out Special Awards to boutique hotels with outstanding features. The project has also created a website specifically for boutique-hotel community via which boutique hotels can communicate, share opinions and report updates among their peers.
- KTC believes that everyone in the society must jointly make contributions to create a good society and that the development of quality human resources must start with young children. As a result, KTC mainly focuses on “youth” with a conviction that youth education is crucial to the country development. KTC has launched two big projects namely the “Learn & Earn @ KTC” Project and the “KTC Offer” Project apart from providing educational support to government agencies, private organizations and academic institutes.

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- KTC has carried out the Learn & Earn @ KTC project since 2003. Designed to inculcate the value of time and the need to manage their expenses in the youth, the project has recruited university students to part-time jobs at KTC. They can step in to get on-the-job training and receive wages on an hourly basis. KTC employees are also on hand to provide guidance and knowledge making them well prepared before stepping into the world of work. This project has practically created jobs in the society. More than 23,000 students have joined the Learn & Earn @ KTC project to date. Of them, over 3,000 have already completed the project's training and several hundreds have finally secured permanent jobs at the KTC. During their participation in the project, university students have got opportunities to attend various skill-development activities that are held under the Edutainment theme. For example, successful professionals have been invited to give motivational speeches and guidance. Through the collaboration between KTC and the Stock Exchange of Thailand, they have also got access to financial-planning sessions. Held under the "Smart Spending" concept, these sessions seek to give the right understanding to university students and make them recognize the value of financial planning. Workshops and contests on financial plans, together with many other useful activities like make-up courses, have been held for the participants of the Learn & Earn @ KTC project. In addition, KTC has organized educational trips for participating university students for the purposes of promoting the attitudes of "givers". Every year, KTC has also handed out Top Performance Awards to the students who have good academic performance and impressive work performance. These awards come with financial grants or package tours to boost the morale of the students.
- KTC is committed to developing good and quality people for the society at a wider scale. Aware that its Learn & Earn @ KTC project has limited positions, KTC has started the "KTC Offer" Project. Under this initiative, successful KTC executives have shared their knowledge and experiences in marketing, financial, PR, human resource and legal fields

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with students right in their classrooms and with people at various seminars. Responding to the KTC's policy to establish itself as the Organization of Knowledge Sharing, the KTC Offer project is aimed at improving their learning process and providing educational guidance for target groups. Through the project, target audiences attain not just theories but also analytical-thinking techniques and practical knowledge that can be applied to their study/work.

- KTC has prepared a system via which KTC cardholders can use their cash-equivalent reward points in making donations to 25 charity organizations. Under the "Reward Points for Donations" Project, KTC cardholders can convert their points to cash donation with 1,000 points equivalent to Bt100. Donations can be made by calling the KTC Contact Center, contacting KTC Touch branches, or completing a form via "TapKTC" application or ClickKTC website. KTC will then submit the donations to their chosen charity organizations. KTC, in addition, has arranged a monthly donation program for interested cardholders. If they join the program, the donation will be monthly charged to their credit-card account. KTC has also made donation boxes available at its service points to ensure that customers can conveniently make merits whenever they want.
- KTC has sent direct mails free of charge to its members with donations records for the purposes of raising fund for the Thai Red Cross Society so as to support the construction of and purchase of medical equipment for the Bhumisirimangkhalanusorn Building, the Chulalongkorn Hospital, and for the CCF Foundation to help underprivileged children at remote schools.

8. Creation and Promotion of Innovations

- In a bid to increase its customers' convenience in accessing its services, KTC has developed efficient online channels for its customers. These online channels offer not just information but also platforms to carry out transactions in one-stop-service style. The "TapKTC" and "ClickKTC" applications cover all types of KTC products/services for credit cardholders/shops accepting credit-card payments. During their pilot phases, these applications were available on website only.

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However, they can now be accessed via smart phones and smart devices powered by both iOS and Android operating systems, because KTC seriously seeks to accommodate the growth of its big target groups, especially those providing payment services now and in the future. The online services available via “TapKTC” and “ClickKTC” applications include Cash Advance withdrawals from KTC credit-card/personal loan accounts. Customers can choose whether to put the cash in their account or others’. In addition, KTC’s personal-loan customers may choose to receive cash via any shop in the KTC network. With these online applications, customers can conveniently check their due amount, set due-payment alerts, and access various other services including e-Statement. By subscribing for the e-Statements, customers will not only get the statements more conveniently but also play a role in environmental protection. E-statements help lessen the need to produce hard-copy statements, thus reducing the need to use natural resources. There will be no need to use energy for disposing old and discarded statements either. To support this green concept, KTC has ensured its Contact Center staff recommend the choice of e-Statements to its customers.

- KTC has developed a new service under its TapKTC Merchant project to allow shops to accept credit card payments online. This new product is called “mPOS” (mobile point of sale) that can operate on either iOS or Android system. By joining the TapKTC Merchant project, every participating shop can accept payments for its services/products at the point of sale via a registered smart phone. The mPOS will process the payment and issue an online slip for customers to sign or to affix their e-Signature. The payment process will then move to the last stage in which an e-Receipt will be sent to customers’ email inbox. Since all information sent through the mPos is encrypted with high safety standards, shops and credit cardholders are ensured the confidentiality.
- KTC uses innovations by all leading networks of credit-card providers namely Visa, MasterCard and JCB so that its team can develop its business further and generate income from these innovations.

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- KTC has issued electronic credit cards or Virtual Cards to its members with an aim to lower the production cost of paper/plastic-based cards.
- KTC has come up with an initiative to notify applicants about its credit approval results via SMS. Work procedures now require that after credit analysts has reviewed credit-card/personal loan applications; they shall inform applicants of results via SMS. In the past, the notification was made via a mail – a process that consumed a huge volume of paper and that forced customers to wait for the result longer. Moreover, mail delivery could take time. In 2014, KTC thus launched the SMS notification initiative. Under this new system, applicants learn about the results fast via SMS in all events except when their applications are rejected. Laws require that any decision not to grant a credit be communicated in paper only. For successful applicants of credit cards and personal loans, they shall get SMS notification and no longer have to wait for a mail from KTC. With the SMS notifications, paper consumption significantly decreases. After credit cards and personal-loan cards are issued and sent to customers, KTC has a specific team to follow up with delivery and activation. After ensuring that the cards reach customers safely, the team will inform customers of cards' benefits and facilitate their activation of the cards. Such procedures are taken to prevent damages from the loss or delayed delivery of the cards, reduce customers' time/expense in following up on the cards, and minimize activation procedures for customers. KTC does not want to replace or re-deliver a card, where not necessary.
- KTC has compiled employee database in the Human Resource Information System (HRIS), which boosts database efficiency and reduce paper consumption. In addition, KTC has developed several HR modules in the HRIS to address all relevant needs.
- KTC has differentiated its corporate culture with the fast and dynamic elements. It, therefore, has paid serious attention to working environment. Embracing the theme of Smart Office, KTC seeks to promote creativity among its employees and establish itself as a Creative & Smart Organization. Since 2006, it has redesigned its office space with creativity to

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boost the good work atmosphere by making employees feel like they are working at home. They can sit down at whichever desk at the office, because they can independently log into their work system. Coffee corners are available all around, allowing employees to conveniently get together for counseling or meetings. In addition, KTC has provided recreational areas and also massage chairs for its employees. Wi-Fi services have covered the whole office 24 hours a day in support of the Smart Office concept. Office equipments are placed at strategic spots to ensure that work flows conveniently. All employees working in the Smart Office Zone get a computer notebook with IP Phone to ensure that it stays connected no matter where they sit down. KTC has provided lockers for employees too so that they can keep their documents and personal belongings safe. By providing convenience to its employees, KTC hopes to develop good ties with them and to facilitate their work efficiency. Thanks to such approach, KTC has been a highly successful company as it has won the Happy Workplace Award from the Thai Health Promotion Foundation between 2010 and 2012.

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Operations related to Corporate Social Responsibility

In 2014, KTC did not engage in any business operation that might affect the society or the environment.

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After-Process Activities for the Environment and the Society

Out of its commitment to repay its members and the general public, KTC has accorded importance to conducting these following activities for public benefits:

Knowledge Sharing

- “KTC for Children: Paper Marche Chairs for Children with Brain Disorders” workshop was organized for senior-secondary students of Wat Thatong School to learn how to make innovative chairs from “paper marche”. These chairs were later given to children at the Central Special Education Center on the occasion of the National Day of Persons with Disabilities.
- “KTC for Kids: Happy Mushroom Farms on School Decks”: Under this project, KTC has helped schools set up Phoenix Mushroom farms on the deck of their buildings. The students also learned how to cook the mushrooms into various dishes.
- KTC granted Baht 20,000 grant to the project of organize training workshop for PR personnel.

Youth Development and Education

- KTC has handed out Top Performance Awards to outstanding students in its Learn & Earn @ KTC project. Besides, the Company has issued certificates to all students who have worked for 300 hours under the project. Scholarships are also granted to selected students every year so as to boost the morale of students and to bring pride to their parents.
- KTC donated Baht 135,004 to the Yuvabadhana Foundation. This amount of money is the fund raised by KTC executives and staff. The fund-raising activities involve the donation of items they have and the auction of those items so that the foundation can get the fund for children under its care.
- KTC donated Baht 50,000 in support of the Money Talk seminar held by the National Institute for Development Administration.

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- KTC donated Baht 100,000 to the 4th batch of students at the Thailand Energy Academy so as to provide them with fund for educational activities and social work.
- KTC donated Baht 10,000 to the Bangkok University for its Art Thesis project.

Sports

- KTC donated Baht 100,000 in sponsorship to the charity golf tournament that is held to mark the Thai Journalists Association's 60th anniversary.
- KTC donated Baht 30,000 in sponsorship to the State Enterprises' 2015 Bicycle Race.
- KTC donated Baht 15,000 to the Charity Bowling Club for the Visually-Impaired Thais through the "Joining Hands, Giving Hearts to Help Thais With Disabilities Chase Their Dream" activities.
- KTC donated Baht 20,000 in sponsorship to an annual charity run or the 7th "Cancer Care", which raises fund for researches benefiting cancer patients at the Chulalongkorn Hospital, the Thai Red Cross Society.
- KTC donated Baht 50,000 in sponsorship to the Public Debt Management Office's 10th Annual Golf Tournament, which was held to raise fund for the welfare of the office's staff as well as the office's social work/charity activities.
- KTC donated Baht 50,000 to the Association of TU Business School Alumni for its King's Cup Golf Tournament, which took place on 6 October 2014 at the Krungthep Kreetha Golf Course.

Social Work

- KTC donated Baht 1 million to the Operation Smile Foundation every year for five consecutive years between 2014 and 2018. The donation is made through the project, which 17 Thai firms have joined forces in financing the reconstructive surgery for 1,200 children with cleft lips and palates across Thailand, setting up a center to provide information on such

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illnesses, and procuring related surgical equipment. In addition, KTC has organized the “KTC & Press Charity Sports Day” activity to forge closer ties between its executives and reporters and also to raise Baht 70,000 for this project. Moreover, KTC has launched the “Life-Changing Smiles” initiative. Under the campaign, KTC has produced and sold souvenirs to its members as well as the general public before giving the proceeds after expenses to the Operation Smile Foundation.

- KTC donated 1 million to the Neurological Research Fund, the Ramathibodi Foundation, via the Ice Bucket Challenge activity in a bid to offer assistance and moral support to patients with neurological disorders and Amyotrophic Lateral Sclerosis (ALS) sufferers. The donation was made at the Office of the Dean, the Faculty of Medicine Ramathibodi Hospital. In addition, KTC, in collaboration with media, gave Baht 50,000 to the Somdet Chaopraya Hospital Foundation under the Royal Patronage of HRH Princess Sirindhorn, the Somdet Chaopraya Institute of Psychiatry, in a hope of giving assistance and moral support to patients there. This donation was also made via the Ice Bucket Challenge activity.
- KTC donated office equipment and office furniture, such as computers that are no longer compatible with its updated system, to needy communities/organizations such as schools operated by the Bangkok Metropolitan Administration (BMA) and schools in remote areas. The goal is to ensure that teachers and students there can use the computers for their teaching/learning activities.
- KTC, in collaboration with B2S, has implemented the “We are Glad about Your Graduation” project. Under this project, KTC cardholders can donate money to the CCF Foundation in support of poor children through available KTC channels, either by credit card payment or redemption of Forever Reward points. Or they can make donations by directly contacting any of B2S branches. KTC is committed to transferring the donated amount, given via either credit card payment or redemption of Forever Reward points, to the foundation.

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- KTC donated Baht 18,000 for toilet improvement under the “11th Friends from Insurance Industry and Allies for the Society” project. This project was carried out at Ban Nong Hang School, Nong Ya Sai district, Suphan Buri province.
- KTC gave Baht 50,000 to the Ronald McDonald House Charities for providing assistance to patients and underprivileged children.
- KTC, in collaboration with its members, donated Baht 181,200 to the Foundation for the Blind in Thailand under the Royal Patronage of HM the Queen.
- KTC has conducted campaigns to encourage KTC cardholders to donate money via KTC payment or redemption of reward points to the Children’s Hospital Foundation as a means to help underprivileged young patients. Every 1,000 “Forever Rewards” points can be converted into Baht 100 cash donation.
- KTC, in collaboration with KTC members, donated Baht 225,825 to the World Vision Foundation of Thailand so as to deliver assistance to victims affected by the Typhoon Haiyan in the Philippines.
- KTC, in collaboration with KTC members, donated Baht 138,000 to the Home for Handicapped Animals Foundation (under the patronage of Luang Ta Maha Bua).
- KTC, in collaboration with KTC members, donated Baht 188,250 to the Thai Hearts Foundation under Royal Patronage for social contribution activities.
- KTC, in collaboration with KTC members, donated Baht 476,500 to the Thai Red Cross Society.
- KTC gave Baht 10,000 to the Phramongkutklao Hospital Foundation under the Royal Patronage on the occasion of the 11th anniversary of the Thunhoon newspaper.
- KTC gave Baht 10,000 to the Krob Krua Kao 3 Foundation to mark Channel 3’s anniversary.
- KTC gave Baht 10,000 to the Kowit Vorapipatana Foundation on the 24th anniversary of the Khaosod newspaper.
- KTC gave Baht 32,100 for the Nation Newspeople@Suvarnabhumi activities.

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- KTC gave Baht 30,000 to the Seub Nakhasathien Foundation on its 24th anniversary.
- KTC presented Baht 10,000 to the Samut Prakan Association for the Blind.
- KTC gave Baht 20,000 to the Rajanukul Institute for use in the institute's affairs.
- KTC gave Baht 5,200 to the Somdet Chaopraya Hospital Foundation under the Royal Patronage of HRH Princess Sirindhorn.
- As its mid-year "Do Good Deeds with Media" activity under the theme of "Be Sufficient Through Sufficiency at Easternmost Zone with KTC" in Sa Kaew province, KTC gave Baht 65,393 to the Royal Cattle-Buffalo Bank for Farmers.
- KTC has given Baht 5,000 to the Thai Public Broadcasting Service Foundation on the occasion of TPBS TV station's anniversary.
- KTC has given Baht 10,000 to the Princess Maha Chakri Sirindhorn Foundation on the occasion of the Post Today's anniversary.
- KTC has given Baht 20,000 to the KTC-organized "Reforestation Program for Ecological Balance".

Religious Work

KTC has supported and upheld Buddhism via various religious activities as well as donations to Buddhist monks/ Buddhist religious sites as follows:

- KTC organized "KTC for Kids: Mobile Dhamma Yard for School Students" under the "Benevolent Mothers: No Love is Greater Than Motherly Love" theme to mark the National Mother's Day. Through this project, senior primary students of Sawaddeewittaya School listened to a sermon about one's indebtedness to mothers. Preacher was Phra Panu Jittatanto from the Dhamma Mind Spa, Rama IX Golden Jubilee Temple, Bangkok.

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- KTC organized “KTC Mobile Larn Dhamma” for KTC staff at Makut Khiriwan Temple in Nakhon Ratchasima's Pak Chong district. The program featured a two-day Dhamma retreat during which participating employees could practice meditation and made merit at the temple.
- KTC organized the KTC Larn Dhamma's “Mind Control, Learn to be Compassionate” activities. Conducted by Phra Ajarn Tawatchai Thammatipo and Phra Ajarn Surapong Sittatiko from the Mind Development Center, Ban Wang Mueang, Phang Nga province, the activities sought to teach participants how to observe their thoughts, practice Dhamma, develop proper thinking process, promote concentration and mental sharpness, as well as purify their mind in a way that they can apply well to their work and their daily life.
- KTC gave Baht 10,000 to the Skill Development Department's 2015 royally-sponsored Kathin ceremony.
- KTC gave Baht 55,500 for the installation of three glass windows around the four-gable mandapa at Santisuk forest monastery in Kampaeng Phet province. Each window cost Baht 18,500. The donation was made to support Buddhism and also to develop good ties with local communities.
- KTC gave Baht 50,000 to the construction of the ordination hall of Thung Poon temple in Sob Tia sub-district, Chom Thong district, Chiang Mai province. The new ordination hall will enshrine the temple's main Buddha image and accommodate monks' rituals.
- KTC gave Baht 10,000 to Thung Bor Pan Samakkeetham Temple in Lampang province to mark the 37th anniversary of MCOT.
- KTC gave Baht 10,000 to Dhammachak Temple in Phitsanulok's Mueang district for the restoration of its ordination hall.
- KTC gave Baht 10,000 to Rama IX Golden Jubilee Temple for use in the KTC Larn Dhamma's “Mind Control, Learn to be Compassionate” activities.

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- KTC gave Baht 10,000 to Boromniwas royal monastery via the royally-sponsored Kathin ceremony, which was organized by the Government Savings Bank's Branch Operation Division.
- KTC bought Phra Yord Thong featuring Luang Phor Koon Parisuttho's "victory" version at Baht 119,998. The amulets were sold to raise fund for the 43rd National Games or "Nakhon Ratchasima Games" and the 33rd National Para Games or "Khorat Games".
- KTC donated Baht 10,000 to the casting of a Buddha statue for Phra That Phu Jae Temple in Ban Boon Rerng, Moo 4, Ban Wiang sub-district, Rong Kwang district, Phrae province.
- KTC gave Baht 2,000 in support of a Kathin ceremony at Dham Saeng Thong forest monastery in Mae Taeng district, Chiang Mai province. The ceremony was held to raise fund for the construction of the temple's ordination hall.
- KTC gave Baht 5,000 in support of a Kathin ceremony at Tarapirom forest monastery in Chiang Dao district, Chiang Mai province. The ceremony was held to raise fund for the construction of a dhamma-practice pavilion.
- KTC donated Baht 10,000 for the restoration of Noi Wang Sakaeng Temple (Thip-apsorn Amorn-in Temple) in Lamphun province.
- KTC donated Baht 300,000 to a Krungthai Bank's Kathin ceremony for Matchimawas forest monastery in Lamphan sub-district, Mueang district, Kalasin province.
- KTC donated Baht 20,000 to a Kathin ceremony for Khao Daeng Temple, Kui Buri district, Prachuap Khiri Khan province.
- KTC donated Baht 50,000 to a Kathin ceremony for Phromthada Buddhasathan hermitage, Chom Thong district, Chiang Mai province.
- KTC gave Baht 10,000 in support of the 2014 royally-granted Kathin robe presentation to the Klaikangwon Temple, Han Ka district, Chainat province.

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Prevention of Corruption

The Board of Directors has approved KTC's anti-corruption policy, which is a part of the Company's policies on corporate governance, with an aim to prevent directors, executives and employees from engaging or condoning any form of corruption. In response to the anti-corruption policy, KTC has clearly specified the roles and duty of its directors, executives and employees. The Company, moreover, has laid down the guideline advising them about how to proceed when detecting corruption. Channels are made available for them to provide tips-off or lodge a graft-related complaint. All these efforts are made to ensure that executives and employees at all levels can carry out their work properly.

In 2014, KTC signed an agreement to declare its intention to join the "Private Sector Collective Action Coalition Against Corruption" during an international seminar on the Collective Anti-Corruption (CAC). The Thai Institute of Directors (IOD) organized the event to promote the transparency of business operations.

At present, KTC has already undertaken the followings for the purpose of preventing corruption:

1. KTC has issued an anti-corruption policy. Also, it has communicated the policy with its customers, suppliers and employees.
2. KTC has determined procurement guideline in a clear-cut manner so as to prevent any direct or indirect corruption during the stage of procurement. At KTC, procurements shall be made mainly in the best interest of the Company.
3. KTC has provided channels via which both outsiders and employees can submit a tip-off or complaints related to corruption. Upon receiving the tip-off/complaint, KTC shall launch investigations to find out the truth. Throughout the process, KTC shall keep the information on the person who submits tip-off/complaint confidential.

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4. KTC has included anti-corruption guideline in its orientation for new employees since June 2014. A total of 592 employees have already attended such orientation sessions.

Details about KTC's policies are also available on KTC's website under the topic of Corporate Social Responsibility for interested stakeholders or <http://www.ktc.co.th/en/ktc/InvestorRelations/Responsibility>

Internal Control and Risk Management

Comments from the Board of Directors towards the company's internal control

Internal Control

The company's Board of Directors and management are aware and give precedence to internal control system as a crucial factor to create confidence and minimize business risks which enhances efficiency to serve the company objectives by allocating company's resources appropriately as planned.

The Board of Directors has assigned the Audit Committee to effectively and appropriately regulate the company's internal control and risk management. In other words, the Audit Committee has to supervise the company to follow the related laws and regulations in order to prevent conflicts of interests, or connected transactions. Apart from that, the Audit Committee also needs to monitor and control the company's operation, and to prevent illegitimate or unauthorized uses of company's properties. In addition to that, the Audit Committee has to prevent the company's assets from missing, loss, misconduct or corruption. The company has established audit mechanisms by having internal audit independently performed auditing, evaluating the efficiency and the competence of internal control process, risk management process, and compliance process in every operational unit. The company has applied international standards of The Committee of Sponsoring Organizations of the Tread way Commission (COSO) and the Enterprise Risk Management in order to promote the highest level of efficiency and effectiveness in business operations. Moreover, the company's management team will work on the audit's results to improve productivity and allow the Internal Audit Department to consistently monitor business operations. In addition to that, the Compliance Division is set up to monitor and study business-related laws, announcements or regulations in order to keep our employee aware of such information and to make sure that the company operates its business practice correctly.

Internal Control and Risk Management

Furthermore, the Audit Committee has annually evaluated the company's internal control process and has reported to the Board of Directors regarding to the "Sufficiency Evaluation of Internal Control Process" of The Securities and Exchange Commission (SEC) and has disclosed the evaluation results in the company's Annual Registration Statement (Form 56-1) and Annual Report.

In 2014, the company didn't find any significant errors in the company's internal control process:

Control Environment

The Company has arranged a good internal control environment by appropriately setting up a distinct organizational structure and chain of command. Including, establishing well-defined business goals and Key Performance Indicators (KPI) in assessing operational performance that complies with company's objectives and determining an authority manual and operational manual for the entire system in written document to be used as a guideline for operational standard and procedure. Apart from that, the company also fosters the executives and staffs to be aware of its corporate governance by establishing policies to enhance good corporate governance, business ethics, and code of conducts for committee members, directors, and staffs. The company also constantly promotes relating activities, for example, an annual employee training which helps the business operation to be more transparent and justified for all stakeholders.

Risk Assessment

Apart from the sufficiency evaluation of internal control process by referring to the "Sufficiency Evaluation of Internal Control Form" under The COSO framework of The Securities and Exchange Commission (SEC), the company also conducted an annual Internal Risk Evaluation under the rules of consolidated supervision of the Bank of Thailand (BOT) which covers

Internal Control and Risk Management

5 main risks: Strategic Risk, Credit Risk, Market Risk, Liquidity Risk, and Operational Risk. The Internal Risk Evaluation is composed of assessing risk level, quality of risk management, and tendency of risk. Additionally, this also involves identifying ways to control or manage the risks. The result of such assessments need to be submitted to Krung Thai Bank Public Company Limited and reported to the Risk Management Committee of the Financial Business Group.

Control Activity

The company has explicitly delegated responsibilities to each position and has revised the exercise of authority manual and operational manual/procedures to make them align with the organizational structure and current operation practices. Moreover, it has verified that results of its performance are consistently in line with rules, regulations; exercise of authority manual and Standard Operating Procedure (SOP) to ensure that the operations are efficient and under adequate internal control system. Regarding the related-party transaction issue, the Board of Directors has approved the principle for business transaction that might be considered as related-party transaction in order to make it correctly complied with previously mentioned laws. Allowing management to perform transaction or business deal that considered being related-party transaction as per the definition stated in The Securities and Exchange Commission laws. Such transaction or deal should be same as normal practice that company will do to other parties under the same circumstance using normal bargaining power without the use of personal influence as a committee, management or other influential person, (“General business deal”) including the ongoing transaction and future prospect transaction. The management can set up framework to be operational guideline and will summarize the report of such transaction to the audit committee and the Board of Directors’ meeting in a timely manner. If the company should do the transaction with the person that might consider being related-party transaction or might considered being conflict of interest in the future, the company will set up audit committee to consider the appropriateness of such transaction. If the audit committee is not specialized enough to consider that transaction, the company will appoint specialist such as auditor or appraiser or law firm, who is independent from the company and the other accusing party, to provide comment for such transaction.

Internal Control and Risk Management

Information and Communication

The company places a great emphasis on the Information System and Communications. It has promoted and encouraged a continuous development to ensure that the information is accurate and updated. Additionally, it has embraced a modern and proficient technology with an emphasis on information security, covering all stages: information gathering, processing, monitoring, and filing. This consequently serves as a powerful data analysis tool that allows executives and stakeholders to perform and utilize the information appropriately; as a result, a timely and comprehensive investment decision-making could accurately be made through this process. Moreover, the company has determined information technology security and information usage policies and established intranet system as an internal communication channel for announcing policies, regulations, operational manuals, and news within the organization.

Moreover, it has assigned the company secretary to be responsible for preparing information and related documents for meetings beforehand along with taking minutes of the Board of Directors' meeting every time. As for external communication to public, the company has established communication method for receiving information complains or corruption suspicions through designated channel.

Monitoring

The company has an appropriate performance tracking and evaluation system, covering various aspects that are necessary in business operations; finance and accounting, operations, law and regulations compliance, and asset management. A performance is evaluated at all levels-from directors to management team to pursue the business goal achievement, by comparing the operating result and business objectives constantly. Board of Directors meeting is one of the company's

Internal Control and Risk Management

evaluation tools as well; it is arranged regularly to monitor business performance through management's report. Directors will supervise the alignment of implemented strategy and business plans, which were previously approved, to accomplish the best possible operating result.

Moreover, the company also managed a performance investigation following internal control system by responsible staffs in Internal Control Department, and independently reported to the Audit Committee. In 2013 and 2014, the Audit Committee has arranged 7 and 8 meetings, respectively.

In the Audit Committee meeting No.7/2014 on 13rd November, 2014, the Committee had evaluated internal control system from performance report. According to the internal control evaluation, the Audit Committee concluded on the 5 components reports i.e. internal control, risk evaluation, performance control, information system and communications, and tracking system. The Audit committee had an opinion that the company's internal control system is sufficient. Currently, the company has set up "Succession Plan" policy within the organization and has developed the potential candidates to be promoted to the suitable positions on a timely manner, which results an effective key position replacement. The company also set up the policy to make profile and potential assessment of important position successor; moreover the company has implemented the Leadership Program to be prepared for the organizational growth.

Internal Control and Risk Management

Risk Management

The company gives priority to risk management, it has set risk management policies determining to develop risk management system under Good Corporate Governance. Besides, it has integrated risk management covering all aspect across the organization by adopting a systematic and continuous engagement. The Risk Management Committee (RMC), which consists of management from each business unit will supervise the organization risk management to ensure that company's goal is achieved in acceptable level.

In 2014, the company has restructured the organization by setting up Compliance department restructured Legal department in order to enhance management flexibility in operation management and to comply with company's business operation direction.

(Please read more detail about company's risks management in "Risk Factors" topic)

Internal Control and Risk Management

Audit Committee Report

The company discloses the audit committee report; “Audit Committee report” in annual registration statement 2014 (Form 56-1) and in annual report.

Internal Control and Risk Management

Internal Audit and Compliance Supervisor

Supervisor of Internal Audit of the company is Mr. Pornchai Wijitburaphat and Supervisor of Compliance is Mr. Sakda Chantrasuriyarat.

(Please refer to Profile of Internal Audit Supervisor and Compliance Supervisor)

The Audit Committee gave an opinion that considering from the qualifications of officials taking the positions of Internal Audit and Compliance; they can perform their roles effectively and are appropriate to the positions

Therefore, the appointment, assessment, removal, transfer or contract termination of Supervisor position of company's internal audit must be approved by the Audit Committee.

Internal Audit

The Company's Internal Audit is responsible for:

1. Evaluating sufficiency and effectiveness of operational and information system, internal control, and risk management under the authority of audit.
2. Reporting significant issues regarding the control process of the company's activities and ways to develop such a process in that particular activity.
3. Providing recommendations to executives so that the operation is effective, efficient, economical, and is complied with good corporate governance.
4. Reporting a progress or result of an annual audit and its resource sufficiency.
5. Coordinating, supervising, and monitoring other functions such as risk management, compliance, safety control, codes of conduct, environment, and accounting audit.
6. Taking responsibilities of other operations related to internal audit as assigned by the Audit Committee.

Internal Control and Risk Management

Compliance

The Company's Compliance is responsible for:

1. Ensuring that the company complies with laws and regulations of the Stock Exchange of Thailand or government agencies correctly.
2. Giving legal opinions to the Board of Directors and management so that the operations of the company comply with rules and regulations of the Stock Exchange of Thailand or Government Regulations, along with monitoring and suspending the management's transactions and actions that might violate such rules or regulations.
3. Examining evidences when there is a suspicious transaction or action that might violate the laws or regulations of the Stock Exchange of Thailand or government agencies, which may significantly affect the company's financial status and performances.
4. Coordinating with the Internal Audit Supervisor and Internal Audit Committee in order to ensure appropriateness and effectiveness of the company's internal control and internal audit.
5. Participating and giving recommendations regarding procedures of the company's operational functions to ensure that policies, regulations, and procedures stated by laws are followed correctly.
6. Acting as a center for giving information, knowledge, and suggestion to units within the organization on how to comply with rules and regulations of operating procedures.

Internal Control and Risk Management

Report of the Audit Committee

To the Shareholders

The Audit Committee consists of three independent directors who have appropriate expertise and experiences in various fields.

The Audit Committees perform their duty as per their jurisdiction and responsibility given to them by company's Board of Directors, which complied with capital market's announcement and Stock Exchange of Thailand's regulation. The current audit committee members consist of;

Mr. Akarat Na Ranong

Chairman

Ms. Pantip Sripimol

Committee member

Mr. Paroche Hutachareon

Committee member

The Senior Vice President of Internal Audit Department serves as a secretary of the Committee.

During year 2014, the audit committee has convened a total of 8 meetings to practices its duty complying with both Charter of Audit Committee and Best Practice Guidelines for Audit Committee. The Committee abides with its independence judgment for the best interest of the Company as well as appropriate information with completeness and transparency disclosure. In addition to that, the company has reviewed its operation to make sure that it's complied with policy regulations and business related laws, along with the responsibility to consistently monitoring operation result as per government agencies' regulation. In every Audit Committee meeting concerning quarterly or annual financial statements of year 2014, external auditors were invited to attend the meeting with the management to give opinions and additional observations in order to ensure that the financial statements were conducted in accordance with the general accounting standard and to review the disclosure of significant information, connected transaction and transaction that might be considered as

Internal Control and Risk Management

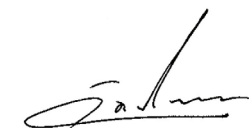
conflict of interest. In addition, some of the meetings were particularly held without the present of management in order for the Audit Committee to acknowledge the problem found from account auditing, and to make comments and proposal about auditing plan and to review the auditor's result before presenting it to the Board of Director for consideration.

The Company chose Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. to be the external auditor in year 2014. The company has considered appropriate remuneration rate along with comments and proposals to present to the Board of Directors for further consideration in the shareholder meeting to make official appointment.

The Audit Committee has continually reviewed and evaluated all significant risks by reviewing and monitoring the internal control system through the operation of Internal Audit Department and having discussion with external auditors and the Company's Managements. As a result, the evaluation showed that the Company has appropriated and creditable internal control system, risk management system, business operation and financial statements.

Along with good cooperation from Managements and related persons to follow all the recommendations, the Committee is confident that the Company operates the business with good and adequate corporate governance and all staffs perform their duties with efficiency and caution, reflecting the improvement of good corporate governance of the Company throughout the year.

Signed on behalf of the Audit Committee,



(Mr. Akarat Na Ranong)

Chairman of the Audit Committee

Connected Transactions

For the year ended 31 December 2014, the Company entered into related party transactions with the related parties i.e. Krung Thai Bank Public Company Limited (“Krung Thai Bank”), KTB Computer Services Co., Ltd. (“KTBCS”), KTB General Services Co., Ltd. (“KTBGS”), Krungthai Asset Management Public Company Limited (“KTAM”), Krungthai Panich Insurance Public Company Limited (“KPI”), KT ZMICO Securities Co., Ltd. (“KT ZMICO”), KTB Leasing Co., Ltd. (“KTB LEASING”), and Krungthai AXA Life Insurance Public Company Limited (“KTAL”) Details of the related party transactions are provided as follows:

Related Parties	Relationship with the Company	Nature and Size of Transactions
Krung Thai Bank Public Company Limited	Krung Thai Bank Public Company Limited holds 49.45% of issued shares in the Company	“Credit Card Business Administrative Service Agreement” in which Krung Thai Bank hired the Company to administrate the part of Krung Thai Bank’s credit card business for a period of 15 years from 1 July 2002. However, the Company’s Board of Directors Meeting held on 15 June 2007 passed a resolution to end the provision of administrative services for Krung Thai Visa Electron debit card and the Company ceased providing the service and ceased revenue recognition as of 1 April 2007.

Connected Transactions

Krung Thai Bank Public Company Limited	Krung Thai Bank Public Company Limited holds 49.45% of issued shares in the Company	“Back Office Service Agreement” Krung Thai Bank provides back office services (including the services provided by Krung Thai Bank and/or other companies) for a period of 15 years from 1 July 2002. As of 31 December 2014, the Company has a trade account payable under this agreement of Baht 28.9 million.
Krung Thai Bank Public Company Limited	Krung Thai Bank Public Company Limited holds 49.45% of issued shares in the Company	The Company entered into the Overdraft Agreement with Krung Thai Bank for a loan of Baht 30 million for working capital. The Company will pay interest monthly within the date of account closing at the end of each month to Krung Thai Bank at the interest rate of Overdraft Facilities for Corporate Customers in Good Standing (Minimum Overdraft Rate: MOR). As of 31 December 2014, the Company has not drawn down money from this loan agreement.
Krung Thai Bank Public Company Limited	Krung Thai Bank Public Company Limited holds 49.45% of issued shares in the Company.	The Company was approved a loan amount of Baht 17 billion for transactions and working capital for expansion of the Company with the benchmark interest rate in financial market determined by Krung Thai Bank. As of 31 December 2014, the Company does not have any outstanding debt and interest under this loan agreement.

Connected Transactions

Krung Thai Bank Public Company Limited	Krung Thai Bank Public Company Limited holds 49.45% of issued shares in the Company	The Company entered into the Call Loan Agreement in the amount not exceeding Baht 1 billion with Krung Thai Bank which is payable on demand or within 3 months in order to increase liquidity of the Company. The Company agrees to pay interest at the rate as indicated in a promissory note. As of 31 December 2014, the Company does not have outstanding debt and interest under this loan agreement.
Krung Thai Bank Public Company Limited	Krung Thai Bank Public Company Limited holds 49.45% of issued shares in the Company	As of 31 December 2014, the Company has a trade account in the amount of Baht 645.3 million payable from transactions of collecting money from clients and receiving money from merchants including other transactions regarding settlement of credit cards, including the BAHTNET Account Services of Krung Thai Bank for net-amount fund transfer transactions which is the ordinary course of business of the Company.
Krung Thai Bank Public Company Limited	Krung Thai Bank Public Company Limited holds 49.45% of issued shares in the Company	The Company has a trade account of Baht 0.5 million as of 31 December 2014 payable from the transaction in which the Company has hired Krung Thai Bank to count and deposit money to the Company's savings account.

Connected Transactions

Krung Thai Bank Public Company Limited	Krung Thai Bank Public Company Limited holds 49.45% of issued shares in the Company	The Company has trade account of Baht 0.02 million as of 31 December 2014 payable from the transaction where the Company has held a marketing promotion with Krung Thai Bank on the “KTB Forever Smile Fixed Deposit” and “KTB Forever Smile Fixed Deposit 8.50% (Season 2)” projects.
Krung Thai Bank Public Company Limited	Krung Thai Bank Public Company Limited holds 49.45% of issued shares in the Company	The Company has a trade account of Baht 0.8 million as of 31 December 2014 payable from the transaction in which the Company has used the Fleet Card services provided by Krung Thai Bank.
Krung Thai Bank Public Company Limited	Krung Thai Bank Public Company Limited holds 49.45% of issued shares in the Company	The Company has other receivables of Baht 12.2 million as of 31 December 2014 from transactions where Krung Thai Bank sub-leased parts of the Company’s office premises located at the ground floor, Samatchavanij Building 2, (Sukhumvit 33) as the Krung Thai Bank’s branch.
Krung Thai Bank Public Company Limited	Krung Thai Bank Public Company Limited holds 49.45% of issued shares in the Company	As of 31 December 2014, the Company issued a bill of Baht 99.5 million to Krung Thai Bank which the said bill was not part of the loan agreement that the Company received approval of Baht 18,030 million from Krung Thai Bank.

Connected Transactions

KTB Computer Services Co., Ltd.	Krung Thai Bank Public Company Limited holds 100% of issued shares in the Company	The Company has trade account of Baht 1.5 million as of 31 December 2014 payable from the transaction in which the Company hired KTB Computer Services Co., Ltd. (KTBCS) to develop, repair and maintain the operation and IT systems for KTC Touch and from the lease of the office space of KTB Computer Services Co., Ltd. (KTBCS).
KTB Computer Services Co., Ltd.	Krung Thai Bank Public Company Limited holds 100% of issued shares	The Company has other receivables of Baht 5.4 million as of 31 December 2014 from transactions where the Company provides consultancy and processing of IT operations services in developing payment system for KTB Computer Services Co., Ltd. (KTBCS)
KTB General Services Co., Ltd.	Krung Thai Bank Public Company Limited holds 100% of issued shares	The Company has a trade account of Baht 0.9 Million as of 31 December 2014 payable from the transaction in which the Company has hired KTB General Services Co., Ltd. (KTBGS) to receive-deliver cash and/or other assets.

Connected Transactions

Krungthai Asset Management Public Company Limited	Krung Thai Bank Public Company Limited holds 100% of issued shares	The Company has other receivables amount of Baht 4.6 million as of 31 December 2014 from transactions where the Company has provided monthly payment services for RMF and LTF unit trust of Krungthai Asset Management Public Company Limited via automatic account and payment through automatic card machines.
Krungthai Asset Management Public Company Limited	Krung Thai Bank Public Company Limited holds 100% of issued shares	As of 31 December 2014, the Company has a trade account in the amount of Baht 0.07 million payable from transactions in which the Company has to pay for member of Provident Fund to Krungthai Asset Management Public Company Limited which is Fund Manager.
Krungthai Panich Insurance Public Company Limited	Krung Thai Bank Public Company Limited holds 45% of issued shares	As of 31 December 2014, the Company has other receivables of Baht 1.3 million from the transactions which the Company provides services of database management and operates the project on allocation and provision of benefits in accordance with the offering of non-life insurance and car insurance of Krungthai Panich Insurance Public Company Limited (KPI).

Connected Transactions

Krungthai Panich Insurance Public Company Limited	Krung Thai Bank Public Company Limited holds 45% of issued shares	As of 31 December 2014, the Company issued a bill of Baht 278.4 million to Krungthai Panich Insurance Public Company Limited (KPI).
KT ZMICO Securities Co., Ltd.	Krung Thai Bank Public Company Limited holds 50% of issued shares	As of 31 December 2013, the Company issued a bill of Baht 11.0 million to KT ZMICO Securities Co., Ltd. which matured within the year 2014. Therefore, there was no record of such a borrowing as at 31 December 2014.
KTB Leasing Co., Ltd.	Krung Thai Bank Public Company Limited holds 100% of issued shares	The Company has a trade account of Baht 0.02 million as of 31 December 2013 payable from leasing cars from KTB Leasing Co., Ltd. for use in the Company's business. As of 31 December 2014, the Company does not have any trade account on this agreement.
KTB Leasing Co., Ltd.	Krung Thai Bank Public Company Limited holds 100% of issued shares	The Company has receivables of Baht 0.1 million as of 31 December 2014 from the assets and claims transfer transactions in connection with the leasing of motorbike to KTB Leasing Co., Ltd. (KTB LEASING)

Connected Transactions

Krungthai - AXA Life
Insurance Public
Company Limited

Krung Thai Bank Public Company
Limited holds 50% of issued shares

The Company has a trade account of Baht 0.2 million as of 31 December 2014 payable from the transaction in which the Company has purchased group life insurance for its employees, and benefits include life, health and accidental insurance, disability, and medical expenses from Krungthai - AXA Life Insurance Public Company Limited (KTAL)

Connected Transactions

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Details of Connected Transactions

The Company discloses related transactions with parties who are related to the Company i.e. companies which are under the same control as the Company through shareholdings and /or common directors. Details of Related Party Transactions are shown in the Notes to Financial Statements Clause 22 regarding related transactions for the year ended 31 December 2014, audited by Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. Related parties to the Company are Krung Thai Bank Public Company Limited, KTB Computer Services Co., Ltd., KTB General Services Co., Ltd., Krungthai Asset Management Public Company Limited, Krungthai Panich Insurance Public Company Limited, KT ZMICO Securities Co., Ltd. and KTB Leasing Co., Ltd. Details of the related parties transactions are provided as follows:

1.1 Credit Card Business Administrative Service Agreement dated 26 June 2002

This agreement was entered into between the Company and Krung Thai Bank in order to replace the Business Administrative Service Agreement dated 1 January 1998. Krung Thai Bank has hired the Company to administrate the part of Krung Thai Bank's credit card business that was not transferred from Krung Thai Bank to the Company i.e. Visa Electron Debit Card ("VE") and other plastic card businesses, which Krung Thai Bank was willing to conduct after 30 June 2002. The Company agreed to provide services to Krung Thai Bank for the period of 15 years from 1 July 2002. According to the conditions of the Agreement, the administrative service fee for the first three years was put in place in advance and was based on the actual service fee but not exceeding Baht 20 million per year. Both parties would reconsider the administrative service fee every three years to reflect market price at that time. Afterwards, the Amendment of Credit Card Business Administrative Service Agreement was executed in order to amend the administrative service fees at different rate depending on the quantity of transactions. Other fees would be charged based on actual expenses plus the service fees which were already agreed upon. The service fees between the Company and Krung Thai Bank are based on market price and conditions in the ordinary course of the Company's business. Under the agreement, Krung Thai Bank agreed to only hire the Company.

Connected Transactions

However, the Company's Board of Directors Meeting No.7/2007 held on 15 June 2007 passed a resolution to end the provision of administrative services for VE under the Credit Card Business Administrative Service Agreement with Krung Thai Bank. Both parties agreed to terminate the administrative services for VE which was effective from 1 April 2007. Remaining terms and conditions are still effective.

1.2 Back Office Services Agreement dated 26 June 2002

According to this agreement, Krung Thai Bank agreed to provide Back Office Services (including the services provided by Krung Thai Bank and /or its subsidiaries), which included Back Office Services related to card membership and information systems, for the period of 15 years from 1 July 2002.

Amendment of the Back Office Services Agreement was executed in August 2008 amending the fee for Back Office Services relating to system work during July - December 2008 to be at the rate of Baht 40.6 million and for the period of 1 January 2009 - 30 June 2011 to be at the rate of Baht 140.8 million per year. This agreement was executed for the fourth time on 1 July 2009 amending the fee for Back Office Services relating to system work during 1 July 2009 - 30 June 2010 to be at rate of Baht 36.7 million per year and the fifth time in 1 July 2010 amending the fee for Back Office Services relating to system work during 1 July 2010 - 30 June 2011 to be at rate of Baht 4.0 million per year. On 4 January 2012, this agreement was executed for the sixth time amending the fee for work during 1 July 2011 - 30 June 2012 to be at rate of Baht 4.0 million per year. Amendment of the Back Office Services Agreement was executed for the seventh time on 29 May 2013 amending the fee for work during 1 July 2012 - 30 June 2013 to be at the rate of Baht 4.0 million per year. On 10 March 2014, this agreement was executed for the eighth time amending the fee for work during 1 July 2013 - 30 June 2014 to be at rate of Baht 4.0 million per year. On 18 September 2014, the Parties were in the process of executing the

Connected Transactions

amendment of the agreement for the ninth time for the services provided during 1 July 2014 - 30 June 2015 to be at rate of Baht 4.0 million per year. The fee for other parts of Back Office services will be charged at different rates depending on the quantity of transactions. The service fee between the Company and Krung Thai Bank is based on market price and the conditions in the ordinary course of the Company's business.

According to the agreement, the Company has the right to terminate the agreement prior to the end of the 15 year term if Krung Thai Bank breaches the agreement and/or does not comply with the agreement and does not remedy the breach or failure within 90 days after having received notice from the Company. Krung Thai Bank also has the right to terminate the agreement if the Company fails to make two consecutive payments of the service fee.

On 16 September 2014, the Company and Krung Thai Bank made an agreement to facilitate the member of personal loan to provide monthly payment service for personal loan payment at counter service of Krung Thai Bank which the Company carried an obligation of the service fee. The service began on 1 July 2014 according to the amendment of the Payment Services for Public Utilities, Products, and Services Agreement for the first time and the amendment of the Debit Debtors' Account for Payment of Debt Agreement for the second time on 1 November 2003 which the fee for receivable personal loan payment service between the Company and Krung Thai Bank will be charged at different rates depending on the quantity of transactions which is based on market price and the conditions in the ordinary course of the Company's business.

1.3 Loan Agreement

The Company entered into a Loan Agreement with Krung Thai Bank, for a loan of Baht 18 billion, consisting of a Term Loan of Baht 17 billion payable within 30 days and the Call Loan not exceeding Baht 1 billion which is payable on

Connected Transactions

demand or within 3 months. Moreover, Krung Thai Bank approved the provision of the Overdraft Loan of Baht 30 million to the Company. As of 31 December 2013, the Company has not drawn down money from this loan agreement. Terms and conditions according to the said loan agreement is based on the conditions in the ordinary course of business and determining the interest rate between the Company and Krung Thai Bank is based on the ordinary rate which would generally be used with other parties.

I.4 Memorandum on Debit Debtors' Account for Payment of Debt

The Company used the payment services for products/services from debtors or other persons having savings account with Krung Thai Bank or its branches and agreed to pay prices of products or services to the Company. Krung Thai Bank shall debit from debtors' savings accounts and transfer such amount to the Company's savings account. The Service Fee between the Company and Krung Thai Bank is in line with the normal rate, and the terms and conditions stipulated are standard terms as would generally be used with other parties.

I.5 Counting and Depositing Money Agreement

The Company has hired Krung Thai Bank to confirm the amount of funds received from KTB General Services Co., Ltd. and to deposit the same to the Company's savings account. The term of the agreement is 1 year and renewable, each time for another 1 year. Service fees between the Company and Krung Thai Bank are based on the scope of work and service hours. Terms and conditions of the agreement are standard terms as would generally be used with other parties

Connected Transactions

I.6 Memorandum on KTB Forever Smile Fixed Deposit Project and Memorandum on Forever Smile Fixed Deposit 8.50% Project (Season 2)

The Company has held the marketing promotion with Krung Thai Bank to offer Krung Thai Bank's product of 3-months fixed account with a special interest rate to members of credit card and KTC Cash Revolve. The period of the marketing promotion is 3 months from 19 November 2012 - 28 February 2013. However, KTB Forever Smile Fixed Deposit Project was well received by the target group. The Company and Krung Thai Bank then jointly launched the Forever Smile Fixed Deposit 8.50% Project (Season 2) for a period of 3 months starting from 1 November 2013 and ending on 14 February 2014. In this regard, the company agrees to pay supportive fee for marketing activities according to "KTB Forever Smile Fixed Deposit" and "Forever Smile Fixed Deposit 8.50% (season 2)" project to Krung Thai Bank for credit card and KTC PROUD members who exchange Forever Rewards in the projects. The Company agrees to pay supportive fee for marketing activities according to the rate of Forever Rewards exchange of credit card and KTC PROUD members in accordance with the project's terms and conditions.

I.7 Use of KTB Fleet Card

The Company has used the Fleet Card service of Krung Thai Bank for payment of petrol and other services for participating petrol stations. Fleet Card is valid for 3 years and once expired, Krung Thai Bank shall issue a renewed card valid for another 3 years. Service fees, terms and conditions of services between the Company and Krung Thai Bank are standard terms as would generally be used with other parties.

I.8 Sub-Lease Agreement

The Company leased to Krung Thai Bank a part of its office space as a branch office of Krung Thai Bank located at Ground

Connected Transactions

Floor, Samatchavanij 2 (Sukhumvit 33) for a term of 1 year 6 month and 27 days, starting from 5 April 2013. The term can be extended for another 3 years. Rental and common fees of the related transaction between the Company and Krung Thai Bank are appropriate rates based on the purpose. Terms and conditions of the lease are standard terms as would generally be used with other parties.

I.9 Memorandum on Funds Transfer via ITMX Switching Settlement

The Company uses the BAHTNET Account Services of Krung Thai Bank for net-amount fund transfer transactions via ITMX system of National ITMX Company Limited, which includes acceptance of net-amount fund transfers pursuant to the list of balances as indicated in BAHTNET Account via ITMX system into the Company's deposit account.

For the use of these services, the Company agrees to pay services fees to Krung Thai Bank. In this regard, service fees, terms and conditions between the Company and Krung Thai Bank are standard terms as would generally be used with other parties.

I.10 Memorandum on Cooperation Project to Expand the Customer base of KTC Credit Card Customer having deposit account with Krung Thai Bank PCL

The Company has project plan to expand the base of its credit card members having deposit account with Krung Thai Bank and agree to deposit their principal amount as a guarantee covering their debt payment to the Company which incurred through credit card usages. Krung Thai Bank also collaborates with the Company in the offering of KTC Credit Card products to target customers.

Connected Transactions

1.11 Memorandum on KTB Housing Loan Payment Services

The Company has project plan to provide additional payment service for KTB Housing Loan by cash advance from credit card account by automatically withdraw and transfer cash advance to saving account of credit card member which opened account with Krung Thai Bank. The Company will charge supportive fee for marketing activities from Krung Thai Bank which are appropriately based on services. Terms and conditions of the agreement are standard terms as would generally be used with other parties.

1.12 Hire of Collection Service Agreement

The Company was hired from Krung Thai Bank to operate the collection of debts in all groups of products such as KTB Housing Loan, KTB Personal Loan, KTB SME Loan. The term of the agreement is 1 year from 1 April 2014 to 31 March 2015 and renewable, each time for another 1 year. The compensation fees between Krung Thai Bank and the Company are appropriately based on the scope of work and service hours. Terms and conditions of the agreement are standard terms as would generally be used with other parties which were already acknowledged as the income of related companies.

1.13 Develop, Repair and Maintain the Operating and IT System and Lease Agreements

The Company has hired KTB Computer Services Co., Ltd. (“KTBCS”) to develop, repair and maintain the operating and IT system and lease of the office space at Bangbuathong Computer Center Building from KTBCS for the purpose of use as a reserve computer center of the Company. The term of the lease agreement is 1 year starting from 21 January 2013 to 31 December 2013 and can be extended for another 1 year. On 30 May 2014, the parties agree to create additional memorandum to attach the hire agreement in order to extend hired period from 1 June 2014 – 31 May 2015. Service fees between the Company and KTBCS are based on the scope of work and service hours. Terms and conditions of these agreements are standard terms as would generally be used with other parties.

Connected Transactions

1.14 Payment System Services Agreement

The Company entered into the Payment System Services Agreement (Turn-Key Basis) with KTB Computer Services Co., Ltd. ("KTBCS") in which KTBCS has provided payment system services for Krung Thai Bank. As the Company originally had a payment system, KTBCS therefore engaged the Company to improve such systems in order to be compatible with KTBCS services and be able to provide Back Office Services for customer transactions occurring from KTBCS payment services. The work under the Agreement must be completed within 180 days starting from 10 October 2011. Currently, the work has been handed over to KTBCS. The Company also entered into the Services Agreement with KTBCS for Consultancy and Processing of IT operations of the Silverlake and COBAS systems in order to provide KTBCS consultancy and processing services of IT operations including leasing of relevant systems and maintenance of software and hardware required for the aforementioned payment systems to be provided to the customers of KTBCS. The agreement which was executed on 27 February 2014, changed from COBAS System to TAX System and also changed name of the agreement to Consulting and Processing IT Operation of Silverlake and TAX System 2014 Agreement. This agreement is effective from 1 January 2014 - 31 December 2014 and can be renewed for another 1 year each term. The Company added the scope of services "Terminal Line Encryption" (TLE) to KTBCS according to additional memorandum attach to the Consulting and Processing IT Operation of Silverlake and TAX System 2014 Agreement, contract no. Sor Bor. 78/2013 which was executed on 27 February 2014 according to the first time amending, and on 8 October 2014.

Both agreements are related party transactions which will benefit the Company. The rate of services fees under the agreements are based on the scope of work and service hours. Terms and conditions of both agreements are standard terms as would generally be used with other parties.

Connected Transactions

1.15 Receiving and Delivery of Cash and/or Other Assets Agreement

The Company has hired KTB General Services Co., Ltd. (“KTBGS”), which Krung Thai Bank holds 100% of issued shares, to provide services of receiving and delivering of cash and/or other assets including changing of coins. KTBGS is a well-known service provider of armoured cash carrying cars for commercial banks and financial institutions. The term of the agreement is 4 years starting from 14 February 2009 and renewable, each time for another 1 year. On 13 February 2013, the Company and KTBGS executed additional memorandum for extension period of services for 4 years which occur on 14 February 2013 - 13 February 2017. The rate of services fees under the agreement are based on the scope of work and service hours. Terms and conditions of services agreement are standard terms as would generally be used with other parties.

1.16 Memorandum on Unit Trust Payment Services

The Company has provided Krungthai Asset Management Public Company Limited (“KTAM”) payment service for RMF and LTF unit trusts of KTAM by debiting money from accounts of KTC credit card members on a monthly basis or on demand. The Company also has provided payment service for unit trusts via Electronic Data Capture (EDC) machines. The Company has entered into the memorandum with KTAM which effective from 1 January 2012. The rates of the service fees under the memorandum are based on the scope of work and service hours. Terms and conditions of services provided are standard terms as would generally be used with other parties.

1.17 Provident Fund

The Company has set up Provident Fund, which all employees are member of this fund, with Krungthai Asset Management Public Company Limited (“KTAM”), which Krung Thai Bank holds 100% of issued shares, is a Fund Manager. This fund

Connected Transactions

was effective on 1 January 2002. KTAM, an operator of Asset Administrative Management of institutes, organizations, and large state enterprise, has a license to manage Mutual Fund, Private Fund, and Provident Fund. Under the fund regulations, the employees shall collect saving money 3% - 6% of their salary to the fund and the Company shall also add saving money 6% to the fund. Terms and Conditions of fund management are standard terms as would generally be used with other parties.

1.18 Agreement on Database Management and Operation of the Project on Allocation and Provision of Benefit of Non-Life Insurance and Car Insurance

The Company has provided services on database management and operations of the project on allocation and provision of benefits in accordance with the offering of non-life insurance and car insurance for KTC credit card members for Krungthai Panich Insurance Public Company Limited ("KPI") in order for KPI to offer car insurance and non-life insurance using KTC credit card members database in which Krung Thai Bank holds 45% of the issued shares and is the operator of the non-life insurance business. The agreement is effective from 26 September 2011 and 1 March 2012, respectively. The prices of the services under the agreement are based on the scope of work and service hours. Terms and conditions of the project are standard terms as would generally be used with other parties.

1.19 Leasing Agreement

The Company has leased cars from KTB Leasing Co., Ltd. ("KTB Leasing"), which Krung Thai Bank holds 100% of issued shares and is the operator of the financial support service i.e. hire purchase, financial lease and auto maintenance lease. The term of each agreement is 4 years. As of 31 December 2014, there are 5 agreements: starting from 24 October

Connected Transactions

2012 for the first agreement; from 11 January 2013 for the second agreement; from 14 June 2013 for the third agreement; from 5 February 2012 for the fourth agreement, and from 2 May 2014 for the fifth agreement. The rental fees of the agreement are appropriate rates based on the scope of work and service hours. Terms and conditions of the agreement are standard terms as would generally be used with other parties.

1.20 Transfer of Assets and Claims

The Company transferred some part of the Company's assets in connection with claims, duties and responsibilities under the Leasing of Big Bike Agreement to KTB Leasing Co., Ltd. ("KTB Leasing") which Krung Thai Bank holds 100% of the issued shares and is the operator of the financial support services i.e. hire purchase, financial lease and auto maintenance lease. The agreement was executed on 30 September 2013 and the price of assets and claims transfer was calculated by the outstanding debt of each debtor at the end of 30 September 2013. The transfer assets and claims according to this agreement between the Company and KTB LEASING.

1.21 Group Life Insurance

The Company purchased group life insurance for its employees, and benefits include life, health and accidental insurance, disability, and medical expenses from Krungthai - AXA Life Insurance Public Company Limited ("KTAL") which Krung Thai Bank holds 50% of issued shares. KTAL is the operator of Life Insurance Business and Financial Planning Consultant-FPC who has various life and health insurance products. The policy is effective from 1 March 2013 to 28 February 2014. The policy can be renewed for another one year. Premium coverage covers risk of all members of the group averaged from age, gender, work position or sum insured. Rate of premium coverage, and terms and conditions of the group life insurance policy are standard terms as would generally be used with other parties.

Connected Transactions

I.22 Loans through Issuance of Bill with Related Companies

As of 31 December 2014, the Company has borrowed money by issuing bills to its related companies which interest rate refer to Money Market Rate and has due payment in 1 year at call and no security.

- Issued a bill of Baht 99.5 million to Krung Thai Bank (Krung Thai Bank holds 49.45% of issued shares of the Company).
- Issued a bill of Baht 278.4 million to Krungthai Panich Insurance Public Company Limited ("KPI") (Krung Thai Bank holds 45% of issued shares).

Connected Transactions

02

Opinion of the Audit Committee on the Related Party Transactions

The Related Party Transactions have been considered and commented on by the Audit Committee, which opined that the Related Party Transactions are beneficial to the Company and are in the ordinary course of the Company's business. There are neither special conditions nor transferring of benefits between the Company and related parties. In addition, the fees or interest rates between the Company and the related parties are in line with normal rates or rates which would be charged to external parties.

Connected Transactions

03

Policies Regarding Related Party Transactions and Acquisition and Disposition of Assets of the Company in the Future

Pursuant to Section 89/12 of the Securities and Exchange Act B.E. 2551 (No.4) (the “Securities and Exchange Act”), related parties transactions are prescribed by the law as being any transaction between the Company and a director, an executive or a related person and must be approved by the shareholders’ meeting unless such transaction is categorized as an exceptional transaction e.g. a transaction with the same commercial terms as those an ordinary person would agree with any unrelated counter-party under similar circumstances, on the basis of commercial negotiations and without any dependent interest resulting from the status of the directors, executives or related persons, as the case may be, provided further that the said commercial terms have been approved by the board of directors or are in compliance with the principles approved by the board of directors.

In this regard, the Board of Directors’ Meeting of the Company held on 19 September 2008 resolved to grant in principle approval for trade agreements with related parties to ensure compliance with the said regulation namely that, “the Management may enter into any transaction or trade agreement which is considered as a related party transaction as described in the regulation on securities and exchange. A transaction or trade agreement must be on the same commercial terms as those an ordinary person would agree with any unrelated counter-party under similar circumstances, on the basis of commercial negotiation and without any dependent interest resulting from the status of the director, executive or related person (the “Common Trade Transaction”) including a continuing connected transaction and a future transaction. The Management may determine an outline and rule for operation and prepare a summary report of such transaction for the Audit Committee’s Meeting and the Board of Directors’ Meeting at the appropriate time”.

The entering into of the related party transaction and/or the acquisition and disposition of assets of the Company in the future shall be made in compliance with the laws on securities and exchange, the regulations of the Stock Exchange of

Connected Transactions

Thailand and the principle for trade agreements with related parties approved by the Board of Directors, including any regulation in connection with the disclosure of information, connected transactions and the acquisition and disposition of assets of the Company.

If the Company enters into a transaction that may give rise to a conflict of interest, the Audit Committee will consider the justification of the transaction. If the Audit Committee is not qualified enough to consider the transaction in question, the Company will seek more specialized persons such as auditors or asset appraisers or law firms, etc. who are independent from the Company and the persons with potential conflict to comment on the transactions for consideration by the Board of Directors or the Shareholders in order to ensure that the transaction will not be considered as a transfer of benefits between the Company, related persons and/or shareholders of the Company. The Company will take into account the best interests of the shareholders, especially minority shareholders. Furthermore, any director or shareholder who has any interest in connection with such related parties transaction or acquisition or disposition of assets of the Company shall not be allowed to participate in the consideration and approval of such transaction.

Analysis of Financial Condition and Results of Operations

Thai economic and consumer finance in 2014

This discussion is intended to further the reader's understanding of the financial statements, financial condition, and results of operations of Krungthai Card PCL. It should be read in conjunction with the financial statements, notes, graphs and tables included in this report.

The Office of the National Economic and Social Development Board released the overall Thailand's economic growth of 0.7% for the year 2014 in which slowed down from 2.9% in 2013. This is mainly because of shrinkage of export sector as world economy is taking times to recover, lower tourist confidence in the first half of last year due to the political unrest, as well as lower government spending. However, Thai economy began to improve in last few months of the year especially the consumptions and private investments driven by the consumers' confidence. Consumer Confidence Index as of December 2014 was at 44.2 increasing from the same period of last year at 33.6. Household spending has gradually developed as employment rate and income have increased; lower oil price has also helped in improving purchasing power. In 2015, the Fiscal Policy Office expected that Thai Economy shall expand in accelerating rate at 3.9% if the government spending were to speed up as targeted. The focuses have especially been on large transportation infrastructure improvement projects and better tourism demand from foreigners. The export sector, although, has had some limitation but better consumption, and improving in private investments will help generate recovery in overall economic.

Despite a deceleration in overall Thailand Economic, the 2014 consumer finance business continued to expand. The amount of credit card receivable as at the end of December 2014 equaled to Baht 318,141 million grew by 10% from 2013. The volume of card spending totaled to Baht 1,307,152 million grew by 9%. Personal loan receivables summed to Baht 312,851 million, increased by 5% from 2013.

Analysis of Financial Condition and Results of Operations

The value of the industry	2012	2013	2014
Credit card receivable (MB)	261,553	290,425	318,141
Growth (%)	14%	11%	10%
Number of credit card (cards)	16,870,025	18,548,754	20,303,751
Growth (%)	10%	10%	10%
Total Credit card spending (MB)	1,074,340	1,195,041	1,307,152
Growth (%)	19%	11%	9%
Personal loan receivable (MB)	257,132	299,142	312,851
Growth (%)	21%	16%	5%
Source: Bank of Thailand			

Analysis of Financial Condition and Results of Operations

Overviews of KTC's performance in 2014

KTC determined to deliver long-term sustainable growth in profit. The Company also had its distinctive points in controlling the portfolios quality; managing risks at acceptable level; as well as having the constantly growth rate of card spending. As a result, the overall operations were as follows:

- KTC reported Net Profits of Baht 1,755 million, a growth of 37% from Baht 1,283 million while it grew by 69% from Baht 1,037 million in 2013 excluding the extraordinary items.
- Having better portfolio's quality, NPL declined from 3.0% to 2.4% (YoY).
- In 4Q14, total credit card spending increased by 11.2%, moving closer to the industry's growth of 12.5%. For 2014, the company's total card spending grew by 7.4%, compare to the industry's growth of 9.4%.
- Personal Loan's receivables (net) increased by 12% from the same period of last year at Baht 13,597 million to Baht 15,201 million. Credit Card's receivables increased by 6% from Baht 32,875 million to Baht 34,715 million.
- Net Interest Margin grew from 13.4% to 14.3%.
- Bad Debts and Doubtful Accounts amounted to Baht 4,989 million, down by 2% from the same period of last year due to the better quality of portfolio.
- Bad Debt Recovery grew by 22% from the same period last year to Baht 1,766 million.
- Total Revenue was Baht 14,337 million, up by 10% from the same period last year.
- The Operating Cost to Income Ratio was maintained at reasonable level of 27.3%.

Analysis of Financial Condition and Results of Operations

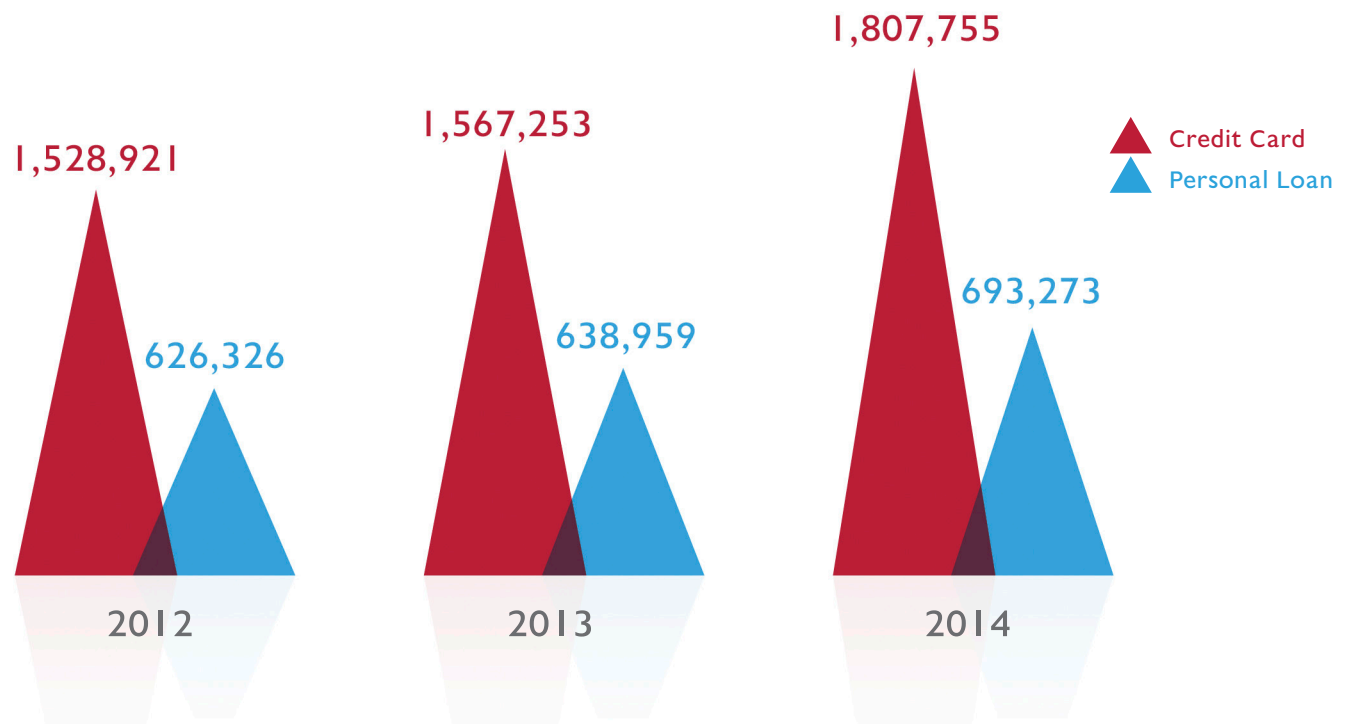
Table 1: Overall Operating Result Analysis

Operating Results (Unit: Baht Million)	2012	(%)	2013	(%)	2014	(%)	%Growth 2013-2014(%)
Total Revenue	12,622	100%	13,036	100%	14,337	100%	10%
- Bad Debt Recovery	1,193	9%	1,446	11%	1,766	12%	22%
Administrative Expenses	6,565	52%	4,750	36%	5,377	38%	13%
Finance Cost	1,941	15%	1,865	14%	1,764	12%	-5%
Bad debts and doubtful accounts	3,531	28%	5,090	39%	4,989	35%	-2%
Profit (loss) before tax	585	5%	1,331	10%	2,206	15%	66%
Income tax - income (expense)	(330)	3%	(295)	2%	(451)	3%	53%
Net Operating Profit (exc. Extraordinary items)	255	2%	1,037	8%	1,755	12%	69%
Extraordinary income related to the sale of the investment			307	2%			
Income tax (expense) of extraordinary items			(61)	0.5%			
Net Profit (Loss)			1,283	10%			

Analysis of Financial Condition and Results of Operations

Overviews of KTC's performance comparison: 2012 – 2014

At the end of December 2014, KTC had total membership of 2.5 million accounts, grew by 13% comparing with the same period of last year of 2.2 million accounts. Presently, the numbers of members were divided into 1,807,755 credit cards and 693,273 personal loan accounts.



Graph 1: KTC's accounts break down

Analysis of Financial Condition and Results of Operations

Revenue

Total revenue in 2014 was Baht 14,337 million, which increased from Baht 13,036 million (exclude extraordinary item related to the sale of the investment) or 10% growth. The incremental income came from the interest income (including fees from credit usage), fees income, and other incomes of Baht 9,036 million, Baht 3,141 million, and Baht 2,160 million in which accounted for 63%, 22% and 15% of total revenue respectively. The other incomes mainly came from bad debt recovery.

Net Interest Income (including credit usage fee)

The interest income (including credit usage fees) increased from Baht 8,296 million to Baht 9,036 million, proportionate as 63.0% of total income. Since there were 12% increase in net personal loan's receivables and 6% increase in net credit card receivables, it generated a growth of 12% in personal loan's interest income and 7% credit card's interest income comparing with the same period of last year.

Net interest margin in 2014 rose as a result of an increase in portion of personal loan's portfolio from 29% to 30% representing Baht 13,597 million to Baht 15,201 million in which the interest rate of personal loan portfolio was higher than the credit card's. KTC, moreover, was able to find lower rate source of funding. These factors were accounted for an increase in Net Interest Margin from 13.4% to 14.3% where there was an increasing average interest received from 18.2% to 18.7% while the cost of funds was 4.36% down from 4.77% in comparison with the same period of last year.

Analysis of Financial Condition and Results of Operations

Table 2: Interest Income Summary (Including credit usage fee)

Year Ended December 31, (Unit : Million Baht)	2012		2013		2014	
	Amount	Proportion of Total Income	Amount	Proportion of Total Income ⁽¹⁾	Amount	Proportion of Total Income
Interest Income						
Credit Card	4,770	37.8%	4,650	35.7%	4,973	34.7%
Personal Loan	3,084	24.4%	3,563	27.3%	3,993	27.9%
Other ⁽²⁾	101	0.8%	83	0.6%	69	0.5%
Total Interest Income	7,954	63.0%	8,296	63.6%	9,036	63.0%
Total Interest Expense	1,941		1,865		1,764	
Net Interest Income	6,013		6,431		7,271	
Yield on Interest Income	18.2%		18.2%		18.7%	
Cost of Fund	5.0%		4.8%		4.4%	
Net Interest Margin ⁽²⁾	13.2%		13.4%		14.3%	

(1) Excluding extraordinary items related to the sale of the investment

(2) Other interest income includes incomes from Circle Loan and Self-employed Loan Business

Analysis of Financial Condition and Results of Operations

Non-Interest Incomes (excluding credit usage fee)

Non-interest incomes comprised of fee and service incomes, bad debt recovery, gain (loss) on exchange, and other income. In 2014, non-interest income is Baht 5,310 million, increase from Baht 5,047 million in 2013, and from Baht 4,668 million in 2012 respectively.

Fee incomes (excluding credit usage fee) grew by 7.4% from the same period last year to Baht 3,141 million which primarily came from cash advance fee, merchant discount fee, and Interchange fee.

KTC's recovery income has increased from Baht 1,446 million to Baht 1,776 million or equivalent to 22.1% from the previous year. The incremental recovery income was resulted by efficient collection.

Analysis of Financial Condition and Results of Operations

Table 3: Non-interest Income Summary

Year Ended December 31, (Unit : Million Baht)	2012		2013		2014	
	Amount	Proportion of Total Income	Amount	Proportion of Total Income ⁽¹⁾	Amount	Proportion of Total Income
Non-Interest Income⁽²⁾						
Fee and Service Income	3,269	25.9%	2,924	22.4%	3,141	21.9%
Bad Debt Recoveries	1,193	9.4%	1,446	11.1%	1,766	12.3%
Management Fees	14	0.1%	-	-	-	-
Net Gain (Loss) on Exchange	72	0.6%	69	0.5%	73	0.5%
Gain from sale of long term investment	-	-	307	2.4%	-	-
Other Income	120	1.0%	300	2.3%	321	2.2%
Total Non- interest Income	4,668	37.0%	5,047	38.7%	5,301	37.0%
<u>Less:</u> Extraordinary income related to the sale of the investment	-		307		-	
Total Non - interest Income	4,668		4,740		5,301	
Total Revenue	12,622		13,036		14,337	

(1) Excluding extraordinary items related to the sale of the investment

(2) Excluding Credit Usage Fee

Analysis of Financial Condition and Results of Operations

Expense

Total expense (excluding interest expense and income tax) increased from Baht 9,840 million in 2013 to Baht 10,366 million in 2014, which was resulted by 13.2% increase in administrative expense, while its bad debts and doubtful accounts were 2.0% lower compared to the previous year.

Analysis of Financial Condition and Results of Operations

Table 4: Total Expense

Year Ended December 31, (Unit : Million Baht)	2012		2013		2014	
	Amount	Proportion of Total Income	Amount	Proportion of Total Income ⁽¹⁾	Amount	Proportion of Total Income
Expense						
Bad Debt and Doubtful Account						
Credit Card	2,427	19.2%	3,021	23.2%	3,111	21.7%
Personal Loan	1,004	8.0%	2,027	15.6%	1,843	12.9%
Other						
(Circle Loan and Self-employed Loan)	43	0.3%	37	0.3%	35	0.2%
Total Bad Debt and Doubtful	3,474	27.5%	5,086	39.0%	4,989	34.8%
Account (KTC's only)						
Other Receivables	56	0.4%	4	0.0%	-	-
Total Bad Debt and Doubtful Account	3,531	28.0%	5,090	39.0%	4,989	34.8%

⁽¹⁾ Excluding extraordinary items related to the sale of the investment

Analysis of Financial Condition and Results of Operations

Table 4: Total Expense (Continued)

Year Ended December 31, (Unit : Million Baht)	2012		2013		2014	
	Amount	Proportion of Total Income	Amount	Proportion of Total Income ⁽¹⁾	Amount	Proportion of Total Income
Selling and Administrative Expense:						
Personnel Expense	1,170	9.3%	1,520	11.7%	1,785	12.4%
Marketing Expense	1,957	15.5%	658	5.0%	945	6.6%
Fee and Advisory	1,658	13.1%	1,109	8.5%	1,180	8.2%
Other Expense	1,780	14.1%	1,463	11.2%	1,468	10.2%
Total Selling and Administrative Expense	6,565	52.0%	4,750	36.4%	5,377	37.5%
Total Expense	10,096	80.0%	9,840	75.5%	10,366	72.3%

⁽¹⁾ Excluding extraordinary items related to the sale of the investment

Analysis of Financial Condition and Results of Operations

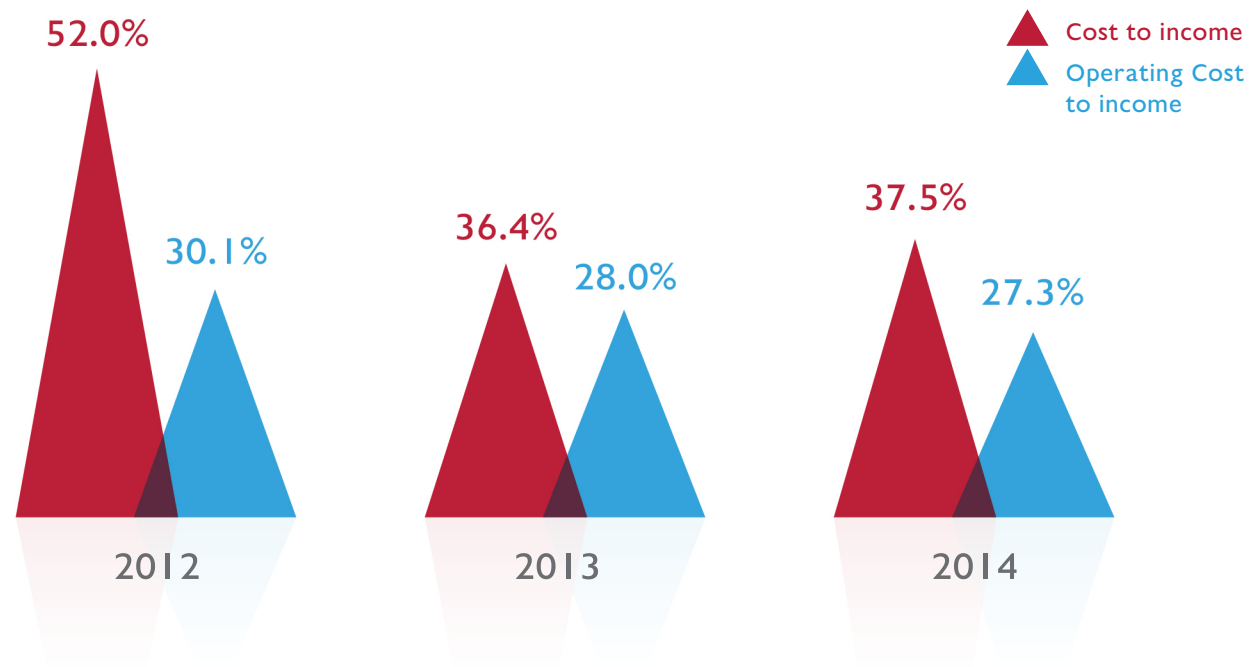
Total Administrative Expenses

Total administrative expense rose from Baht 9,840 million to Baht 10,366 million in 2014, or 5.0% higher. The incremental expenses caused by an increase in marketing, which was from Baht 658 million in 2013 to Baht 945 million in 2014 or equal to 44% higher. This year KTC urged to gain the market share through marketing strategies: acquisitions and new promotional campaigns for both credit card and personal loan. These included the rebrand of its revolving loan “KTC PROUD”.

Cost to Income ratio equaled to 37.5% increasing from the same period of last year which was 36.4% mostly accounted for an increase in marketing expense both acquisitions and new promotional campaigns for both credit card and personal loan. The marketing expense to total revenue increased from 5.0% to 6.6%, while personnel expense to total revenue stayed at 12.4%. However, fee paid and other administrative expenses as a portion of total revenue declined to 8.2% and 10.2%, respectively.

Operating Cost to income ratio excluding of marketing expense, Interchange expense and extraordinary items from the sale of the investment, slightly decreased from 28.0% in 2013 to 27.3% in which was at a suitable level (27-29%) with the Company’s business.

Analysis of Financial Condition and Results of Operations

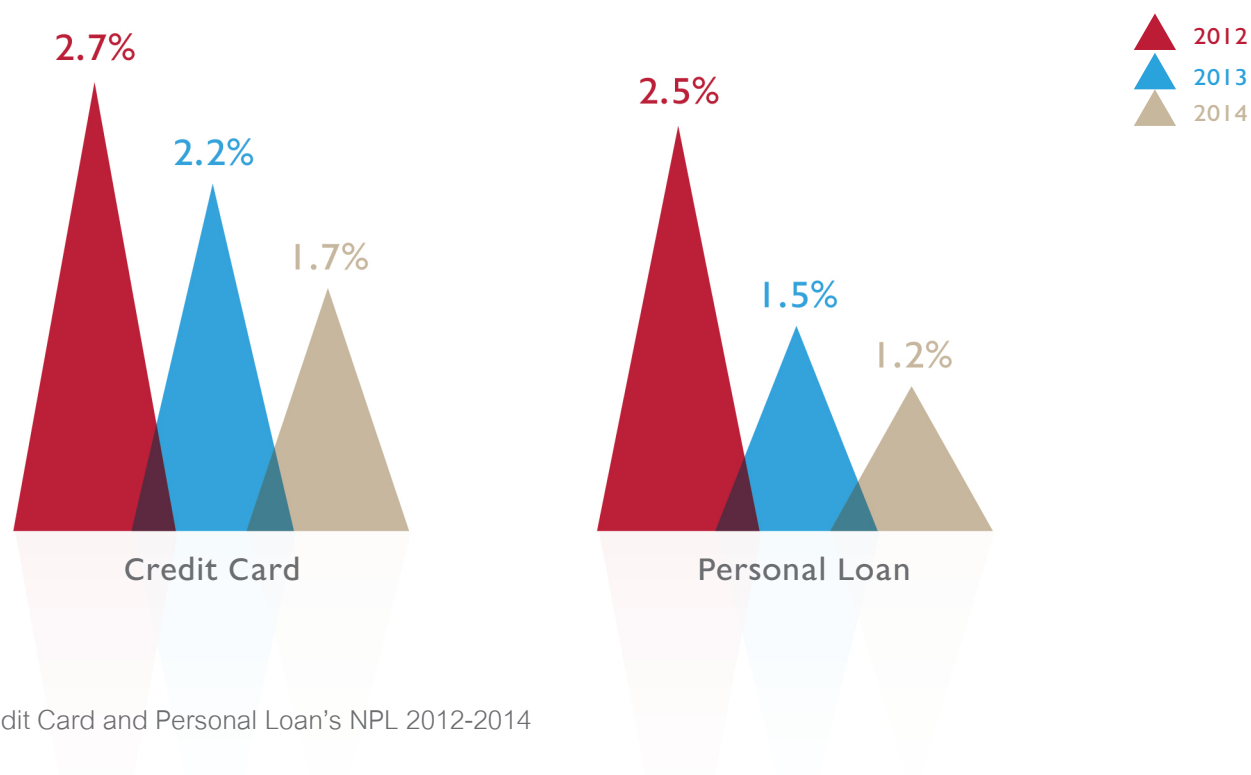


Graph 2: Cost to Income Ratio versus Operating Cost to Income Ratio Comparison: 2012 - 2014

Analysis of Financial Condition and Results of Operations

Bad Debt and Doubtful Account

Bad debts and doubtful accounts were Baht 4,989 million, down from Baht 5,090 million in 2013. This was due to having better portfolio's quality, requiring less additional provisions for the current period as NPL decreased. As a result, credit card's NPL declined from 2.2% to 1.7%, while personal loan's NPL went down from 1.5% to 1.2%.



Graph 3: Credit Card and Personal Loan's NPL 2012-2014

Analysis of Financial Condition and Results of Operations

Cost of Funds

KTC had total borrowing of Baht 41,588 million, up by 6% from the same period of last year. It consisted of short-term of Baht 378 million from related financial institutions and Baht 12,181 million from other financial institutions, long-term borrowings of Baht 5,200 million, and debentures of Baht 23,830 million. KTC diverge its source of borrowings through Local and Foreign Banks, Securities Companies, Insurance Companies and Asset Management Companies. Total available credit line summed to Baht 23,120 million, which included credit line from KTB of Baht 18,030 million and Baht 5,090 million from other commercial banks. The financial statement showed also the debt to equity ratio of 6.40 times, which stayed at satisfaction level and lower than the bond/loan covenant at the maximum D/E ratio of 10 times. The cost of fund declined to 4.36% for the current period.

Analysis of Financial Condition and Results of Operations

Statement of Balance

Table 5: Statement of Balance

Year Ended December 31,	2012	2013	2014
(Unit: Million Baht)			
Asset			
<u>Interest earning assets</u>			
Credit card receivables - net	32,090	32,875	34,715
Personal loan receivables - net	12,182	13,597	15,201
Other - net	280	242	207
Circle loan receivables - net	244	225	195
Self - employed loan receivables - net	36	17	11
Total receivables - net	44,552	46,714	50,123
<u>Non-interest earning assets</u>			
Cash and equivalent	1,444	1,624	735
Leasehold improvements and equipment - net	445	445	371
Other current & non-current assets	2,697	3,123	3,266
Total non-interest earning assets	4,585	5,191	4,372
Total assets	49,138	51,905	54,495

Analysis of Financial Condition and Results of Operations

Table 5: Statement of Balance (Continue)

Year Ended December 31,	2012	2013	2014
(Unit: Million Baht)			
Liabilities and Shareholders' Equity			
<u>Liabilities</u>			
Short - term loans	23,549	19,008	20,108
Bond and Long - term loans	15,200	20,400	21,480
Other current & non - current liabilities	5,198	6,368	5,539
Total liabilities	43,947	45,776	47,127
<u>Shareholders' Equity</u>			
Total Shareholders' Equity	5,191	6,128	7,368
Total Liabilities and Shareholders' Equity	49,138	51,905	54,495

Analysis of Financial Condition and Results of Operations

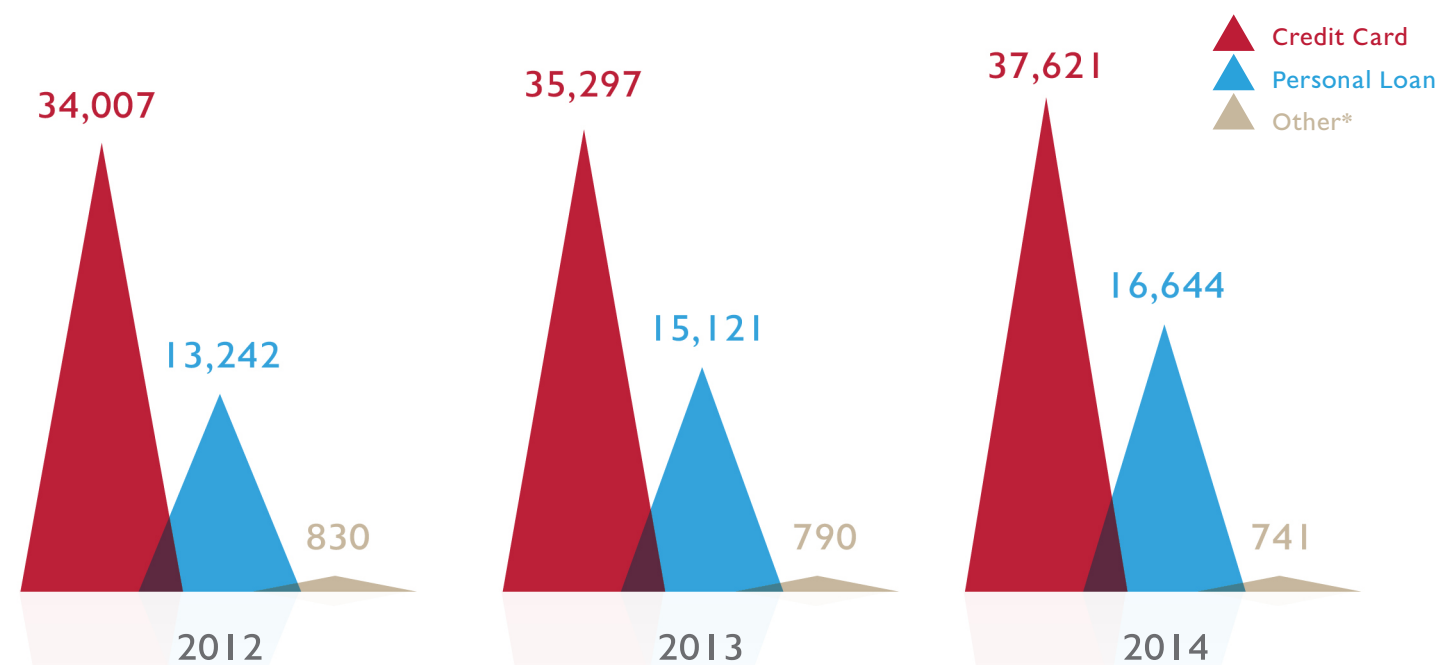
Assets

In 2014, the total assets increased by 5% from Baht 51,905 million to Baht 54,495 million comparing with the same period of last year. Receivables (net) accounted for 92% of total assets, or amounted to Baht 50,123 million. The rest of 8% were cash, other receivables, deferred tax assets, and other assets.

Analysis of Financial Condition and Results of Operations

Receivables

Gross Receivables grew from Baht 51,208 million in 2013 to Baht 55,007 million in 2014. The receivable was proportionate of 69% credit card, 31% of personal loan receivables and 1% of circle loan and self-employed loan respectively



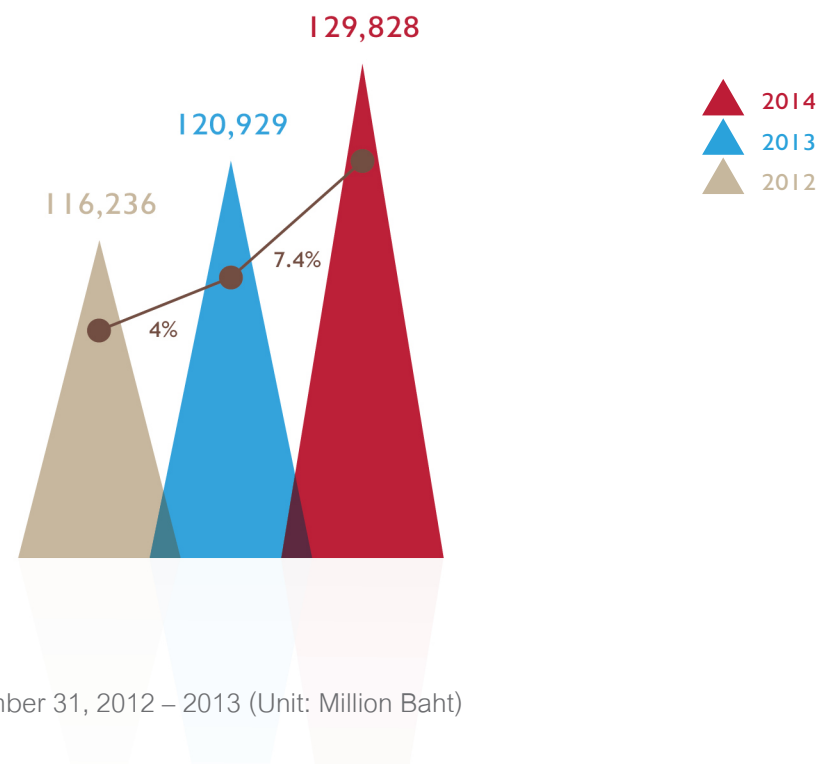
“*Circle-loan and self-employed business are included”

Graph 3: Credit Card and Personal Loan's NPL 2012-2014

Analysis of Financial Condition and Results of Operations

Credit Card Receivables

This year KTC approached its customers through campaigns covered all aspects of customers' lifestyle. Forever Rewards was a key strategy to stimulate Cards Spending. KTC extended its alliance in dining and retails to deliver superior privileges, especially in the last quarter. KTC has cooperated with FICO, a major alliance with more than 40 affiliated companies, to launch "KTC-FICO" co-branded credit cards to expand customer bases especially for urban population with fun, colorful lifestyles. Moreover, KTC X Visa Signature was created with various privileges for high purchasing power customers. KTC member-oriented marketing campaigns reflected 7.4% volume of the card spending higher than the previous year. The spending growth rate was close to the industry's growth, which was 9.4% compared to the last year.



Graph 4: Portfolio Structure as of December 31, 2012 – 2013 (Unit: Million Baht)

Analysis of Financial Condition and Results of Operations

Personal Loan Receivables

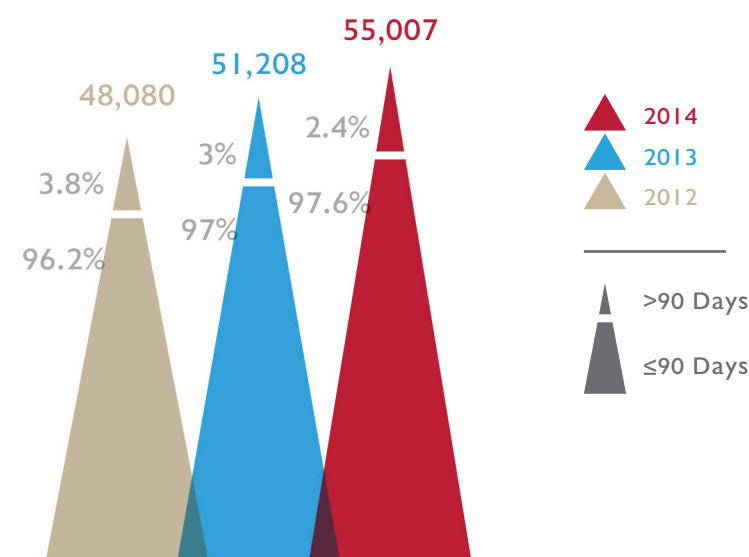
Personal Loan receivables expanded from Baht 13,597 million in 2013 to Baht 15,201 million, 12% higher than the previous year. There were 2 strategies that stimulated the portfolio: debt-clearing campaign and the rebranding of “KTC CASH Revolve” to “KTC PROUD”. FLEXI feature has been added to the product, so KTC PROUD members can enjoy FLEXI installment when purchasing from participated partners. This is the first time for personal loan industry to have a feature of fixed installment.

Portfolio Quality

By concerning number of days past due (dpd), KTC splits its receivables into 2 groups. First is a group of receivables aging 0-90 days which accounted for 97.6% of total receivables, and another is NPL or receivables aging more than 90 days (100% provision).

The company calculates non-performing loan (NPL) - 90 days past due by divided receivables aging more than 90 days with total receivables. According to the chart, NPL has continuously declined from 3.8% in 2012 to 3.0% in 2013 and to 2.4% in 2014. It was primarily due to better portfolio's quality.

Analysis of Financial Condition and Results of Operations



Graph 5: Aging of Gross Receivables Comparison at the year-end of 2012 – 2014

Liabilities and Shareholders' Equity

At the year end of 2014, KTC's financial structure consists of current liabilities 36.9%, which is short-term borrowing, long-term borrowing portion with maturity within one year etc., noncurrent liabilities 39.4%, which is mostly long-term borrowing and debentures, other current and non-current liabilities 10.2%, which is trade account payable, deferred income for reward points, and provision for employee benefits, and shareholder's equity 13.5%. Consequently, KTC's debt to equity ratio is 6.4 times which stays at satisfy level and lower than the bond covenant at the maximum D/E ratio of 10 times.

Analysis of Financial Condition and Results of Operations

Dividend Payment

Table 7: KTC Dividend Payment 2012 – 2014

	2012	2013	2014 ⁽¹⁾
Dividend per Share	0.4	2.0	2.75
Dividend Payout Ratio	40.4%	40.2%	40.4%

⁽¹⁾ The right to receive dividends is not confirmed until approved by the Annual General Shareholders Meeting 2015

The dividend payment policy states that not less than 40 percent of net profit after deduction of income tax and appropriation for a legal reserve is to be paid to shareholders.

The Company made payment of dividends for the year 2012 to the shareholders at the rate of Baht 0.40 per 1 ordinary share or equivalent to 40.4% of net profit and made payment of dividends for the year 2013 to the shareholders at the rate of Baht 2.0 per 1 ordinary share or equivalent to 40.2% of net profit.

Analysis of Financial Condition and Results of Operations

Strategic Plan for 2015

KTC plans its operating to become “the Most Preferred Brand in Card Business & Non-collateral Personal Loan” within the year 2018. This 2015 is the second year of the long-term plan. KTC operations in 2014 were partly progressing according to the plan set out and continuing to grow to the set our target. The Company fosters and provides opportunities to its employees to develop their potential by creating unified corporate culture under its Core Values. These are drivers aiming to improve the overall performance and to create contributions to the Company towards success as intended.

KTC in perspective

KTC intends to build-up new customer base through various distribution channels, as well as long-term relationship with existing members. The company focuses on offering products and services with creativity and differentiation to serve the needs of customers. Moreover, portfolio quality is controlled at an acceptable level.

Forever Rewards scheme to promote Loyalty Program: Having strength in bonus point program, KTC continues to reinforce its Forever Rewards campaign by enhancing a variety of point redemption alternatives. For instance, goods and services can be redeemed using fewer points. Customers can also redeem their forever rewards points for discount, cash, payment, or even interest, etc. By implementing Frequency marketing, KTC focuses on frequent and constant spending of its members. Concept of Customer Engagement, moreover, helps building relationships with selected group of members by providing the right campaigns and benefits.

Mobile application, “TapKTC”, creates financial network transactions: KTC launched an online application called “TapKTC” in the late 2013 in order to facilitate all members with 24-hour service. Since then it has been continually developed to provide better services to our customers. Performing self-access through the application is easy, fast, and secure with

Analysis of Financial Condition and Results of Operations

standard security and reminding systems once members access to the application. “TapKTC” actually supports smart devices in both IOS and Android system. Members can do online transactions, i.e. checking their outstanding balance and credit line, checking and transferring bonus points, setting due date reminder, doing FLEXI transaction, requesting for temporally increase in credit line, etc. The Company plans to extensive encourage the online services by using TV spots, printing media, BTS media, outdoor media located in central office zone as well as other online media. In addition to “TapKTC”, members can also process through “ClickKTC” at www.ktc.co.th/ClickKTC.

Credit Card Business

Focusing on marketing activities to benefit members: Aiming to be the most preferred brand, KTC emphasizes on Everyday Usage of all merchant categories and maintains the Occasional Usage benefits by cooperating with its alliance to develop marketing campaigns that serve members’ needs and lifestyles. For example, reward points can be redeemed for discount in shopping, restaurant, gas-station, and supermarket categories, as well as continues helping to lighten customers’ burden with up to 10 months FLEXI installments. There shall be the use of integrated communication to effectively access to members. Moreover, travel and leisure segment shall be reinforced in distinguished way through “KTC World Travel Service” providing the one stop services and privileges to members i.e. airline ticket bookings, hotel reservations, car rentals, etc.

Expanding to serve the premium segment: Having introduced KTC X Visa Signature to the privileged group in 2014, KTC continually remains its focus on expanding number of business partners in this 2015. In order to maximize customer’s satisfaction, KTC has provided better benefits and services to its hi-end members, which help improving company’s image and spending.

Analysis of Financial Condition and Results of Operations

Expanding marketing activities to online merchants and other provinces: As online business becoming a hot issue, KTC pays more attention to doing business with its online alliances. Major provinces with outstanding number of tourists and potential economic growth are also the company's targets.

Generating more income through other supporting services: KTC also creates marketing activities to maximize members' satisfaction and develops card usage behavior through various form of products and services, i.e. insurance services and "U Shop V Deliver" services in which the company cooperates with its business alliances regarding mail order categories by offering products through catalogs or www.ktc.co.th

Personal Loan Business

Introducing KTC PROUD: In order to facilitate its members, KTC introduced a new feature, FLEXI installment, to KTC PROUD which helps customers to manage their credit line. Online distribution channel has been developed to serve the need of consumers. Besides, KTC targets new group of customers such as first jobbers and customers who live in provincial.

Diversify marketing campaigns to both Mass and Segmentation marketing: Mass Campaigns help alleviating customer's debt burden. These types of campaign have been launched quarterly to satisfy personal loan members. While, Segmentation Campaign is a marketing program under the extensive study regarding demography and cash advance withdrawal behavior to achieve maximum responses under the effective use of budget. Moreover, online channels have been developed to suite customers' needs, as well as increase number of merchants to support FLEXI transactions.

Having various activities and strategies will help KTC to achieve its targets and encourage members to utilize KTC credit card as a primary card. Personal loan activities and strategies will also create satisfaction to members. As a result, all members shall possess a loyalty to the Company helping KTC to achieve its goals to generate long-term sustainable growth.

Report of the independent certified public accountants

**To the shareholders
and board of directors
krungthai card public
company limited**

We have audited the financial statements of Krungthai Card Public Company Limited, which comprise the statement of financial position as at December 31, 2014, and the statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Thai Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Report of the independent certified public accountants

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the aforementioned financial statements present fairly, in all material respects, the financial position of Krungthai Card Public Company Limited as at December 31, 2014, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Emphasis of Matter

Without modifying our opinion on the aforementioned financial statements, we draw attention to Note 2.2 to the financial statements, the Company has applied the new accounting policy regarding customer loyalty programmes which is in accordance with Thai Financial Reporting Interpretation No. 13 “Customer Loyalty Programmes” and restated the financial statements for the year ended December 31, 2013 and the statement of financial position as at January 1, 2013, which are presented as comparative information, to be in accordance with the new accounting policy.



Chavala Tienpasertkij

Certified Public Accountant (Thailand)

Registration No. 4301

Bangkok

February 16, 2015

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

Statement of Financial Position

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

As at december 31, 2014

			“Restated”		
			As at December 31, 2014	As at December 31, 2013	As at January 1, 2013
Notes			Baht		
Assets					
Current Assets					
Cash And Cash Equivalents	22	735,120,030	1,623,516,759	1,443,869,385	
Long-Term Investment With Maturity					
Within One Year	7	-	-	20,063,108	
Trade And Other Receivables					
Trade Accounts Receivable	5	50,123,273,900	46,714,083,788	44,551,832,939	
Revenue Department Receivable		54,788,045	54,788,045	78,213,459	
Other Receivables	6 and 22	1,072,152,544	1,073,508,072	695,399,145	
Total Current Assets		51,985,334,519	49,465,896,664	46,789,378,036	
Non-Current Assets					
Long-Term Investments	7	20,559,226	20,893,297	302,676,500	
Leasehold Improvements And Equipment	8	370,660,015	444,599,892	444,515,175	
Intangible Assets	9	505,222,833	445,136,517	273,811,351	
Deferred Tax Assets	10	1,547,666,640	1,466,755,340	1,212,739,305	
Other Non-Current Assets		65,383,974	61,545,253	114,821,807	
Total Non-Current Assets		2,509,492,688	2,438,930,299	2,348,564,138	
Total Assets		54,494,827,207	51,904,826,963	49,137,942,174	

Notes to the financial statements form an integral part of these statements

Statement of Financial Position

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

As at december 31, 2014

			“Restated”	
	Notes	As at December 31, 2014	As at December 31, 2013	As at January 1, 2013
		Baht		
Liabilities and shareholders’ equity				
Current liabilities				
Short-term loans from financial institutions				
- Related financial institutions	11 and 22	377,925,731	10,981,606	616,213,388
- Other financial institutions	11	12,180,538,240	11,197,217,825	10,432,313,296
Trade and other payables				
Trade accounts payable				
- Related financial institution and related parties	22	678,210,856	982,029,744	857,278,792
- Other companies		360,811,232	400,319,043	223,531,685
Accrued interest expenses		208,186,780	221,178,219	269,037,841
Income tax payable		257,538,732	195,092,774	237,430,934
Accrued expenses		843,900,835	502,505,730	313,971,803
Other payables	12	805,993,183	1,753,015,718	998,971,080
Current portion of long-term loans	13	3,350,000,000	-	2,000,000,000
Current portion of liability under finance lease contracts		-	-	1,765,939
Current portion of long-term debentures	14	4,200,000,000	7,800,000,000	10,500,000,000
Deferred income for reward points		2,241,921,420	2,188,000,000	2,198,000,000
Total Current Liabilities		25,505,027,009	25,250,340,659	28,648,514,758

Notes to the financial statements form an integral part of these statements

Statement of Financial Position

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

As at december 31, 2014

		Notes	“Restated”		
			As at December 31, 2014	As at December 31, 2013	As at January 1, 2013
Non-Current Liabilities					
Long-term loans	13	1,850,000,000	5,200,000,000	2,200,000,000	
Long-term debentures	14	19,630,000,000	15,200,000,000	13,000,000,000	
Provision for employee benefits	15	142,000,000	126,000,000	98,300,000	
Total Non-current Liabilities		21,622,000,000	20,526,000,000	15,298,300,000	
Total Liabilities		47,127,027,009	45,776,340,659	43,946,814,758	
Shareholders’ Equity Share Capital					
Authorized share capital					
257,833,407 ordinary shares of Baht 10.00 each		2,578,334,070	2,578,334,070	2,578,334,070	
Issued and paid-up share capital					
257,833,407 ordinary shares of Baht 10.00 each, fully paid		2,578,334,070	2,578,334,070	2,578,334,070	
Premium On Ordinary Shares					
Premium on ordinary shares		1,891,808,721	1,891,808,721	1,891,808,721	
Retained earnings					
Appropriated					
Legal reserve	17	257,833,407	257,833,407	185,300,000	
Unappropriated		2,639,824,000	1,400,510,106	293,543,426	
Other components of shareholders’ equity		-	-	242,141,199	
Total shareholders’ equity		7,367,800,198	6,128,486,304	5,191,127,416	
Total liabilities and shareholders’ equity		54,494,827,207	51,904,826,963	49,137,942,174	

Notes to the financial statements form an integral part of these statements

Statement of Comprehensive Income

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

For the year ended december 31, 2014

		“Restated”	
	Notes	2014	2013
		Baht	
Interest income		6,180,939,342	5,727,632,494
Fee and service income	22	5,996,013,979	5,492,771,519
Bad debt recovered		1,766,106,334	1,446,243,045
Gain on exchange rate-net		72,962,395	69,112,298
Gain from sale of long-term investment		-	307,391,873
Other income	22	320,608,040	300,464,389
Total Revenues		14,336,630,090	13,343,615,618
Administrative expenses	22	5,223,235,452	4,635,563,565
Management remuneration	22.3	153,796,262	114,222,049
Bad debts and doubtful accounts	5.2 and 6	4,988,713,080	5,090,193,099
Total Expenses	18	10,365,744,794	9,839,978,713

Notes to the financial statements form an integral part of these statements

Statement of Comprehensive Income

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

For the year ended december 31, 2014

	Notes	“Restated”	
		2014	2013
		Baht	
Profit before finance cost and income tax		3,970,885,296	3,503,636,905
Finance costs	22	1,764,453,505	1,864,938,677
Profit before income tax		2,206,431,791	1,638,698,228
Income tax expense	20	451,452,483	356,065,138
Profit for the years		1,754,979,308	1,282,633,090
Other comprehensive income (loss)			
Net value loss on investment in available-for-sale securities		-	(242,141,199)
Other comprehensive loss for the years, net of tax		-	(242,141,199)
Total comprehensive income for the years		1,754,979,308	1,040,491,89
Basic earnings per share		6.81	4.97
Weighed average number of ordinary shares		257,833,407	257,833,407

Notes to the financial statements form an integral part of these statements

Statement of Changes in Shareholders' Equity

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

For the year ended december 31, 2014

	Note	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Other components of shareholders' equity Revaluation surplus on investments	Total shareholders' equity
				Appropriated Legal reserve	Unappro- priated		
Baht							
Beginning balance as at january 1, 2013		2,578,334,070	1,891,808,721	185,300,000	293,543,426	242,141,199	5,191,127,416
Dividend paid		-	-	-	(103,133,003)	-	(103,133,003)
Legal reserve	17	-	-	72,533,407	(72,533,407)	-	-
Total comprehensive income		-	-	-	1,282,633,090	(242,141,199)	1,040,491,891
Ending balance as at december 31, 2013		2,578,334,070	1,891,808,721	257,833,407	1,400,510,106	-	6,128,486,304
Beginning balance as at january 1, 2014		2,578,334,070	1,891,808,721	257,833,407	1,400,510,106	-	6,128,486,304
Dividend paid		-	-	-	(515,665,414)	-	(515,665,414)
Total comprehensive income		-	-	-	1,754,979,308	-	1,754,979,308
Ending balance as at december 31, 2014		2,578,334,070	1,891,808,721	257,833,407	2,639,824,000	-	7,367,800,198

Notes to the financial statements form an integral part of these statements

Statement of Cash Flows

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

For the year ended december 31, 2014

	“Restated”	
	2014	2013
	Baht	
Cash flows from operating activities		
Income before income tax expense	2,206,431,791	1,638,698,228
Adjustments for:		
Amortization of premium on debt securities	334,071	339,655
Amortization of deferred interest expense	27,881,962	19,957,953
Employee benefits expense	16,000,000	27,700,000
Depreciation and amortization	278,967,043	271,028,155
Write-off residual value of fixed assets under finance lease	-	(214,000)
Loss from disposal and written-off of leasehold improvements and equipment-net	4,789,437	938,623
Gain from sale of long-term investments	-	(307,391,873)
Deferred income for reward points-net	53,921,420	(10,000,000)
Bad debts and doubtful accounts	4,988,713,080	5,090,193,099
Interest expense	1,744,642,831	1,836,267,000
	9,321,681,635	8,567,516,840

Notes to the financial statements form an integral part of these statements

Statement of Cash Flows

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

For the year ended december 31, 2014

		“Restated”
	2014	2013
	Baht	
Trade accounts receivable increase	(8,397,903,192)	(7,252,443,948)
Other receivables (increase) decrease	1,355,528	(378,108,927)
Other non-current assets (increase) decrease	(3,838,721)	34,684,553
Trade accounts payable-related financial institution and related parties increase (decrease)	(303,818,888)	124,750,953
Trade accounts payable-others increase (decrease)	(29,779,660)	126,791,303
Accrued interest expenses decrease	(27,782,526)	(4,827,249)
Income tax payable decrease	(83,862)	(182,720,465)
Accrued expenses increase	314,618,572	188,533,926
Other payables increase (decrease)	(947,022,535)	754,044,638
Cash received (paid) from operations	(72,573,649)	1,978,221,624
Interest expense paid	(1,729,851,744)	(1,879,299,373)
Income tax paid	(469,833,963)	(409,163,570)
Proceeds from income tax refundable	-	23,425,414
Net cash used in operating activities	(2,272,259,356)	(286,815,905)

Notes to the financial statements form an integral part of these statements

Statement of Cash Flows

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

For the year ended december 31, 2014

		“Restated”
	2014	2013
	Baht	
Cash flows from investing activities		
Cash paid for purchases of long-term investment	-	(21,169,844)
Cash received from long-term investment	-	327,391,873
Proceeds from sales of leasehold improvements and equipment	-	4,770,292
Cash paid for purchases of leasehold improvements and equipment	(104,586,267)	(112,417,954)
Cash paid for purchases of computer software	(148,268,270)	(267,140,943)
Net cash used in investing activities	(252,854,537)	(68,566,576)

Notes to the financial statements form an integral part of these statements

Statement of Cash Flows

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

For the year ended december 31, 2014

		“Restated”
	2014	2013
	Baht	
Cash flows from financing activities		
Proceeds from short-term loans - financial institutions (net)	1,322,382,578	139,714,794
Proceeds from long-term loans	-	3,000,000,000
Cash paid for repayment of long-term loans	-	(2,000,000,000)
Proceeds from issuance of debentures	8,630,000,000	10,000,000,000
Cash paid for redemption of long-term debentures	(7,800,000,000)	(10,500,000,000)
Cash paid for liabilities under finance lease contracts	-	(1,551,936)
Dividend paid	(515,665,414)	(103,133,003)
Net cash provided by financing activities	1,636,717,164	535,029,855
Net increase (decrease) in cash and cash equivalents	(888,396,729)	179,647,374
Cash and cash equivalents as at january 1,	1,623,516,759	1,443,869,385
Cash and cash equivalents as at december 31,	735,120,030	1,623,516,759

Notes to the financial statements form an integral part of these statements

Notes to the Financial Statements

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

For the year ended december 31, 2014

01

General

Krungthai Card Public Company Limited (“the Company”) is fully engaged in credit card, personal loan and other related businesses. The Company registered as a listed company on The Stock Exchange of Thailand on October 28, 2002.

The Company is located at 14th Floor UBC II Building, 591 Sukhumvit Road, Klongton Nua, Wattana, Bangkok 10110.

Notes to the Financial Statements

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

For the year ended december 31, 2014

02

Basis for preparation and presentation of the financial statements

2.1 The Company maintains its accounting records in Thai Baht and prepares its statutory financial statements in the Thai language in conformity with Thai Financial Reporting Standards (“TFRS”) and accounting practices generally accepted in Thailand and in accordance with the regulations of The Stock Exchange of Thailand dated January 22, 2001, regarding the basis, conditions and procedures for the preparation and submission of financial statements and reports for the financial position and results of operations of listed companies B.E. 2544. The financial statements have been prepared on the historical cost basis except for those described in Accounting Policies (Note 3).

The brief particulars in the Company’s financial statements for the years ended December 31, 2014 are prepared in compliance with the Notification of the Department of Business Development regarding “The Brief Particulars in the Financial Statements B.E. 2554” dated September 28, 2011.

Currently, the Company’s operations relate to a single business segment which is the consumer finance business, and are carried out in a single geographic area which is Thailand.

2.2 Since January 1, 2014, the Company has adopted the new and revised Thai Financial Reporting Standards (TFRS) issued by the Federation of Accounting Professions which are effective for the financial statements for the accounting periods beginning on or after January 1, 2014 onwards, in the preparation of the financial statements. Such TFRS have no significant impact to the Company’s financial statements except for the accounting policy of customer loyalty programmes which has been adopted in order to comply with Thai Financial Reporting Standard Interpretation No. 13 (TFRI 13) “Customer Loyalty Programmes”.

The effects of change in accounting policy of customer loyalty programmes on the statements of financial position as at December 31, 2013 and January 1, 2013 and the statement of comprehensive income for the year ended December 31, 2013 are as follows:

Notes to the Financial Statements

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

For the year ended december 31, 2014

	Balance before change in accounting policy	Increase (Decrease)	Balance after change in accounting policy
	Thousand Baht		
Statement of position as			
At december 31, 2013			
Provision for reward points	2,188,000	(2,188,000)	-
Deferred income for reward points	-	2,188,000	2,188,000
Statement of position As at january 1, 2013			
Provision for reward points	2,198,000	(2,198,000)	-
Deferred income for reward points	-	2,198,000	2,198,000
Statement of comprehensive income			
For the year ended december 31, 2013			
Fee and service income	6,213,879	(721,108)	5,492,771
Other income	103,522	196,942	300,464
Administrative expenses	5,159,729	(524,166)	4,635,563

Notes to the Financial Statements

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

For the year ended december 31, 2014

2.3 Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective

The Federation of Accounting Professions has issued the Notifications regarding Thai Financial Reporting Standards (TFRSs), which are effective for the accounting period beginning on or after January 1, 2015 onwards as follows:

Thai Accounting Standards (“TAS”)

TAS 1 (Revised 2014)	Presentation of Financial Statements
TAS 2 (Revised 2014)	Inventories
TAS 7 (Revised 2014)	Statement of Cash Flows
TAS 8 (Revised 2014)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (Revised 2014)	Events after the Reporting Period
TAS 11 (Revised 2014)	Construction Contracts
TAS 12 (Revised 2014)	Income Taxes
TAS 16 (Revised 2014)	Property, Plant and Equipment
TAS 17 (Revised 2014)	Leases
TAS 18 (Revised 2014)	Revenue
TAS 19 (Revised 2014)	Employee Benefits
TAS 20 (Revised 2014)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2014)	The Effects of Changes in Foreign Exchange Rate

Notes to the Financial Statements

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

For the year ended december 31, 2014

Thai Accounting Standards (“TAS”)

TAS 23 (Revised 2014)	Borrowing Costs
TAS 24 (Revised 2014)	Related Party Disclosures
TAS 26 (Revised 2014)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (Revised 2014)	Separate Financial Statements
TAS 28 (Revised 2014)	Investments in Associates and Joint Ventures
TAS 29 (Revised 2014)	Financial Reporting in Hyperinflationary Economies
TAS 33 (Revised 2014)	Earnings per Share
TAS 34 (Revised 2014)	Interim Financial Reporting
TAS 36 (Revised 2014)	Impairment of Assets
TAS 37 (Revised 2014)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (Revised 2014)	Intangible assets
TAS 40 (Revised 2014)	Investment Property

Notes to the Financial Statements

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

For the year ended december 31, 2014

Thai Financial Reporting Standards (“TFRS”)

TFRS 2 (Revised 2014)	Share-Based Payment
TFRS 3 (Revised 2014)	Business Combinations
TFRS 5 (Revised 2014)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (Revised 2014)	Exploration for and Evaluation of Mineral Assets
TFRS 8 (Revised 2014)	Operating Segments
TFRS 10	Consolidated Financial Statements
TFRS 11	Joint Arrangements
TFRS 12	Disclosure of Interests in Other Entities
TFRS 13	Fair Value Measurement

Thai Accounting Standards Interpretations (“TSI”)

TSI 10 (Revised 2014)	Government Assistance-No Specific Relation to Operating Activities
TSI 15 (Revised 2014)	Operating Leases-Incentives
TSI 25 (Revised 2014)	Income Taxes-Change in the Tax Status of an Enterprise or its Shareholders
TSI 27 (Revised 2014)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSI 29 (Revised 2014)	Disclosure-Service Concession Arrangements
TSI 31 (Revised 2014)	Revenue-Barter Transactions Involving Advertising Services
TSI 32 (Revised 2014)	Intangible Assets-Web Site Costs

Notes to the Financial Statements

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

For the year ended december 31, 2014

Thai Financial Reporting Standard Interpretations (“TFRI”)

TFRI 1 (Revised 2014)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRI 4 (Revised 2014)	Determining whether an Arrangement contains a Lease
TFRI 5 (Revised 2014)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRI 7 (Revised 2014)	Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies
TFRI 10 (Revised 2014)	Interim Financial Reporting and Impairment
TFRI 12 (Revised 2014)	Service Concession Arrangements
TFRI 13 (Revised 2014)	Customer Loyalty Programmes
TFRI 14	TAS 19 (Revised 2014) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRI 15 (Revised 2014)	Agreements for the Construction of Real Estate
TFRI 17 (Revised 2014)	Distributions of Non-cash Assets to Owners
TFRI 18 (Revised 2014)	Transfers of Assets from Customers
TFRI 20 (Revised 2014)	Stripping Costs in the Production Phase of a Surface Mine

Notes to the Financial Statements

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

For the year ended december 31, 2014

The Federation of Accounting Professions has issued the Notifications regarding Thai Financial Reporting Standard (TFRS), which is effective for the accounting period beginning on or after January 1, 2016 onwards as follow:

Thai Financial Reporting Standards (“TFRS”)

TFRS 4 (Revised 2014)

Insurance Contracts

The Company’s management will adopt the above TFRSs relevant to the Company in the preparation of the Company’s financial statements when they become effective.

The Company’s management has assessed the effects of these TFRSs and believes that they will not have any significant impact on the financial statements for the period in which they are initially applied.

Notes to the Financial Statements

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

For the year ended december 31, 2014

03

Significant accounting policies

3.1 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, deposits at banks and financial institutions and current investments with original maturities of 3 months or less.

3.2 Trade accounts receivable

Trade accounts receivable are stated in the statements of financial position at the outstanding amount less the allowance for doubtful accounts.

3.3 Investments

The Company's investments are debt securities which the Company has the intent and ability to hold until maturity are classified as held-to-maturity and carried at the amortized cost, net of valuation allowances for impairment, if any.

3.4 Leasehold improvements and equipment

Leasehold improvements and equipment are stated at cost less accumulated depreciation and amortization.

Gain or loss on disposal or write-off leasehold improvements and equipment is recognized in the statement of comprehensive income in the period of disposal or write-off.

Depreciation and amortization of leasehold improvements and equipment are calculated by the straight-line method, over the estimated useful lives of the assets, as follows:

Notes to the Financial Statements

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

For the year ended december 31, 2014

Leasehold improvements	Lease period
Furniture, fixtures and office equipment	5 years
Vehicles	5 years
Personal computers and peripheral devices	3 years

3.5 Intangible assets

Intangible assets represent computer software which is stated at cost less accumulated amortization.

Amortization of intangible assets is calculated by the straight-line method based on the estimated useful life of intangible assets over 5 years.

3.6 Long-term leases

Leases of assets where substantially all the risks and rewards are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are recognized as expenses in the statement comprehensive income on a straight line basis over the term of the leases.

Where an operating lease is terminated before the lease period has expired, any penalty payment is recognized as an expense in the period in which the lease is terminated.

Notes to the Financial Statements

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

For the year ended december 31, 2014

3.7 Post-employment benefit obligations

The post-employment benefit obligations represent the retirement benefits that the employees will get the payment at the amount determined by the Labor Protection Act when they retire. The Company does not have separate fund for such defined benefit plan but estimates the employment benefit obligations which are measured by an actuary using the projected unit credit cost method to determine the present value of cash flow of employee benefits to be paid in the future. Under this method, the calculation is based on the employee's expected salary, turnover rate, salary increase rate, mortality rate, discount rate, years of services and other factors.

The expenses for employee benefits plan are recognized as personnel expenses in the statement of comprehensive income.

The actuarial gains (losses) are recognized as other comprehensive income (loss) in the statements of comprehensive income.

3.8 Foreign currency transactions

Transactions denominated in foreign currencies during the year are translated into Baht at the rates of exchange ruling on the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into Baht at the reference exchange rate announced by the Bank of Thailand at that date.

Gains or losses on exchange arising on settlements or translation are recognized as operating income or expenses in the statement of comprehensive income.

Notes to the Financial Statements

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

For the year ended december 31, 2014

3.9 Income recognition

The Company recognizes interest income on credit card receivables for default payments of installments from the posting date. Interest on cash advances from credit cards is recognized from the date of cash withdrawals. Interest on circle loans, personal loans and self-employed loans are recognized on an accrual basis. The Company recognizes interest income overdue for more than 180 days on a cash basis.

The Company recognizes fee and service income, which consists of fees on cash advances, card issuance fees, interchange fees and other service fees, on the date the service is rendered.

The Company recognizes management fees when services are rendered as stipulated in the credit card management service agreement.

3.10 Bad debt recovery

Bad debt recovery is recognized as income in the statements of comprehensive income in the period which it is collected.

3.11 Provident fund

The contributions for employee provident fund are recorded as expenses when incurred.

3.12 Income tax

Income tax - income (expense) represent the sum of the tax currently payable and deferred tax.

Notes to the Financial Statements

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

For the year ended december 31, 2014

3.12.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statements of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted at the reporting date.

3.12.2 Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit (tax base). Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for temporary differences to the extent that it is probable that taxable profits will be available against which those temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available for utilizing all or part of the deferred tax assets.

Deferred tax assets and liabilities are measured at the tax rates those are expected to apply in the period in which the asset is realized or the liability settled, based on tax rates that have been enacted or substantively enacted by the reporting date.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off the recognized amounts and the Company intends to settle on a net basis or to realize the asset and settle the liability simultaneously.

Notes to the Financial Statements

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

For the year ended december 31, 2014

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis or to realized the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Income tax - income (expense) related to profit or loss from normal activities are presented in the statement of comprehensive income, except for current and deferred taxes of related items that recognized directly in the shareholders' equity in the same or different period.

3.13 Earnings per share

Basic earnings per share are calculated by dividing net profit for the year by the weighted average number of ordinary shares issued and held by outside parties during the year.

3.14 Critical accounting judgments and key sources of estimation uncertainty

In the application of the Company's accounting policies described above, the management is required to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates. The significant accounting estimate is as follows:

Notes to the Financial Statements

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

For the year ended december 31, 2014

Allowance for doubtful accounts and bad debts

The Company provided the allowance for doubtful accounts for credit card, circle loan and personal loan receivables which have aging less than 90 days by using the loss rate net of recovery which the Company believed that such loss rate reflects the current credit risk inherent in the portfolio. Moreover, the Company adjusted the historical loss experience by the information on trend and economic conditions that might have an effect on the ability to repay the debt of the debtor groups including additional economic factors to cope with the potential risks from the future economic fluctuation and the Company fully reserved for receivables which are defaulted for 90 days or more.

A fixed percentage of 1% adjusted by the information on trend and economic conditions that might have an effect on the ability to repay the debt for self-employed loans is applied to receivables aged less than 90 days because self-employed loan products had been launched in the year 2004 but decreased continuously, the Company thus had no adequate statistical historical data to calculate the allowance for doubtful accounts based on the percentage of loss rates net of recovery. Allowance for receivables in default for 90 days or more was fully reserved.

Bad debts are written off when the Company considers such debts to be irrecoverable.

Deferred income for reward points

The deferred income arising from reward point program granted to the Company's customers. The deferred income is calculated based on the estimates of redemption rate of the reward points earned by the customers and average reward prices and is presented in current liabilities in the statements of financial position.

Notes to the Financial Statements

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

For the year ended december 31, 2014

04

Supplementary disclosures of cash flows information

Non-cash items for the years ended December 31, 2014 and 2013 are as follows:

	2014	2013
	Thousand Baht	
Payable for the purchase of leasehold improvements and equipment brought forward	71,362	36,650
<u>Add</u> Purchase of leasehold improvements and equipment	67,922	147,130
<u>Less</u> Cash paid for the purchase of leasehold improvements and equipment	(104,586)	(112,418)
Payable for the purchase of leasehold improvements and equipment carried forward (presented as a part of Trade accounts payable-others)	34,698	71,362
Payable for the purchase of computer software brought forward	108,620	93,336
<u>Add</u> Purchase of computer software	201,980	282,425
<u>Less</u> Cash paid for the purchase of computer software	(148,268)	(267,141)
Payable for the purchase of computer software carried forward (presented as a part of Trade accounts payable-others)	162,332	108,620
Investments in available-for-sale securities brought forward	-	302,677
<u>Add</u> Unrealized gain on revaluation	-	4,715
<u>Less</u> Cash received from sale of available for sale securities	-	(307,392)
Investments in available-for-sale securities carried forward	-	-

Notes to the Financial Statements

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

For the year ended december 31, 2014

05

Trade accounts receivable

5.1 Outstanding balances of trade accounts receivable classified by type of business and aging

The Company had outstanding balances of trade accounts receivable classified by type of business and aging as follows:

As at December 31, 2014					
	Credit card	Circle loan	Personal loan	Self-employed loan	Total
	Thousand Baht				
Not over 90 days	36,995,229	208,613	16,449,231	11,870	53,664,943
91 - 180 days	279,035	1,098	105,561	179	385,873
Over 180 days	347,080	6,073	89,561	513,255	955,969
Total	37,621,344	215,784	16,644,353	525,304	55,006,785
<u>Less</u> Allowance for doubtful accounts	(2,906,282)	(20,295)	(1,443,013)	(513,921)	(4,883,511)
Trade accounts receivable	34,715,062	195,489	15,201,340	11,383	50,123,274

Notes to the Financial Statements

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

For the year ended december 31, 2014

As at December 31, 2013					
	Credit card	Circle loan	Personal loan	Self-employed loan	Total
	Thousand Baht				
Not over 90 days	34,525,157	232,020	14,898,852	17,768	49,673,797
91 - 180 days	332,637	1,478	116,446	1,155	451,716
Over 180 days	439,464	5,662	105,285	531,991	1,082,402
Total	35,297,258	239,160	15,120,583	550,914	51,207,915
<u>Less</u> Allowance for doubtful accounts	(2,422,321)	(14,170)	(1,523,608)	(533,732)	(4,493,831)
Trade accounts receivable	32,874,937	224,990	13,596,975	17,182	46,714,084

As at December 31, 2014 and 2013, receivables in default for more than 3 periods which their accrued interest are still recognized are Baht 385.8 million and Baht 451.7 million, respectively. However, such receivables are fully reserved as at December 31, 2014 and 2013. Accrued interest from such receivables which is recognized as income for the years ended December 31, 2014 and 2013 are Baht 77.8 million and Baht 116.5 million, respectively.

Notes to the Financial Statements

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

For the year ended december 31, 2014

5.2 Bad debts and doubtful accounts

Bad debts and doubtful accounts for the years ended December 31, 2014 and 2013 are as follows:

	2014	2013
	Thousand Baht	
Bad debts	4,603,373	4,119,734
Doubtful accounts	389,680	966,119
Total bad debts and doubtful accounts	4,993,053	5,085,853

Notes to the Financial Statements

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

For the year ended december 31, 2014

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Other receivables

Other receivables as at December 31, 2014 and 2013 are as follows:

	2014	2013
	Thousand Baht	
Other credit card receivables	365,218	473,698
Accrued fees and interest income	469,609	404,731
Prepaid expenses	144,313	107,072
Suspended accounts	6,080	6,639
Others	106,234	141,886
<u>Less</u> Allowance for doubtful accounts	(19,301)	(60,518)
Total other receivables	1,072,153	1,073,508

The Company provided consulting service for a financial institution regarding the preparation for credit card business completed in the year 2011. Consequently, such financial institution changed its directors and management team, resulting in delay of implementation of credit card business. The Company considered that such financial institution defaulted the payment for service fee more than 90 days and will take long-time in follow-up process. As at December 31, 2014 and 2013, the Company set up allowance for doubtful accounts for the outstanding debt of such financial institution of Baht 19.3 million and Baht 56.2 million, respectively.

Notes to the Financial Statements

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

For the year ended december 31, 2014

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Long-term investments

Long-term investments as at December 31, 2014 and 2013 consist of the following:

	2014			2013		
	Cost/ Amortized Cost	Unrealized Gains	Fair Value	Cost/ Amortized Cost	Unrealized Gains	Fair Value
	Thousand Baht					
Securities Held-to-Maturity						
Government securities	20,559	917	21,476	20,893	721	21,614
<u>Less</u> Long-term investment with maturity within one year	-		-	-		-
Total long-term investments	20,559		21,476	20,893		21,614

As at December 31, 2014, the Company pledged government bonds with Krung Thai Bank Public Company Limited totally of Baht 5.6 million. The amount of Baht 3.0 million is for collateral of the Collection Service Agreement. The amount of Baht 2.6 million are for issue letter of guarantees to another companies for the Company's business (as at December 31, 2013: nil).

Notes to the Financial Statements

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

For the year ended december 31, 2014

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Leasehold improvements and equipment

Leasehold improvements and equipment as at December 31, 2014 and 2013 are as follows:

	As at December 31, 2014				
	Balance as at December 31, 2013	Additions	Disposals	Transfer in (Transfer out)	Balance as at December 31, 2014
	Thousand Baht				
Costs:					
Leasehold improvements	484,582	-	(16,775)	2,671	470,478
Furniture, fixtures and office equipment	923,195	9,132	(73,068)	98,980	958,239
Vehicles	154	-	-	-	154
Total	1,407,931	9,132	(89,843)	101,651	1,428,871

Notes to the Financial Statements

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

For the year ended december 31, 2014

	As at December 31, 2014				
	Balance as at December 31, 2013	Additions	Disposals	Transfer in (Transfer out)	Balance as at December 31, 2014
	Thousand Baht				
Accumulated depreciation and amortization:					
Leasehold improvements	(420,550)	(27,669)	16,775	-	(431,444)
Furniture, fixtures and office equipment	(623,776)	(113,389)	72,295	-	(664,870)
Vehicles	(66)	(31)	-	-	(97)
Total	(1,044,392)	(141,089)	89,070	-	(1,096,411)
Assets under installation	193,901	58,790	-	(101,651)	151,040
<u>Less</u> Allowance for impairment of assets	(112,840)	-	-	-	(112,840)
Leasehold improvements and equipment	444,600				370,660

Notes to the Financial Statements

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

For the year ended december 31, 2014

	As at December 31, 2013				
	Balance as at December 31, 2012	Additions	Disposals	Transfer in (Transfer out)	Balance as at December 31, 2013
	Thousand Baht				
Costs:					
Leasehold improvements	492,338	44	(14,728)	6,928	484,582
Furniture, fixtures and office equipment	799,320	12,762	(55,747)	166,860	923,195
Vehicles	1,400	-	(1,246)	-	154
Total	1,293,058	12,806	(71,721)	173,788	1,407,931

Notes to the Financial Statements

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

For the year ended december 31, 2014

	As at December 31, 2013				
	Balance as at December 31, 2012	Additions	Disposals	Transfer in (Transfer out)	Balance as at December 31, 2013
	Thousand Baht				
Accumulated depreciation and amortization:					
Leasehold improvements	(392,354)	(39,500)	11,304	-	(420,550)
Furniture, fixtures and office equipment	(575,433)	(102,489)	54,146	-	(623,776)
Vehicles	(1,281)	(31)	1,246	-	(66)
Total	(969,068)	(142,020)	66,696	-	(1,044,392)
Assets under installation	233,365	134,324	-	(173,788)	193,901
<u>Less</u> Allowance for impairment of assets	(112,840)	-		-	(112,840)
Leasehold improvements and equipment	444,515				444,600

Notes to the Financial Statements

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

For the year ended december 31, 2014

Depreciation and amortization for the years ended December 31,	2014	2013
	Thousand Baht	
	141,089	142,020

As at December 31, 2014 and 2013, the costs of fully depreciated assets still in use are Baht 793.6 million and Baht 693.0 million, respectively.

During the year ended December 31, 2012, the Company has terminated the computer development agreement with a vendor, resulted in disuse of the relating equipment and cease of the computer program development. The Company's management has considered the allowance for impairment of assets by comparing carrying value of those assets with net realizable value which is fair value deducted cost from sales of the assets. As at December 31, 2014 and 2013, the Company has allowance for impairment of certain equipment and cost of computer development of Baht 112.84 million and Baht 298.98 million (Note 9), respectively.

Notes to the Financial Statements

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

For the year ended december 31, 2014

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Intangible assets

Intangible assets as at December 31, 2014 and 2013 are as follows:

	As at December 31, 2014				
	Balance as at December 31, 2013	Additions	Disposals	Transfer in (Transfer out)	Balance as at December 31, 2014
	Thousand Baht				
Computer software	862,747	19,103	(60,705)	136,702	957,847
<u>Less</u> Accumulated amortization	(441,101)	(137,878)	56,688	-	(522,291)
	421,646				435,556
<u>Add</u> Software under installation	322,474	182,877	-	(136,702)	368,649
<u>Less</u> Allowance for impairment of assets (Note 8)	(298,983)	-	-	-	(298,983)
Intangible assets	445,137				505,222

Notes to the Financial Statements

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

For the year ended december 31, 2014

	As at December 31, 2013				
	Balance as at December 31, 2012	Additions	Disposals	Transfer in (Transfer out)	Balance as at December 31, 2013
	Thousand Baht				
Computer software	483,927	12,122	(2,537)	369,235	862,747
<u>Less</u> Accumulated amortization	(332,538)	(110,416)	1,853	-	(441,101)
	151,389				421,646
<u>Add</u> Software under installation	421,405	270,304	-	(369,235)	322,474
<u>Less</u> Allowance for impairment of assets (Note 8)	(298,983)	-	-	-	(298,983)
Intangible assets	273,811				445,137

Amortization for the years ended December 31,	2014	2013
	Thousand Baht	
	137,878	110,416

As at December 31, 2014 and 2013, the costs of fully amortized intangible assets still in use are Baht 330.61 million and Baht 153.85 million, respectively.

Notes to the Financial Statements

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

For the year ended december 31, 2014

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Deferred tax assets

Deferred tax assets as at December 31, 2014 and 2013 are as follows:

	2014	2013
	Thousand Baht	
Deferred tax assets	1,547,667	1,466,755

Deferred tax assets as at December 31, 2014 and 2013 consist of tax effects from the following items:

	2013	Item as recognized into income statements	Item as recognized into shareholders' equity	2014
	Thousand Baht			
Allowance for doubtful accounts	934,482	68,132	-	1,002,614
Allowance for impairment of assets	82,364	-	-	82,364
Deferred income for reward points	437,600	10,784	-	448,384
Difference from depreciation rate	(28,392)	(9,829)	-	(38,221)
Others	40,701	11,824	-	52,525
Deferred tax assets	1,466,755	80,911	-	1,547,666

Notes to the Financial Statements

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

For the year ended december 31, 2014

	2012	Item as recognized into income statements	Item as recognized into shareholders' equity	2013
	Thousand Baht			
Allowance for doubtful accounts	743,663	190,819	-	934,482
Allowance for impairment of assets	82,364	-	-	82,364
Deferred income for reward points	439,600	(2,000)	-	437,600
Difference from depreciation rate	(30,120)	1,728	-	(28,392)
Revaluation surplus on investment	(42,488)	(18,047)	60,535	-
Others	19,720	20,981	-	40,701
Deferred tax assets	1,212,739	193,481	60,535	1,466,755

Notes to the Financial Statements

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

For the year ended december 31, 2014

II

Short-term loans from financial institutions

Promissory notes and bills of exchange have interest rates at Money Market Rate (MMR), which is in between 2.70% and 3.80% per annum with maturity on demand to one year and are unsecured.

Notes to the Financial Statements

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

For the year ended december 31, 2014

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Other payables

Other payables as at December 31, 2014 and 2013 are as follows:

	2014	2013
	Thousand Baht	
Exceed payment from customers	154,665	155,934
Other payables	463,264	1,400,457
Suspended accounts	84,688	106,436
Others	103,376	90,189
Total other payables	805,993	1,753,016

Notes to the Financial Statements

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

For the year ended december 31, 2014

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Long-term loans

Long-term loans as at December 31, 2014 and 2013 are as follows:

	2014			2013		
	Average interest rate	Due within the year	Amount	Average interest rate	Due within the year	Amount
	%		Thousand Baht	%		Thousand Baht
Loans in Baht	4.83	2016	5,200,000	4.83	2016	5,200,000
<u>Less</u> Current portion of long-term loans			(3,350,000)			-
Total long-term loans			1,850,000			5,200,000

As at December 31, 2014 and 2013, long-term loans consist of loans from financial institutions which are unsecured.

Notes to the Financial Statements

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

For the year ended december 31, 2014

Details of loans can be summarized as follows:

Type	Date of Agreement	Amount (Million Baht)	Maturity Date	Interest Rate (% p.a.)	Interest Payable Period	Balance as at December 31,	
						2014	2013
						Million Baht	
Long-term loan	12 Jun 2012	350	15 Jun 2015	5.20	Monthly	350	350
Long-term loan	12 Jun 2012	350	15 Jun 2016	5.50	Monthly	350	350
Long-term loan	6 Jul 2012	1,500	12 Jan 2016	5.20	Quarterly	1,500	1,500
Long-term loan	23 May 2013	1,000	29 May 2015	4.55	Quarterly	1,000	1,000
Long-term loan	19 Jun 2013	2,000	26 Jun 2015	4.50	Quarterly	2,000	2,000
Total loans						5,200	5,200

Notes to the Financial Statements

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

For the year ended december 31, 2014

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Long-term debentures

Long-term debentures as at December 31, 2014 and 2013 are as follows:

	2014	2013
	Thousand Baht	
Debentures	23,830,000	23,000,000
<u>Less</u> Current portion of debentures	(4,200,000)	(7,800,000)
Total long-term debentures	19,630,000	15,200,000

Notes to the Financial Statements

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

For the year ended december 31, 2014

Details of debentures can be summarized as follows:

Type	Date of Issuance	Amount (Million Baht)	Maturity Date	Interest Rate (% p.a.)	Interest Payable Period	Balance as at December 31,	
						2014	2013
						Million Baht	
Senior unsecured debentures	17 Oct 2011	6,000	17 Oct 2014	5.50	Quarterly	-	6,000
Senior unsecured debentures	17 Oct 2011	1,000	17 Oct 2015	5.50-6.00	Quarterly	1,000	1,000
Senior unsecured debentures	6 Aug 2012	1,800	6 Aug 2014	4.90	Quarterly	-	1,800
Senior unsecured debentures	6 Aug 2012	3,200	6 Aug 2015	5.20	Quarterly	3,200	3,200
Senior unsecured debentures	6 Aug 2012	1,000	6 Aug 2016	5.40	Quarterly	1,000	1,000
Senior unsecured debentures	9 May 2013	2,000	9 May 2016	4.65	Quarterly	2,000	2,000
Senior unsecured debentures	9 Aug 2013	2,200	9 Aug 2016	4.75	Quarterly	2,200	2,200
Senior unsecured debentures	9 Aug 2013	800	9 Aug 2018	5.00	Quarterly	800	800
Senior unsecured debentures	12 Nov 2013	5,000	12 Nov 2017	4.80	Quarterly	5,000	5,000
Senior unsecured debentures	2 Apr 2014	500	2 Apr 2017	4.00	Semi-annually	500	-
Senior unsecured debentures	7 May 2014	500	16 May 2017	3.95	Semi-annually	500	-
Senior unsecured debentures	9 May 2014	200	13 May 2016	3.65	Quarterly	200	-
Senior unsecured debentures	8 Jul 2014	200	7 Jul 2017	3.80	Quarterly	200	-

Notes to the Financial Statements

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

For the year ended december 31, 2014

Type	Date of Issuance	Amount (Million Baht)	Maturity Date	Interest Rate (% p.a.)	Interest Payable Period	Balance as at December 31,	
						2014	2013
						Million Baht	
Senior unsecured debentures	10 Jul 2014	200	8 Jul 2016	3.60	Quarterly	200	-
Senior unsecured debentures	13 Aug 2014	200	22 Aug 2017	3.70	Semi-annually	200	-
Senior unsecured debentures	19 Aug 2014	2,000	18 Aug 2017	4.00-4.50	Quarterly	2,000	-
Senior unsecured debentures	1 Sep 2014	300	16 Mar 2018	3.80	Semi-annually	300	-
Senior unsecured debentures	10 Oct 2014	400	10 Oct 2017	3.70	Semi-annually	400	-
Senior unsecured debentures	17 Oct 2014	4,000	9 Aug 2018	4.30	Quarterly	4,000	-
Senior unsecured debentures	28 Nov 2014	130	7 Dec 2017	3.65	Semi-annually	130	-
Total debentures						23,830	23,000

Notes to the Financial Statements

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

For the year ended december 31, 2014

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Provision for employee benefits

The Company has retirement benefits plan in accordance with Labour Protection Act., which is the unfunded defined benefit plan.

Amounts recognized in the statement of comprehensive income for the years ended December 31, 2014 and 2013 are as follows:

	2014	2013
	Thousand Baht	
Current service cost	16,207	17,079
Interest on obligation	8,794	12,600
	25,001	29,679

Notes to the Financial Statements

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

For the year ended december 31, 2014

Movements in the present value of the defined benefit obligation for the years ended December 31, 2014 and 2013 are as follows:

	2014	2013
	Thousand Baht	
Defined benefit obligation brought forward	126,000	98,300
Current service cost	16,207	17,079
Interest on obligation	8,794	12,600
Paid to employee	(9,001)	(1,979)
Defined benefit obligation carried forward	142,000	126,000

Notes to the Financial Statements

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

For the year ended december 31, 2014

The principal assumptions used for the purpose of the actuarial valuations for calculation of defined benefit obligation as at December 31, 2014 and 2013 are as follows:

	As at December 31, 2014	As at December 31, 2013
Retirement age	60 years	60 years
Mortality rate	Thai Mortality Table 2008	Thai Mortality Table 2008
Disability rate	10% of mortality rate	15% of mortality rate
Personnel turnover rate	5.0%	5.0%
Discount rate	4.24%	4.5%
Expected rate of salary increase	6.33%	5.5%

Notes to the Financial Statements

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

For the year ended december 31, 2014

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Capital management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and shareholders' equity balance. The Company's overall strategy of the year 2014 remains unchanged from 2013.

The capital structure of the Company consists of debt, which includes the loans and debentures disclosed in Notes 13 and 14 and shareholders' equity, comprising issued and paid-up capital, legal reserves and retained earnings.

The Company does not apply any specific financial ratios to monitor its capital whilst manages its capital to be sufficient for its working capital.

Notes to the Financial Statements

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

For the year ended december 31, 2014

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Dividend and appropriation for legal reserve

Pursuant to the Public Companies Act. B.E. 2535 (1992), the Company must allocate to a reserve fund from the annual net profit, not less than five percent of the annual net profit deducted by the total accumulated loss brought forward (if any) until the reserve fund reaches an amount of not less than ten percent of the registered capital. The legal reserve is not available for dividend distribution.

As at December 31, 2014 and 2013, the Company's legal reserve reaches 10% of the registered share capital.

On April 25, 2014, the ordinary shareholders' meeting passed resolutions to pay dividend for the year 2013 at Baht 2.00 per share totally of Baht 515.67 million and to appropriate for legal reserve of Baht 72.53 million from net profit for the year 2013. The Company already paid dividend on May 12, 2014.

On April 12, 2013, the ordinary shareholders' meeting passed resolutions to pay dividend for the year 2012 at Baht 0.40 per share totally of Baht 103.13 million and to appropriate for legal reserve of Baht 12.80 million from net profit for the year 2012. The Company already paid dividend on May 12, 2013.

Notes to the Financial Statements

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

For the year ended december 31, 2014

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Expenses by nature

Net profit for the years ended December 31, 2014 and 2013 have been arrived at after charging the following items:

	2014	2013
	Thousand Baht	
Management remuneration	153,796	114,222
Staff costs	1,630,817	1,405,990
Depreciation and amortization	278,967	271,028
Consulting and other fees	1,179,666	1,108,596
Marketing fee	944,548	657,653
Premises and equipment expenses	431,658	438,605
Communication expenses	205,564	195,357
Special business tax & duty stamp	350,459	326,224
Bad debts and doubtful accounts	4,988,713	5,090,193
Others	201,557	232,111
Total Expenses	10,365,745	9,839,979

Notes to the Financial Statements

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

For the year ended december 31, 2014

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Provident fund

The Company set up a registered provident fund in accordance with the Provident Fund Act B.E. 2530. All employees are members of the Provident Fund, which is managed by Krungthai Asset Management Public Company Limited. Under the Fund's regulations, employees contribute to the fund at the rate of 3% to 6% of their basic salary and the Company contributes to the fund at the rate of 6%.

The Company's contributions which were charged to the statement of comprehensive income for the years ended December 31, 2014 and 2013 amounted to Baht 50.0 million and Baht 46.7 million, respectively.

Notes to the Financial Statements

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

For the year ended december 31, 2014

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Income tax expense

Income tax expense for the years ended December 31, 2014 and 2013 are as follows:

	2014	2013
	Thousand Baht	
Income tax expense per income tax return	(532,364)	(549,546)
Adjustment for deferred tax relating to the origination and reversal of temporary differences	80,911	193,481
Income tax expense per the statements of comprehensive income	(451,453)	(356,065)

Notes to the Financial Statements

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

For the year ended december 31, 2014

The reconciliation between income tax-income (expense) and accounting income for the years ended December 31, 2014 and 2013 are follows:

	2014	2013
	Thousand Baht	
Accounting profit (loss) before tax	2,206,432	1,638,698
Income tax-income (expense) at domestic tax rates 20% tax rate	(441,286)	(327,740)
Tax effect of non-deductible expenses	(10,167)	(28,325)
Income tax expense per the statements of comprehensive income	(451,453)	(356,065)
Adjustment for deferred tax relating to the origination and reversal of temporary differences	(80,911)	(193,481)
Income tax expense per income tax return	(532,364)	(549,546)

Notes to the Financial Statements

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

For the year ended december 31, 2014

According to the Royal Decree No. 555 B.E. 2555 issued under the Revenue Code regarding the corporate income tax rate reduction effective on December 27, 2012, the corporate income tax rates were reduced from 30% to 23% of net income for an accounting period beginning on or after January 1, 2012 and 20% of net income for two consecutive accounting period beginning on or after January 1, 2013 and according to the Royal Decree No. 577 B.E. 2557 issued under the Revenue Code regarding the corporate income tax rate reduction effective on November 11, 2014, the corporate income tax rates were reduced from 30% to 20% of net income for an accounting period beginning on or after January 1, 2015, up to December 31, 2015.

Therefore, the Company used tax rates of 20% for the corporate income tax calculation for each year ended December 31, 2014 and 2013.

Notes to the Financial Statements

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

For the year ended december 31, 2014

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Long-term agreements

The Company has long-term agreements as at December 31, 2014 and 2013 as follows:

21.1 The Company has various lease agreements for office premises and other facilities and various EDC machine agreements with total rental and service fees as follows:

	2014	2013
	Thousand Baht	
Within 1 year	246,216	180,878
Over 1 year to 5 years	282,183	141,359
	528,399	322,237

Notes to the Financial Statements

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

For the year ended december 31, 2014

22

Transactions with related parties

The Company has transactions with related parties. Certain portions of the Company's assets, liabilities, revenues and administrative expenses represent transactions occurred with related parties. These parties are related through common shareholders and/or directorships. Those significant transactions with related parties as included in the financial statements are determined at the prices in line with those occur in the normal course of business based on the market price in general or the price as stipulated in the agreements.

22.1 The significant balances with related parties

The significant balances with related parties as at December 31, 2014 and 2013 are as follows:

Related parties	Relationship	2014	2013
		Thousand Baht	
Krung Thai Bank Public Company Limited	Major Shareholder		
- Deposits at a financial institution (a part of cash and cash equivalents)		373,030	918,413
- Other receivables		12,229	27
- Short-term loans		99,497	-
- Trade accounts payable		675,579	979,455
- Other current liabilities		1,557	1,557
KTB Computer Services Co., Ltd.	Same Ultimate Holding Company		
- Other receivables		5,375	4,963
- Trade accounts payable		1,535	1,422

Notes to the Financial Statements

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

For the year ended december 31, 2014

Related parties	Relationship	2014	2013
		Thousand Baht	
Krung Thai General Services Co., Ltd.	Same Ultimate Holding Company		
- Trade accounts payable		872	883
Krung Thai Assets Management Pcl.	Same Ultimate Holding Company		
- Other receivables		4,603	-
- Trade accounts payable		71	-
Krungthai Panich Insurance Pcl.	Same Ultimate Holding Company		
- Other receivables		1,340	1,550
- Short-term loans		278,429	-
KT Zmico Securities Co., Ltd.	Same Ultimate Holding Company		
- Short-term loans		-	10,982
KTB Leasing Co., Ltd.	Same Ultimate Holding Company		
- Other receivables		148	894
- Trade accounts payable		-	24
Krungthai AXA Life Insurance Pcl.	Same Ultimate Holding Company		
- Trade accounts payable		155	246

Notes to the Financial Statements

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

For the year ended december 31, 2014

22.1.1 Movements of short-term loans

Movements of short-term loans from related financial institutions for the years ended December 31, 2014 and 2013 are as follows:

Related parties	Relationship	2014	2013
		Thousand Baht	
Krung Thai Bank Public Company Limited	Major Shareholder		
Beginning balance		-	173,575
<u>Add</u> Borrowings during the year		999,497	2,501,425
<u>Less</u> Repayments during the year		(900,000)	(2,675,000)
Ending balance		99,497	-
Krungthai Panich Insurance Pcl.	Same Ultimate Holding Company		
Beginning balance		-	200,000
<u>Add</u> Borrowings during the year		648,429	1,150,000
<u>Less</u> Repayments during the year		(370,000)	(1,350,000)
Ending balance		278,429	-
KT Zmico Securities Co., Ltd.	Same Ultimate Holding Company		
Beginning balance		10,982	242,638
<u>Add</u> Borrowings during the year		18	183,344
<u>Less</u> Repayments during the year		(11,000)	(415,000)
Ending balance		-	10,982

Short-term loans from related financial institutions are promissory notes and bills of exchange, carrying interest rate at that institution's rate (Money Market Rate), which is in between 2.70% and 3.50% per annum.

Notes to the Financial Statements

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

For the year ended december 31, 2014

22.2 The significant transactions with related parties

The significant transactions with related parties for the years ended December 31, 2014 and 2013 are as follows:

Related parties	Relationship	2014	2013
		Thousand Baht	
Krung Thai Bank Public Company Limited	Major Shareholder		
- Fee and service income		12	-
- Other income		39,348	5,929
- Administrative expenses		159,196	138,670
- Finance cost		12,536	13,707
KTB Computer Services Co., Ltd.	Same Ultimate Holding Company		
- Fee and service income		10,704	10,039
- Administrative expenses		14,333	13,149
Krungthai General Services Co., Ltd.	Same Ultimate Holding Company		
- Administrative expenses		5,377	5,400
Krung Thai Assets Management Pcl.	Same Ultimate Holding Company		
- Fee and service income		6,204	747
- Administrative expenses		167	-

Notes to the Financial Statements

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

For the year ended december 31, 2014

Related parties	Relationship	2014	2013
		Thousand Baht	
Krungthai Panich Insurance Pcl.	Same Ultimate Holding Company		
- Fee and service income		18,935	19,718
- Administrative expenses		72	-
- Finance cost		4,508	4,326
KT Zmico Securities Co., Ltd.	Same Ultimate Holding Company		
- Admin expenses		-	2
- Finance cost		18	4,781
KTB Leasing Co., Ltd.	Same Ultimate Holding Company		
- Administrative expenses		984	379
Krungthai AXA Life Insurance Pcl.	Same Ultimate Holding Company		
- Administrative expenses		33,474	23,529

Notes to the Financial Statements

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

For the year ended december 31, 2014

The above revenues and expenses are determined according to the following agreements:

Credit card management service agreement

The Company entered into a credit card management service agreement with Krung Thai Bank Public Company Limited ("KTB") whereby the Company agreed to provide management services to manage other credit cards for this financial institution. Those services included production services for all types of credit cards as well as other credit card services. The term of this agreement was for 15 years commencing July 1, 2002. Subsequently, on May 15, 2006, the Company and KTB entered into credit card management service agreement's amendment. Under the terms of the agreement's amendment, the service fee for the period from July 1, 2008 until the termination date was at various rates depended on transaction volume. Other fees were calculated by using actual cost incurred plus service fee at agreed rate.

Back office service agreement

The Company entered into a back office service agreement with KTB whereby the counterparty agreed to assist the Company (directly or indirectly through another related company) in computer system support and other services such as services to cardholders, member merchants and other related services. The term of this agreement is 15 years commencing July 1, 2002.

On May 29, 2013, the Company entered into the back office service agreement's amendment (No. 7), the service fee for July 1, 2012 to June 30, 2013 is Baht 4.00 million per year. On March 10, 2014, the Company entered into the back office service agreement's amendment (No. 8), the service fee for July 1, 2013 to June 30, 2014 is the same rate as Agreement No. 7 (Baht 4.00 million per year). On September 18, 2014, the Company entered into the back office service agreement's amendment (No. 9), the service fee for July 1, 2014 to June 30, 2015 is the same rate as Agreement No. 8 (Baht 4.00 million per year). The fee for other back office support is at various rates depended on volume of transactions.

The price of service for related transactions between the Company and KTB is based on general market price and in the normal course of business.

Notes to the Financial Statements

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

For the year ended december 31, 2014

Payment system development agreements

On February 7, 2013, the Company entered into the agreement for consulting and electronic data processing services for KTB Computer Services Co., Ltd. ("KTBCS") and provides leasing of related IT System for use and maintenance of computer system service, which are necessary for the above payment system. The term of this agreement is 1 year commencing from January 21, 2013 and will effective until December 31, 2013. The agreement can be renewed by using a new agreement for 1 year each.

On February 27, 2014, the Company entered into the agreement for consulting and electronic data processing services for KTBCS and provides leasing of related IT system for use and maintenance of computer system service, which are necessary for the above payment system. The term of this agreement is 1 year commencing from January 1, 2014 and will effective until December 31, 2014. The agreement can be renewed by using a new agreement for 1 year each.

The price of these two agreements between the Company and KTBCS is based on the scope of work and service hours. The agreement and hiring conditions are in the normal course of business.

Collection service agreement

On March 31, 2014, the Company entered into collection service agreement with KTB whereby the Company agreed to provide collection service by comply with procedures stipulated in the agreement. The term of this agreement is 1 year commencing from April 1, 2014 and will effective until March 31, 2015. The agreement can be renewed for 1 year each which KTB is requested to issue renewal acknowledgement letter to the Company.

Thai government bonds of Baht 3 million are pledged as collateral for commitment with KTB in execution of agreement and securing KTB's contingent loss (if occurred).

Service fee between the Company and KTB is calculated by agreed rate per account and volume of accounts which the Company assigned to perform collection. The agreement and hiring conditions are in normal course of business.

Notes to the Financial Statements

KRUNGTHAI CARD PUBLIC COMPANY LIMITED
For the year ended december 31, 2014

22.3 Management remuneration

Management remuneration for the years ended December 31, 2014 and 2013 consist of the following:

	2014	2013
	Thousand Baht	
Short-term management remuneration	147,796	107,676
Long-term management remuneration	6,000	6,546
	153,796	114,222

Notes to the Financial Statements

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

For the year ended december 31, 2014

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Financial instrument information disclosures

During 2014 and 2013, the Company did not speculate in or engage in the trading of any derivatives.

23.1 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. The Company has adopted the policy of only dealing with creditworthy counterparts as a means of mitigating the risk of financial losses from defaults.

In the case of recognized financial assets, the carrying amount of the assets recorded in the statements of financial position, net of allowance for doubtful accounts, represents the Company's maximum exposure to credit risk.

The Company's major business is the issuing of credit cards and provision of loan financing. The Company has established processes for approving credit lines, as well as consistently applied billing and collection processes.

23.2 Liquidity risk

Liquidity risk arises in the general funding of the Company's activities. It includes both the risk of being unable to obtain source of fund at appropriate maturities and rates and the risk of being unable to liquidate an asset at a reasonable price and in an appropriate time frame.

The Company has access to a diverse funding base. Funds are raised using a broad range of instruments including liabilities evidenced by paper, subordinated liabilities and share capital. This enhances funding flexibility, limits dependence on any one source of funds and generally lowers the cost of funds. The Company strives to maintain a balance between continuity of funding and flexibility through the use of liabilities with a range of maturities. The Company continually assesses liquidity risk by identifying and monitoring changes in funding required to meet business goals and targets set in terms of the overall Company strategy. As at December 31, 2014 and 2013, the Company has a credit line with a related financial institution in the sum of Baht 18,030 million in both years.

Notes to the Financial Statements

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

For the year ended december 31, 2014

23.3 Interest rate risk

Interest rate risk is the effect of changes in interest rate on the assets and liabilities to the company's profit. The risk arises from timing difference in the residual term (for the case of fixed rate) and the next repricing (for the case of floating rate) of assets and liabilities or the changes of market interest rate which cause the interest rate of assets and liabilities to change disproportionately though the residual term of assets and liabilities is equal to the next repricing term. The risk management is aimed at optimizing the net income under given market interest rate levels consistent with business strategy of the company.

As at December 31, 2014 and 2013, financial assets and liabilities exposed to interest rate risk are as follows:

Notes to the Financial Statements

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

For the year ended december 31, 2014

2014

	Depend on Market Rate	The earlier of remaining period of contract maturity or repricing date					Average interest rate	
		With in 1 year	1-5 years	More than 5 years	Independent rate	Total	Floating	Fixed
	Million Baht						%	
Financial assets								
Cash and cash equivalents	98	-	-	-	637	735	0.50	-
Trade accounts receivables	33,393	11,681	8,311	-	1,622	55,007	15.83	21.52
Investments	-	20	-	-	1	21	-	4.00
Financial liabilities								
Short-term loans	2,470	10,160	-	-	(72)	12,558	3.05	3.10
Long-term loans	-	3,350	1,850	-	-	5,200	-	4.83
Long-term debentures	-	6,200	17,630	-	-	23,830	-	4.65

Notes to the Financial Statements

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

For the year ended december 31, 2014

2013

	Depend on Market Rate	The earlier of remaining period of contract maturity or repricing date					Average interest rate	
		With in 1 year	1-5 years	More than 5 years	Independent rate	Total	Floating	Fixed
	Million Baht						%	
Financial assets								
Cash and cash equivalents	268	-	-	-	1,355	1,623	0.63	-
Trade accounts receivables	31,214	10,896	7,385	-	1,713	51,208	16.12	21.03
Investments	-	-	20	-	1	21	-	4.00
Financial liabilities								
Short-term loans	1,970	9,287	-	-	(49)	11,208	3.25	3.32
Long-term loans	-	-	5,200	-	-	5,200	-	4.83
Long-term debentures	-	8,800	14,200	-	-	23,000	-	5.09

Notes to the Financial Statements

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

For the year ended december 31, 2014

Fair value

Fair value is the estimated value that the Company could receive from selling its financial assets or the estimated cost for redeeming its financial liabilities based on market values, or estimated values that can be derived from using general market principles of calculation.

Estimated fair value of financial assets and liabilities

As at December 31, 2014 and 2013, financial assets and liabilities have fair values which approximate their carrying values at the reporting date, except for investments in debt securities which their fair values are as disclosed in Note 7.

The fair values of financial assets and liabilities have been estimated by using available market information and appropriate valuation methodologies.

Notes to the Financial Statements

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

For the year ended december 31, 2014

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Contingent assets and liabilities

The Company hired a vendor for implementation of computer development. Subsequently, such vendor was in default under the contract therefor the Company terminated the contract and brought an action to the Central Intellectual Property and International Trade Court against such vendor for demanding compensation of Baht 605.49 million. However, such vendor also filed a claim with the Southern Bangkok Civil Court against the Company from the same case regarding unfair termination for demanding compensation of Baht 533.30 million. Currently, the Southern Bangkok Civil Court struck the case that the vendor filed a claim out of the case list. On August 2, 2013 the vendor submitted the motion requesting for an amendment to the answer and the counter-claim of the company to the Central Intellectual Property and International Trade Court for their damages from this dishonest terminated the contract of Baht 537.31 million. Currently, the case is under consideration of the Central Intellectual Property and International Trade Court.

As at December 31, 2014, the management of the Company was unable to determine the final outcome of the case. Therefore, contingent assets and liabilities resulting from such outcome have not been recorded in the financial statements of the Company.

Notes to the Financial Statements

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

For the year ended december 31, 2014

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Approval of financial statements

These financial statements have been approved for issuing by the authorized directors of the Company on February 16, 2015.

General Information

Company Contact Information

Krungthai Card Public Company Limited ("The company" or "KTC") domestically provides unsecured financial products to consumers: credit card and personal loan. KTC also operates related business such as utility payment service, electronic payment service provider in account type KOR (3) - providing electronic payment service through any of electronic device or network.

Address : 591 UBC II Building, 14th Floor, Sukhumvit 33 Road
North Klongton, Wattana, Bangkok 10110

Tax Identification Number : 0107545000110

Homepage : www.ktc.co.th

Customer Contact Center : 0-2665-5000

Telephone : 0-2665-5100

Facsimile : 0-2665-5190

General Information

Investor Relations Contact Information

Telephone : 0-2828-5059, 0-2828-5067

E-Mail : irktc@ktc.co.th

Homepage : <http://www.ktc.co.th/th/ktc/InvestorRelations/CorporateInformation/index.htm>

General Information

References

Auditor	Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. Rajanakarn Building, 25 th Floor, 183 South Sathorn Road, Yannawa, Sathorn, Bangkok 10120
Legal Consultant	Siam Premier International Law Office Limited The Offices at Central World, 26 th Floor, 999/9 Rama I Road, Pathumwan, Bangkok 10330
Security Registrar	Thailand Securities Depository Company Limited 62 The Stock Exchange of Thailand Building, Rachadapisek Road, Klongtoey, Bangkok 10110
Debenture Registrar	Kasikorn Bank Public Company Limited 11 th Floor, 400/22 Pahonyothin Road, Sam Sen Nai, Phayathai, Bangkok 10400 Bank of Ayudhya Public Company Limited 15 th Floor, 1222 Rama III Road, Bang Phongphang, Yan Nawa, Bangkok 10120 Krungthai Bank Public Company Limited 4 th Floor, S.M. Tower 977/3 Pahonyothin Road, Sam Sen Nai, Phayathai, Bangkok 10400
Debenture Holder Representative	Kasikorn Bank Public Company Limited 11 th Floor, 400/22 Pahonyothin Road, Sam Sen Nai, Phayathai, Bangkok 10400 Bank of Ayudhya Public Company Limited 15 th Floor, 1222 Rama III Road, Bang Phongphang, Yan Nawa, Bangkok 10120
Frequently Contacted Financial Institution	Krung Thai Bank Public Company Limited (as a company's major shareholder) 35 Sukhumvit Road, Klong Toey Nua Subdistrict, Wattana District, Bangkok 10110

General Information

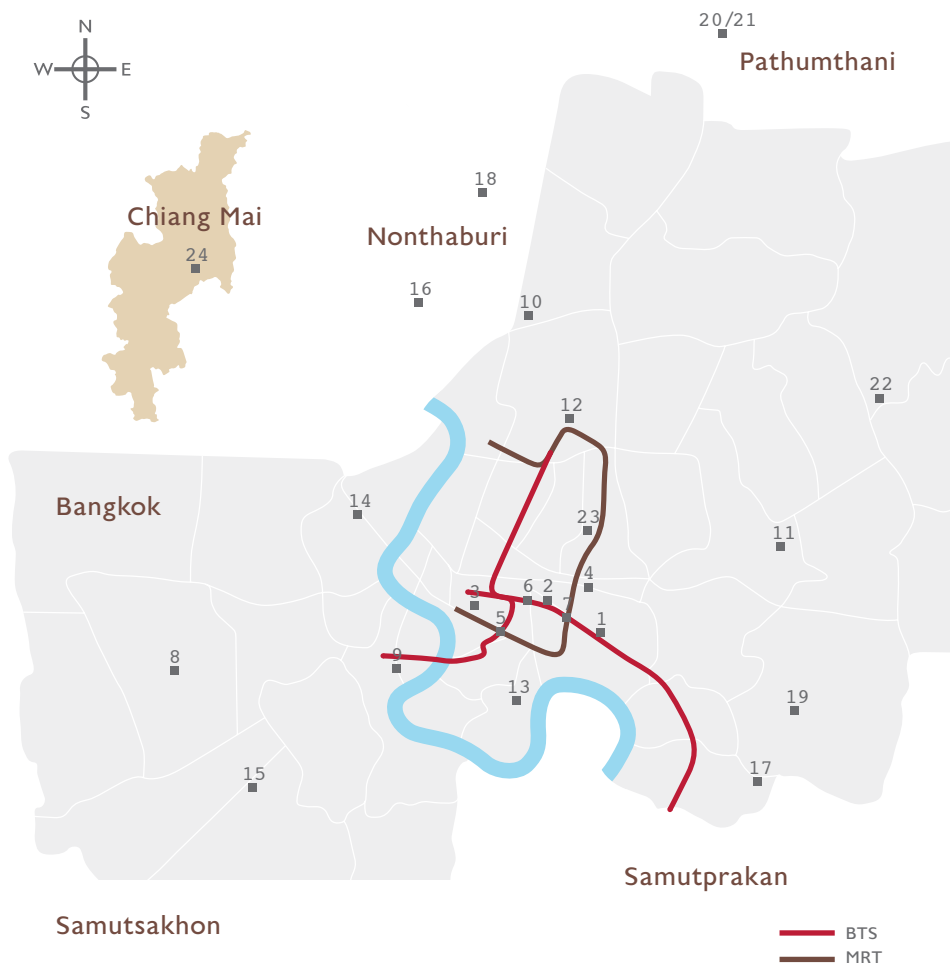
Registered Capital

Registered Capital	: Baht 2,578,334,070
Paid-up Capital	: Baht 2,578,334,070
Number of Shares	: 257,833,407 shares
Par Value	: 10 Baht

For further information regarding securities' issuer, please study in Annual Registration Statement (Form 56-1) as disclosed in www.sec.or.th or company's website www.ktc.co.th

KTC Touch Branches' Locations

As of December 31, 2014 there are 23 branches of KTC Touch. 22 branches are in Bangkok and vicinity and 1 branch is in provincial area.



- | | |
|---|-------------------------------------|
| 1. UBC II | G Floor |
| 2. Krungthai Bank Nananua Branch | 1 st Floor |
| 3. MBK Center | 3 rd Floor, Tokyu Zone |
| 4. Thai Summit Tower | 9 th Floor |
| 5. Fortune Town Shopping Mall | 2 nd Floor |
| 6. BTS Sala Daeng | 5 th Exit |
| 7. BTS Chitlom | 3 rd Exit |
| 8. MRT Sukhumvit | 1 st Exit, Metro Mall |
| 9. The Mall Bangkake | 3 rd Floor, Bank Zone |
| 10. The Mall Bangkokpi | G Floor |
| 11. The Mall Thapra | 2 nd Floor |
| 12. The Mall Ngamwongwan | 4 th Floor |
| 13. Central Ladphrao | 2 nd Floor |
| 14. Central Rattanathibet | 1 st Floor |
| 15. Central Rama 3 | 2 nd Floor |
| 16. Central Rama 2 | B1 Floor |
| 17. Central Pinklao | G Floor |
| 18. Central Bangna | 2 nd Floor |
| 19. Central Chaengwattana | 4 th Floor |
| 20. Fashion Island | 1 st Floor |
| 21. KTC Future Lounge Future Park Rangsit 2 | 1 st Floor |
| 22. Future Park Rangsit | 2 nd Floor, Service Zone |
| 23. Central Airport Chiang Mai | 3 rd Floor |
| 24. Chiang Mai | |

ใบแทรกแก้ไขข้อมูลในรายงานประจำปี 2557

บริษัทบัตรเครดิตกรุงไทย จำกัด (มหาชน) ขอแก้ไขข้อมูลในรายงานประจำปี 2557 (ฉบับภาษาไทย) ตามรายละเอียดดังนี้

- แก้ไขหน้า 213, 215, 217 และ 218 “คำอธิบายและการวิเคราะห์ฐานะทางการเงินและผลการดำเนินงาน” เพิ่มหน่วยของจำนวนเงินในตารางมีหน่วยเป็น “ล้านบาท”
- แก้ไขหน้า 225 เป็น “ทั้งนี้สินทรัพย์ของปี 2557 มีสัดส่วนเป็นลูกหนี้สินเชื่อร้อยละ 92 หรือมีมูลค่าเท่ากับ 50,123 ล้านบาท และอีกร้อยละ 8 เป็นสินทรัพย์ที่ไม่ก่อให้เกิดรายได้เช่น ส่วนปรับปรุงสำนักงานเช่าและอุปกรณ์ สินทรัพย์ภายในได้รื้อการตัดบัญชี เป็นต้น”
- แก้ไขหน้า 242 “งบแสดงการเปลี่ยนแปลงส่วนของผู้ถือหุ้น” กำกับเลขที่หมายเหตุประกอบงบการเงิน “17” โดยเปลี่ยนบรรทัดการกำกับไว้ที่ “สำรองตามกฎหมาย”
- แก้ไขหน้า 269, 270 และหน้า 273 หมายเหตุประกอบงบการเงิน ข้อ 8 “ส่วนปรับปรุงสำนักงานเช่าและอุปกรณ์” และข้อ 9 “สินทรัพย์ไม่มีตัวตน” โดยแก้ไขจาก ยอดยกมา “ยอดคงเหลือ ณ วันที่ 31 ธันวาคม 2556” เป็น “ยอดคงเหลือ ณ วันที่ 31 ธันวาคม 2555” และแก้ไขจาก ยอดยกไป “ยอดคงเหลือ ณ วันที่ 31 ธันวาคม 2557” เป็น “ยอดคงเหลือ ณ วันที่ 31 ธันวาคม 2556”

Some adjustments were made in Krungthai Card PLC’s Annual Report 2014 (English Version). The details are shown as follows:

- Page 230 “Cost of Funds” was adjusted from “The cost of fund declined to 4.36% for the current period.” to “The cost of fund has gradually declined from 4.98% in 2012 to 4.77% in 2013, and finally to 4.36% for the current period.”